

December 13, 2024  
Information Items  
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## ASSET MANAGEMENT

### *Information*

#### I. ASSET MANAGEMENT

##### A. Florida Housing Multifamily Rental Portfolio Compliance Dashboard

###### 1. Background/Present Situation:

- a) Florida Housing's Management Review and Physical Inspection (MRPI) includes a review of records such as application for residency, tenant income certification/recertification and income verification documents, leases, rent rolls and regulatory agreements (Land Use Restriction Agreement and/or Extended Low-Income Housing Agreement). Physical Inspections include the interior/exterior of residential building and common areas, and a review of general site conditions - landscape, sidewalks, and paved areas.
- b) Data was analyzed from all reviews conducted between October 1, 2021, and November 15, 2024.
- c) During the study period, Florida Housing conducted a total of 3,327 MRPI Reports across 1,507 different developments. Most of these reviews, 87%, were successfully closed, reflecting a strong commitment to compliance and quality. The following observations are based on reviews completed during the study period:
  - (1) 260 or 17% of all developments and 100 owners from the review period have unsatisfactory ratings for examination of records. Examination of records noncompliance can include issues like miscalculating household income, inadequately verifying tenant income and assets, and improperly calculating utility allowances.
  - (2) 298 or 20% of all developments and 104 owners from the review period have unsatisfactory rating(s) regarding the physical condition of the development. Physical condition noncompliance can range from minor issues like missing tub stoppers and broken light fixtures to severe problems such as structural damage, mold, and inadequate heating or plumbing.
  - (3) 225 or 15% of all developments from the review period have deficiencies in both the examination of record and physical inspection categories.

**FISCAL**  
*Information*

**II. FISCAL**

**A. Operating Budget Analysis for October 31, 2024**

**1. Background/Present Situation:**

- a) The Financial Analysis is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending October 31, 2024 is attached as [Exhibit B](#).

## **GUARANTEE PROGRAM**

### ***Information***

### **III. GUARANTEE PROGRAM**

#### **A. Status of the Guarantee Program portfolio**

##### **1. Background:**

- a) Since the implementation of the Guarantee Program in 1993, 120 transactions facilitating the construction of over 28,000 units in Florida were guaranteed. In November 1994, the Guarantee Program entered into an agreement with HUD to participate in the Risk-Sharing Program; characterized by a 50/50 sharing of default risk in connection with the mortgage guarantee. As of October 31, 2024, one (1) multifamily development remains in the Guarantee Program portfolio.
- b) Between November 2008 and April 2010, eight (8) multifamily claims were filed on the Guarantee Program portfolio, representing the total (and only) multifamily claims incurred in its 30-year history. The Guarantee Program experienced a strong 87% foreclosure recovery rate, compared to the 64% national average at that time.<sup>1</sup> Currently, there are no foreclosures in inventory and no developments in monetary default in the portfolio.

##### **2. Corpus and Portfolio Risk Exposure:**

- a) In response to the 2008 global liquidity crisis, the Guarantee Program restructured its debt, paying off \$89 million and refinancing \$156.2 million in variable rate bonds into a 5-year term loan with Citibank on December 31, 2009. The Citibank loan was successfully paid off in 2012, in less than 3 years reducing the Guarantee Fund's capitalizing debt to zero (\$0). At the time of the restructuring, the Guarantee Program's total risk exposure was \$754.5 million.
- b) Following the 2009 global liquidity crisis, a prolonged period of relatively low interest rates combined with the Guarantee Program's risk mitigation initiatives, prompted many Developers to refinance their properties. Approximately \$115 million in partial prepayments from SAIL ELI proceeds, funded prior to or at the time of closing, contributed to the refinancing activity. These measures, along with other risk reduction actions by the Guarantee Program, collectively served as the primary driver behind the remarkable 99% reduction in total risk exposure. This highlights the program's adaptability and effective risk management in challenging economic conditions.
- c) At October 31, 2024, the Guarantee Fund corpus contained approximately \$151.4 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA) rated "AA-f" by Standard & Poor's as of September 29, 2023.

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<sup>1</sup> Real Capital Analytics, April 2011.

## GUARANTEE PROGRAM

### *Information*

#### **B. Current Ratings (Insurer Financial Strength):**

##### **1. Background:**

- a) Standard & Poor's: September 2023 A+ / Stable outlook
  - (1) Cited strengths: "...fund's highly strategic status in relation to FHFC...Excellent financial strength...Strong state financial support ...experienced asset management team."<sup>2</sup>
- b) Fitch: March 2018 A+ / Stable outlook
  - (1) Cited strengths: "Low Risk-to-Capital Ratio...Limited State support...Minimal Multifamily Losses..."<sup>3</sup>

#### **C. Risk-to-Capital Ratio:**

##### **1. Background/Present Situation:**

- a) Authorized Maximum Ratio = 5:1. Peaking in 1999 at 4.95:1, subsequent management efforts resulted in a more conservative downward trend to the vastly improved ratio of 0.03:1 as of October 31, 2024. Capital not needed to support the outstanding Guarantees was made available to the SAIL program for use in 2016-2019 competitive solicitations.

#### **D. Guarantee Program Portfolio ([Exhibit A](#))**

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<sup>2</sup> Standard & Poor's, "Florida Affordable Housing Guarantee Fund", September 18, 2024, [www.standardandpoors.com/ratingsdirect](http://www.standardandpoors.com/ratingsdirect). Standard & Poor's.

<sup>3</sup> Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, [www.fitchratings.com](http://www.fitchratings.com). Fitch Ratings 2024 surveillance was concluded on April 18, 2024, and resulted in Review-No Action of the rating.

## LEGAL

### *Information*

#### IV. LEGAL

##### A. 2024 Bid Protest Litigation Summary

###### 1. Background:

- a) The Office of the General Counsel resolved 23 bid protest cases in 2024. [Exhibit A](#) is the yearly summary of the bid protest proceedings. One case went to final hearing and the Board entered a Final Order. Seventeen petitions were voluntarily dismissed by the petitioner. Five cases were resolved through consent agreements, which were adopted by the Board. None of this year's proceedings were appealed.
- b) The Office of the General Counsel presently has four cases pending resolution at the Division of Administrative Hearings (DOAH) relating to RFA 2024-205 SAIL Financing of Affordable Multifamily Housing Developments to be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits and RFA 2024-306 Community Development Block Grant - Disaster Recovery (CDBG-DR) Financing for Affordable Housing Developments Located in Hurricane Ian Impacted Areas. Those cases will be noted on the 2025 Bid Protest Litigation Summary once the petitions have been resolved.
- c) The Office of the General Counsel presently has no cases pending appeal.

## **LIVE LOCAL**

### ***Information***

#### **V. LIVE LOCAL**

##### **A. Live Local Tax Credit Contribution Program**

###### **1. Background/Present Situation:**

- a) Florida Department of Revenue (DOR) opened requests for credit allocation on October 2, 2023.
- b) The Florida Housing contribution webpage went live October 2, 2023.
- c) As of December 2, 2024, \$99,575,000 in total program credit allocation has been requested from DOR. Florida Housing has received \$99,575,000 in contributions, applied to the 2023 tax year.
- d) As of December 2, 2024, for the 2024 tax year, \$3,136,667 in program credit allocation has been requested from DOR. Florida Housing has received \$566,667 in contributions, applied to the 2024 tax year.

##### **B. Multifamily Middle Market Certification (Component of Missing Middle Tax Exemption)**

###### **1. Background/Present Situation:**

- a) The portal for 2025 certifications opened September 30, 2024. The portal will close on December 15, 2024. To date, Florida Housing has received 15 submission requests.
- b) Staff continues to monitor the status of 2024 exemption applications. There is no mechanism for Florida Housing to report denials of exemption requests or differentiate between denials and whether an owner that optioned a certification decided not to apply for an exemption.

##### **C. Florida Hometown Heroes**

###### **1. Background/Present Situation:**

- a) Reservations for the \$100 million appropriated for the 2024-2025 fiscal year opened on July 1, 2024.
- b) As of Monday, August 20, 2024, all \$100 million was reserved, representing loans to over 6,100 families throughout Florida.
- c) Any funds that become available due to loan fallout are periodically made available to approved lenders for new reservations.

## **LIVE LOCAL**

### ***Information***

#### **D. Additional SAIL – Innovative Multifamily Development Opportunities & Proceeds from Live Local Program Tax Credit Contributions**

##### **1. Background/Present Situation:**

- a) A portion of the \$150 million in SAIL financing for innovative developments for the 2024-2025 fiscal year was workshopped on October 10, 2024. RFA 2024-213 Live Local SAIL Financing for Mixed Use, Mixed Income, and Urban Infill Developments was issued on November 20, 2024. Workshopping for remaining RFAs will continue.

## MULTIFAMILY BONDS

### *Information*

#### VI. MULTIFAMILY BONDS

- A. Ekos Cadenza f/k/a Cadenza at Hacienda Lakes (RFA 2020-205 / 2021-246BS / 2020-541C) has requested approval for additional subordinate debt:

1. **Background/Present Situation:**

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022 Board Meeting.
- b) Under the Rule in place at the time of the Application of the above named Development, Rule Chapter 67-48.010(15), F.A.C (effective June 23, 2020), stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On November 1, 2024, staff received an update to the final credit underwriting report with a positive recommendation for additional subordinate debt ([Exhibit A](#)). Staff has reviewed this report and approved the Borrower's request.

## MULTIFAMILY PROGRAMS

### *Information*

#### VII. MULTIFAMILY PROGRAMS

**A. Silver Lakes Village Apartments (RFA 2020-101 / 2021-189E) Request approval to increase EHCL loan term:**

**1. Background/Present Situation:**

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective June 23, 2020) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On October 30, 2024, staff received an update to the final credit underwriting report with a positive recommendation to increase the EHCL loan term from 10 years to 40 years ([Exhibit A](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

**B. The following developments have requested, and staff has approved, changes to the Construction Features & Amenities and/or Resident Programs.**

**1. Background/Present Situation**

- a) Meridian Point at Goulds Station fka Cutler Manor II / RFA 2020-205 / 2021-221SN / 2020-531C & ITP 2022-CHIRP: The Borrower has requested to replace 1. Resident Program "Family Support Coordinator" with "Adult Literacy", and 2. Green Building Certification program "Florida Green Building Coalition (FGBC)" with "ICC 700 National Green Building Standard (NGBS)". The scoring of the Application will remain unaffected.
- b) Staff will amend the Land Use Restriction Agreements for the Development as appropriate.

## MULTIFAMILY PROGRAMS

### *Information*

**C. The developments listed below have requested approval to allow one subcontractor to exceed the 31% limitation:**

**1. Background/Present Situation:**

a) On March 12, 2021, the Board delegated authority to staff to approve the 20%/31% subcontractor limitation set forth in Rule Chapters 67-21.026(13)(f) (2019) and 67-48.0072(17)(g) (2019) as stated below:

b) (13) The General Contractor must meet the following conditions;

(f) Ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. A subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor".

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

(g) Ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. A subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-48.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor".

## MULTIFAMILY PROGRAMS

### *Information*

- c) Staff, in conjunction with review by the credit underwriter and construction consultant, and receipt of a positive recommendation from the credit underwriter, has approved the below requests to allow one subcontractor to exceed the 31% limitation. Because FHFC became aware of the excess through the cost certification review, after the work had been completed, no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-48.0072(17)(g) and 67-21.026(13)(f), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Development Final Cost Certification.

| Development   | Application Number     | Dollar Amount of Contract | Percentage of Contract |
|---------------|------------------------|---------------------------|------------------------|
| Paseo del Rio | 2020-413SN / 2019-550C | \$10,807,433              | 32.2%                  |

## MULTIFAMILY PROGRAMS - ALLOCATIONS

### *Information*

## VIII. MULTIFAMILY PROGRAMS - ALLOCATIONS

### A. Multifamily Programs - Allocations Updates

#### 1. RFA Updates:

- a) RFA 2025-102 SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs was issued on September 5, 2024, with an Application Deadline of November 21, 2024. Three (3) Applications were received.
- b) RFA 2025-103 Housing Credit and SAIL Financing to Develop Housing for Homeless Persons was issued on October 17, 2024, with an Application Deadline of January 21, 2025.
- c) RFA 2025-106 Financing to Develop Housing for Persons with Disabling Conditions/Developmental Disabilities was issued on October 17, 2024, with an Application Deadline of February 4, 2025.
- d) A workshop regarding RFA 2024-213 Live Local SAIL Financing for Mixed Income, Mixed-Use, and Urban Infill Developments was held on October 30, 2024, and the RFA was issued on November 20, 2024, with an Application Deadline of December 20, 2024.
- e) RFA 2024-204 SAIL Financing for the Preservation of Elderly Developments was issued on November 14, 2024, with an Application Deadline of December 10, 2024.
- f) A workshop regarding RFA 2025-206 HOME and Live Local SAIL Financing to be used for Rental Developments in Certain Hurricane Impacted Rural Areas of Opportunity will be held on December 17, 2024, and staff anticipates issuing the RFA in January 2025.

#### 2. RFA Funding Tracking

- a) RFA funding tracking for 2024-2025 is attached as [Exhibit A](#).

## NATIONAL HOUSING TRUST FUND

### *Information*

#### IX. NATIONAL HOUSING TRUST FUND

##### A. The Pointe at Piney-Z (RFA 2022-201 and 2023-205 / 2023-044CN) Request Approval of Credit Underwriting Report

|                                     |                                                            |                                                 |                                 |
|-------------------------------------|------------------------------------------------------------|-------------------------------------------------|---------------------------------|
| <b>Development Name:</b>            | The Pointe at Piney-Z                                      | <b>Location:</b>                                | Leon County                     |
| <b>Applicant / Borrower:</b>        | The Pointe at Piney-Z, LP.                                 | <b>Developers:</b>                              | Royal American Properties, LLC. |
| <b>Principal(s):</b>                | RA The Pointe at Piney-Z, LLC.<br>Waddell Plantation, Inc. | <b>Co-Developer(s):</b>                         | N/A                             |
| <b>Development Category:</b>        | New Construction                                           | <b>Development Type:</b>                        | Garden Apartments               |
| <b>Demographic Category:</b>        | Family                                                     | <b>Total Units:</b>                             | 80                              |
| <b>Funding Amount(s) Requested:</b> |                                                            | <b>Set Aside Units:</b>                         |                                 |
| NHTF                                | \$1,820,000                                                | 7 units @ 30% (NHTF)                            |                                 |
| Annual 9% HC                        | \$2,019,000                                                | 8 units @ 33% (9% HC)<br>65 units @ 60% (9% HC) |                                 |

##### 1. **Background:**

- a) On November 14, 2022, Florida Housing Finance Corporation issued Request for Applications (RFA) 2022-201 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. On April 28, 2023, staff issued an invitation to enter credit underwriting to the Applicant for Housing Credits. The Acknowledgement was received on April 28, 2023.

##### 2. **Present Situation:**

- a) On June 3, 2024, Florida Housing Finance Corporation staff issued an invitation to enter credit underwriting to the Applicant for National Housing Trust Fund (NHTF) funding. The availability of NHTF funding was contingent upon the Board's Approval of an RFA waiver for the addition of NHTF Funding to the development financing and approval of Credit Underwriting Report. The RFA waiver was approved by the Board at the June 28, 2024, Board Meeting. NHTF criteria will be governed by RFA 2023-205 SAIL Financing of Affordable Multifamily Housing Developments to Be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits.

##### 3. **Recommendation:**

- a) On October 28, 2024, staff received a final credit underwriting report (CUR) with a positive recommendation for funding ([Exhibit A](#)). Staff has reviewed and approved the CUR and finds that the Development meets all requirements of the RFAs.

# NATIONAL HOUSING TRUST FUND

## *Information*

### B. Sweetwater Apartments Phase II (RFA 2023-201 and 2023-205 / 2024-128CN) Request Approval of Credit Underwriting Report

|                                     |                                                                                                                         |                          |                                                               |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------|
| <b>Development Name:</b>            | Sweetwater Apartments Phase II                                                                                          | <b>Location:</b>         | Columbia County                                               |
| <b>Applicant / Borrower:</b>        | Sweetwater Housing II, LLC.                                                                                             | <b>Developers:</b>       | DDER Development, LLC. / ReVital Development Group, LLC.      |
| <b>Principal(s):</b>                | CDC Sweetwater II, LLC.<br>Revital Sweetwater II, LLC.<br>Revital Communities, LLC.<br>DDER Sweetwater II Manager, LLC. | <b>Co-Developer(s):</b>  | The Greater Lake City Community Development Corporation, Inc. |
| <b>Development Category:</b>        | New Construction                                                                                                        | <b>Development Type:</b> | Garden Apartments                                             |
| <b>Demographic Category:</b>        | Family                                                                                                                  | <b>Total Units:</b>      | 48                                                            |
| <b>Funding Amount(s) Requested:</b> |                                                                                                                         | <b>Set Aside Units:</b>  |                                                               |
| NHTF                                | \$1,375,000                                                                                                             | 5 units @ 30% (NHTF)     |                                                               |
| Annual 9% HC                        | \$1,596,420                                                                                                             | 5 units @ 40% (9% HC)    |                                                               |
|                                     |                                                                                                                         | 38 units @ 60% (9% HC)   |                                                               |

#### 1. **Background:**

- a) On July 7, 2023, Florida Housing Finance Corporation issued Request for Applications (RFA) 2023-201 for Housing Credit Financing for Affordable Housing Developments Located in Medium and Small Counties. On December 15, 2023, staff issued an invitation to enter credit underwriting to the Applicant for Housing Credits. The Acknowledgement was received on December 18, 2023.

#### 2. **Present Situation:**

- a) On June 3, 2024, Florida Housing Finance Corporation staff issued an invitation to enter credit underwriting to the Applicant for National Housing Trust Fund (NHTF) funding. The availability of NHTF funding was contingent upon the Board's Approval of an RFA waiver for the addition of NHTF Funding to the development financing and approval of Credit Underwriting Report. The RFA waiver was approved by the Board at the June 28, 2024, Board Meeting. NHTF criteria will be governed by RFA 2023-205 SAIL Financing of Affordable Multifamily Housing Developments to Be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits.

#### 3. **Recommendation:**

- a) On October 25, 2024, staff received a final credit underwriting report (CUR) with a positive recommendation for funding ([Exhibit B](#)). Staff has reviewed and approved the CUR and finds that the Development meets all requirements of the RFAs.

# NATIONAL HOUSING TRUST FUND

## *Information*

### C. Cardinal Pointe (RFA 2023-202 and 2023-205 / 2024-139CN) Request Approval of Credit Underwriting Report

|                                     |                                                    |                          |                        |
|-------------------------------------|----------------------------------------------------|--------------------------|------------------------|
| <b>Development Name:</b>            | Cardinal Pointe                                    | <b>Location:</b>         | Orange County          |
| <b>Applicant / Borrower:</b>        | Cardinal Pointe, LLC.                              | <b>Developers:</b>       | DDER Development, LLC. |
| <b>Principal(s):</b>                | DDER Cardinal Pointe Manager, LLC.<br>SG ILP, LLC. | <b>Co-Developer(s):</b>  | N/A                    |
| <b>Development Category:</b>        | New Construction                                   | <b>Development Type:</b> | Garden Apartments      |
| <b>Demographic Category:</b>        | Elderly Non-ALF                                    | <b>Total Units:</b>      | 120                    |
| <b>Funding Amount(s) Requested:</b> |                                                    | <b>Set Aside Units:</b>  |                        |
| NHTF                                | \$2,750,000                                        | 10 units @ 30% (NHTF)    |                        |
| Annual 9% HC                        | \$2,992,500                                        | 12 units @ 40% (9% HC)   |                        |
|                                     |                                                    | 98 units @ 60% (9% HC)   |                        |

#### 1. **Background:**

- a) On July 7, 2023, Florida Housing Finance Corporation issued Request for Applications (RFA) 2023-202 for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, And Pinellas Counties. On December 1, 2023, staff issued an invitation to enter credit underwriting to the Applicant for Housing Credits. The Acknowledgement was received on December 8, 2023.

#### 2. **Present Situation:**

- a) On June 3, 2024, Florida Housing Finance Corporation staff issued an invitation to enter credit underwriting to the Applicant for National Housing Trust Fund (NHTF) funding. The availability of NHTF funding was contingent upon the Board's Approval of an RFA waiver for the addition of NHTF Funding to the development financing and approval of Credit Underwriting Report. The RFA waiver was approved by the Board at the June 28, 2024, Board Meeting. NHTF criteria will be governed by RFA 2023-205 SAIL Financing of Affordable Multifamily Housing Developments to Be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits.

#### 3. **Recommendation:**

- a) On October 23, 2024, staff received a final credit underwriting report (CUR) with a positive recommendation for funding ([Exhibit C](#)). Staff has reviewed and approved the CUR and finds that the Development meets all requirements of the RFAs.

# NATIONAL HOUSING TRUST FUND

## *Information*

### **D. Quail Roost Transit Village V (RFA 2023-203 and 2023-205 / 2024-198CN) Request Approval of Credit Underwriting Report**

|                                     |                                                                                                                                                |                          |                                 |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------|
| <b>Development Name:</b>            | Quail Roost Transit Village V                                                                                                                  | <b>Location:</b>         | Miami-Dade County               |
| <b>Applicant / Borrower:</b>        | Quail Roost Transit Village V, Ltd.                                                                                                            | <b>Developers:</b>       | Quail Roost V Development, LLC. |
| <b>Principal(s):</b>                | Quail Roost V GP, LLC.<br>Howard D. Cohen Revocable Trust                                                                                      | <b>Co-Developer(s):</b>  | N/A                             |
| <b>Owner:</b>                       | Quail Roost Transit Village V, Ltd.                                                                                                            |                          |                                 |
| <b>Parent Owner:</b>                | APCHD MM II Inc., Howard D. Cohen Revocable Trust, PH<br>Quail Roost V LLC., EAC<br>Developers Inc., East Coast<br>Development Enterprise LLC. |                          |                                 |
| <b>Development Category:</b>        | New Construction                                                                                                                               | <b>Development Type:</b> | High Rise                       |
| <b>Demographic Category:</b>        | Elderly Non-ALF                                                                                                                                | <b>Total Units:</b>      | 106                             |
| <b>Funding Amount(s) Requested:</b> |                                                                                                                                                | <b>Set Aside Units:</b>  |                                 |
| NHTF                                | \$3,750,000                                                                                                                                    | 10 units @ 30% (NHTF)    |                                 |
| Annual 9% HC                        | \$3,442,106                                                                                                                                    | 17 units @ 30% (9% HC)   |                                 |
|                                     |                                                                                                                                                | 28 units @ 60% (9% HC)   |                                 |
|                                     |                                                                                                                                                | 51 units @ 70% (9% HC)   |                                 |

#### **1. Background:**

- a) On July 7, 2023, Florida Housing Finance Corporation issued Request for Applications (RFA) 2023-203 for Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County. On December 1, 2023, staff issued an invitation to enter credit underwriting to the Applicant for Housing Credits. The Acknowledgement was received on December 8, 2023.

#### **2. Present Situation:**

- a) On June 3, 2024, Florida Housing Finance Corporation staff issued an invitation to enter credit underwriting to the Applicant for National Housing Trust Fund (NHTF) funding. The availability of NHTF funding was contingent upon the Board's Approval of an RFA waiver for the addition of NHTF Funding to the development financing and approval of Credit Underwriting Report. The RFA waiver was approved by the Board at the June 28, 2024, Board Meeting. NHTF criteria will be governed by RFA 2023-205 SAIL Financing of Affordable Multifamily Housing Developments to Be Used in Conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits.

#### **3. Recommendation:**

- a) On October 25, 2024, staff received a final credit underwriting report (CUR) with a positive recommendation for funding ([Exhibit D](#)). Staff has reviewed and approved the CUR and finds that the Development meets all requirements of the RFAs.

## NATURAL DISASTER UPDATES

### *Information*

#### X. NATURAL DISASTER UPDATES

##### A. Hurricane Ian

###### 1. Background/Present Situation:

- a) Florida Housing had 1,056 developments with 6,833 buildings comprised of 132,196 units in our portfolio located in the 26 counties declared a major disaster due to Hurricane Ian.
- b) Of the eighteen (18) developments that reported catastrophic, extensive, or moderate damage, there are five (5) developments with work to be completed. Those developments have a total of nine (9) displaced households as of November 15, 2024.
- c) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Ian and have not completed all repair work is attached as [Exhibit A](#).

##### B. Hurricane Nicole

###### 1. Background/Present Situation:

- a) On November 10, 2022, Hurricane Nicole made landfall near Vero Beach. FEMA declared six (6) counties eligible for Individual Assistance (IA). Florida Housing had 176 developments with 848 buildings comprised of 17,814 units in our portfolio located in the 6 FEMA IA declared counties. All restoration work at the seven (7) developments reporting either moderate or limited damage to residential buildings or accessory buildings from Hurricane Nicole, has been completed.
- b) The Florida Legislature appropriated \$90 million to the Rental Recovery Loan Program (RRLP) to provide rental housing in areas of the state hardest hit by Hurricanes Ian and Nicole. Housing Credit and RRLP Requests for Applications (RFA) 2023-108 was issued April 11, 2023, and RRLP RFA 2023-304 was issued April 12, 2023. In addition, the Board authorized staff to issue HOME RFA 2022-206 and approved funding for seven (6) developments allocating more than \$36 million of HOME Investment Partnerships Program funding.
- c) The current status of Hurricanes Ian and Nicole related RFAs and developments awarded funding through those RFAs is attached as [Exhibit B](#).

##### C. May 2024 Tornadoes and Severe Storms

###### 1. Background/Present Situation:

- a) Florida Housing has 127 developments comprised of 10,882 units in our portfolio located in the 15 counties where a state of emergency was declared by the Governor's Executive Order Number 24-95.
- b) Of the nine (9) developments reporting damage, one (1) has work to be completed as of 11/15/2024. A summary of the one (1) development that sustained damage from the May 2024 Tornadoes and Severe Storms, and has not completed all repair work is attached as [Exhibit C](#).

## NATURAL DISASTER UPDATES

### *Information*

#### **D. Hurricane Debby**

##### **1. Background/Present Situation:**

- a) On August 5, 2024, Hurricane Debby made landfall near Steinhatchee. Florida Housing has 368 developments with 2,586 residential buildings comprised of 41,904 units in our portfolio located in the 17 counties declared by FEMA as a major disaster due to Hurricane Debby.
- b) As of November 15, 2024, 488 damage reports were received with 462 of those reporting no damage and no displaced households. Two (2) developments reported moderate damage to ten (10) buildings and eighteen (18) units. Twenty-four (24) developments reported limited damage to seven (7) buildings and 66 units. A summary of the 26 developments that have sustained damage from Hurricane Debby is attached as [Exhibit D](#).

#### **E. Hurricane Helene**

##### **1. Background/Present Situation:**

- a) Florida Housing has 711 developments with 4,919 residential buildings comprised of 82,909 units in our portfolio located in 29 of 30 counties declared by FEMA as a major disaster due to Hurricane Helene's landfall on September 26, 2024.
- b) As of November 15, 2024, 555 damage reports were received with 452 of those reporting no damage and no displaced households. Six (6) developments reported moderate damage to nine (9) buildings and 87 units. Those developments have a total of four (4) displaced households. Fifty-one (51) developments reported limited damage to 38 buildings and 34 units. A summary of 57 developments that have sustained damage from Hurricane Helene is attached as [Exhibit E](#).

#### **F. Hurricane Milton**

##### **1. Background/Present Situation:**

- a) Florida Housing has 1,329 developments comprised of 166,159 units in our portfolio located in 34 counties declared by FEMA as a major disaster due to Hurricane Milton's landfall on October 9, 2024.
- b) As of November 15, 2024, 425 damage reports were received from developments located in IA-eligible counties. Four (4) developments reported extensive damage to 14 buildings and 72 units. Those developments have a total of 62 displaced households. Thirteen (13) developments reported moderate damage to 38 buildings and 23 units. Those developments have a total of eight (8) displaced households. A summary of the 17 developments that have sustained damage from Hurricane Milton is attached as [Exhibit F](#).

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

## XI. SINGLE FAMILY HOMEBUYER PROGRAMS

### A. Single Family Homebuyer Programs

#### 1. Background/Present Situation:

- a) Florida Housing's Homebuyer Loan Programs provide assistance to eligible homebuyers by offering competitive, 30-year, fixed-rate mortgages together with down payment and closing cost assistance (DPA). Currently, we have four active first mortgage programs; the Florida First Government Loan Program (Government Loan Program), the Freddie Mac HFA Advantage Conventional Loan Program (HFA Advantage), the Fannie Mae HFA Preferred Conventional Loan Program (HFA Preferred), and the Florida Hometown Heroes Housing Loan Program (Hometown Heroes).
- b) The Government Loan Program offers borrowers a 30-year, fixed-rate mortgage using all approved government-insured loan types. These include Federal Housing Administration (FHA) loans, U.S. Department of Veteran Affairs (VA) loans, and U.S. Department of Agriculture-Rural Development (RD) loans. This program is funded through both traditional mortgage revenue bond sales as well as by the sale of Mortgage-Backed Securities (MBS) into the secondary markets. On October 2, 2024, we launched a new Government "To Be Announced" (TBA) program, Florida First TBA. This program offers both FHA and VA Loans as a TBA funded product. Initially, the funding will be from the issuance of taxable bonds. Once this funding is exhausted, we will fund through forward delivery TBA. The program offers higher loan and income limits than traditional tax-exempt bond programs and is a good addition to our product line, especially during times when Hometown Heroes funds are exhausted.
- c) The HFA Advantage and HFA Preferred programs offer first mortgage loan products developed specifically for state housing finance agencies. The HFA Advantage program is offered both as a bond financed product as well as a forward delivery TBA product in conjunction with our TBA Program administrator, Hilltop Securities. Single Family Program Staff sets daily mortgage interest rates for the TBA loans based upon prevailing market rates and predetermined profitability goals. HFA Preferred is offered only in conjunction with bond financing. The conventional loans, originated by participating lenders, offer borrowers 30-year, fixed rate mortgages. Borrowers at or below 80% of the area median income (AMI) benefit from lower mortgage interest rates and mortgage insurance costs on these loans when compared to other conventional loan products.
- d) As part of SB 328 passed by the Florida Legislature in the 2024 session, the Florida Hometown Hero Program ("Hometown Heroes" or "HTH") received \$100 million of new funding on July 1, 2024. In addition, a statutory change eliminated the requirement that a qualified borrower must work a minimum of 35 hours per week and now requires fulltime employment by a business located in Florida. Staff conducted a total of eight HTH-specific lender trainings before we opened reservations on July 1st. We also held four HTH-specific realtor trainings with almost 500 participants attending statewide. We were fully committed on August 20th. As of November 25th, we had 6,141 loan commitments totaling over \$1.97 billion of first mortgage loans, utilizing \$99.8 million of HTH DPA. We continue to offer funds for new reservations with funds from loans that do not meet program eligibility and therefore cancel.

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

- e) In addition to HTH, Florida Housing offers qualified homebuyers other DPA products, as well. Our Florida Assist loan is a 0% interest, non-amortizing, deferred payment loan in the amount of \$10,000. This second mortgage program serves homebuyers with an AMI of up to 120%, adjusted for household size. It is repayable in the event the home is sold, refinanced, the deed is transferred, or the home is no longer the borrower's primary residence.
- f) The HFA Preferred PLUS and the HFA Advantage PLUS programs offer 3%, 4% and 5% of the first mortgage loan amounts in DPA as forgivable second mortgage loans. These loans are forgiven 20% annually over a 5-year period unless the home is sold, refinanced, the deed is transferred, or is no longer the borrower's primary residence. If any of these actions occur prior to the 5-year forgiveness period, any unforgiven balance becomes due and payable.
- g) We also offer an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This product is offered across all our first mortgage programs and provides up to \$10,000 of assistance at a 3% fixed interest rate and is repaid in monthly payments over 15 years.
- h) Single Family Program Staff offers a three-hour, Department of Business and Professional Regulation (DBPR)-approved continuing education (CE) course for realtors. Realtors who attend these classes receive a general three-hour CE credit while learning about our Homebuyer Loan Programs and other affordable housing programs available to their potential homebuyers. Florida Housing has permanent approval from DBPR to offer the class via webinar (online) format. We have found this format to be highly effective in attracting more realtors to the classes while also eliminating travel costs. Instead of offering individual classes to specific realtor boards, we are now offering these classes statewide twice each month. This has been effective in reaching our realtor partners while also freeing up staff time to devote to program support and lender management. Since our last Board Report, we have conducted three classes that were attended by 117 realtors.
- i) Single Family Program Staff periodically conducts telephonic and webinar trainings for lender partners throughout the state. Lender trainings generally consist of program requirements and recent updates, system training with our compliance administrator (eHousingPlus) and first mortgage and servicer requirements and updates with our master servicer, Lakeview. Together, Florida Housing, eHousingPlus and Lakeview provide lenders with information to better assist with the origination, delivery, and purchase of first and second mortgages originated through our Homebuyer Loan Program.
- j) Additionally, we partner with other stakeholders, such as mortgage insurance (MI) providers and Freddie Mac, to better educate and inform our Participating Lenders of recent industry changes. Homeownership staff participated in a joint event sponsored by Guild Mortgage with Freddie Mac staff in Jacksonville. The event held on November 5th was attended by over 190 real estate professionals and area loan officers.

## SINGLE FAMILY HOMEBUYER PROGRAMS

### *Information*

#### 2024 HOMEBUYER LOAN PROGRAMS ORIGINATIONS

|                                                 | 2023 HLP<br>Program Totals | 2024 HLP<br>Program Totals | 2024 HLP<br>Government Loan<br>Programs Totals | 2024 HLP<br>Conventional Loan<br>Programs Totals |
|-------------------------------------------------|----------------------------|----------------------------|------------------------------------------------|--------------------------------------------------|
| Average 1st<br>Mortgage Loan<br>Amount          | \$289,043                  | \$295,853                  | \$295,853                                      | \$295,434                                        |
| Average<br>Acquisition Price                    | \$305,121                  | \$311,194                  | \$304,720                                      | \$322,709                                        |
| Average DPA<br>Amount                           | \$14,271                   | \$14,495                   | \$14,282                                       | \$14,873                                         |
| Average<br>Compliance<br>Income                 | \$83,256                   | \$87,129                   | \$86,770                                       | \$87,768                                         |
| Total Purchased<br>DPA Amounts                  | \$189,686,980              | \$147,674,297              | \$93,150,339                                   | \$54,523,958                                     |
| Total Purchased 1st<br>Mortgage Loan<br>Amounts | \$3,841,674,166            | \$3,008,911,309            | \$1,927,642,401                                | \$1,081,268,908                                  |
| Total # of Units                                | 13,291                     | 10,188                     | 6,522                                          | 3,666                                            |

#### 2024 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

| County       | Loan<br>Count | 1st Mortgage Loan<br>Amount | DPA          |
|--------------|---------------|-----------------------------|--------------|
| Broward      | 846           | \$302,080,809               | \$15,049,214 |
| Miami-Dade   | 709           | \$303,637,576               | \$15,139,957 |
| Duval        | 591           | \$139,422,685               | \$7,015,888  |
| Polk         | 570           | \$149,548,796               | \$7,237,832  |
| Lee          | 555           | \$173,533,281               | \$8,312,485  |
| Hillsborough | 532           | \$165,375,813               | \$8,038,934  |
| Palm Beach   | 507           | \$167,169,931               | \$8,364,952  |
| Orange       | 438           | \$137,847,582               | \$6,710,198  |
| Pasco        | 427           | \$111,857,542               | \$5,405,808  |
| Marion       | 410           | \$95,153,713                | \$4,616,771  |

**DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION**  
**AND RESULTS OF OPERATIONS**

Results of Operations for the ten months ending October 2024

The budget to actual analysis for the ten months ending October 2024 shows a net of revenues over expenses in the amount of \$7,253,106. Variances of note compared to the budget are as follows:

**REVENUES**

**Investment Income** (Line 1) is over budget by \$4,900,718. The budget was based on prior year average performance and a conservative projection of current year performance. Returns have been greater than expected.

**Program Fees** (Line 2) are \$3,326,622 under budget due to the timing of the receipt of commitment fees and extension fees in the multifamily programs and less than anticipated agency fees due to more mortgage-backed securities being settled in bonds instead of TBA sales.

**Administrative Fees** (Line 3) are \$1,049,704 under budget primarily related to timing of activities in the various federal programs and directly offset variances in expenses.

**Other Income** (Line 4) is \$173,940 over budget due to receipts of bond program extension fees greater than anticipated due to MBS activity in conjunction with the Hometown Heroes program.

**SALARIES & BENEFITS**

**Total Salaries & Benefits** are favorable to the budget by \$3,174,112 primarily due to a vacancy rate greater than budgeted.

**OPERATING EXPENSES**

**Capital Expenses** (Line 5) are under budget by \$369,000 due to the timing of planned purchases of computer equipment and software. This item is expected to be closer to budget at year end.

**Furniture, Equipment & Computer Expenses** (Line 6) are \$165,020 under budget due to the timing of renewals of various software licenses and purchases of computer equipment. This item is expected to be under budget at year end.

**Conferences & Seminars** (Line 7) are \$152,649 under budget due to the timing of planned in-house training and conferences, schedule conflicts, and efforts to control operating expenses. This item is expected to be under budget at year end.

**Legal Fees** (Line 10) are \$163,432 under budget due to less than budgeted use of outside counsel primarily in the multifamily programs. This item is expected to be under budget at year end.

**Professional Fees** (Line 15) are \$601,630 under budget primarily due to the timing of expenses related to the ProLink and Onbase development projects. Implementation of the Live Local Act and multiple hurricane events also caused shifting of priorities from planned rental market study research and nonprofit technical assistance training. This item is expected to be under budget at year end.

**Program Administration** (Line 16) is \$548,007 under budget primarily due to the timing of compliance monitoring and servicer fees in various programs. This item is expected to be closer to budget at year end.

**Travel Expenses** (Line 21-27) are \$271,913 under budget due to timing of planned travel, inclement weather cancellations and efforts to control operating expenses. This item is expected to be under budget at year end.

**Workshops** (Line 28) are over budget \$55,200 due to timing of workshops for the Catalyst program.

**Total Operating Expenses** year-to-date are favorable to the budget by \$2,460,336.

## FLORIDA HOUSING FINANCE CORPORATION OPERATING BUDGET TO ACTUAL SUMMARY PERIOD ENDING October 31, 2024

|                                               | 2024<br>BUDGET<br>YTD | 2024<br>ACTUAL<br>YTD | 2024<br>VARIANCE<br>YTD | 2024<br>APPROVED<br>ANNUAL<br>BUDGET |
|-----------------------------------------------|-----------------------|-----------------------|-------------------------|--------------------------------------|
| <b>REVENUES</b>                               |                       |                       |                         |                                      |
| 1. Investment Income                          | 5,523,390             | 10,424,108            | 4,900,718               | 6,628,073                            |
| 2. Program Fees                               | 14,529,840            | 11,203,218            | (3,326,622)             | 17,547,105                           |
| 3. Administrative Fees                        | 9,474,591             | 8,424,887             | (1,049,704)             | 13,262,678                           |
| 4. Other Income                               | 167,330               | 341,270               | 173,940                 | 200,800                              |
| <b>TOTAL REVENUES</b>                         | <b>29,695,151</b>     | <b>30,393,483</b>     | <b>698,332</b>          | <b>37,638,656</b>                    |
| <b>EXPENSES</b>                               |                       |                       |                         |                                      |
| <b>SALARIES &amp; BENEFITS</b>                |                       |                       |                         |                                      |
| 1. Salaries & Benefits                        | 17,565,076            | 14,390,964            | 3,174,112               | 21,581,200                           |
| <b>TOTAL SALARIES &amp; BENEFITS</b>          | <b>17,565,076</b>     | <b>14,390,964</b>     | <b>3,174,112</b>        | <b>21,581,200</b>                    |
| <b>OPERATING EXPENSES</b>                     |                       |                       |                         |                                      |
| 1. Advertising, Marketing & Public Outreach   | 84,597                | 45,766                | 38,831                  | 87,110                               |
| 2. Bank Charges & Other Fees                  | 34,840                | 22,225                | 12,615                  | 41,808                               |
| 3. Board Meetings                             | 99,150                | 68,281                | 30,869                  | 113,175                              |
| 4. Books & Subscriptions                      | 62,103                | 39,609                | 22,494                  | 70,716                               |
| 5. Capital Expenses                           | 369,000               | -                     | 369,000                 | 379,000                              |
| 6. Furniture, Equipment & Computer Expenses   | 872,920               | 707,900               | 165,020                 | 930,770                              |
| 7. Conferences & Seminars                     | 209,918               | 57,269                | 152,649                 | 235,303                              |
| 8. Corporate Insurance                        | 300,600               | 296,791               | 3,809                   | 345,600                              |
| 9. General & Administrative Expenses          | 24,530                | 6,404                 | 18,126                  | 26,277                               |
| 10. Legal Fees                                | 299,319               | 135,887               | 163,432                 | 688,316                              |
| 11. Professional Licenses & Membership Dues   | 81,589                | 77,766                | 3,823                   | 82,119                               |
| 12. Office Supplies                           | 23,826                | 5,172                 | 18,654                  | 26,987                               |
| 13. Postage                                   | 18,082                | 5,603                 | 12,479                  | 20,779                               |
| 14. Printing & Reproduction                   | 14,750                | 5,792                 | 8,958                   | 15,325                               |
| 15. Professional Fees                         | 1,647,900             | 1,046,270             | 601,630                 | 3,398,596                            |
| 16. Program Administration                    | 5,114,383             | 4,566,376             | 548,007                 | 6,768,894                            |
| 17. Rent                                      | 714,155               | 712,798               | 1,357                   | 848,359                              |
| 18. Repairs & Maintenance                     | 5,970                 | 2,966                 | 3,004                   | 7,670                                |
| 19. Systems Maintenance, Support and Services | 436,850               | 394,490               | 42,360                  | 482,630                              |
| 20. Telephone                                 | 80,880                | 54,373                | 26,507                  | 96,144                               |
| 21. Travel - Board Members                    | 69,561                | 20,527                | 49,034                  | 76,842                               |
| 22. Travel - Staff to Board Meetings          | 56,264                | 30,192                | 26,072                  | 78,170                               |
| 23. Travel - Reviews/Monitoring               | 19,739                | -                     | 19,739                  | 37,430                               |
| 24. Travel - FHFC Workshops                   | 13,141                | 3,583                 | 9,558                   | 18,650                               |
| 25. Travel - Staff Development                | 212,030               | 74,546                | 137,484                 | 254,048                              |
| 26. Travel - Marketing/Public Outreach        | 33,006                | 12,027                | 20,979                  | 55,588                               |
| 27. Travel - Other                            | 14,196                | 5,149                 | 9,047                   | 21,873                               |
| 28. Workshops                                 | 296,450               | 351,650               | (55,200)                | 359,200                              |
| <b>TOTAL OPERATING EXPENSES</b>               | <b>11,209,749</b>     | <b>8,749,413</b>      | <b>2,460,336</b>        | <b>15,567,379</b>                    |
| <b>TOTAL EXPENSES</b>                         | <b>28,774,825</b>     | <b>23,140,377</b>     | <b>5,634,448</b>        | <b>37,148,579</b>                    |
| <b>REVENUES OVER EXPENSES</b>                 | <b>920,326</b>        | <b>7,253,106</b>      | <b>6,332,780</b>        | <b>490,077</b>                       |

### Guarantee Program Portfolio

(as of October 31, 2024)

| Property Name<br>Location |              | Developer       | Issuer<br>Closing<br>Date | Total<br>Units | 1st Mortgage |           | HUD<br>Risk-<br>Share? | GF exposure<br>(\$ share of mtg<br>guarantee | SAIL        | SMI       | SAIL ELI    | Projected<br>refinance<br>closing date | Comments / Refi Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   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|                           |              |                 |                           |                | Current Bal. | Debt/Unit |                        |                                              |             |           |             |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          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| Vista Palms               |              |                 | Lee Cnty                  |                |              |           |                        |                                              |             |           |             |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          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| 1)                        | Lehigh Acres | Creative Choice | 6/20/2001                 | 229            | \$4,649,367  | \$20,303  | N                      | \$4,649,367                                  | \$2,000,000 | \$392,788 | \$3,450,000 |                                        | <p>July 2013: initiated contact with borrower re: refinancing. Oct 2016: borrower selling property, negotiating contract, advised borrower of requisite FHFC approval for SAIL/SAIL ELI subordination, SMI pay-off, etc. Jan 2017: Borrower meeting with buyer to revise timeline. Aug 2017: appraisal and DSC issues; closing postponed. Dec 2017: closing postponed. October 2018: possibly closing 1st qtr 2019. Borrower hopes to be on the December Lee County HFA meeting to vote on bond issuance for the refinance. November 2018: Credit underwriter has been assigned. Lee County will not have bond allocation until 2019. Operating proformas and letters of interest from lender and syndicators submitted by borrowers are stale. Jan 2019: Underwriters had a status call with borrower 12/11/18 but have not received any due diligence items since that call. 3/6/19 Lee County commissioners postponed approval of the TEFRA Hearing for their bond issuance. May 2019: The borrower submitted a letter of intent for a Key Bank/Fannie Mae financing structure. The Credit Underwriter is reviewing the due diligence items that have been submitted but there remains a great deal of information still outstanding. July 2019: Some of the due diligence items have been submitted. Updated due diligence list was sent to Creative Choice on 10/16. No updated items have been received. June 2020: Borrower anticipates selling or refinancing the development within the next year. September 2020, Received a letter of intent from a potential purchaser for the property. Requested follow up information but have not received. We presume the potential purchaser is no longer interested. February 2021: Special Assets had conference call with potential purchaser, owner representative and bond counsel regarding potential purchase to take place by 3rd quarter of 2021. July 2021: The potential purchaser contacted the county for local bonds for the acquisition of Vista Palms but has not submitted an application. Sept 2021: The potential purchaser communicated that he was still interested in acquiring Vista Palms but has not taken any affirmative steps in that direction. Nov. 2021: The potential purchaser has not taken any affirmative steps towards the purchase of Vista Palms. As of 12/23/2021, the potential purchaser advised they had submitted a tax-exempt bond application to Lee County HFA for the financing of the potential acquisition. As of Feb 2022, the Lee County HFA bond application was received and reviewed. By letter dated 3/8/22, Lee County advised the potential purchaser that they are deferring any further review of the application for bond financing due to the development having matured SAIL and SMI loans, Glorieta Gardens' outstanding physical deficiencies as well as other issues. On 6/2/2022, Lee County, the underwriter and special assets had a call with the proposed purchaser and parties representing the owner. The proposed purchaser will be submitting a revised tax-exempt bond application to Lee County HFA. The potential purchaser informed FHFC that he would not be submitting an application to Lee County but would submit a non-competitive (NC) bond application to Florida Housing for the acquisition/rehabilitation of Vista Palms. A check for the application and TEFRA fees was received 10/12/2022. The NC bond application was received 10/18/2022. Nov 2022: NC bond application was under review. Jan 2023: Program staff informed the applicant of needed corrections to cure the application. Feb 2023: Staff has reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application. Mar 2023: Staff reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application and that information has been relayed to the applicant. Staff received a 3rd revised application on 4/7/2023 and relayed comments on 4/14/2023 regarding the corrections that are required. May 2023: On 5/15/2023, Staff received responses to the comments provided on 4/14/2023, however, more corrections are required to cure the application and staff relayed outstanding issues to the Applicant on 5/22/2023. After receiving questions from applicant and staff responses, received revised applications on 6/1/2023, 6/14/23 and 6/28/23. Staff anticipates furnishing comments on most recent revision 7/7/2023. The revised application submitted on 6/28/23 was reviewed and deemed final and complete. An invitation to enter credit underwriting was extended on 8/2/23 and accepted by the applicant on 8/8/23. An acknowledgement resolution was approved at the 9/8/23 Board meeting. As of 10/9/23, Applicant has not remitted funds in order for underwriter to engage 3rd party reports (appraisal, capital needs assessment, property condition assessment, etc.). As of 11/29/23, funds were received to engage 3rd party report providers (except for the Plan and Cost Review) on 11/17/23. No other underwriting due diligence has been provided since submission of the application. As of 1/18/24, the CNA has been received and reviewed, market study and appraisal were very recently received but have not yet been reviewed. GC contract has not been received. As of 3/5/24, the underwriter has received the Market Study, Appraisal, and CNA. GC Contract and updated Phase I are still outstanding. At 3/31/24, the GC Contract and updated Phase I are still outstanding. As of 6/7/24, the underwriter continues to follow up with the applicant, however, there are funding gaps in the construction and permanent periods, missing financial due diligence, no GC contract or statement of values, stale appraisal/market study, etc. As of 7/9/24, the underwriter was still waiting on underwriting due diligence, including the GC Contract/Statement of Values and Property Condition Assessment. In addition, the Applicant does not intend to provide a personal guaranty. As of 9/23/24, the underwriter has not received anything further but potential purchaser affirmed they wished to continue. As of 11/27/24, the underwriter was still waiting on the due diligence items.</p> |

GF Total Commitments: \$4,649,367

| Name                                                               | Case Nos.  | Appellate or DOAH | Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Result                                                                                                                               | Developer/Principal                         |
|--------------------------------------------------------------------|------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| St. Agnes Place, Ltd. v. Florida Housing Finance Corporation       | 2023-087BP | DOAH              | In RFA 2023-201, St. Agnes Place Ltd. challenged Florida Housing's Determination that St. Agnes was ineligible due to financial arrearages.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Voluntarily dismissed                                                                                                                | National Development of America/Eric Miller |
| Tallman Pines Villas, Ltd. V. Florida Housing Finance Corporation  | 2023-089BP | DOAH              | In RFA 2023-202, Tallman Pines Villas, Ltd. challenged Pantry Lofts claiming that i) its authorized representative did not have authority to certify the application; and ii) it failed to provide sufficient documentation of site control under the RFA.                                                                                                                                                                                                                                                                                                                                                                   | Voluntarily dismissed                                                                                                                | Housing Trust Group/Matt Rieger             |
| HTG Hermosa, Ltd. v. Florida Housing Finance Corporation           | 2023-090BP | DOAH              | In RFA 2023-201, HTG Hermosa, Ltd. challenged Cardinal Oaks application claiming it failed to provide a management company that met the RFA experience requirement.                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Voluntarily dismissed                                                                                                                | Housing Trust Group/Matt Rieger             |
| HTG Skyview, Ltd. v. Florida Housing Finance Corporation           | 2023-091BP | DOAH              | In RFA 2023-203, HTG Skyview, Ltd. challenged Quail Roost's application claiming that i) its authorized representative did not have authority to certify the application; and ii) it failed to provide sufficient documentation of site control under the RFA.                                                                                                                                                                                                                                                                                                                                                               | Voluntarily dismissed                                                                                                                | Housing Trust Group/Matt Rieger             |
| HTG Oasis II, LLC v. Florida Housing Finance Corporation           | 2023-092BP | DOAH              | In RFA 2023-202, HTG Oasis II, LLC challenged i) Foxcroft Cove claiming that a) it failed to provide sufficient documentation of site control under the RFA; b) its authorized representative did not have authority to certify the application; c) it failed to properly disclose all principals on its principal disclosure form; and ii) Ekos Lauderhill claiming that a) the medical facility listed in its application did not qualify for proximity points; b) its Local Government Verification form was incorrectly completed; c) it failed to provide a management company that met the RFA experience requirement. | Voluntarily dismissed                                                                                                                | Housing Trust Group/Matt Rieger             |
| Marlin Housing Partners, LP v. Florida Housing Finance Corporation | 2023-093BP | DOAH              | In RFA 2023-203, Marlin Housing Partners, LP challenged MHP Miami's application claiming that it was not entitled to the proximity points received for its Medical Facility and Pharmacy.                                                                                                                                                                                                                                                                                                                                                                                                                                    | Parties entered into a Consent Agreement and the Board adopted a final order finding MHP Miami's application ineligible for funding. | NuRock Development/Robert Hoskins           |
| Poinciana Parc 2, Ltd. v. Florida Housing Finance Corporation      | 2023-094BP | DOAH              | In RFA 2023-201, Poincianna Parc 2, Ltd. challenged Woodlock Manor claiming it failed to provide sufficient documentation of site control under the RFA.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Voluntarily dismissed                                                                                                                | Poinciana Parc 2 Dev, LLC/Oscar Sol         |
| MHP Broward II, LLC v. Florida Housing Finance Corporation         | 2023-095BP | DOAH              | In RFA 2023-202, MHP Broward II, LLC challenged Arbor Ridge claiming i) it failed to provide sufficient documentation of site control under the RFA; b) it failed to properly disclose all principals on its principal disclosure form.                                                                                                                                                                                                                                                                                                                                                                                      | Voluntarily dismissed                                                                                                                | McDowell Housing/Chris Shear                |

|                                                                |            |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                 |                                             |
|----------------------------------------------------------------|------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| MHP Pinellas I, LLC v. Florida Housing Finance Corporation     | 2023-096BP | DOAH | In RFA 2023-202, MHP Pinellas I, LLC challenged Florida Housing's determination that its application did not qualify for the GAO/SADDA funding Goal & Florida Housing's determination regarding the points its application received for Local Government Contribution.                                                                                                                                                                                                                                                                                                                                                                                                                                             | Voluntarily dismissed                                                                                                                                                           | McDowell Housing/Chris Shear                |
| SP Pinellas III, LLC v. Florida Housing Finance Corporation    | 2024-003BP | DOAH | In RFA 2023-213, SP Pinellas II, LLC challenged i) 350 Overtown's application claiming the documentation for two of its loans did not meet the terms of the RFA and could not be counted as funding sources; ii) Village of Valor's application claiming a) it failed to properly disclose all principals on its principal disclosure form; and b) it failed to provide sufficient evidence that its County HFA issued Tax-Exempt Bonds had not closed prior to the RFA; and iii) Avery Place's application claiming a) it failed to properly identify its site as a scattered site; and b) the documentation for one of its loans did not meet the terms of the RFA and could not be counted as a funding source. | Parties entered into a Settlement Agreement and the Board adopted a final order finding 350 Overtown's application and Village of Valor's application ineligible for funding.   | Southport/J. David Page                     |
| Ability Pine Hills, LLC v. Florida Housing Finance Corporation | 2024-016BP | DOAH | In RFA 2024-103, Ability challenged the determination that its application was ineligible because the application did not include an executed Executive Director Certification of Material Participation by Non-Profit form. Ability contended that the referenced form was not relevant because it is wholly owned by Ability Housing, Inc., a 501(c)(3) non-profit corporation. Ability asserted the failure is a waivable minor irregularity.                                                                                                                                                                                                                                                                   | Parties entered into a Consent Agreement and the Board entered a Final Order finding Ability eligible.                                                                          | Ability Housing, Inc./Shannon Nazworth      |
| Willow Way Village, LLC v. Florida Housing Finance Corporation | 2024-017BP | DOAH | In RFA 2024-106 Willow challenged the eligibility of MC's application, claiming that MC fails to meet the "Non-Profit Applicant" requirement, specifically the requirement to "Receive at least 25 percent of the Developer Fee".                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Voluntarily dismissed.                                                                                                                                                          | Bridgeway Housing Development/Bonnie Barlow |
| HFH Orchid Place v. Florida Housing Finance Corporation        | 2024-018BP | DOAH | In RFA 2024-106 Orchid Place challenged the eligibility of CASL's application, claiming that CASL i) failed to identify all developer principals; ii) Failed to timely resolve its financial arrearages; and iii) failed to properly answer questions related to unit occupancy.                                                                                                                                                                                                                                                                                                                                                                                                                                   | The ALJ issued a Recommended Order recommending Florida Housing dismiss the Petition and uphold CASL's eligibility. The Board adopted the Recommended Order as its Final Order. | HTG Orchid Place Developer, LLC/Rob Cramp   |

|                                                                           |            |      |                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                      |                                                |
|---------------------------------------------------------------------------|------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Irwin Avenue and Pinewood Dr., LLC v. Florida Housing Finance Corporation | 2024-019BP | DOAH | In RFA 2024-206, Live Oak Homes challenged FHFC's determination to award Gateway 5 points for submission of an "Approved Principal Disclosure form". Gateway attached a non-stamped Disclosure form but provided the stamped form later in the application. Petitioner alleges Gateway would still be funded under the County Test and Funding Test, but the current awardee Suwannee Pointe II, would be unfunded. | Voluntarily dismissed.                                                                                                                                                               | Judd Roth Real Estate Development/Judd Roth    |
| Perrine Apartments, Ltd. v. Florida Housing Finance Corporation           | 2024-049BP | DOAH | In RFA 2024-203 Perrine challenged A) Sage Pointe claiming that Sage Pointe's Pharmacy does not meet the definition under the RFA; and B) Notre Communauté claiming that it failed to properly disclose all principals on its principal disclosure form.                                                                                                                                                            | Parties entered into a Settlement Agreement and the Board entered a Final Order finding Notre Communauté ineligible and Sage Point not entitled to the proximity funding preference. | Perrine Development, LLC/Howard D. Cohen       |
| Terrace Place Apartments, LLLP v. Florida Housing Finance Corporation     | 2024-050BP | DOAH | In RFA 2024-203 Terrace Place challenged Earlington Court claiming that i) Earlington failed to provide addresses for all scattered sites; and ii) Earlington submitted an erroneous Local Government Contribution - Fee Waiver Form.                                                                                                                                                                               | Voluntarily dismissed.                                                                                                                                                               | Terrace Place Apartments, LLLP/Michael Ruane   |
| ACRUVA Communities FL04, LLC v. Florida Housing Finance Corporation       | 2024-051BP | DOAH | In RFA 2024-203 ACRUVA challenged A) Mowry claiming that Mowry's Bus Transfer stop does not meet the definition under the RFA; and B) Apogean Apartments claiming that i) Apogean submitted an erroneous Local Government Contribution - Fee Waiver Form; and ii) Apogean's Medical Facility does not meet the definition under the RFA.                                                                            | Parties entered into a Settlement Agreement and the Board entered a Final Order finding Mowry ineligible and Apogean not entitled to local government contribution points.           | ACRUVA Community Developers, LLC/Daniel Acosta |
| Notre Communauté, LLC v. Florida Housing Finance Corporation              | 2024-052BP | DOAH | In RFA 2024-203 Notre Communauté filed a Petition that did not expressly challenge any application.                                                                                                                                                                                                                                                                                                                 | Voluntarily dismissed.                                                                                                                                                               | Notre Communauté, LLC/Stephanie Berman         |
| Lake Saunders II Partners, LTD v. Florida Housing Finance Corporation     | 2024-053BP | DOAH | In RFA 2024-201 Lake Saunders filed a Petition that did not expressly challenge any application.                                                                                                                                                                                                                                                                                                                    | Voluntarily dismissed.                                                                                                                                                               | Lake Saunders II Partners, LTD/W. Scott Culp   |
| Blue Trinity 1, LLC v. Florida Housing Finance Corporation                | 2024-054BP | DOAH | In RFA 2024-201 Blue Trinity challenged FHFC's determination that its application was not entitled to receive an LGAO designation.                                                                                                                                                                                                                                                                                  | Voluntarily dismissed.                                                                                                                                                               | Blue Trinity 1, LLC/Shawn Wilson               |
| Mowry Apartments, LLC v. Florida Housing Finance Corporation              | 2024-055BP | DOAH | In RFA 2024-203 Mowry challenged Apogean Apartments claiming that i) Apogean submitted an erroneous Local Government Contribution - Fee Waiver Form; ii) Apogean's Cost Proforma is inaccurate and contains a funding shortfall; and iii) Apogean's Medical Facility does not meet the definition under the RFA.                                                                                                    | Voluntarily dismissed.                                                                                                                                                               | NRP Sunshine Development/David Heller          |

|                                                                                          |            |      |                                                                                                                                                                                                                                                                            |                        |                                                |
|------------------------------------------------------------------------------------------|------------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------------------|
| B'nai B'rith Apartments of Deerfield Beach IV, LP v. Florida Housing Finance Corporation | 2024-0708P | DOAH | In RFA 2024-205 B'nai B'rith challenged Florida Housing's determination that its application was ineligible for failing to provide evidence that the applicant is a legally formed entity qualified to do business in the state of Florida as of the Application Deadline. | Voluntarily dismissed. | BREC Development LLC/William E. Welden Jr.     |
| River Fox Commons, LP v. Florida Housing Finance Corporation                             | 2024-0738P | DOAH | In RFA 2024-306 River Fox challenged the procedural process by which additional funding was added to the RFA.                                                                                                                                                              | Voluntarily dismissed. | Paces Preservation Partners, LLC/Renee Sandell |



November 1, 2024

Mr. Tim Kennedy  
Multifamily Loans & Bonds Director  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, Florida 32301-3291

Re: Ekos Cadenza f/k/a Cadenza at Hacienda Lakes (“Development”) – Multifamily Mortgage Revenue Note (“MMRN”) 2022 Series H / State Apartment Incentive Loan (“SAIL”) & Extremely Low Income (“ELI”) Loan RFA 2020-205 (2021-246BS) / 4% Non-Competitive Housing Credits (“HC”) 2020-541C / Invitation to Participate (“ITP”) 2022-Construction Housing Inflation Response Program (“CHIRP”)

Credit Underwriting Report Update Letter 2 (“CUL 2”) – Changes to the Final Credit Underwriting Report, dated April 20, 2022 (“Final CUR”), CUR Update Letter (“CUL”), dated August 9, 2022, and Servicer Closing Letter, dated August 30, 2022.

Dear Mr. Kennedy,

First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) received correspondence, dated September 12, 2024, from a representative of MHP FL VII, LLLP (“Borrower” or “Applicant”), requesting Florida Housing Finance Corporation (“FHFC” or “Florida Housing”) approve the additional subordinate debt of \$1,246,600.80 in SHIP funding from Collier County. The Collier County loan will be subordinate to the FHFC MMRN, SAIL, and ELI loans.

On behalf of Florida Housing, First Housing has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of this CUL 2. For the purposes of this analysis, First Housing has reviewed the following:

- Final CUR.
- CUL.

**FHDC**

- Servicer Closing Letter and Final Sources & Uses / Construction Draw Schedule, dated August 30, 2022.
- Multifamily Note, dated August 30, 2022, between the Borrower and FHFC.
- Bridge Loan Agreement, dated August 30, 2022, between the Borrower and KeyBank National Association (“KeyBank”).
- Bridge Loan Promissory Note, dated August 30, 2022, between the Borrower and KeyBank.
- Commitment Letter, dated August 23, 2022, from KeyBank.
- SAIL Promissory Note, dated August 30, 2022, between Borrower and FHFC.
- ELI Promissory Note, dated August 30, 2022, between Borrower and FHFC.
- Second Amended and Restated Agreement of Limited Partnership (“LPA”), dated August 1, 2022.

**Background**

The Development is located at 8369 Rattlesnake Hammock Road, Naples, FL 34114. The Development will consist of 160-units within one mid-rise apartment building and contains twenty-five (25) zero-bedroom/one-bathroom units, eighty (80) one-bedroom/one-bathroom units, and fifty-five (55) two-bedroom/two-bathroom units. The demographic commitment is Elderly, non-ALF.

On August 30, 2022, the Borrower closed on the below Construction/Permanent Sources, which is based on the Final Sources & Uses / Construction Draw Schedule. According to an Inspection Field Report, dated August 7, 2024, the Development was approximately 86.57% complete.

| CONSTRUCTION/PERMANENT SOURCES: |                          |                     |                     |
|---------------------------------|--------------------------|---------------------|---------------------|
| Source                          | Lender                   | Construction        | Permanent           |
| FHFC - MMRN                     | FHFC/KeyBank/Freddie Mac | \$24,500,000        | \$14,284,000        |
| Regulated Mortgage Lender       | Key Bank                 | \$2,405,000         | -                   |
| FHFC - SAIL                     | FHFC                     | \$6,000,000         | \$6,000,000         |
| FHFC – SAIL CHIRP               | FHFC                     | \$4,300,000         | \$4,300,000         |
| FHFC – SAIL ELI                 | FHFC                     | \$600,000           | \$600,000           |
| HC Equity                       | CREA                     | \$8,581,656         | \$21,454,140        |
| GP & SLP Equity                 | GP & SLP                 | \$200               | \$200               |
| Deferred Developer Fee          | MHP FL VII, LLC          | \$2,733,279         | \$2,481,795         |
| <b>TOTAL</b>                    |                          | <b>\$49,120,135</b> | <b>\$49,120,135</b> |

**FHDC**

With the inclusion of the Collier County loan, the Sources will be as follows:

Sources Overview

| <b>CONSTRUCTION/PERMANENT SOURCES:</b> |                           |                     |                     |                       |
|----------------------------------------|---------------------------|---------------------|---------------------|-----------------------|
| <b>Source</b>                          | <b>Lender</b>             | <b>Construction</b> | <b>Permanent</b>    | <b>Perm Loan/Unit</b> |
| FHFC - MMRN                            | FHFC/KeyBank/Freddie Mac  | \$24,500,000        | \$14,284,000        | \$89,275              |
| Regulated Mortgage Lender              | KeyBank                   | \$2,405,000         | \$0                 | \$0                   |
| FHFC - SAIL                            | FHFC                      | \$6,000,000         | \$6,000,000         | \$37,500              |
| FHFC - SAIL                            | FHFC - CHIRP              | \$4,300,000         | \$4,300,000         | \$26,875              |
| FHFC - SAIL ELI                        | FHFC                      | \$600,000           | \$600,000           | \$3,750               |
| Local Government Subsidy               | Collier County            | \$1,246,601         | \$1,246,601         | \$7,791               |
| HC Equity                              | CREA                      | \$8,581,656         | \$21,454,140        | \$134,088             |
| Deferred Developer Fee                 | MHP FL VII Developer, LLC | \$2,467,944         | \$2,627,792         | \$16,424              |
| Operating Deficit Reserve              | N/A                       | \$411,332           | \$0                 | \$0                   |
| Affiliate / Principal                  | GP&SLP Equity             | \$200               | \$200               | \$1                   |
| <b>TOTAL</b>                           |                           | <b>\$50,512,733</b> | <b>\$50,512,733</b> | <b>\$315,705</b>      |

FHFC MMRN - Construction:

First Housing received a Multifamily Note, dated August 30, 2022, where the Borrower promises to pay FHFC the principal sum of \$24,500,000 together with interest. Monthly payments of interest are required. The interest rate is floating and based on the Daily Simple Secured Overnight Financing Rate (“SOFR”) plus 2%. The maturity date is March 1, 2025.

The Annual FHFC Issuer Fee of 12.5 basis points of the amount of the outstanding Note, the Annual Fiscal Agent Fee of \$4,250, and the Annual Dissemination Fee of \$250 have been included in the Uses section of the report.

FHFC MMRN – Permanent:

First Housing received a Letter of Commitment, dated August 23, 2022, from KeyBank for a Freddie Mac Multifamily Direct Purchase of Tax-Exempt Loan Program in the maximum amount of \$14,284,000. The loan will bear interest at 5.72% and will require monthly principal and interest based on a 40-year amortization schedule. The loan will mature on March 1, 2040.

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, 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 \$229. The annual Compliance Monitoring Fee is based upon a total fee which is comprised of a base fee of \$178 per month plus an additional fee per set-aside unit of \$10.91 per year, subject to a minimum of \$278 per month.

**FHDC**

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Bridge Loan:

First Housing reviewed a Promissory Note, dated August 30, 2022, where the Borrower promises to pay to the order of KeyBank the principal sum of \$2,405,000. The loan shall bear interest at the Daily Simple SOFR plus 2%. Monthly payments of interest are required. The entire principal amount is due March 1, 2025.

FHFC - SAIL:

First Housing reviewed a Promissory Note, dated August 30, 2022, where the Borrower promises to pay to the order of Florida Housing the principal sum of \$10,300,000. The Note shall bear interest at 1% simple interest per annum on the outstanding principal balance. The entire unpaid principal amount, together with all accrued and unpaid interest, shall be due and payable on August 30, 2040.

FHFC – ELI:

First Housing reviewed a Promissory Note, dated August 30, 2022, where the Borrower promises to pay to the order of Florida Housing the principal sum of \$600,000. The Note shall bear interest at 0% simple interest per annum. The entire unpaid principal amount of the Note shall be due and payable on August 30, 2040. So long as the Development maintains its required ELI Set-Asides for the first 15 years of the 50 year compliance period, the principal amount of the Note may be forgiven at maturity at the sole discretion of Florida Housing.

The annual Compliance Monitoring Multiple Program Fee is \$993 for each of the SAIL and ELI loans. The annual Permanent Loan Servicing Fee is based upon the outstanding loan amounts, with a fee of 25 bps of the outstanding loan amount, with a minimum monthly fee of \$229 for each loan, and a maximum monthly fee of \$909 for each loan.

Collier County loan:

First Housing received an email from a representative of Collier County, dated September 27, 2024. Based on the email, the loan in the amount of \$1,246,600.80 will have a 30 year term and will bear interest at 0%.

Housing Credit Equity:

First Housing reviewed the executed LPA, dated August 1, 2022. The Capital Contribution schedule below remains the same as reflected in the Servicer Closing Letter.

**FHDC**

| Capital Contributions | Amount       | Percentage of Total | When Due                                                                                                                                                                                                                                        |
|-----------------------|--------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1st Installment       | \$3,218,121  | 15.00%              | Closing                                                                                                                                                                                                                                         |
| 2nd Installment       | \$1,072,707  | 5.00%               | The later of April 1, 2023 and 50% construction completion.                                                                                                                                                                                     |
| 3rd Installment       | \$4,290,828  | 20.00%              | The later of January 1, 2024, 95% construction completion, receipt of a lien waiver, receipt of temporary certificates of occupancy, receipt of the draft cost certification, and draft 50% test.                                               |
| 4th Installment       | \$561,493    | 2.62%               | The later of January 1, 2024, construction completion, and receipt of a lien waiver.                                                                                                                                                            |
| 5th Installment       | \$11,803,225 | 55.02%              | The later of October 1, 2024, achievement of stabilized operations, receipt of permanent certificates of occupancy, receipt of an ALTA as-built survey, receipt of final cost certification, final 50% test, and receipt of final title policy. |
| 6th Installment       | \$507,766    | 2.37%               | The later of October 1, 2024, Forms 8609, and the recorded restrictive covenant.                                                                                                                                                                |
| Total                 | \$21,454,140 | 100.00%             |                                                                                                                                                                                                                                                 |

|                                         |             |
|-----------------------------------------|-------------|
| Annual Credit Per Syndication Agreement | \$2,145,650 |
| Calculated HC Exchange Rate             | \$1.00      |
| Limited Partner Ownership Percentage    | 99.989%     |
| Proceeds Available During Construction  | \$8,581,656 |

Deferred Developer Fee:

In order to balance the sources and uses during the permanent period, the Developer must defer \$2,627,792 or 37.94% of the total Developer Fee of \$6,926,122.

**FHDC**

## Uses of Funds

Please note the Applicant Costs column is based on the Most Recent Construction Draw Schedule and the Revised Applicant Costs column is based on an updated Applicant's budget throughout the CUL 2.

| <b>CONSTRUCTION COSTS:</b>                | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> |
|-------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|
| New Rental Units                          | \$22,569,289           | \$22,569,289                   | \$22,168,029                          | \$138,550            |
| Recreational Amenities                    | \$0                    | \$0                            | \$0                                   | \$0                  |
| Site Work                                 | \$3,539,385            | \$3,539,384                    | \$3,766,067                           | \$23,538             |
| Constr. Contr. Costs subject to GC Fee    | \$26,108,674           | \$26,108,674                   | \$25,934,097                          | \$162,088            |
| General Conditions                        | \$1,487,658            | \$1,487,658                    | \$1,556,046                           | \$9,725              |
| Overhead                                  | \$495,886              | \$495,886                      | \$518,682                             | \$3,242              |
| Profit                                    | \$1,487,658            | \$1,487,658                    | \$1,556,046                           | \$9,725              |
| General Liability Insurance               | \$158,684              | \$158,684                      | \$165,711                             | \$1,036              |
| Payment and Performance Bonds             | \$216,736              | \$216,736                      | \$224,715                             | \$1,404              |
| Total Construction Contract/Costs         | \$29,955,296           | \$29,955,296                   | \$29,955,296                          | \$187,221            |
| Hard Cost Contingency                     | \$117,675              | \$718,951                      | \$718,951                             | \$4,493              |
| FF&E paid outside Constr. Contr.          | \$300,000              | \$300,000                      | \$300,000                             | \$1,875              |
| Other: <a href="#">Recreational Items</a> | \$5,000                | \$6,405                        | \$5,000                               | \$31                 |
| <b>Total Construction Costs:</b>          | <b>\$30,377,971</b>    | <b>\$30,980,652</b>            | <b>\$30,979,247</b>                   | <b>\$193,620</b>     |

### Notes to the Total Construction Costs:

1. Since construction began, there have been five (5) change orders to date. As of Change Order Number Five, dated July 25, 2024, the GMP has increased a total of \$1,314,371.09 from \$28,640,925.27 to \$29,955,296.36.
2. The General Contractor ("GC") fee is \$0.02 over the maximum 14% of hard costs allowed by the RFA and Rule Chapters 67-48 and 67-21. The GC Fee should be reduced in order to be within the maximum allowable at the next draw. 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.
3. The Hard Cost Contingency has been increased from the current draw schedule in order to account for anticipated pending change orders for cost escalation and the inclusion of the cost for the fill for Spine Road. The cost of the fill for Spine Road was previously funded under Ekos Allegro f/k/a Allegro at Hacienda Lakes but should have been funded from this Development instead. The cost is being removed via deductive change order from Ekos Allegro f/k/a Allegro at Hacienda Lakes.

**FHDC**

| <b>GENERAL DEVELOPMENT COSTS:</b>                     | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> |
|-------------------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|
| Accounting Fees                                       | \$50,000               | \$50,000                       | \$50,000                              | \$313                |
| Appraisal                                             | \$7,500                | \$7,500                        | \$7,500                               | \$47                 |
| Architect's Fee - Landscape                           | \$12,000               | \$10,943                       | \$12,000                              | \$75                 |
| Architect's Fee - Site/Building Design                | \$258,192              | \$258,192                      | \$258,192                             | \$1,614              |
| Architect's Fee - Supervision                         | \$63,010               | \$64,082                       | \$63,010                              | \$394                |
| Building Permits                                      | \$259,862              | \$260,094                      | \$259,862                             | \$1,624              |
| Builder's Risk Insurance                              | \$259,475              | \$328,098                      | \$328,098                             | \$2,051              |
| Engineering Fees                                      | \$162,050              | \$162,050                      | \$162,050                             | \$1,013              |
| Environmental Report                                  | \$14,409               | \$14,382                       | \$14,409                              | \$90                 |
| FHFC Administrative Fees                              | \$194,273              | \$194,273                      | \$194,273                             | \$1,214              |
| FHFC Application Fee                                  | \$3,000                | \$3,000                        | \$3,000                               | \$19                 |
| FHFC Credit Underwriting Fee                          | \$31,007               | \$31,007                       | \$34,507                              | \$216                |
| FHFC Compliance Fee                                   | \$3,000                | \$3,000                        | \$3,000                               | \$19                 |
| Impact Fee                                            | \$751,754              | \$683,815                      | \$683,815                             | \$4,274              |
| Lender Inspection Fees / Const Admin                  | \$60,496               | \$60,496                       | \$60,496                              | \$378                |
| Green Building Cert. (LEED, FGBC, NAHB)               | \$27,100               | \$27,100                       | \$27,100                              | \$169                |
| Insurance                                             | \$5                    | \$0                            | \$0                                   | \$0                  |
| Legal Fees - Organizational Costs                     | \$332,622              | \$392,622                      | \$392,622                             | \$2,454              |
| Market Study                                          | \$4,700                | \$4,700                        | \$4,700                               | \$29                 |
| Marketing and Advertising                             | \$80,000               | \$80,000                       | \$80,000                              | \$500                |
| Plan and Cost Review Analysis                         | \$3,100                | \$3,100                        | \$3,100                               | \$19                 |
| Property Taxes                                        | \$42,294               | \$42,294                       | \$42,294                              | \$264                |
| Soil Test                                             | \$10,165               | \$10,165                       | \$10,165                              | \$64                 |
| Survey                                                | \$25,100               | \$25,100                       | \$25,100                              | \$157                |
| Title Insurance and Recording Fees                    | \$139,798              | \$154,798                      | \$154,798                             | \$967                |
| Traffic Study                                         | \$9,550                | \$7,340                        | \$9,550                               | \$60                 |
| Utility Connection Fees                               | \$478,620              | \$478,620                      | \$478,620                             | \$2,991              |
| Soft Cost Contingency                                 | \$1,279                | \$1,279                        | \$1,279                               | \$8                  |
| Other: <a href="#">Construction Material Testing</a>  | \$90,000               | \$90,000                       | \$90,000                              | \$563                |
| Other: <a href="#">Utility Allowance Study</a>        | \$3,599                | \$3,599                        | \$3,599                               | \$22                 |
| Other: <a href="#">Printing, Shipping, and Travel</a> | \$10,000               | \$10,000                       | \$10,000                              | \$63                 |
| Other: <a href="#">Interior Design</a>                | \$12,800               | \$12,800                       | \$12,800                              | \$80                 |
| Other: <a href="#">Dry Utility Design</a>             | \$13,361               | \$13,268                       | \$13,361                              | \$84                 |
| <b>Total General Development Costs:</b>               | <b>\$3,414,121</b>     | <b>\$3,487,716</b>             | <b>\$3,493,299</b>                    | <b>\$21,833</b>      |

Notes to the General Development Costs:

1. The FHFC Credit Underwriting Fee includes \$25,243 for the MMRN, SAIL, ELI, and HC underwriting, \$4,996 for the CHIRP underwriting, \$768 for a re-underwriting fee, and \$3,500 for this CUL 2.
2. Since the Development is 86.57% complete, most of the soft cost contingency has been expended.

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| <b>FINANCIAL COSTS:</b>                                | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> |
|--------------------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|
| Construction Loan Origination Fee                      | \$134,525              | \$134,525                      | \$134,525                             | \$841                |
| Construction Loan Closing Costs                        | \$22,057               | \$22,057                       | \$22,057                              | \$138                |
| Construction Loan Interest                             | \$2,245,077            | \$2,845,077                    | \$2,682,734                           | \$16,767             |
| Permanent Loan Application Fee                         | \$28,000               | \$28,000                       | \$28,000                              | \$175                |
| Permanent Loan Commitment Fee                          | \$150,000              | \$150,000                      | \$150,000                             | \$938                |
| Permanent Loan Closing Costs                           | \$96,481               | \$96,481                       | \$96,481                              | \$603                |
| Bridge Loan Interest                                   | \$63,117               | \$63,117                       | \$63,117                              | \$394                |
| FHFC Note Fiscal Agent Fee                             | \$11,250               | \$11,250                       | \$11,250                              | \$70                 |
| FHFC Note Cost of Issuance                             | \$293,834              | \$293,834                      | \$293,834                             | \$1,836              |
| SAIL Commitment Fee                                    | \$103,000              | \$103,000                      | \$103,000                             | \$644                |
| SAIL-ELI Commitment Fee                                | \$6,000                | \$6,000                        | \$6,000                               | \$38                 |
| Legal Fees - Financing Costs                           | \$70,000               | \$130,000                      | \$130,000                             | \$813                |
| Placement Agent/Underwriter Fee                        | \$40,664               | \$40,664                       | \$40,664                              | \$254                |
| Initial TEFRA Fee                                      | \$1,000                | \$1,000                        | \$1,000                               | \$6                  |
| Other: <u>Syndication Fees</u>                         | \$40,000               | \$40,000                       | \$40,000                              | \$250                |
| Other: <u>Freddie Mac Standby Fee</u>                  | \$56,250               | \$56,250                       | \$56,250                              | \$352                |
| Other: <u>FHFC Note Issuer Fee</u>                     | \$147,000              | \$147,000                      | \$147,000                             | \$919                |
| <b>Total Financial Costs:</b>                          | <b>\$3,508,255</b>     | <b>\$4,168,255</b>             | <b>\$4,005,912</b>                    | <b>\$25,037</b>      |
| <b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b> | <b>\$37,300,347</b>    | <b>\$38,636,623</b>            | <b>\$38,478,458</b>                   | <b>\$240,490</b>     |

Notes to the Financial Costs:

1. First Housing has increased Construction Loan Interest based on an additional eight months expected to finish construction and convert to permanent financing.
2. First Housing has included additional legal costs associated with conversion.

| <b>NON-LAND ACQUISITION COSTS</b>        | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> |
|------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|
| Building Acquisition Cost                | \$0                    | \$0                            | \$0                                   | \$0                  |
| <b>Total Non-Land Acquisition Costs:</b> | <b>\$0</b>             | <b>\$0</b>                     | <b>\$0</b>                            | <b>\$0</b>           |

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, there are no building acquisition costs.

| <b>DEVELOPER FEE ON NON-ACQUISITION COSTS</b> | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> |
|-----------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|
| Developer Fee - Unapportioned                 | \$6,711,635            | \$6,711,635                    | \$6,926,122                           | \$43,288             |
| <b>Total Other Development Costs:</b>         | <b>\$6,711,635</b>     | <b>\$6,711,635</b>             | <b>\$6,926,122</b>                    | <b>\$43,288</b>      |

Notes to the Other Development Costs:

1. The recommended Developer's Fee does not exceed 18% of Total Development Cost before Developer Fee and Operating Deficit Reserves ("ODR") as allowed by the RFA and Rule Chapters 67-48 and 67-21.

| <b>LAND ACQUISITION COSTS</b>   | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> |
|---------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|
| Land                            | \$4,605,781            | \$4,605,781                    | \$4,605,781                           | \$28,786             |
| <b>Total Acquisition Costs:</b> | <b>\$4,605,781</b>     | <b>\$4,605,781</b>             | <b>\$4,605,781</b>                    | <b>\$28,786</b>      |

Notes to Acquisition Costs:

1. The land acquisition costs have not changed.

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| RESERVE ACCOUNTS                       | Applicant Costs  | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit  |
|----------------------------------------|------------------|-------------------------|--------------------------------|----------------|
| Operating Deficit Reserve (Syndicator) | \$411,332        | \$411,332               | \$411,332                      | \$2,571        |
| Other: Tax Escrow                      | \$3,040          | \$3,040                 | \$3,040                        | \$19           |
| Other: Insurance Escrow                | \$88,000         | \$88,000                | \$88,000                       | \$550          |
| <b>Total Reserve Accounts:</b>         | <b>\$502,372</b> | <b>\$502,372</b>        | <b>\$502,372</b>               | <b>\$3,140</b> |

Notes to Reserve Accounts:

1. The reserve costs have not changed.

| TOTAL DEVELOPMENT COSTS         | Applicant Costs     | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit    |
|---------------------------------|---------------------|-------------------------|--------------------------------|------------------|
| <b>TOTAL DEVELOPMENT COSTS:</b> | <b>\$49,120,135</b> | <b>\$50,456,411</b>     | <b>\$50,512,733</b>            | <b>\$315,705</b> |

Notes to Total Development Costs:

1. The Total Development Costs have increased by a total of \$1,392,598 or 2.84% from \$49,120,135 to \$50,512,733 since the most recent draw schedule.
2. Based on the TDC per unit limitations in effect as of the April 1, 2022 FHFC Telephonic Board meeting, Florida Housing has set the TDC for RFA 2020-205, exclusive of land costs and ODR, to \$445,338.65 per unit for new construction, mid-rise (5-6 stories), ESSC Development located in Collier County. The Development's TDC, exclusive of land, escrows, and ODR, is \$45,404,580 or \$283,779 per unit, which is within the underwriting parameters.

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**Operating Pro Forma:  
Ekos Cadenza f/k/a Cadenza at Hacienda Lakes**

| FINANCIAL COSTS:                                          |                                                              |  |          | Year 1      | Year 1<br>Per Unit |
|-----------------------------------------------------------|--------------------------------------------------------------|--|----------|-------------|--------------------|
| OPERATING PRO FORMA                                       |                                                              |  |          |             |                    |
| INCOME:                                                   | Gross Potential Rental Income                                |  |          | \$1,789,464 | \$11,184           |
|                                                           | Other Income                                                 |  |          |             |                    |
|                                                           | Miscellaneous                                                |  |          | \$35,857    | \$224              |
|                                                           | Washer/Dryer Rentals                                         |  |          | \$62,400    | \$390              |
|                                                           | Cable/Satellite Income                                       |  |          | \$28,800    | \$180              |
|                                                           | Gross Potential Income                                       |  |          | \$1,916,521 | \$11,978           |
|                                                           | Less:                                                        |  |          |             |                    |
|                                                           | Physical Vac. Loss                      Percentage:    3.00% |  |          | \$57,496    | \$359              |
| Collection Loss                      Percentage:    2.00% |                                                              |  | \$38,330 | \$240       |                    |
| Total Effective Gross Income                              |                                                              |  |          | \$1,820,695 | \$11,379           |
| EXPENSES:                                                 | Fixed:                                                       |  |          |             |                    |
|                                                           | Real Estate Taxes                                            |  |          | \$3,000     | \$19               |
|                                                           | Insurance                                                    |  |          | \$88,000    | \$550              |
|                                                           | Variable:                                                    |  |          |             |                    |
|                                                           | Management Fee                      Percentage:    4.00%     |  |          | \$72,828    | \$455              |
|                                                           | General and Administrative                                   |  |          | \$72,000    | \$450              |
|                                                           | Payroll Expenses                                             |  |          | \$208,000   | \$1,300            |
|                                                           | Utilities                                                    |  |          | \$77,600    | \$485              |
|                                                           | Marketing and Advertising                                    |  |          | \$8,000     | \$50               |
|                                                           | Maintenance and Repairs/Pest Control                         |  |          | \$72,000    | \$450              |
|                                                           | Grounds Maintenance and Landscaping                          |  |          | \$28,000    | \$175              |
|                                                           | Reserve for Replacements                                     |  |          | \$48,000    | \$300              |
| Total Expenses                                            |                                                              |  |          | \$677,428   | \$4,234            |
| Net Operating Income                                      |                                                              |  |          | \$1,143,267 | \$7,145            |
| Debt Service Payments                                     |                                                              |  |          |             |                    |
| First Mortgage - FHFC/KeyBank/Freddie Mac                 |                                                              |  |          | \$909,872   | \$5,687            |
| Second Mortgage - FHFC - SAIL/CHIRP                       |                                                              |  |          | \$103,000   | \$644              |
| Third Mortgage - FHFC - SAIL ELI                          |                                                              |  |          | \$0         | \$0                |
| First Mortgage Fees - FHFC/KeyBank/Freddie Mac            |                                                              |  |          | \$45,826    | \$286              |
| Second Mortgage Fees - FHFC - SAIL/CHIRP                  |                                                              |  |          | \$11,901    | \$74               |
| Third Mortgage Fees - FHFC - SAIL ELI                     |                                                              |  |          | \$3,741     | \$23               |
| Total Debt Service Payments                               |                                                              |  |          | \$1,074,340 | \$6,715            |
| Cash Flow after Debt Service                              |                                                              |  |          | \$68,927    | \$431              |
|                                                           |                                                              |  |          |             |                    |
| Debt Service Coverage Ratios                              |                                                              |  |          |             |                    |
| DSC - First Mortgage plus Fees                            |                                                              |  |          | 1.20x       |                    |
| DSC - Second Mortgage plus Fees                           |                                                              |  |          | 1.07x       |                    |
| DSC - Third Mortgage plus Fees                            |                                                              |  |          | 1.06x       |                    |
| DSC - All Mortgages and Fees                              |                                                              |  |          | 1.06x       |                    |
| Financial Ratios                                          |                                                              |  |          |             |                    |
| Operating Expense Ratio                                   |                                                              |  |          | 37.21%      |                    |
| Break-even Economic Occupancy Ratio (all debt)            |                                                              |  |          | 91.60%      |                    |

Notes to the Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions. However, in conjunction with the MMRN this Development will be utilizing Housing Credits, SAIL, and ELI financing which will impose rent restrictions. The rent levels are based on 2022 maximum Low

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Income Housing Tax Credits (“LIHTC”) rents published on FHFC’s website for Collier County less the applicable utility allowances. Below is the rent roll for the Development:

**Collier County, Naples-Immokalee-Marco Island 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 |
|-----------|------------|-------|-------------|------|----------------|-----------------|---------------|----------------|----------------------|------------------|-----------------|-----------------|----------|----------------------|
| 0         | 1.0        | 3     | 459         | 28%  |                |                 | \$462         | \$119          | \$ 343               |                  | \$ 294          | \$ 344          | \$ 343   | \$ 12,348            |
| 0         | 1.0        | 22    | 459         | 60%  |                |                 | \$991         | \$119          | \$ 872               |                  | \$ 767          | \$ 874          | \$ 872   | \$ 230,208           |
| 1         | 1.0        | 8     | 564         | 28%  |                |                 | \$495         | \$127          | \$ 368               |                  | \$ 316          | \$ 369          | \$ 368   | \$ 35,328            |
| 1         | 1.0        | 4     | 563         | 60%  |                |                 | \$1,062       | \$127          | \$ 935               |                  | \$ 822          | \$ 936          | \$ 935   | \$ 44,880            |
| 1         | 1.0        | 68    | 564         | 60%  |                |                 | \$1,062       | \$127          | \$ 935               |                  | \$ 822          | \$ 936          | \$ 935   | \$ 762,960           |
| 2         | 2.0        | 5     | 838         | 28%  |                |                 | \$594         | \$145          | \$ 449               |                  | \$ 386          | \$ 450          | \$ 449   | \$ 26,940            |
| 2         | 2.0        | 50    | 838         | 60%  |                |                 | \$1,273       | \$145          | \$ 1,128             |                  | \$ 993          | \$ 1,131        | \$ 1,128 | \$ 676,800           |
|           |            | 160   | 102,681     |      |                |                 |               |                |                      |                  |                 |                 |          | \$ 1,789,464         |

- The utility allowances are based on an Energy Consumption Model Estimate prepared by 2RW Consultants, Inc. and approved on December 29, 2021, by FHFC for Credit Underwriting purposes only.
- For the Collier County loan, the Development will be required to set aside five (5) units at or below 50% of the Area Median Income (“AMI”). Of these units, two (2) units must serve Special Needs households. The existing FHFC MMRN, SAIL, ELI, and HC set-asides are more restrictive.
- The Appraiser estimated vacancy and collection loss at 4%. First Housing has included vacancy and collection loss of approximately 5%, which is more conservative.
- Miscellaneous Income is comprised of revenue from vending machines, application fees, late charges, and forfeited security deposits. Total Miscellaneous Income of \$224/unit/per year is supported by the appraisal.
- The Development will have common laundry facilities with coin operated washers and dryers. The appraisal estimated potential laundry income of \$390 per unit per year.
- Cable/satellite income is a net income for cable/internet and is based on the appraiser’s estimate.
- 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.

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9. The Development will seek ad valorem property tax exemption under Florida Statute 196.1975.
  10. First Housing received an executed Management Agreement, dated August 30, 2022, between MHP FL VII, LLLP (“Owner”) and Weller Workforce, LLC (“Agent”) which indicates a monthly fee of 3% or a minimum of \$3,000. First Housing utilized a 4% fee, which is more conservative.
  11. The landlord will pay for common area utilities, trash, and pest control. The tenant will be responsible for electric, water, sewer, cable, and internet.
  12. Replacement Reserves of \$300 per unit per year are required, per the RFA, Rule Chapter 67-48, and Rule Chapter 67-21. According to LPA, Replacement Reserves will be \$300 per unit and increasing by 3% per year.
  13. The Break-even Economic Occupancy Ratio includes all debt; however, the SAIL Loan requires interest payments that are based on available cash flow. This ratio would improve to 86.23% if these interest payments were not included in the calculation.
  14. Per Rule 67-48, the minimum DSC ratio shall be 1.10x for the SAIL Loan, including all superior mortgages. However, per Rule 67-48, if the Applicant defers at least 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL Loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.06x.
  15. Refer to Exhibit 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%.

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Recommendation:

First Housing's review indicates the additional subordinate debt from Collier County SHIP funding in the amount of \$1,246,600.80 and the subordination of the Collier County loan to the MMRN, SAIL, and ELI has no substantial adverse impact to the Development.

This recommendation is conditioned upon the following:

1. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer of any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) F.A.C. and 67-48.0075(5) F.A.C., of an Applicant or a Developer).
2. Final loan documents for the Collier County loan with terms which are not substantially different than those utilized in the CUL 2.
3. Review and approval of all loan documents consistent with the terms outlined in this CUL 2 by FHFC, its Legal Counsel and Servicer.
4. Prepayment of any required compliance monitoring fees and servicing fees, as applicable.
5. Payment of all costs and fees to Florida Housing, its Legal Counsel, and Servicer, as applicable.
6. Consent of the HC equity provider, if applicable.
7. Consent of the Lender/s, if applicable.
8. Satisfactory resolution of any outstanding past due and/or noncompliance items.
9. All other due diligence required by FHFC, its Legal Counsel, and Servicer.

Prepared by:



Taylor Arruda  
Senior Credit Underwriter

Reviewed by:



Ed Busansky  
Senior Vice President

**FHDC**

**50% Test**

|                                                                 |              |
|-----------------------------------------------------------------|--------------|
| Tax-Exempt Note Amount                                          | \$24,500,000 |
| Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds | \$0          |
| Other:                                                          | \$0          |
| Other:                                                          | \$0          |
| Equals Net Tax-Exempt Note Amount                               | \$24,500,000 |
|                                                                 |              |
| Total Depreciable Cost                                          | \$42,561,513 |
| Plus Land Cost                                                  | \$4,605,781  |
| Aggregate Basis                                                 | \$47,167,294 |
| Net Tax-Exempt Note to Aggregate Basis Ratio                    | 51.94%       |

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

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**15 Year Proforma**

| FINANCIAL COSTS:                               |                                                | Year 1             | Year 2             | Year 3             | Year 4             | Year 5             | Year 6             | Year 7             | Year 8             | Year 9             | Year 10            | Year 11            | Year 12            | Year 13            | Year 14            | Year 15            |
|------------------------------------------------|------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>OPERATING PRO FORMA</b>                     |                                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>INCOME:</b>                                 | Gross Potential Rental Income                  | \$1,789,464        | \$1,825,253        | \$1,861,758        | \$1,898,994        | \$1,936,973        | \$1,975,713        | \$2,015,227        | \$2,055,532        | \$2,096,642        | \$2,138,575        | \$2,181,347        | \$2,224,974        | \$2,269,473        | \$2,314,862        | \$2,361,160        |
|                                                | Other Income                                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                                | Miscellaneous                                  | \$35,857           | \$36,574           | \$37,306           | \$38,052           | \$38,813           | \$39,589           | \$40,381           | \$41,188           | \$42,012           | \$42,852           | \$43,709           | \$44,584           | \$45,475           | \$46,385           | \$47,313           |
|                                                | Washer/Dryer Rentals                           | \$62,400           | \$63,648           | \$64,921           | \$66,219           | \$67,544           | \$68,895           | \$70,273           | \$71,678           | \$73,112           | \$74,574           | \$76,065           | \$77,587           | \$79,138           | \$80,721           | \$82,335           |
|                                                | Cable/Satellite Income                         | \$28,800           | \$29,376           | \$29,964           | \$30,563           | \$31,174           | \$31,798           | \$32,433           | \$33,082           | \$33,744           | \$34,419           | \$35,107           | \$35,809           | \$36,525           | \$37,256           | \$38,001           |
|                                                | Gross Potential Income                         | \$1,916,521        | \$1,954,851        | \$1,993,948        | \$2,033,827        | \$2,074,504        | \$2,115,994        | \$2,158,314        | \$2,201,480        | \$2,245,510        | \$2,290,420        | \$2,336,228        | \$2,382,953        | \$2,430,612        | \$2,479,224        | \$2,528,809        |
|                                                | Less:                                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                                | Physical Vac. Loss      Percentage:      3.00% | \$57,496           | \$58,646           | \$59,818           | \$61,015           | \$62,235           | \$63,480           | \$64,749           | \$66,044           | \$67,365           | \$68,713           | \$70,087           | \$71,489           | \$72,918           | \$74,377           | \$75,864           |
|                                                | Collection Loss      Percentage:      2.00%    | \$38,330           | \$39,097           | \$39,879           | \$40,677           | \$41,490           | \$42,320           | \$43,166           | \$44,030           | \$44,910           | \$45,808           | \$46,725           | \$47,659           | \$48,612           | \$49,584           | \$50,576           |
|                                                | <b>Total Effective Gross Income</b>            | <b>\$1,820,695</b> | <b>\$1,857,109</b> | <b>\$1,894,251</b> | <b>\$1,932,136</b> | <b>\$1,970,779</b> | <b>\$2,010,194</b> | <b>\$2,050,398</b> | <b>\$2,091,406</b> | <b>\$2,133,234</b> | <b>\$2,175,899</b> | <b>\$2,219,417</b> | <b>\$2,263,805</b> | <b>\$2,309,081</b> | <b>\$2,355,263</b> | <b>\$2,402,368</b> |
| <b>EXPENSES:</b>                               | Fixed:                                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                                | Real Estate Taxes                              | \$3,000            | \$3,090            | \$3,183            | \$3,278            | \$3,377            | \$3,478            | \$3,582            | \$3,690            | \$3,800            | \$3,914            | \$4,032            | \$4,153            | \$4,277            | \$4,406            | \$4,538            |
|                                                | Insurance                                      | \$88,000           | \$90,640           | \$93,359           | \$96,160           | \$99,045           | \$102,016          | \$105,077          | \$108,229          | \$111,476          | \$114,820          | \$118,265          | \$121,813          | \$125,467          | \$129,231          | \$133,108          |
|                                                | Variable:                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                                | Management Fee      Percentage:      4.00%     | \$72,828           | \$74,284           | \$75,770           | \$77,285           | \$78,831           | \$80,408           | \$82,016           | \$83,656           | \$85,329           | \$87,036           | \$88,777           | \$90,552           | \$92,363           | \$94,211           | \$96,095           |
|                                                | General and Administrative                     | \$72,000           | \$74,160           | \$76,385           | \$78,676           | \$81,037           | \$83,468           | \$85,972           | \$88,551           | \$91,207           | \$93,944           | \$96,762           | \$99,665           | \$102,655          | \$105,734          | \$108,906          |
|                                                | Payroll Expenses                               | \$208,000          | \$214,240          | \$220,667          | \$227,287          | \$234,106          | \$241,129          | \$248,363          | \$255,814          | \$263,488          | \$271,393          | \$279,535          | \$287,921          | \$296,558          | \$305,455          | \$314,619          |
|                                                | Utilities                                      | \$77,600           | \$79,928           | \$82,326           | \$84,796           | \$87,339           | \$89,960           | \$92,658           | \$95,438           | \$98,301           | \$101,250          | \$104,288          | \$107,417          | \$110,639          | \$113,958          | \$117,377          |
|                                                | Marketing and Advertising                      | \$8,000            | \$8,240            | \$8,487            | \$8,742            | \$9,004            | \$9,274            | \$9,552            | \$9,839            | \$10,134           | \$10,438           | \$10,751           | \$11,074           | \$11,406           | \$11,748           | \$12,101           |
|                                                | Maintenance and Repairs/Pest Control           | \$72,000           | \$74,160           | \$76,385           | \$78,676           | \$81,037           | \$83,468           | \$85,972           | \$88,551           | \$91,207           | \$93,944           | \$96,762           | \$99,665           | \$102,655          | \$105,734          | \$108,906          |
|                                                | Grounds Maintenance and Landscaping            | \$28,000           | \$28,840           | \$29,705           | \$30,596           | \$31,514           | \$32,460           | \$33,433           | \$34,436           | \$35,470           | \$36,534           | \$37,630           | \$38,759           | \$39,921           | \$41,119           | \$42,353           |
|                                                | Reserve for Replacements                       | \$48,000           | \$49,440           | \$50,923           | \$52,451           | \$54,024           | \$55,645           | \$57,315           | \$59,034           | \$60,805           | \$62,629           | \$64,508           | \$66,443           | \$68,437           | \$70,490           | \$72,604           |
|                                                | <b>Total Expenses</b>                          | <b>\$677,428</b>   | <b>\$697,022</b>   | <b>\$717,190</b>   | <b>\$737,948</b>   | <b>\$759,314</b>   | <b>\$781,305</b>   | <b>\$803,940</b>   | <b>\$827,238</b>   | <b>\$851,219</b>   | <b>\$875,902</b>   | <b>\$901,309</b>   | <b>\$927,460</b>   | <b>\$954,378</b>   | <b>\$982,086</b>   | <b>\$1,010,606</b> |
|                                                | <b>Net Operating Income</b>                    | <b>\$1,143,267</b> | <b>\$1,160,086</b> | <b>\$1,177,061</b> | <b>\$1,194,188</b> | <b>\$1,211,465</b> | <b>\$1,228,889</b> | <b>\$1,246,458</b> | <b>\$1,264,168</b> | <b>\$1,282,016</b> | <b>\$1,299,997</b> | <b>\$1,318,108</b> | <b>\$1,336,345</b> | <b>\$1,354,703</b> | <b>\$1,373,177</b> | <b>\$1,391,762</b> |
| <b>Debt Service Payments</b>                   |                                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| First Mortgage - FHFC/KeyBank/Freddie Mac      |                                                | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          | \$909,872          |
| Second Mortgage - FHFC - SAIL/CHIRP            |                                                | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          | \$103,000          |
| Third Mortgage - FHFC - SAIL ELI               |                                                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| First Mortgage Fees - FHFC/KeyBank/Freddie Mac |                                                | \$45,826           | \$45,706           | \$45,576           | \$45,435           | \$45,283           | \$45,117           | \$44,939           | \$44,745           | \$44,537           | \$44,312           | \$44,069           | \$43,809           | \$43,528           | \$43,226           | \$42,901           |
| Second Mortgage Fees - FHFC - SAIL/CHIRP       |                                                | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           | \$11,901           |
| Third Mortgage Fees - FHFC - SAIL ELI          |                                                | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            | \$3,741            |
| <b>Total Debt Service Payments</b>             |                                                | <b>\$1,074,340</b> | <b>\$1,074,220</b> | <b>\$1,074,090</b> | <b>\$1,073,949</b> | <b>\$1,073,797</b> | <b>\$1,073,631</b> | <b>\$1,073,453</b> | <b>\$1,073,259</b> | <b>\$1,073,051</b> | <b>\$1,072,826</b> | <b>\$1,072,583</b> | <b>\$1,072,323</b> | <b>\$1,072,042</b> | <b>\$1,071,740</b> | <b>\$1,071,415</b> |
| Cash Flow after Debt Service                   |                                                | \$68,927           | \$85,866           | \$102,970          | \$120,238          | \$137,668          | \$155,258          | \$173,006          | \$190,909          | \$208,965          | \$227,171          | \$245,525          | \$264,023          | \$282,661          | \$301,437          | \$320,346          |
| <b>Debt Service Coverage Ratios</b>            |                                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| DSC - First Mortgage plus Fees                 |                                                | 1.20               | 1.21               | 1.23               | 1.25               | 1.27               | 1.29               | 1.31               | 1.32               | 1.34               | 1.36               | 1.38               | 1.40               | 1.42               | 1.44               | 1.46               |
| DSC - Second Mortgage plus Fees                |                                                | 1.07               | 1.08               | 1.10               | 1.12               | 1.13               | 1.15               | 1.17               | 1.18               | 1.20               | 1.22               | 1.23               | 1.25               | 1.27               | 1.29               | 1.30               |
| DSC - Third Mortgage plus Fees                 |                                                | 1.06               | 1.08               | 1.10               | 1.11               | 1.13               | 1.14               | 1.16               | 1.18               | 1.19               | 1.21               | 1.23               | 1.25               | 1.26               | 1.28               | 1.30               |
| DSC - All Mortgages and Fees                   |                                                | 1.06               | 1.08               | 1.10               | 1.11               | 1.13               | 1.14               | 1.16               | 1.18               | 1.19               | 1.21               | 1.23               | 1.25               | 1.26               | 1.28               | 1.30               |
| <b>Financial Ratios</b>                        |                                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Operating Expense Ratio                        |                                                | 37.21%             | 37.53%             | 37.86%             | 38.19%             | 38.53%             | 38.87%             | 39.21%             | 39.55%             | 39.90%             | 40.25%             | 40.61%             | 40.97%             | 41.33%             | 41.70%             | 42.07%             |
| Break-even Economic Occupancy Ratio (all debt) |                                                | 91.60%             | 90.81%             | 90.04%             | 89.29%             | 88.56%             | 87.86%             | 87.18%             | 86.53%             | 85.89%             | 85.28%             | 84.69%             | 84.12%             | 83.57%             | 83.04%             | 82.53%             |

Based on the LPA, Replacement Reserves will be required at \$300 per unit per year, increasing by 3% per year.

**Ekos Cadenza f/k/a Cadenza at Hacienda Lakes**

**November 1, 2024**

**Exhibit 1**



October 30, 2024

Mr. Tim Kennedy  
Multifamily Loans & Bonds Director  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301-1329

RE: Silver Lakes Village Apartments (the "Development") / EHCL RFA 2020-101 (2021-189E)  
Credit Underwriting Report Update Letter ("CUR Update Letter") – Changes to the final CUR dated  
January 19, 2023 ("CUR")

Dear Mr. Kennedy:

AmeriNat® ("AmeriNat" or "Servicer") has been requested to prepare a recommendation regarding the request to extend the Elderly Housing Community Loan ("EHCL") loan term to be co-terminus with a proposed, new first mortgage for the Development. In addition, the EHCL Land Use Restriction Agreement ("LURA") compliance period will be extended from 15 years to 18 years. Silver Lakes Village VOA Affordable Housing, LP ("Borrower") applied to the Florida Housing Finance Corporation ("Florida Housing" or "FHFC") for an EHCL loan to provide life-safety, building preservation, health, sanitation, or security-related repairs or improvements to the Development. FHFC issued an Invitation to Credit Underwriting to the Borrower dated January 26, 2021. The CUR for the Development is dated January 19, 2023, and approved at Florida Housing's January 27, 2023 Board meeting.

#### Overview

On February 3, 2023, the Borrower accepted the firm commitment letter dated February 7, 2023, for a \$750,000 EHCL loan. Correspondence was received by FHFC to extend the loan term of the EHCL from 10 years, as illustrated in the CUR, to a total term of 40 years (including 2.5 years for the construction/stabilization period and a permanent period of 37.5 years) which will be co-terminus with a proposed new first mortgage as permitted by the Rule. In addition, the EHCL LURA compliance period will be extended from 15 years to 40 years. The EHCL LURA compliance period can not end before the maturity date of the EHCL loan term. The proposed new first mortgage is part of a recapitalization plan for the acquisition and rehabilitation of the Development that will refinance the first mortgage utilizing tax-exempt bonds. The new first mortgage will have an 15-year loan term inclusive of the 30-month construction period.

According to a term sheet from Boston Capital Finance LLC ("BCF"), dated November 14, 2023, BCF will provide tax exempt first mortgage financing for the acquisition and rehabilitation of the Development that will be sourced from the issuance and sale of tax-exempt bonds issued by the Orange County Housing Finance Authority. Per the term sheet, the construction term of the facility will be for a period no longer than 24 months from the closing (the "Construction Period"). A one-time 6-month extension of the

Mr. Tim Kennedy  
Silver Lakes Village Apartments October 30, 2024  
Page 2 of 2

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Construction Period may be allowed, subject to the discretion of BCF, provided the Borrower is not in default and upon payment of an extension fee equal to 30 basis points of the original principal amount of the Bond. Interest payments during construction will be drawn monthly from the tax-exempt bond at a floating interest rate equal to the 3-Year SOFR (4.434% as of May 16, 2024) plus 270 basis points ("bps"), subject to a floor of 6.00%. AmeriNat added an additional 75 bps for an estimated an "all-in" interest rate of 7.88%. The outstanding principal balance of the construction loan will be repaid with equity funded at or subsequent to construction completion. The construction loan will be paid down with Equity proceeds to an amount not to exceed \$6,250,000.

In order to convert to permanent financing, the following conditions must be satisfied: (i) the ratio of net operating income for the prior three months to a maximum principal and interest (and Issuer and Trustee fees) payable in any three-month period equals or exceeds 1.15 to 1.00 debt service coverage ratio ("DSCR"), and (ii) not less than ninety percent (90%) of the units shall have been leased and physically occupied by tenants who meet leasing requirements as approved by BCF. Per an update letter dated April 9, 2024, the construction loan shall be paid down to an estimated amount of \$6,250,000 but will be sized to a 1.15 DSCR at the time of conversion and will be restricted to a maximum 90% LTV for the permanent financing. Following stabilization, there will be four years of interest-only debt service payments. The permanent interest rate will be fixed at construction closing and will be based upon the 18-year SOFR (3.85% as of April 9, 2024) plus 260 bps, subject to a floor of 5.80%. The current indicative rate is 6.45%. Following the interest-only payment period, monthly payment of principal and interest shall be due based upon a 40-year amortization period. The permanent financing will have an effective term of 40 years. Upon the 17 Year Anniversary of Closing, BCF shall have the option, with six months' notice, to require a mandatory repayment of the Bonds.

The terms illustrated in the term sheet are subject to credit underwriting and investment committee approval by BCF.

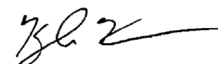
Recommendation

AmeriNat concludes that extending the EHCL loan to be co-terminus with the new first mortgage and extending the EHCL LURA compliance period will not adversely impact the transaction and/or Florida Housing's security position. The EHCL loan will remain in second lien position, respectively. Accordingly, AmeriNat recommends that Florida Housing approve the above changes to the transaction, subject to the following:

1. Review and approval of all loan documents consistent with the terms outlined above by Florida Housing, its Legal Counsel, and Servicer.
2. All closing conditions in the CUR have to be met.
3. Any other reasonable requirements of the Servicer, Florida Housing, and its Legal Counsel.

Please do not hesitate to contact me if you need further assistance.

Sincerely,



Kyle Kuenn  
Multifamily Chief Credit Underwriter

**Status of RFAs and Funding Amounts**

**Housing Credits – 2024-2025 Cycle**

| RFA Number    | RFA Title                                                                                                                                       | Housing Credit Funding Made Available | Housing Credit Funding Awarded | Housing Credit Funding Remaining | Status                                                |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------|----------------------------------|-------------------------------------------------------|
| 2024-201      | Housing Credit Financing for Affordable Housing Developments Located in Small and Medium Counties                                               | \$22,718,520                          | \$22,330,320                   | \$388,200                        | No Litigation                                         |
| 2024-202*     | Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties | \$26,877,902                          | \$27,029,800                   | (\$151,898)                      | No Litigation                                         |
| 2024-203      | Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County                                                       | \$9,957,110                           | \$10,190,000                   | (\$232,890)                      | Settlement Agreement Approved by Board - October 2024 |
| 2024-213      | SAIL Funding for Live Local Mixed Income, Mixed-Use, and Urban Infill Developments (Keys Goal)                                                  | \$1,629,260                           |                                | \$1,629,260                      | RFA issued November 20, 2024                          |
| 2025-103      | Housing Credit and SAIL Financing to Develop Housing for Homeless Persons                                                                       | \$6,500,000                           |                                | \$6,500,000                      | RFA issued October 17, 2024                           |
| 2025-106      | Financing to Develop Housing for Persons with Disabling Conditions / Developmental Disabilities                                                 | \$3,466,500                           |                                | \$3,466,500                      | RFA issued October 17, 2024                           |
| <b>Totals</b> |                                                                                                                                                 | <b>\$71,149,292</b>                   | <b>\$59,550,120</b>            | <b>\$11,599,172</b>              |                                                       |

\*Includes \$1,819,292 in allocation remaining from 2024 allocation that Board approved to be allocated in 2024-202 as 2024 credits

**SAIL – 2024-2025 Cycle**

| RFA Number    | RFA Title                                                                                           | SAIL Funding Made Available | SAIL Funding Awarded | SAIL Funding Remaining | Status                          |
|---------------|-----------------------------------------------------------------------------------------------------|-----------------------------|----------------------|------------------------|---------------------------------|
| 2024-204      | SAIL Financing for the Preservation of Elderly Developments                                         | \$3,675,000                 |                      | \$3,675,000            | RFA issued November 14, 2024    |
| 2024-205      | SAIL Financing of Affordable Multifamily Housing Developments                                       | \$87,825,000                | \$86,216,300         | \$1,608,700            | Litigation Ongoing              |
| 2025-102*     | SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs | \$12,815,413                |                      | \$12,815,413           | RFA issued on September 5, 2024 |
| 2025-103      | Housing Credit and SAIL Financing to Develop Housing for Homeless Persons                           | \$12,500,000                |                      | \$12,500,000           | RFA issued on October 17, 2024  |
| 2025-104      | SAIL Financing Farmworker and Commercial Fishing Worker Housing                                     | \$6,250,000                 |                      | \$6,250,000            | RFA Issue Date - April 2025     |
| 2025-106      | Financing to Develop Housing for Persons with Disabling Conditions / Developmental Disabilities     | \$6,000,000                 |                      | \$6,000,000            | RFA issued on October 17, 2024  |
| <b>Totals</b> |                                                                                                     | <b>\$129,065,413</b>        | <b>\$86,216,300</b>  | <b>\$42,849,113</b>    |                                 |

\*Includes \$4,065,413 leftover from RFA 2024-102

**Live Local SAIL – 2024-2025 Cycle**

| RFA Number    | RFA Title                                                                                                          | Live Local SAIL Funding Made Available | Live Local SAIL Funding Awarded | Live Local SAIL Funding Remaining | Status                             |
|---------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|-----------------------------------|------------------------------------|
| 2023-213*     | SAIL Funding for Live Local Mixed Income, Mixed-Use and Urban Infill Developments                                  | \$100,389,979                          |                                 | \$100,389,979                     | RFA Issued November 20, 2024       |
| 2025-206      | HOME and Live Local SAIL Financing to be Used for Rental Developments in Rural Areas of Opportunity                | \$7,000,000                            |                                 | \$7,000,000                       | RFA Issue Date - January 2025      |
| 2024-214**    | Live Local SAIL Financing to be Used for Developing and Reconstructing Affordable Multifamily Housing Developments | \$40,000,000                           | \$40,000,000                    | \$0                               | No Litigation                      |
| 2024-215**    | SAIL Funding for Development near Military Installations Pursuant to The Live Local Act, 420.50871, F.S.           | \$46,000,000                           | \$39,992,400                    | \$6,007,600                       | No Litigation                      |
| 2024-216      | SAIL Funding for Large Scale Developments of Significant Regional Impact                                           | \$50,000,000                           | \$50,000,000                    | \$0                               | No Litigation                      |
| 2025-XXX      | SAIL Funding for Large Scale Developments of Significant Regional Impact                                           | \$49,575,000                           |                                 | \$49,575,000                      | RFA Issue Date - Beginning of 2025 |
| <b>Totals</b> |                                                                                                                    | <b>\$292,964,979</b>                   | <b>\$129,992,400</b>            | <b>\$162,972,579</b>              |                                    |

\*Includes \$389,979 leftover from 2023-2024 Cycle

\*\*Includes 2023 and 2024 Funding Allocations

**HOME – 2024-2025 Cycle**

| RFA Number    | RFA Title                                                                                           | HOME Funding Made Available | HOME Funding Awarded | HOME Funding Remaining | Status                        |
|---------------|-----------------------------------------------------------------------------------------------------|-----------------------------|----------------------|------------------------|-------------------------------|
| 2025-206*     | HOME and Live Local SAIL Financing to be Used for Rental Developments in Rural Areas of Opportunity | \$30,000,000                |                      | \$30,000,000           | RFA Issue Date - January 2025 |
| <b>Totals</b> |                                                                                                     | <b>\$30,000,000</b>         | <b>\$0</b>           | <b>\$30,000,000</b>    |                               |

\*Estimated amount

**CDBG-DR**

| RFA Number    | RFA Title                                                                                                                                             | CDBG-DR Funding Made Available | CDBG-DR Funding Awarded | CDBG-DR Funding Remaining | Status             |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------|---------------------------|--------------------|
| 2024-305*     | Community Development Block Grant-Disaster Recovery (CDBG DR) Financing for Affordable Housing Developments located in Hurricane Sally impacted areas | \$23,750,000                   | \$20,980,000            | \$2,770,000               | No Litigation      |
| 2024-306      | Community Development Block Grant-Disaster Recovery (CDBG DR) Financing for Affordable Housing Developments located in Hurricane Ian impacted areas   | \$99,276,000                   | \$92,900,000            | \$6,376,000               | Litigation Ongoing |
| <b>Totals</b> |                                                                                                                                                       | <b>\$123,026,000</b>           | <b>\$113,880,000</b>    | <b>\$9,146,000</b>        |                    |

\*Staff coordinated with Commerce and will disburse the remaining \$2,770,000 of funding to the awardees.

**Grant Funding**

| RFA Number | RFA Title                                                                                       | Grant Funding Made Available | Grant Funding Awarded | Grant Funding Remaining | Status                         |
|------------|-------------------------------------------------------------------------------------------------|------------------------------|-----------------------|-------------------------|--------------------------------|
| 2025-106   | Financing to Develop Housing for Persons with Disabling Conditions / Developmental Disabilities | \$5,572,918.00               |                       | \$5,572,918.00          | RFA issued on October 17, 2024 |

# **Florida Housing Finance Corporation**

*Credit Underwriting Report*

## **The Pointe at Piney-Z**

**Housing Credit Financing for Affordable Housing Developments Located in Medium and Small  
Counties**

**NHTF & 9% HC**

**RFA 2022-201 / 2023-044CN**

**Section A      Report Summary**

**Section B      Loan Conditions and HC Allocation Recommendation and Contingencies**

**Section C      Supporting Information and Schedules**

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*Prepared by*

***Seltzer Management Group, Inc.***

*Final Report*

*October 28, 2024*

**THE POINTE AT PINEY-Z**

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**Section A**  
**Report Summary**

## Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer" or "Servicer") recommends Florida Housing Finance Corporation ("FHFC" or "Florida Housing" or "Corporation") issue a National Housing Trust Fund ("NHTF") Mortgage of \$1,820,000. SMG also recommends an annual Housing Credit ("HC") allocation of \$2,019,000 to The Pointe at Piney-Z ("Development") for construction and permanent financing.

| DEVELOPMENT & SET-ASIDES                                     |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
|--------------------------------------------------------------|--|--|------------------------|-----------------------------------------------------------|--|---------------------|----------------------------------------------------|--------------------------------------|----------------------------|--|--|--|--|
| Development Name: <u>The Pointe at Piney-Z</u>               |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
| RFA/Program Numbers: <u>RFA 2022-201</u> / <u>2023-044CN</u> |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
| Address: <u>3820 Apalachee Parkway</u>                       |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
| City: <u>Tallahassee</u>                                     |  |  | Zip Code: <u>32311</u> |                                                           |  | County: <u>Leon</u> |                                                    |                                      | County Size: <u>Medium</u> |  |  |  |  |
| Development Category: <u>New Construction</u>                |  |  |                        |                                                           |  |                     | Development Type: <u>Garden Apts (1-3 Stories)</u> |                                      |                            |  |  |  |  |
| Construction Type: <u>Wood Frame</u>                         |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
| Demographic Commitment:                                      |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
| Primary: <u>Family</u> for <u>100%</u> of the Units          |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
| Unit Composition:                                            |  |  |                        |                                                           |  |                     |                                                    |                                      |                            |  |  |  |  |
| # of ELI Units: <u>8</u>                                     |  |  |                        | ELI Units Are Restricted to <u>33%</u> AMI, or less.      |  |                     |                                                    | Total # of units with PBRA? <u>0</u> |                            |  |  |  |  |
| # of Link Units: <u>4</u>                                    |  |  |                        | Are the Link Units Demographically Restricted? <u>Yes</u> |  |                     |                                                    | # of NHTF Units: <u>7</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 |
|-----------|------------|-------|-------------|------|----------------|-----------------|---------------|----------------|----------------------|------------------|-----------------|-----------------|----------|----------------------|
| 2         | 2.0        | 7     | 1,069       | 30%  |                |                 | \$645         | \$139          | \$506                |                  | \$465           | \$511           | \$506    | \$42,504             |
| 2         | 2.0        | 4     | 1,069       | 33%  |                |                 | \$659         | \$139          | \$520                |                  | \$525           | \$525           | \$520    | \$24,960             |
| 2         | 2.0        | 29    | 1,069       | 60%  |                |                 | \$1,198       | \$139          | \$1,059              |                  | \$1,064         | \$1,064         | \$1,059  | \$368,532            |
| 3         | 2.0        | 4     | 1,217       | 33%  |                |                 | \$761         | \$176          | \$585                |                  | \$592           | \$592           | \$585    | \$28,080             |
| 3         | 2.0        | 36    | 1,217       | 60%  |                |                 | \$1,383       | \$176          | \$1,207              |                  | \$1,214         | \$1,214         | \$1,207  | \$521,424            |
|           |            | 80    | 91,440      |      |                |                 |               |                |                      |                  |                 |                 |          | \$985,500            |

The Applicant selected the minimum set aside commitment of 40% of units at 60% Area Median Income ("AMI") or lower. Therefore, the Development must set aside 10% of the total units (8 units) as ELI Set-Aside units at 33% AMI or lower.

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50 percent (50%) of the ELI Set-Aside units (4 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 ("Leon County"). The fully executed MOU approved by Florida Housing is a condition to close. FHFC also approved the Tenant Selection Plan on January 16, 2024.

**NHTF Units Set-Aside Commitment:** The proposed development must set aside seven (7) units as NHTF Link units targeted for Persons with Special Needs. These units are required to be set aside for residents earning at or below 30% AMI and are in addition to the 50% requirement for ELI set aside units. Therefore, the Development will have a total of 11 units targeted for Link units for Persons with Special Needs (ELI – 4 units, NHTF – 7 units). After 30 years, all of the NHTF Link units may convert to serve residents at or below 60% AMI; however, the Person with Special Needs set aside commitment must be maintained throughout the entire 50-year Compliance Period.

**NHTF Loan Amount per Number of Units for Leon County:** Seven (7) units at \$260,000 = \$1,820,000

Buildings: Residential - 5 Non-Residential - 1  
Parking: Parking Spaces - 196 Accessible Spaces - 8

Set Asides:

| Program | % of Units | # of Units | % AMI | Term (Years) |
|---------|------------|------------|-------|--------------|
| HC      | 10.0%      | 8          | 33%   | 50           |
| HC      | 90.0%      | 72         | 60%   | 50           |
| NHTF    | 8.8%       | 7          | 30%   | 99           |

Absorption Rate 25 units per month for 4 months.

Occupancy Rate at Stabilization: Physical Occupancy 95.00% Economic Occupancy 94.00%

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: Yes  
Site Acreage: 9.35 Density: 8.5561 Flood Zone Designation: X  
Zoning: PUD - Planned Unit Development Flood Insurance Required?: No

The 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 NHTF 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") which will be defined under the NHTF Land Use Restriction Agreement. 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.

| DEVELOPMENT TEAM                      |                 |                                                              |             |
|---------------------------------------|-----------------|--------------------------------------------------------------|-------------|
| Applicant/Borrower:                   |                 | The Pointe at Piney-Z, LP                                    | % Ownership |
|                                       | General Partner | RA The Pointe at Piney-Z, LLC                                |             |
|                                       | Limited Partner | Raymond James Affordable Housing Investments, Inc. ("RJAHI") |             |
| Construction Completion Guarantor(s): |                 |                                                              |             |
|                                       | CC Guarantor 1: | The Pointe at Piney-Z, LP                                    |             |
|                                       | CC Guarantor 2: | RA The Pointe at Piney-Z, LLC                                |             |
|                                       | CC Guarantor 3: | Royal American Development, Inc                              |             |
|                                       | CC Guarantor 4: | Jeannette B. Chapman                                         |             |
|                                       | CC Guarantor 5: | Royal American Properties, LLC                               |             |
| Operating Deficit Guarantor(s):       |                 |                                                              |             |
|                                       | OD Guarantor 1: | The Pointe at Piney-Z, LP                                    |             |
|                                       | OD Guarantor 2: | RA The Pointe at Piney-Z, LLC                                |             |
|                                       | OD Guarantor 3: | Royal American Development, Inc                              |             |
|                                       | OD Guarantor 4: | Jeannette B. Chapman                                         |             |
|                                       | OD Guarantor 5: | Royal American Properties, LLC                               |             |
| Developer:                            |                 | Royal American Properties, LLC                               |             |
|                                       | Principal 1     | Royal American Development, Inc.                             |             |
|                                       | Principal 2     | PFP Holdings, Inc.                                           |             |
| General Contractor 1:                 |                 | Royal American Construction, Inc.                            |             |
| Management Company:                   |                 | Royal American Management, Inc.                              |             |
| Syndicator:                           |                 | RJAHI                                                        |             |
| Architect:                            |                 | Forum Architecture & Interior Design, Inc.                   |             |
| Market Study Provider:                |                 | Apprise by Walker and Dunlop                                 |             |
| Appraiser:                            |                 | Apprise by Walker and Dunlop                                 |             |

| PERMANENT FINANCING INFORMATION           |             |             |            |            |            |       |
|-------------------------------------------|-------------|-------------|------------|------------|------------|-------|
|                                           | 1st Source  | 2nd Source  | 3rd Source | 4th Source | 5th Source | Other |
| Lender/Grantor                            | Citi        | NHTF        |            |            |            |       |
| Amount                                    | \$3,800,000 | \$1,820,000 |            |            |            |       |
| Underwritten Interest Rate                | 7.25%       | 0.00%       |            |            |            |       |
| Loan Term                                 | 18.0        | 30.0        |            |            |            |       |
| Amortization                              | 40.0        | N/A         |            |            |            |       |
| Market Rate/Market Financing LTV          | 24.1%       | 35.6%       |            |            |            |       |
| Restricted Market Financing LTV           | 49.4%       | 73.0%       |            |            |            |       |
| Loan to Cost - Cumulative                 | 15.1%       | 22.4%       |            |            |            |       |
| Debt Service Coverage                     | 1.363       | 1.337       |            |            |            |       |
| Operating Deficit & Debt Service Reserves | \$456,304   |             |            |            |            |       |
| # of Months covered by the Reserves       | 10.2        |             |            |            |            |       |

|                                                   |              |
|---------------------------------------------------|--------------|
| Deferred Developer Fee                            | \$1,520,814  |
| As-Is Land Value                                  | \$1,600,000  |
| Market Rent/Market Financing Stabilized Value     | \$15,800,000 |
| Rent Restricted Market Financing Stabilized Value | \$7,700,000  |
| Projected Net Operating Income (NOI) - Year 1     | \$397,590    |
| Projected Net Operating Income (NOI) - 15 Year    | \$440,862    |
| 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              | \$2,019,000  |
| HC Annual Allocation - Qualified in CUR           | \$2,019,000  |
| HC Annual Allocation - Equity Letter of Interest  | \$2,019,000  |

| CONSTRUCTION/PERMANENT SOURCES: |              |                     |                     |                     |
|---------------------------------|--------------|---------------------|---------------------|---------------------|
| Source                          | Lender       | Construction        | Permanent           | Perm Loan/Unit      |
| Regulated Mortgage              | Citi         | \$18,000,000        | \$3,800,000         | \$47,500.00         |
| FHFC - NHTF                     | NHTF         | \$1,820,000         | \$1,820,000         | \$22,750.00         |
| HC Equity                       | RJAH         | \$2,695,096         | \$17,967,303        | \$224,591.29        |
| Deferred Developer              | Developer    | \$2,136,717         | \$1,520,814         | \$19,010.18         |
| Deferred Costs - Other          | Deferred ODR | \$456,304           | \$0                 | \$0.00              |
| <b>TOTAL</b>                    |              | <b>\$25,108,117</b> | <b>\$25,108,117</b> | <b>\$313,851.46</b> |

Changes from the Application:

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

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

1. See the below changes in the source of funds:
  - Florida Housing received NHTF funding with the requirement of committing the funds within two years of receiving the allocation. The Development’s Application was identified to be able to utilize the NHTF funding. On May 22, 2024, the Applicant requested NHTF funding from FHFC. Per the June 3, 2024, Invitation to Enter Credit Underwriting the Applicant was preliminarily awarded additional funding in the amount of up to \$1,820,000 in the form of a NHTF loan.

- At the time of the application, Citibank, N.A. (“Citi”) issued a Term Sheet for a construction loan of \$18,000,000 and permanent loan of \$3,500,000. Per Citi’s reissued Term Sheet dated October 23, 2024, the permanent loan will be no more than \$3,800,000.
  - The Applicant added Deferred Reserve Funding in the amount of \$456,304 as a source during the Construction Period.
2. Total Development Costs (“TDC”) as stated in the application were \$22,497,050. TDC have increased to \$25,108,117, an increase of \$2,611,067. This increase is primarily due to increases in all development cost categories including an increase in total Developer Fee.
  3. See the below change to the unit mix:
    - The Application states the three-bedroom units include three-bathrooms. The Applicant intends to submit a request to FHFC to change the three-bedroom units to include two-bathrooms. Submission of this request from the Applicant and approval by FHFC Staff is listed as a condition to close.

These changes have no substantial material impact to the NHTF 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 October 11, 2024, reflects the following past due item(s): None  
Florida Housing’s Asset Management Noncompliance Report dated October 18, 2023, reflects the following noncompliance item(s): None

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

Strengths:

1. Per the Market Study, Apprise by Walker & Dunlop (“Apprise”) states the capture rates are low indicating that there is sufficient demand for the subject units and the projected market penetration appears to be favorable due to the limited number of income-restricted properties within Leon County.
2. Although the Borrower and Members are newly formed, the Developer, General Contractor, and the Management Company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information: None

Issues and Concerns: None

Mitigating Factors: None

Recommendation:

SMG recommends FHFC approve a NHTF Mortgage in the amount of \$1,820,000. SMG also recommends an Annual HC allocation of \$2,019,000 be awarded to The Pointe at Piney-Z 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 NHTF Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

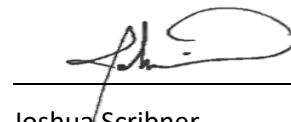
This recommendation is only valid for six months from the date of the report.

Prepared by:



Barbara Smith  
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         | Citi         | \$18,000,000        | \$18,000,000        | \$18,000,000        | 7.74%         | \$1,390,878               |
| Second Mortgage        | NHTF         | \$0                 | \$1,200,000         | \$1,820,000         | 0.00%         | \$0                       |
| HC Equity              | RJAH         | \$2,695,096         | \$2,695,095         | \$2,695,096         |               |                           |
| Deferred Developer Fee | Developer    | \$1,801,958         | \$2,494,351         | \$2,136,717         |               |                           |
| Deferred Reserves      | Deferred ODR | \$0                 | \$430,929           | \$456,304           |               |                           |
| <b>Total</b>           |              | <b>\$22,497,054</b> | <b>\$24,820,376</b> | <b>\$25,108,117</b> |               | <b>\$1,390,878</b>        |

#### First Mortgage Financing:

Applicant submitted a Term Sheet from Citi dated October 23, 2024, for a construction to permanent loan in an amount up to \$18,000,000. Citi will allow 30 months for construction, with one six-month extension available if needed, and will require monthly interest only payments with all principal and interest due at maturity. The interest rate will be based upon the One-Month Term Secured Overnight Financing Rate (“SOFR”), subject to a floor of 0.50% plus 225 basis points (“bps”). As of the date of the Term Sheet, the One-Month Term SOFR was 4.74%. Seltzer has included an underwriting cushion of 0.75% as noted in Citi’s Term Sheet for any future increases in the One-Month Term SOFR, resulting in an all in interest rate of 7.74% for 18 months. There is an Application fee of \$25,000 due at acceptance of the Preliminary Application and an Origination Fee equal to 1.00% of the construction loan amount due at closing.

#### Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a NHTF loan in the amount of \$1,820,000, HC equity of \$2,695,096, deferred Operating Deficit Reserves (“ODR”) in the amount of \$456,304 and deferred Developer Fees in the amount of \$2,136,717. See the Permanent Financing section below for details.

### Permanent Financing Sources

| Source             | Lender    | Applicant           | Revised Applicant   | Underwriter         | Interest Rate | Amort. Yrs. | Term Yrs. | Annual Debt      |
|--------------------|-----------|---------------------|---------------------|---------------------|---------------|-------------|-----------|------------------|
| First Mortgage     | Citi      | \$3,500,000         | \$3,800,000         | \$3,800,000         | 7.25%         | 40          | 18        | \$291,690        |
| Second Mortgage    | NHTF      | \$0                 | \$1,820,000         | \$1,820,000         | 0.00%         | N/A         | 30        | \$0              |
| HC Equity          | RJAH      | \$17,967,303        | \$17,967,303        | \$17,967,303        |               |             |           |                  |
| Def. Developer Fee | Developer | \$1,437,209         | \$1,233,073         | \$1,520,814         |               |             |           |                  |
| <b>Total</b>       |           | <b>\$22,904,512</b> | <b>\$24,820,376</b> | <b>\$25,108,117</b> |               |             |           | <b>\$291,690</b> |

#### First Mortgage Financing:

Citi's October 23, 2024, Term Sheet reflected a permanent period loan in the maximum amount of \$3,800,000 or such other amount that may be supported by Citi underwriting at the time of conversion. Citi requires a minimum debt service coverage ("DSC") of 1.15 to 1.00 and loan-to-value of 90%. Following the construction/stabilization phase assumed by Seltzer to be 18 months, the permanent period loan will have a term of 18 years with a 40-year amortization. The interest rate will be fixed at closing, currently estimated by Citi to be 7.25%. Seltzer is utilizing Citi's all-in rate of 7.25%. If conversion does not occur on or before month 30 following closing, 0.05% will be added to the interest rate for each as-of-right 6-month period past the initial 30-month period in which conversion occurs. Fees include a Conversion Fee of \$10,000 and other expenses estimated at \$7,500.

#### NHTF Loan

The Applicant was selected to receive a NHTF Loan in the form of a forgivable loan in an amount of \$1,820,000 and is required to designate 7 units as NHTF Link units targeted for Persons with Special Needs at or below 30% of AMI. This set-aside requirement is in addition to the ELI set-aside commitment.

The NHTF Loan is 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 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 (7 units) may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. The NHTF Loan will have a total term of 33 years, of which 3 years is for the construction/stabilization period and 30 years is for the permanent period. The Annual Permanent Loan Servicing Fee is 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 the Compliance Monitoring Fee is based on an annual multiple program fee of \$1,054.

#### Housing Credits Equity Investment:

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

Based upon a May 2, 2024, Letter of Intent ("LOI") RJAH 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       | \$2,695,096  | 15.00%           | paid prior to or simultaneous with the closing |
| 2nd Installment       | \$10,780,381 | 60.00%           | construction completion                        |
| 3rd Installment       | \$4,491,826  | 25.00%           | project stabilization and receipt of 8609s     |
| Total                 | \$17,967,303 | 100.00%          |                                                |

Annual Tax Credits per Syndication Agreement: \$2,019,000

Total HC Available to Syndicator (10 years): \$20,187,981

Syndication Percentage (investor member interest): 99.990%

Calculated HC Exchange Rate (per dollar): \$0.890

Proceeds Available During Construction: \$2,695,096

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

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the RJAHI LOI have been received, the Developer will have to defer \$1,520,814 (or 48%) 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                               |                     |                         |                                | \$0              | \$0                       |
| Installation of Pre Fab Units            |                     |                         |                                | \$0              |                           |
| New Rental Units                         | \$12,323,870        | \$13,027,368            | \$11,471,669                   | \$143,396        |                           |
| Off-Site Work                            |                     |                         |                                | \$0              | \$0                       |
| Recreational Amenities                   |                     |                         |                                | \$0              |                           |
| Rehab of Existing Common Areas           |                     |                         |                                | \$0              |                           |
| Rehab of Existing Rental Units           |                     |                         |                                | \$0              |                           |
| Site Work                                |                     |                         | \$1,376,650                    | \$17,208         | \$206,497                 |
| Swimming Pool                            |                     |                         |                                | \$0              |                           |
| Furniture, Fixture, & Equipment          |                     |                         |                                | \$0              |                           |
| Hard Cost Contingency - in Constr. Cont. |                     |                         |                                | \$0              |                           |
| Constr. Contr. Costs subject to GC Fee   | \$12,323,870        | \$13,027,368            | \$12,848,319                   | \$160,604        | \$206,497                 |
| General Conditions                       | \$1,725,341         | \$1,823,832             | \$770,899                      | \$9,636          |                           |
| Overhead                                 |                     |                         | \$513,933                      | \$6,424          |                           |
| Profit                                   |                     |                         | \$513,933                      | \$6,424          |                           |
| Builder's Risk Insurance                 |                     |                         |                                | \$0              |                           |
| General Liability Insurance              |                     |                         | \$76,886                       | \$961            |                           |
| Payment and Performance Bonds            |                     |                         | \$127,231                      | \$1,590          |                           |
| Contract Costs not subject to GC Fee     |                     |                         |                                | \$0              |                           |
| Total Construction Contract/Costs        | \$14,049,211        | \$14,851,200            | \$14,851,200                   | \$185,640        | \$206,497                 |
| Hard Cost Contingency                    | \$702,460           | \$742,560               | \$742,560                      | \$9,282          |                           |
| PnP Bond paid outside Constr. Contr.     |                     |                         |                                | \$0              |                           |
| Fees for LOC used as Constr. Surety      |                     |                         |                                | \$0              |                           |
| Demolition paid outside Constr. Contr.   |                     |                         |                                | \$0              |                           |
| FF&E paid outside Constr. Contr.         |                     | \$82,200                | \$82,200                       | \$1,028          |                           |
| <b>Total Construction Costs:</b>         | <b>\$14,751,671</b> | <b>\$15,675,960</b>     | <b>\$15,675,960.00</b>         | <b>\$195,950</b> | <b>\$206,497</b>          |

### Notes to the Construction Costs:

- The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated August 1, 2024, in the amount of \$14,851,200 ("GC Contract" or "GMP"). The contract states the Date of Commencement shall be within ten (10) days of recording the Notice of Commencement. Substantial Completion is expected to occur not later than 14 months from the Date of Commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter. At no time after 50% of the total work is completed shall the aggregate retainage be less than 5% of the GMP exclusive of Payment and Performance Bond and Insurance.

There are not any Allowances within the GMP.

- SMG received the General Contractor's Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-48 ("Rule"), Florida Administrative Code.

3. General Contractor fees as stated are within the 14% maximum per the RFA and Rule. General liability insurance and the cost of the payment and performance bond and General Liability Insurance are included within the GC contract but no GC fee was taken on these costs.
4. 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.
5. FF&E Paid Outside Construction Contract is an estimate provided by the Applicant based on previous new construction developments completed by the Developer and appears reasonable.
6. SMG retained reliance and received a Plan and Cost Analysis ("PCA") from Winica Consulting, LLC ("Winica"). Complete results are set forth in Section C of this credit underwriting report.

| GENERAL DEVELOPMENT COSTS:              | Applicant Costs    | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit   | HC Ineligible Costs - CUR |
|-----------------------------------------|--------------------|-------------------------|--------------------------------|-----------------|---------------------------|
| Accounting Fees                         | \$25,000           | \$25,000                | \$25,000                       | \$313           | \$12,500                  |
| Appraisal                               | \$15,000           | \$15,000                | \$5,000                        | \$63            |                           |
| Architect's Fee - Landscape             |                    |                         |                                | \$0             |                           |
| Architect's Fee - Site/Building Design  | \$220,000          | \$289,000               | \$289,000                      | \$3,613         |                           |
| Architect's Fee - Supervision           | \$36,000           | \$36,400                | \$36,400                       | \$455           |                           |
| Building Permits                        | \$150,000          | \$150,000               | \$150,000                      | \$1,875         |                           |
| Builder's Risk Insurance                | \$67,781           | \$93,146                | \$93,146                       | \$1,164         |                           |
| Capital Needs Assessment/Rehab          |                    |                         |                                | \$0             |                           |
| Engineering Fees                        | \$75,000           | \$160,000               | \$158,075                      | \$1,976         |                           |
| Environmental Report                    | \$15,000           | \$15,000                | \$15,000                       | \$188           |                           |
| Federal Labor Standards Monitoring      |                    |                         |                                | \$0             |                           |
| FHFC Administrative Fees                | \$181,710          | \$181,710               | \$181,710                      | \$2,271         | \$181,710                 |
| FHFC Application Fee                    | \$3,000            | \$3,000                 | \$3,000                        | \$38            | \$3,000                   |
| FHFC Credit Underwriting Fee            | \$13,377           | \$25,683                | \$21,118                       | \$264           | \$21,118                  |
| FHFC Compliance Fee                     | \$215,000          | \$215,000               | \$240,338                      | \$3,004         | \$240,338                 |
| FHFC Other Processing Fee(s)            |                    |                         | \$29,900                       | \$374           | \$29,900                  |
| Impact Fee                              | \$325,000          |                         |                                | \$0             |                           |
| Lender Inspection Fees / Const Admin    | \$18,000           | \$29,400                | \$29,400                       | \$368           |                           |
| Green Building Cert. (LEED, FGBC, NGBS) | \$45,000           | \$45,000                | \$24,400                       | \$305           |                           |
| Insurance                               | \$35,000           | \$35,000                | \$35,000                       | \$438           |                           |
| Legal Fees - Organizational Costs       | \$210,000          | \$70,000                | \$70,000                       | \$875           | \$35,000                  |
| Local Subsidy Underwriting Fee          |                    |                         |                                | \$0             |                           |
| Market Study                            | \$7,000            | \$4,500                 | \$6,500                        | \$81            | \$6,500                   |
| Marketing and Advertising               | \$25,000           | \$25,000                | \$25,000                       | \$313           | \$25,000                  |
| Plan and Cost Review Analysis           |                    |                         | \$5,200                        | \$65            |                           |
| Property Taxes                          | \$5,000            | \$5,000                 | \$5,000                        | \$63            |                           |
| Soil Test                               | \$15,000           | \$15,000                | \$15,000                       | \$188           |                           |
| Survey                                  | \$25,000           | \$25,000                | \$25,000                       | \$313           | \$6,250                   |
| Tenant Relocation Costs                 |                    |                         |                                | \$0             |                           |
| Title Insurance and Recording Fees      | \$55,350           | \$186,988               | \$186,988                      | \$2,337         | \$46,747                  |
| Utility Connection Fees                 | \$200,000          | \$591,000               | \$591,000                      | \$7,388         |                           |
| Soft Cost Contingency                   | \$99,110           | \$118,539               | \$117,418                      | \$1,468         |                           |
| <b>Total General Development Costs:</b> | <b>\$2,081,328</b> | <b>\$2,359,366</b>      | <b>\$2,383,593</b>             | <b>\$29,795</b> | <b>\$608,063</b>          |

*Notes to the General Development Costs:*

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Forum Architecture & Interior Design, Inc., dated January 3, 2024.

2. Engineering Fees are based on the Proposal between the Owner and Engineer, Urban Catalyst Consultants, Inc., dated May 23, 2023.
3. 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 2022-201. The total FHFC Credit Underwriting Fees are \$21,118. The NHTF underwriting fee (\$5,300) is paid by the Corporation and not included in the budget. FHFC Compliance Fees are the estimated future compliance fees based on the 2024 FHFC Compliance Fee Model.
4. FHFC Other Processing Fee include extension fees totaling \$25,000 (\$10,000 Notice of Commencement Extension, \$10,000 Limited Partnership Agreement Extension, \$5,000 Credit Underwriting Report Extension) and the FHFC NHTF Compliance Fee of \$4,900. The FHFC NHTF Compliance fee 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. Utility Connection Fees and Impact Fees are based on an estimate provided by the City of Tallahassee dated February 2, 2024.
6. Soft cost contingency is within the 5% limit as allowed per the RFA and Rule.
7. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

| FINANCIAL COSTS:                                       | Applicant Costs     | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit    | HC Ineligible Costs - CUR |
|--------------------------------------------------------|---------------------|-------------------------|--------------------------------|------------------|---------------------------|
| Construction Loan Application Fee                      |                     | \$25,000                | \$25,000                       | \$313            |                           |
| Construction Loan Underwriting Fee                     |                     |                         |                                | \$0              |                           |
| Construction Loan Origination Fee                      | \$180,000           | \$155,000               | \$180,000                      | \$2,250          |                           |
| Construction Loan Commitment Fee                       |                     |                         |                                | \$0              |                           |
| Construction Loan Closing Costs                        | \$61,000            |                         |                                | \$0              |                           |
| Construction Loan Interest                             | \$776,250           | \$1,141,874             | \$1,390,878                    | \$17,386         | \$464,400                 |
| Construction Loan Servicing Fees                       |                     |                         |                                | \$0              |                           |
| Permanent Loan Commitment Fee                          |                     |                         |                                | \$0              | \$0                       |
| Permanent Loan Origination Fee                         | \$35,000            | \$17,500                | \$17,500                       | \$219            | \$17,500                  |
| Permanent Loan Closing Costs                           | \$129,450           | \$13,500                | \$13,500                       | \$169            | \$13,500                  |
| Permanent Loan Interest                                |                     |                         |                                | \$0              | \$0                       |
| NHTF Subsidy Layering Review                           |                     |                         | \$2,010                        | \$25             | \$2,010                   |
| NHTF Closing Costs                                     |                     | \$25,000                | \$12,500                       | \$156            | \$12,500                  |
| NHTF Servicing Fee                                     |                     |                         |                                | \$0              | \$0                       |
| Legal Fees - Financing Costs                           |                     | \$150,000               | \$150,000                      | \$1,875          |                           |
| Other: Due Diligence Fees                              |                     | \$61,000                | \$61,000                       | \$763            |                           |
| <b>Total Financial Costs:</b>                          | <b>\$1,181,700</b>  | <b>\$1,588,874</b>      | <b>\$1,852,388</b>             | <b>\$23,155</b>  | <b>\$509,910</b>          |
| <b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b> | <b>\$18,014,699</b> | <b>\$19,624,200</b>     | <b>\$19,911,941</b>            | <b>\$248,899</b> | <b>\$1,324,470</b>        |

*Notes to the Financial Costs:*

1. Construction Loan Application Fee is based on 1% of the total construction loan amount per Citi's Term Sheet.
2. Construction Loan Interest is based on SMG's estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The

estimate assumes an “all-in” interest rate of 7.74%, a construction/stabilization period of 18 months, and 57% of the loans outstanding (on average) during the construction schedule.

3. Permanent Loan Origination Fee is supported by Citi’s Term Sheet.
4. NHTF Subsidy Layering review is based off of Seltzer’s Fee Schedule.
5. The NHTF Closing Costs of \$12,500 are for FHFC legal counsel fees.
6. 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           |                           |
| <b>Total Non-Land Acquisition Costs:</b> | \$0             | \$0                     | \$0                            | \$0           | \$0                       |

*Notes to the Non-Land Acquisition Costs:*

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

| DEVELOPER FEE ON NON-ACQUISITION COSTS | Applicant Costs | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit | HC Ineligible Costs - CUR |
|----------------------------------------|-----------------|-------------------------|--------------------------------|---------------|---------------------------|
| Developer Fee - Unapportioned          | \$2,882,351     | \$3,139,872             | \$3,139,872                    | \$39,248      |                           |
| 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                  |                 |                         |                                | \$0           |                           |
| DF to Guaranty Fees                    |                 |                         |                                | \$0           |                           |
| <b>Total Other Development Costs:</b>  | \$2,882,351     | \$3,139,872             | \$3,139,872                    | \$39,248      | \$0                       |

*Notes to the Other Development Costs:*

1. Developer Fee has been limited to 16% of the Development’s total development costs, exclusive of land acquisition costs and reserves, as required by 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                            | \$1,600,000     | \$1,600,000             | \$1,600,000                    | \$20,000      | \$1,600,000               |
| Land Lease Payment              |                 |                         |                                | \$0           | \$0                       |
| Land Carrying Costs             |                 |                         |                                | \$0           | \$0                       |
| <b>Total Acquisition Costs:</b> | \$1,600,000     | \$1,600,000             | \$1,600,000                    | \$20,000      | \$1,600,000               |

*Notes to the Land Acquisition Costs:*

1. Applicant provided a Warranty Deed dated March 22, 2024, between Applicant (“Grantee”) and Plantation East, Ltd. (“Grantor”). A closing statement was provided dated March 22, 2024, reflecting a purchase price of \$1,600,000.

The appraised value of the vacant land is \$1,600,000, which supports the purchase price.

| RESERVE ACCOUNTS                           | Applicant Costs | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit | HC Ineligible Costs - CUR |
|--------------------------------------------|-----------------|-------------------------|--------------------------------|---------------|---------------------------|
| Operating Deficit Reserve (FHFC)           |                 |                         |                                | \$0           | \$0                       |
| Operating Deficit Reserve (Lender)         |                 |                         |                                | \$0           | \$0                       |
| Operating Deficit Reserve (Syndicator)     |                 | \$456,304               | \$456,304                      | \$5,704       | \$456,304                 |
| 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                       |
| <b>Total Reserve Accounts:</b>             | \$0             | \$456,304               | \$456,304                      | \$5,704       | \$456,304                 |

*Notes to Reserve Accounts:*

1. According to the Applicant, the Syndicator, RJTCF, is requiring an Operating Deficit Reserve in the estimated amount of \$456,304. This is based on the Applicant's estimate of six months of estimated expenses and Debt Service Coverage ("DSC"), which appears reasonable.

At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay 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. Any and all terms and conditions of the ODR must be acceptable to Florida housing, its Legal Counsel and Servicer.

| TOTAL DEVELOPMENT COSTS         | Applicant Costs | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit | HC Ineligible Costs - CUR |
|---------------------------------|-----------------|-------------------------|--------------------------------|---------------|---------------------------|
| <b>TOTAL DEVELOPMENT COSTS:</b> | \$22,497,050    | \$24,820,376            | \$25,108,117                   | \$313,851     | \$3,380,774               |

*Notes to the Total Development Costs:*

1. Per RFA 2022-201, Total Development Cost ("TDC") is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Garden Apartments – Non-ESSC Construction, which had a maximum allowable per unit cost of \$345,600. The Pointe at Piney-Z's final TDC per unit is \$288,147.66

## Operating Pro forma

| OPERATING PRO FORMA           |                                     |           | ANNUAL     | PER UNIT |
|-------------------------------|-------------------------------------|-----------|------------|----------|
| INCOME                        | Gross Potential Rental Income       |           | \$985,500  | \$12,319 |
|                               | Rent Subsidy (ODR)                  |           | \$0        | \$0      |
|                               | Other Income:                       |           |            |          |
|                               | Miscellaneous                       |           | \$9,600    | \$120    |
|                               | Washer/Dryer Rentals                |           | \$0        | \$0      |
|                               | Cable/Satellite Income              |           | \$0        | \$0      |
|                               | Rent Concessions                    |           | \$0        | \$0      |
|                               | Alarm Income                        |           | \$0        | \$0      |
|                               | Gross Potential Income              |           | \$995,100  | \$12,439 |
|                               | Less:                               |           |            |          |
|                               | Economic Loss - Percentage:         | 0.0%      | \$0        | \$0      |
|                               | Physical Vacancy Loss - Percentage: | 5.0%      | (\$49,755) | (\$622)  |
| Collection Loss - Percentage: | 1.0%                                | (\$9,951) | (\$124)    |          |
| Total Effective Gross Revenue |                                     |           | \$935,394  | \$11,692 |
| EXPENSES                      | Fixed:                              |           |            |          |
|                               | Real Estate Taxes                   |           | \$0        | \$0      |
|                               | Insurance                           |           | \$137,600  | \$1,720  |
|                               | Other                               |           | \$0        | \$0      |
|                               | Variable:                           |           |            |          |
|                               | Management Fee - Percentage:        | 6.4%      | \$60,204   | \$753    |
|                               | General and Administrative          |           | \$48,000   | \$600    |
|                               | Payroll Expenses                    |           | \$128,000  | \$1,600  |
|                               | Utilities                           |           | \$78,000   | \$975    |
|                               | Marketing and Advertising           |           | \$2,000    | \$25     |
|                               | Maintenance and Repairs             |           | \$40,000   | \$500    |
|                               | Grounds Maintenance and Landscaping |           | \$20,000   | \$250    |
|                               | Resident Programs                   |           | \$0        | \$0      |
|                               | Contract Services                   |           | \$0        | \$0      |
|                               | Other-Compliance Monitoring         |           | \$0        | \$0      |
| Reserve for Replacements      |                                     | \$24,000  | \$300      |          |
| Total Expenses                |                                     |           | \$537,804  | \$6,723  |
| Net Operating Income          |                                     |           | \$397,590  | \$4,970  |
| Debt Service Payments         |                                     |           |            |          |
| DEBT SERVICE                  | First Mortgage - Citi               |           | \$291,690  | \$3,646  |
|                               | Second Mortgage - NHTF              |           | \$0        | \$0      |
|                               | All Other Mortgages -               |           | \$0        | \$0      |
|                               | First Mortgage Fees - Citi          |           | \$0        | \$0      |
|                               | Second Mortgage Fees - NHTF         |           | \$5,604    | \$70     |
|                               | All Other Mortgages Fees -          |           | \$0        | \$0      |
| Total Debt Service Payments   |                                     |           | \$297,294  | \$3,716  |
| Cash Flow After Debt Service  |                                     |           | \$100,296  | \$1,254  |

| Debt Service Coverage Ratios |                                 |       |
|------------------------------|---------------------------------|-------|
|                              | DSC - First Mortgage plus Fees  | 1.363 |
|                              | DSC - Second Mortgage plus Fees | 1.337 |
|                              | DSC - All Mortgages and Fees    | 1.337 |
|                              |                                 |       |
| Financial Ratios             |                                 |       |
|                              | Operating Expense Ratio         | 57.5% |
|                              | Break-Even Ratio                | 84.3% |

*Notes to the Operating Pro forma and Ratios:*

1. The Development will be utilizing HC and NHTF which will impose rent restrictions. The Pointe at Piney-Z 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. Utility Allowances below are based on the Tallahassee Housing Authority 2024 Allowances (Effective 7/1/2024) Utilities Chart prepared by the U.S. Department of Housing and Urban Development and the Applicant paying for water, sewer, pest control, and trash pick-up. No manager/employee units are anticipated at this time. The Applicant and Appraiser's Rents below are based on the Tallahassee Housing Authority 2023 Allowances Utilities Chart.

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

Leon County (Tallahassee 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 |
|-----------|------------|-------|-------------|------|----------------|-----------------|---------------|----------------|----------------------|------------------|-----------------|-----------------|----------|----------------------|
| 2         | 2.0        | 7     | 1,069       | 30%  |                |                 | \$645         | \$139          | \$506                |                  | \$465           | \$511           | \$506    | \$42,504             |
| 2         | 2.0        | 4     | 1,069       | 33%  |                |                 | \$659         | \$139          | \$520                |                  | \$525           | \$525           | \$520    | \$24,960             |
| 2         | 2.0        | 29    | 1,069       | 60%  |                |                 | \$1,198       | \$139          | \$1,059              |                  | \$1,064         | \$1,064         | \$1,059  | \$368,532            |
| 3         | 2.0        | 4     | 1,217       | 33%  |                |                 | \$761         | \$176          | \$585                |                  | \$592           | \$592           | \$585    | \$28,080             |
| 3         | 2.0        | 36    | 1,217       | 60%  |                |                 | \$1,383       | \$176          | \$1,207              |                  | \$1,214         | \$1,214         | \$1,207  | \$521,424            |
|           |            | 80    | 91,440      |      |                |                 |               |                |                      |                  |                 |                 |          | \$985,500            |

2. The appraiser estimates a stabilized physical vacancy rate of 5% and a collection loss of 1%, resulting in a physical occupancy of 95% and an economic occupancy of 94%.
3. Management Fees are based upon the Management Agreement provided by the Applicant that reflects a management fee equal to the greater of \$3,479 or 6.0% of gross revenue received during the preceding month, plus a \$4.25 per unit per month for providing finance and accounting materials and compliance services, will be paid monthly. The combined fees equal approximately 6.4% of gross revenues. There is an incentive fee equal to \$100 per unit if 90% occupancy is achieved within ninety (90) days from delivery of the last building to RAM.
4. Resident Program expenses are included in the management services.
5. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
6. Replacement Reserves in the amount of \$300 per unit per year and increasing by 3% starting in year 11, which meet RFA and Rule requirements.
7. The Real Estate Tax expense is based on the Applicant's plan to apply for the 100% Ad Valorem Property Tax Exemption passed under Section 196.1978(4), Florida Statutes and supported by the appraisal. Beginning in 2026, the property must apply to Leon 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. Approval from the

lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption, is a condition to close.

8. The 15-year income and expense projection reflects increasing debt service coverage (“DSC”) through year 11, and declining in years 11-15. At year 15, the DSC on all mortgages and fees is estimated at 1.483. This projection is attached to this report as Exhibit 1.

**Section B**

**Loan Conditions**

**HC Allocation Recommendation and Contingencies**

Special Conditions

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

1. Submission of the Applicant's request to change the number of three bathrooms to two bathrooms in the three-bedroom units and the approval of this request by FHFC Staff.
2. Completion of the HUD Section 3 pre-construction conference and executed Section 3 exhibits to the GMP.
3. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 75).
4. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
5. Receipt of the fully executed MOU approved by FHFC.
6. Approval from all lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
7. 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 SMG and Florida Housing at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule

(see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.

6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. NHTF Loan Proceeds shall be disbursed pro rata with other funding sources during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit ("LOC") issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated 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.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer).

14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to FHFC, its Servicer and its Legal Counsel.

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

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of NHTF loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the NHTF loans naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.

6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
  - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
  - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership/Operating Agreement and;
  - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

**Additional Conditions**

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapters 67-48, 67-53 and 67-60, F.A.C., RFA 2022-201, 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 NHTF Loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion and Operating Deficit Guaranty. The Construction Completion Guaranty is to be released upon lien free completion as approved by the Servicer.

5. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
6. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
7. A mortgagee title insurance lender's policy naming Florida Housing as the insured second and third 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.
8. 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.
9. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$24,000 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for year 1, then escalating at 3.00% beginning in year 11. 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 10<sup>th</sup> 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 15<sup>th</sup> year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.
10. Winica or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
11. Under The Pointe at Piney-Z 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.
12. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
13. Closing of all funding sources prior to or simultaneous with the closing of the NHTF loans.
14. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

## **Housing Credit Allocation Recommendation**

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$2,019,000. Please see the HC Allocation Calculation section of this report for further details.

### **Contingencies**

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

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

**Section C**

**Supporting Information and Schedules**

## Additional Development and Third Party Supplemental Information

**Appraised Value:** The appraised value is \$15,800,000 as if completed and stabilized, based on market rents and market financing as reported in the full narrative appraisal with an evaluation date of March 16, 2024, and a report date of October 17, 2024, performed by Apprise by Walker & Dunlop (“Apprise”). Lori Spencer and Bruce Daubner are State Certified General Appraisers with License Numbers RZ2559 and RZ3986, respectively.

The appraised value is \$7,700,000 as if completed and stabilized and based on restricted rents and market financing.

Apprise concluded the “As Is” land value for the Subject is \$1,600,000, which supports the purchase price.

**Market Study:** A Market Study was also prepared for the Subject by Apprise and indicates an inspection date of March 16, 2024 and a report date of June 18, 2024. The Development is located at 3820 Apalachee Pkwy in Tallahassee, Leon County, Florida. Overall, Apprise notes that access is considered good and offers close proximity to major thoroughfares and easy accessibility to major employment centers and lifestyle attributes including shopping and entertainment venues.

The Market Study confirms that the property is not located within a Difficult Development Area (“DDA”), a Small DDA, a Geographic Area of Opportunity (“GAO”) or within a Qualified Census Tract (“QCT”). The Subject is located within Flood Zone “X (unshaded)”; therefore, mandatory flood insurance does appear to apply. According to email correspondence with the Developer, the Subject was located in a GAO but is no longer consider a GAO for 2024.

The Primary Market Area (“PMA”) is typically where most of the demand will come from and is considered to be a five-mile radius of the Development. The Development’s Competitive Market Area (“CMA”) is defined as those developments lying in closest proximity to the Development that are competitive with the Development. Due to limited supply, the PMA and CMA are similarly defined as all of Leon County. The Development’s PMA consists of thirteen (13) like-kind properties with a total of 1,637 units. Occupancies within the comparable HC rental apartment developments surveyed range between 63.7% and 100%, with a weighted occupancy of 92.1% for Leon County. The weighted occupancy is more than the 92% minimum required by FHFC. There is one like-kind development under construction, four like-kind developments planned and no Guarantee Fund developments located within the PMA.

Apprise concluded that based on demographic data, a capture rate of 0.50%, 0.61% and 1.93% for units set aside at 30%, 33%, and 60% AMI, respectively.

Apprise estimates, based on five residential buildings and a two-month prelease, the Development will absorb 25 units per month and achieve stabilized occupancy within one month of completion.

Apprise anticipates the Development will achieve maximum 2024 HC rents. Per FHFC requirements, market rents are to exceed restricted rents by a minimum of 10%. Apprise estimates the overall weighted average market rent is 40% greater than estimated average restricted rent.

**Environmental Report:**

UES Professional Solutions, LLC ("UES") of Gainesville, Florida performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-21. The ESA indicates a report issue date of August 13, 2024, and an inspection date of August 9, 2024.

Based on the conclusions of the Phase I ESA, no recognized environmental conditions ("RECs"), controlled RECs ("CRECs"), historical RECs ("HRECs"), business environmental risks ("BERs), or vapor encroachment conditions ("VECs") environmental conditions were identified in connection with the subject property and no further evaluation is warranted at this time.

**Soil Test Report:**

NOVA Engineering and Environmental LLC ("NOVA") of Tallahassee, Florida performed a geotechnical exploration on October 12 and October 25, 2023, and issued a report on November 13, 2023, for the Subject Development. Nova provided services in general accordance with ASTM standards. NOVA conducted borings within the footprint of the proposed residential building and conducted borings within the footprint of the proposed parking area.

NOVA evaluated twenty-one Standard Penetration Test ("SPT") soil borings in the proposed buildings, ten auger borings in the proposed pavement areas and four DRI tests within the proposed Stormwater Management System ("SMS") basin, in accordance with ASTM D-1586, advanced to depths ranging from six to 30 feet below existing grades.

NOVA found the soils to be both suitable and unsuitable for the Subject Development. Nova concluded the subsurface conditions encountered appear to be poorly suited for treatment and disposal of stormwater runoff via the desired stormwater treatment system due to the presence of relatively impermeable subgrade soils at and extending to well below the anticipated pond bottom elevation. Based on these results, Nova recommends employing an alternate SMS design for this project.

NOVA also notes, based on relatively high fines content of the in-situ soils encountered during the subsurface exploration and testing program, the Contractor should be prepared to encounter soils which are likely to become difficult to dry and compact. NOVA states filling operations

should be observed by a NOVA soils technician, who can confirm suitability of material used and uniformity and appropriateness of compaction efforts. Nova also states they should be notified if conditions arise during site stripping and building pad compaction operations that might warrant more specialized recommendations to achieve the allowable soil bearing pressure (including the recommended DCP testing during building pad preparation activities for each lot), before any vertical construction on that specific lot commences.

According to email correspondence from the Developer and Plan and Cost provider dated August 14, 2024, there are funds within the budget to address these items.

NOVA provided additional recommendations for site preparation, groundwater control, foundations, drainage and stormwater management and pavement. SMG's recommendation is conditioned upon strict adherence to the recommendations of the removal of the unsuitable soils within NOVA's geotechnical report

**Pre-Construction Analysis:**

SMG has reviewed a Plan and Cost Analysis ("PCA") from Winica dated August 16, 2024. The PCA report states that the plans and specifications appear to be adequately prepared to provide the information necessary to construct the Development. Winica states that all documents provided have been reviewed for completeness and general conformance with applicable building codes and standard construction practices including ASTM standards. Winica recommends:

- Receipt of a final completed set of drawings once available as well as to ensure all scope items are properly captured.
- The Developer confirm whether a DAS/BDA system is required to be installed. And if funds have been set aside for this potential scope of work.

The PCA confirms that the construction drawings include the features and amenities committed to in RFA 2022-201. The features and amenities are set forth in the attached Exhibit 2. The PCA states that the Development has been designed to comply with applicable 2020 Florida Building Code, 2020 Florida Electrical Code, 2020 Mechanical Electrical Code, 2020 Accessibility Code, ADA, UFAS and ICC, FHA and 504 accessibility laws.

Winica reviewed a GMP A102-2017 Agreement between Owner and Contractor, dated August 1, 2024, in the amount of \$14,851,200. The estimated value of the projected hard construction costs for the site work is approximately \$1,376,649.53, or \$12.37 per square foot. Overall it is Winica's opinion the overall estimated \$133.40 per square foot or \$185,640 per unit is within an acceptable range for the scope of work

indicated and that all scopes of work appear to have adequate funds. Winica notes there are not any allowances stipulated.

The construction schedule indicates project completion in 14 months from mobilization. Winica notes the schedule appears feasible if a steady workforce is maintained and is properly sequenced, but does not allow much room for error therefore; Winica recommends an updated schedule once construction begins to establish the mobilization date.

Winica estimated the insurable value to be \$11,104,431.75

Site Inspection:

Inspector

Wendi LeMense, HCCP

Date Inspection Conducted

June 14, 2023

Description of Site

Wooded vacant lot

Location of Site

1000 feet West of NW intersection of Conner Blvd. and Apalachee Parkway (Leon County)

Proximity to Major Highways, Public Transportation, Airports

US27/Apalachee Parkway runs just outside of the location intersecting with Hwy 319/Capitol Circle 1.5 miles to the west which also intersects with I10 less than 3 miles to the north. There is a public transit bus stop within .5 miles and the international airport is 10 miles to the southwest.

Proximity to Schools, Medical Facilities, Major Business Areas, Retail Outlets, Restaurants, Churches, Parks

The property is centrally located within one half mile of churches, shopping centers and retail outlets, grocery stores, pharmacies, discount department stores including Walmart and Costco, and a variety of restaurants. There are several schools in the immediate area from childcare to preschools to high schools. A major hospital is located five miles north of the property and there are two medical clinics within two miles. There are several parks in the area including Tom Brown Park and Lafayette Heritage Trail Park, which surround the area.

Proximity to Other Affordable Housing (Elderly and/or Family)

There are three Elderly affordable housing communities within seven miles including Brookestone Senior Residences, Kenwood Place and Westminster Gardens. There are a number of Family affordable housing

communities within the same distance including Goodbread Hills, Hickory Hills, Sienna Square and Sunrise Place.

Adverse Conditions

There does not appear to be any apparent adverse conditions that would negatively affect this development nor impair the property's ability to attract tenants.

Features, Amenities, and  
Resident Programs:

Borrower committed to provide certain features and amenities and certain resident programs. These commitments are set forth in the attached Exhibit 2.

Exhibit 1  
The Pointe at Piney-Z  
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     |
|-------------------------------------|------------------------------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>OPERATING PRO FORMA</b>          |                                          |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| INCOME                              | Gross Potential Rental Income            | \$985,500  | \$1,005,210 | \$1,025,314 | \$1,045,820 | \$1,066,737 | \$1,088,072 | \$1,109,833 | \$1,132,030 | \$1,154,670 | \$1,177,764 | \$1,201,319 | \$1,225,345 | \$1,249,852 | \$1,274,849 | \$1,300,346 |
|                                     | Other Income:                            |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Ancillary Income-Parking                 | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Miscellaneous                            | \$9,600    | \$9,792     | \$9,988     | \$10,188    | \$10,391    | \$10,599    | \$10,811    | \$11,027    | \$11,248    | \$11,473    | \$11,702    | \$11,936    | \$12,175    | \$12,419    | \$12,667    |
|                                     | Gross Potential Income                   | \$995,100  | \$1,015,002 | \$1,035,302 | \$1,056,008 | \$1,077,128 | \$1,098,671 | \$1,120,644 | \$1,143,057 | \$1,165,918 | \$1,189,237 | \$1,213,021 | \$1,237,282 | \$1,262,027 | \$1,287,268 | \$1,313,013 |
|                                     | Less:                                    |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Economic Loss - Percentage:              |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Physical Vacancy Loss - Percentage: 5.0% | (\$49,755) | (\$50,750)  | (\$51,765)  | (\$52,800)  | (\$53,856)  | (\$54,934)  | (\$56,032)  | (\$57,153)  | (\$58,296)  | (\$59,462)  | (\$60,651)  | (\$61,864)  | (\$63,101)  | (\$64,363)  | (\$65,651)  |
|                                     | Collection Loss - Percentage: 1.0%       | (\$9,951)  | (\$10,150)  | (\$10,353)  | (\$10,560)  | (\$10,771)  | (\$10,987)  | (\$11,206)  | (\$11,431)  | (\$11,659)  | (\$11,892)  | (\$12,130)  | (\$12,373)  | (\$12,620)  | (\$12,873)  | (\$13,130)  |
|                                     | <b>Total Effective Gross Revenue</b>     | \$935,394  | \$954,102   | \$973,184   | \$992,648   | \$1,012,501 | \$1,032,751 | \$1,053,406 | \$1,074,474 | \$1,095,963 | \$1,117,882 | \$1,140,240 | \$1,163,045 | \$1,186,306 | \$1,210,032 | \$1,234,233 |
| EXPENSES                            | Fixed:                                   |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Ground Lease                             | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Sub-Ground Lease                         | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Real Estate Taxes                        | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Insurance                                | \$137,600  | \$141,728   | \$145,980   | \$150,359   | \$154,870   | \$159,516   | \$164,302   | \$169,231   | \$174,308   | \$179,537   | \$184,923   | \$190,471   | \$196,185   | \$202,070   | \$208,132   |
|                                     | Other                                    | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Variable:                                |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Management Fee - Percentage: 6.4%        | \$60,204   | \$61,408    | \$62,636    | \$63,889    | \$65,166    | \$66,470    | \$67,799    | \$69,155    | \$70,538    | \$71,949    | \$73,388    | \$74,856    | \$76,353    | \$77,880    | \$79,437    |
|                                     | General and Administrative               | \$48,000   | \$49,440    | \$50,923    | \$52,451    | \$54,024    | \$55,645    | \$57,315    | \$59,034    | \$60,805    | \$62,629    | \$64,508    | \$66,443    | \$68,437    | \$70,490    | \$72,604    |
|                                     | Payroll Expenses                         | \$128,000  | \$131,840   | \$135,795   | \$139,869   | \$144,065   | \$148,387   | \$152,839   | \$157,424   | \$162,147   | \$167,011   | \$172,021   | \$177,182   | \$182,497   | \$187,972   | \$193,611   |
|                                     | Utilities                                | \$78,000   | \$80,340    | \$82,750    | \$85,233    | \$87,790    | \$90,423    | \$93,136    | \$95,930    | \$98,808    | \$101,772   | \$104,825   | \$107,970   | \$111,209   | \$114,546   | \$117,982   |
|                                     | Marketing and Advertising                | \$2,000    | \$2,060     | \$2,122     | \$2,185     | \$2,251     | \$2,319     | \$2,388     | \$2,460     | \$2,534     | \$2,610     | \$2,688     | \$2,768     | \$2,852     | \$2,937     | \$3,025     |
|                                     | Maintenance and Repairs                  | \$40,000   | \$41,200    | \$42,436    | \$43,709    | \$45,020    | \$46,371    | \$47,762    | \$49,195    | \$50,671    | \$52,191    | \$53,757    | \$55,369    | \$57,030    | \$58,741    | \$60,504    |
|                                     | Grounds Maintenance and Landscaping      | \$20,000   | \$20,600    | \$21,218    | \$21,855    | \$22,510    | \$23,185    | \$23,881    | \$24,597    | \$25,335    | \$26,095    | \$26,878    | \$27,685    | \$28,515    | \$29,371    | \$30,252    |
|                                     | Contract Services                        | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Reserve for Replacements                 | \$24,000   | \$24,000    | \$24,000    | \$24,000    | \$24,000    | \$24,000    | \$24,000    | \$24,000    | \$24,000    | \$24,000    | \$24,720    | \$25,462    | \$26,225    | \$27,012    | \$27,823    |
|                                     | <b>Total Expenses</b>                    | \$537,804  | \$552,616   | \$567,860   | \$583,550   | \$599,697   | \$616,316   | \$633,421   | \$651,026   | \$669,145   | \$687,794   | \$707,708   | \$728,206   | \$749,303   | \$771,019   | \$793,371   |
|                                     | <b>Net Operating Income</b>              | \$397,590  | \$401,486   | \$405,324   | \$409,098   | \$412,803   | \$416,434   | \$419,984   | \$423,448   | \$426,818   | \$430,088   | \$433,232   | \$436,339   | \$439,402   | \$442,424   | \$445,402   |
| DEBT SERVICE                        | <b>Debt Service Payments</b>             |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | First Mortgage - Citi                    | \$291,690  | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   | \$291,690   |
|                                     | Second Mortgage - NHTF                   | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | All Other Mortgages -                    | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | First Mortgage Fees - Citi               | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Second Mortgage Fees - NHTF              | \$5,604    | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     | \$5,604     |
| DEBT SERVICE                        | All Other Mortgage Fees -                | \$0        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | <b>Total Debt Service Payments</b>       | \$297,294  | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   | \$297,294   |
| <b>Cash Flow After Debt Service</b> |                                          | \$100,296  | \$104,192   | \$108,029   | \$111,804   | \$115,509   | \$119,140   | \$122,690   | \$126,153   | \$129,524   | \$132,794   | \$135,937   | \$139,045   | \$142,119   | \$145,158   | \$148,160   |
| <b>Debt Service Coverage Ratios</b> |                                          |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| DSC - First Mortgage plus Fees      |                                          | 1.363      | 1.376       | 1.390       | 1.403       | 1.415       | 1.428       | 1.440       | 1.452       | 1.463       | 1.474       | 1.483       | 1.491       | 1.498       | 1.505       | 1.511       |
| DSC - Second Mortgage plus Fees     |                                          | 1.337      | 1.350       | 1.363       | 1.376       | 1.389       | 1.401       | 1.413       | 1.424       | 1.436       | 1.447       | 1.455       | 1.463       | 1.470       | 1.477       | 1.483       |
| DSC - All Mortgages and Fees        |                                          | 1.337      | 1.350       | 1.363       | 1.376       | 1.389       | 1.401       | 1.413       | 1.424       | 1.436       | 1.447       | 1.455       | 1.463       | 1.470       | 1.477       | 1.483       |
| <b>Financial Ratios</b>             |                                          |            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Operating Expense Ratio             |                                          | 57.5%      | 57.9%       | 58.4%       | 58.8%       | 59.2%       | 59.7%       | 60.1%       | 60.6%       | 61.1%       | 61.5%       | 62.1%       | 62.6%       | 63.2%       | 63.7%       | 64.3%       |
| Break-Even Ratio                    |                                          | 84.3%      | 84.1%       | 84.0%       | 83.8%       | 83.7%       | 83.5%       | 83.4%       | 83.3%       | 83.3%       | 83.2%       | 83.2%       | 83.3%       | 83.3%       | 83.4%       | 83.5%       |

THE POINTE AT PINEY-Z  
RFA 2022-201 (2023-044CN)  
DESCRIPTION OF FEATURES AND AMENITIES

The Development will consist of:

80 apartments units located in 5 garden, residential building(s).

Unit Mix:

Forty (40) two bedroom/two bath units; and

Forty (40) three bedroom/three bath units.

80 Total Units

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

All features and amenities committed to and proposed by the Applicant that are not unit-specific 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.

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;
- Washer and dryer hook ups in each of the Development’s units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
  - There must be a minimum of one Energy Star certified washer and one Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development’s units by 15, and then round the equation’s total up to the nearest whole number;
  - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
  - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both;
- At least two full bathrooms in all 3 bedroom or larger new construction units;
- Bathtub with shower in at least one bathroom in at least 90 percent of the new construction non-Elderly units; and
- A full-size range and oven in all units.

**c. Required Accessibility Features, regardless of the age of the Development**

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

**(1) Required Accessibility Features in all Units**

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

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

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

**d. Required Green Building Features in all Developments**

- (1) All new construction 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  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  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:
      - $\geq 8.5$  HSPF/  $\geq 15$  SEER/  $\geq 12.5$  EER for split systems
      - $\geq 8.2$  HSPF  $\geq 15$  SEER/  $\geq 12$  EER for single package equipment including gas/electric package units
    - Central Air Conditioners – Energy Star certified:
      - $\geq 15$  SEER/  $\geq 12.5$  EER\* for split systems
      - $\geq 15$  SEER/  $\geq 12$  EER\* for single package equipment including gas/electric package units.
- NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and one-bedroom units.

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

\_\_\_\_\_ Leadership in Energy and Environmental Design (LEED);

\_\_\_\_\_ Florida Green Building Coalition (FGBC);

\_\_\_\_\_ Enterprise Green Communities; or

X   ICC 700 National Green Building Standard (NGBS)

e. This Family Development will provide the following resident programs:

(1) Adult Literacy

The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

(2) Employment Assistance Program

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

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

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

(3) Financial Management Program

The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective

topic area. If the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:

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

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

## COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: The Pointe at Piney-Z

DATE: OCTOBER 28, 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<br>REQUIRED ITEMS:                                                                                                                                                                                                                                                                                                                                                        | STATUS              | NOTE |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------|
|                                                                                                                                                                                                                                                                                                                                                                                               | Satis.<br>/Unsatis. |      |
| 1. The Development's final "as submitted for permitting" plans and specifications.<br>Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.                                                                                                                                                                       | Satis.              |      |
| 2. Final site plan and/or status of site plan approval.                                                                                                                                                                                                                                                                                                                                       | Satis.              |      |
| 3. Permit Status.                                                                                                                                                                                                                                                                                                                                                                             | Satis.              |      |
| 4. Pre-construction analysis ("PCA").                                                                                                                                                                                                                                                                                                                                                         | Satis.              |      |
| 5. Survey.                                                                                                                                                                                                                                                                                                                                                                                    | Satis.              |      |
| 6. Complete, thorough soil test reports.                                                                                                                                                                                                                                                                                                                                                      | Satis.              |      |
| 7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.                                                                                                                                                                                                                                                                                   | Satis.              |      |
| 8. Market Study separate from the Appraisal.                                                                                                                                                                                                                                                                                                                                                  | Satis.              |      |
| 9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status. | Satis.              |      |
| 10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.                                                                                                                                                                        | Satis.              |      |

|                                                                                                                                |        |     |
|--------------------------------------------------------------------------------------------------------------------------------|--------|-----|
| 11. Resumes and experience of Borrower, general contractor and management agent.                                               | Satis. |     |
| 12. Credit authorizations; verifications of deposits and mortgage loans.                                                       | Satis. |     |
| 13. Management Agreement and Management Plan.                                                                                  | Satis. |     |
| 14. Firm commitment from the credit enhancer or private placement purchaser, if any.                                           | Satis. |     |
| 15. Firm commitment letter from the syndicator, if any.                                                                        | Satis. |     |
| 16. Firm commitment letter(s) for any other financing sources.                                                                 | Satis. |     |
| 17. Updated sources and uses of funds.                                                                                         | Satis. |     |
| 18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.       | Satis. |     |
| 19. Fifteen-year income, expense, and occupancy projection.                                                                    | Satis. |     |
| 20. Executed general construction contract with “not to exceed” costs.                                                         | Satis. |     |
| 21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing. | Satis. |     |
| 22. Any additional items required by the credit underwriter.                                                                   | Satis. | 1-6 |

**NOTES AND APPLICANT’S RESPONSES:**

1. Completion of the HUD Section 3 pre-construction conference and executed Section 3 exhibits to the GMP.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 75).
3. Submission of the Applicant’s request to change the number of three bathrooms to two bathrooms for the three-bedroom units and the approval of this request by FHFC Staff.
4. Receipt of the fully executed MOU approved by FHFC.
5. Approval from all lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
6. Receipt of the Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period.

## HC Allocation Calculation

| Section I: Qualified Basis Calculation |               |
|----------------------------------------|---------------|
| Development Cost                       | \$25,108,117  |
| Less Land Cost                         | (\$1,600,000) |
| Less Federal Funds                     | \$0           |
| Less Other Ineligible Cost             | (\$1,780,774) |
| Less Disproportionate Standard         | \$0           |
| Total Eligible Basis                   | \$21,727,343  |
| Applicable Fraction                    | 100.00%       |
| DDA/QCT Basis Credit                   | 130.00%       |
| Qualified Basis                        | \$28,245,545  |
| Housing Credit Percentage              | 9.00%         |
| Annual Housing Credit Allocation       | \$2,542,099   |

### *Notes to the Qualified Basis Calculation:*

1. Other Ineligible Costs primarily include a portion of site work, accounting fees, FHFC administrative, application, underwriting, and HC compliance fees, a portion of the construction loan interest, legal fees, Market Study, marketing, survey, title insurance, permanent loan closing costs, NHTF Subsidy Layering Review, Commitment Fee and Closing Costs, land costs and operating deficit reserve.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development was located in a Geographic Area of Opportunity at the time of the Application. Therefore, the 130% basis credit has been applied to the Eligible Basis.
4. Per the FY 2016 Omnibus Spending and Tax Bill passed by Congress as of December 18, 2015, a permanent 9% minimum HC rate was established. For purposes of this report, a total HC percentage of 9.00% has therefore been applied.

| <b>Section II: Gap Calculation</b>                           |               |
|--------------------------------------------------------------|---------------|
| Total Development Cost (Including Land and Ineligible Costs) | \$25,108,117  |
| Less Mortgages                                               | (\$5,827,775) |
| Less Grants                                                  | \$0           |
| Equity Gap                                                   | \$19,280,342  |
| Percentage to Investment Partnership                         | 99.99%        |
| HC Syndication Pricing                                       | \$0.8900      |
| HC Required to Meet Gap                                      | \$21,665,472  |
| Annual HC Required                                           | \$2,166,547   |

*Notes to the Gap Calculation:*

1. The qualifying first mortgage of \$4,007,775.31 as determined by Chapter 67-48.0072(29)(g), is less than the actual first mortgage and therefore does not apply. Mortgages represent Citi's First Mortgage Loan of \$3,800,000 and an \$1,820,000 NHTF Second Mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the May 2, 2024, LOI from RJAHI.

| <b>Section IV: Summary</b> |             |
|----------------------------|-------------|
| HC per Applicant Request   | \$2,019,000 |
| HC per Qualified Basis     | \$2,542,099 |
| HC per Gap Calculation     | \$2,166,547 |
| Annual HC Recommended      | \$2,019,000 |

*Notes to the Summary:*

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

**Minimum First Mortgage:**

|                                                                                                  |                       |
|--------------------------------------------------------------------------------------------------|-----------------------|
| <u>Rule Chapter 67-48.0072(28)(g)</u>                                                            |                       |
| <i>Determination of the minimum first mortgage for use in the Housing Credit gap calculation</i> |                       |
| <b>Input Variables</b>                                                                           |                       |
| Annual rate of increase for revenues                                                             | 2.00%                 |
| Annual rate of increase for operating expenses                                                   | 3.00%                 |
| Vacancy & Collection Factor in CUR                                                               | 6.00%                 |
| Minimum Vacancy & Collection Factor                                                              | 7.00%                 |
| Which Rule was applicable at time of Application?                                                | Post 7/11/2019        |
| Minimum DSCR Year 15                                                                             | 1.25x                 |
| Minimum DSCR Year 1                                                                              | 1.50x                 |
| Minimum NCF after DS Year 1                                                                      | \$1,000.00            |
| Minimum qualifying 1st mortgage                                                                  | \$500,000.00          |
| Number of units in the proposed Development                                                      | 80                    |
| Potential Gross Income Year 1                                                                    | \$995,100.00          |
| Vacancy & Collection Loss (7.00%)                                                                | \$69,657.00           |
| Effective Gross Income Year 1                                                                    | \$925,443.00          |
| Operating Expenses Year 1                                                                        | \$537,803.64          |
| <b>(i) Actual Debt of Development</b>                                                            | <b>\$3,800,000.00</b> |
| Actual interest rate                                                                             | 7.25%                 |
| Actual term of debt amortization                                                                 | 40.00 Yrs             |
| DS Interest Rate floor                                                                           | 7.00%                 |
| Application deadline                                                                             | 12/28/22              |
| 10-Year Treasury Rate as of App deadline                                                         | 1.780%                |
| Spread over 10-yr Treasury                                                                       | 325 bps               |
| 10-yr Treasury plus the stated spread                                                            | 5.03%                 |
| Greater of interest rate floor or spread over Treasury                                           | 7.00%                 |
| Maximum Rate                                                                                     | 8.00%                 |
| <b>Interest Rate to be used for qualifying debt</b>                                              | <b>7.25%</b>          |
| Minimum stated term of debt amortization per RFA                                                 | 30.00 Yrs             |
| <b>Term of debt amortization to be used for qualifying debt</b>                                  | <b>40.00 Yrs</b>      |
| Resulting Mortgage Constant to be used for qualifying debt                                       | 7.67606%              |
| <b>Minimum Debt Service</b>                                                                      |                       |
| NOI Year 15                                                                                      | \$407,626.13          |
| DSCR DS limitation                                                                               | \$326,100.90          |
| <b>(a) Resulting Debt, Year 15 limitation</b>                                                    | <b>\$4,248,283.23</b> |
| NOI Year 1                                                                                       | \$387,639.36          |
| (b)(i) DSCR DS limitation                                                                        | \$258,426.24          |
| (b)(i) DSCR Debt Sizing                                                                          | \$3,366,650.82        |
| (b)(ii) NCF DS limitation                                                                        | \$307,639.36          |
| (b)(ii) NCF Debt Sizing                                                                          | \$4,007,775.31        |
| <b>(b) Greater of (i) DSCR debt or (ii) NCF debt, Year 1 limitation</b>                          | <b>\$4,007,775.31</b> |
| <b>(ii) Minimum qualifying first mortgage (lesser of (a) or (b))</b>                             | <b>\$4,007,775.31</b> |
| <b>Greater of Actual or Minimum</b>                                                              | <b>\$4,007,775.31</b> |

# **Florida Housing Finance Corporation**

*Credit Underwriting Report*

## **Sweetwater Apartments Phase II**

**HOUSING CREDIT FINANCING FOR AFFORDABLE HOUSING DEVELOPMENTS LOCATED IN  
MEDIUM AND SMALL COUNTIES**

**NHTF and 9% Housing Credits**

**RFA 2023-201 / 2024-128CN**

|                  |                                                       |
|------------------|-------------------------------------------------------|
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*Prepared by*

***Seltzer Management Group, Inc.***

*Final Report*

*October 25, 2024*

**Sweetwater Apartments Phase II**

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**Section A**  
**Report Summary**

### Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends an annual 9% competitive Housing Credit ("HC") allocation of \$1,596,420, and a National Housing Trust Funds ("NHTF") loan in the amount of \$1,375,000 be awarded by Florida Housing Finance Corporation ("FHFC" or "Florida Housing") for construction and permanent financing of Sweetwater Apartments Phase II ("Development").

### DEVELOPMENT & SET-ASIDES

Development Name: Sweetwater Apartments Phase II

RFA/Program Numbers: RFA 2023-201 / 2024-128CN

Address: NE Martin Luther King St., at the intersection of NE Martin Luther King St., and NE Joe Coney Ter.

City: Lake City Zip Code: 32055 County: Columbia County Size: Small

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

# of Link Units: 3 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        | 3     | 694         | 30%  |                |                 | \$443         | \$60           | \$383                |                  | \$375           | \$390           | \$383    | \$13,788             |
| 1         | 1.0        | 3     | 694         | 40%  |                |                 | \$581         | \$60           | \$521                |                  | \$521           | \$528           | \$521    | \$18,756             |
| 1         | 1.0        | 18    | 694         | 60%  |                |                 | \$871         | \$60           | \$811                |                  | \$811           | \$818           | \$811    | \$175,176            |
| 2         | 2.0        | 2     | 978         | 30%  |                |                 | \$645         | \$70           | \$575                |                  | \$452           | \$588           | \$575    | \$13,800             |
| 2         | 2.0        | 2     | 978         | 40%  |                |                 | \$697         | \$70           | \$627                |                  | \$627           | \$640           | \$627    | \$15,048             |
| 2         | 2.0        | 20    | 978         | 60%  |                |                 | \$1,045       | \$70           | \$975                |                  | \$975           | \$988           | \$975    | \$234,000            |
|           |            | 48    | 40,128      |      |                |                 |               |                |                      |                  |                 |                 |          | \$470,568            |

Buildings: Residential - 2 Non-Residential - 1

Parking: Parking Spaces - 96 Accessible Spaces - 4

Set Asides:

| Program | % of Units | # of Units | % AMI | Term (Years) |
|---------|------------|------------|-------|--------------|
| HC      | 10.0%      | 5          | 40%   | 50           |
| HC      | 90.0%      | 43         | 60%   | 50           |
| NHTF    | 10.0%      | 5          | 30%   | 50           |

Absorption Rate 15 units per month for 3.0 months.

Occupancy Rate at Stabilization:      Physical Occupancy 96.00%      Economic Occupancy 95.00%  
Occupancy Comments N/A New Construction

DDA: Yes      QCT: No      Multi-Phase Boost: No      QAP Boost: No  
Site Acreage: 6.64      Density: 7.2289      Flood Zone Designation: X  
Zoning: RSF-3, RO, Residential Single Family      Flood Insurance Required?: No

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50% of the ELI set-aside units (3 units) as Link units for Persons with Special Needs. The Applicant is temporarily unable to comply with the requirement to have and maintain a Memorandum of Understanding (MOU) because Florida Housing's Referral Agency list contains no available Referral Agency for the county where the Development is located (Columbia County). Florida Housing is satisfied that the owner has completed due diligence in attempting to fulfill their Link Requirements. The Applicant is exempted from the requirement to have a valid MOU until such time that Florida Housing places a designated Referral Agency on the Special Needs Household Referral Agency list for Columbia County that is appropriate for this Development. The proposed Development continues to conform to the requirements of RFA 2023-201 and its terms and provisions regarding its Link units for Persons with Special Needs. The Tenant Selection Plan was approved by FHFC on January 10, 2024.

NHTF Set-Aside Commitment: The proposed development must set aside five (5) units as NHTF Link units. These units are required to be set aside for residents earning at or below 30% of Area Medium Income ("AMI") and are in addition to the fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of 8 units targeted for Link units for Persons with Special Needs (ELI - 3 units, NHTF - 5 units). After 30 years, all of the NHTF Link units (5 units) may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirements must be maintained throughout the entire 50-year Compliance Period.

| DEVELOPMENT TEAM                      |                                                               |             |
|---------------------------------------|---------------------------------------------------------------|-------------|
| Applicant/Borrower:                   | Sweetwater Housing II, LLC                                    | % Ownership |
| Member                                | CDC Sweetwater II, LLC                                        | 0.0020%     |
| Member                                | Revital Sweetwater II, LLC                                    | 0.0040%     |
| Member                                | DDER Sweetwater II Manager, LLC                               | 0.0040%     |
| Member                                | PNC Bank N.A., or an affiliate                                | 99.9800%    |
| Special Member                        | PNC Bank N.A., or an affiliate                                | 0.0100%     |
| Construction Completion Guarantor(s): |                                                               |             |
| CC Guarantor 1:                       | Sweetwater Housing II, LLC                                    |             |
| CC Guarantor 2:                       | DDER Development, LLC                                         |             |
| CC Guarantor 3:                       | ReVital Development Group, LLC                                |             |
| CC Guarantor 4:                       | Domingo Sanchez                                               |             |
| CC Guarantor 5:                       | Deion R. Lowery                                               |             |
| CC Guarantor 6:                       | Edward E. Haddock, Jr                                         |             |
| CC Guarantor 7:                       | Robert H. Godwin                                              |             |
| CC Guarantor 8:                       | Michael Allan                                                 |             |
| Operating Deficit Guarantor(s):       |                                                               |             |
| OD Guarantor 1:                       | Sweetwater Housing II, LLC                                    |             |
| OD Guarantor 2:                       | DDER Development, LLC                                         |             |
| OD Guarantor 3:                       | ReVital Development Group, LLC                                |             |
| OD Guarantor 4:                       | Domingo Sanchez                                               |             |
| OD Guarantor 5:                       | Deion R. Lowery                                               |             |
| OD Guarantor 6:                       | Edward E. Haddock, Jr                                         |             |
| OD Guarantor 7:                       | Robert H. Godwin                                              |             |
| OD Guarantor 8:                       | Michael Allan                                                 |             |
| Developer:                            | DDER Development, LLC / ReVital Development Group, LLC        |             |
| Principal 1                           | Domingo Sanchez (DDER)                                        |             |
| Principal 2                           | Robert H. Godwin (DDER)                                       |             |
| Principal 3                           | Deion R. Lowery (DDER)                                        |             |
| Principal 4                           | Edward E. Haddock, Jr (DDER)                                  |             |
| Principal 5                           | Michael Allan (ReVital)                                       |             |
| Principal 6                           | Beth Allan (ReVital)                                          |             |
| Co-Developer:                         | The Greater Lake City Community Development Corporation, Inc. |             |
| General Contractor 1:                 | Marmer Construction, Inc.                                     |             |
| Management Company:                   | Professional Management, Inc.                                 |             |
| Syndicator:                           | PNC Bank N.A.                                                 |             |
| Architect:                            | PDS Architecture, Inc                                         |             |
| Market Study Provider:                | Integra Realty Resources                                      |             |
| Appraiser:                            | Integra Realty Resources                                      |             |

| PERMANENT FINANCING INFORMATION           |             |             |                      |                 |                   |       |
|-------------------------------------------|-------------|-------------|----------------------|-----------------|-------------------|-------|
|                                           | 1st Source  | 2nd Source  | 3rd Source           | 4th Source      | 5th Source        | Other |
| Lender/Grantor                            | PNC Bank    | FHFC NHTF   | Columbia County HHLF | Columbia County | Affiliate Funding |       |
| Amount                                    | \$1,250,000 | \$1,375,000 | \$743,924            | \$500,000       | \$200,000         |       |
| Underwritten Interest Rate                | 6.98%       | 0.00%       | 0.00%                | 0.00%           | 0.00%             |       |
| Loan Term                                 | 15.0        | 30.0        | 20.0                 | 20.0            | 20.0              |       |
| Amortization                              | 35.0        | N/A         | N/A                  | N/A             | N/A               |       |
| Market Rate/Market Financing LTV          | 21.5%       | 45.2%       | 58.0%                | 66.6%           | 70%               |       |
| Restricted Market Financing LTV           | 43.6%       | 91.5%       | 117.4%               | 135%            | 142%              |       |
| Loan to Cost - Cumulative                 | 6.8%        | 14.2%       | 18.2%                | 20.9%           | 22.0%             |       |
| Debt Service Coverage                     | 1.587       | 1.516       | 1.516                | 1.516           | 1.516             |       |
| Operating Deficit & Debt Service Reserves | \$222,534   |             |                      |                 |                   |       |
| # of Months covered by the Reserves       | 8.4         |             |                      |                 |                   |       |

|                                                   |             |
|---------------------------------------------------|-------------|
| Deferred Developer Fee                            | \$860,443   |
| As-Is Land Value                                  | \$1,440,000 |
| Market Rent/Market Financing Stabilized Value     | \$5,810,000 |
| Rent Restricted Market Financing Stabilized Value | \$2,870,000 |
| Projected Net Operating Income (NOI) - Year 1     | \$151,808   |
| Projected Net Operating Income (NOI) - 15 Year    | \$149,225   |
| Year 15 Pro Forma Income Escalation Rate          | 2.00%       |
| Year 15 Pro Forma Expense Escalation Rate         | 3.00%       |
| Housing Credit (HC) Syndication Price             | \$0.8485    |
| HC Annual Allocation - Initial Award              | \$1,596,420 |
| HC Annual Allocation - Qualified in CUR           | \$1,596,420 |
| HC Annual Allocation - Equity Letter of Interest  | \$1,596,420 |

| CONSTRUCTION/PERMANENT SOURCES: |                      |                     |                     |                     |
|---------------------------------|----------------------|---------------------|---------------------|---------------------|
| Source                          | Lender               | Construction        | Permanent           | Perm Loan/Unit      |
| Regulated Mortgage              | PNC Bank             | \$1,250,000         | \$1,250,000         | \$26,041.67         |
| FHFC - NHTF                     | FHFC NHTF            | \$1,375,000         | \$1,375,000         | \$28,645.83         |
| Local Government                | Columbia County HHLP | \$743,924           | \$743,924           | \$15,498.42         |
| Local Government                | Columbia County      | \$500,000           | \$500,000           | \$10,416.67         |
| Local Government                | Affiliate Funding    | \$200,000           | \$200,000           | \$4,166.67          |
| Regulated Mortgage              | PNC Bank Bridge      | \$10,465,411        | \$0                 | \$0.00              |
| HC Equity                       | PNC Bank             | \$1,760,755         | \$13,544,269        | \$282,172.27        |
| Deferred Developer              | Developer            | \$2,178,546         | \$860,443           | \$17,925.89         |
| Applicant                       | Affiliate            | \$100               | \$100               | \$2.08              |
| <b>TOTAL</b>                    |                      | <b>\$18,473,736</b> | <b>\$18,473,736</b> | <b>\$384,869.49</b> |

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   | 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 applicant have site control at or above the level indicated in the Application?                                                                                                        | X   |    |
| Does 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?                                                                                              |     | 4  |

|                                                                                             |   |  |
|---------------------------------------------------------------------------------------------|---|--|
| 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. On September 25, 2024, the Applicant submitted a request and an updated organization chart showing the addition of SG ILP, LLC as a 1% member of DDER Sweetwater II Manager, LLC and ReVital Ventures, LLC as a 1% Member of ReVital Sweetwater II, LLC. FHFC staff approval of this change is condition to close. Amended and Restated Operating Agreements for DDER Sweetwater II Manager, LLC and ReVital Ventures, LLC will be a condition to close.
2. Changes to Funding Sources:
  - At application, the Applicant provided a Neighborhood Lending Partners (“NLP”) Letter of Interest (“LOI”) dated August 29, 2023, for construction financing in the amount of \$12,750,000 and permanent financing in the amount up to \$1,280,000. Subsequently, PNC Bank, National Association (“PNC”) provided terms for construction and permanent financing in an LOI dated September 09, 2024, in the loan amount up to \$1,250,000 and a Bridge Loan in the amount of \$10,465,411 for construction financing.
  - Florida Housing received NHTF funding with the requirement of committing the funds within two years of receiving the allocation. Sweetwater Apartments Phase II’s Application was identified to be able to utilize the NHTF funding. On May 20, 2024, the Applicant requested NHTF funding from FHFC. Per the June 3, 2024 Invitation to Enter Credit Underwriting, the Applicant was preliminarily awarded additional funding in the amount of up to \$1,375,000 in the form of a NHTF loan.
  - Per the confirmation letter from the Board of Commissioners for Columbia County, dated September 20, 2024, Columbia County will provide a loan in the amount of \$500,000 and also Hurricane Housing Recovery Program (“HHRP”) funds in an amount up to \$743,923.50.
  - The Greater Lake City Community Development will provide Affiliate Funding in the amount of \$200,000.
3. Total development costs have increased by \$3,119,517 (20.32%) from \$15,354,219 within the Application to \$18,473,736, primarily due to increases in construction costs and developer fee along with the addition of reserves.
4. Other Material Changes:
  - At application, the Applicant provided a Raymond James Affordable Housing Investments, Inc. (“RJAHI”) LOI dated August 28, 2023, for HC Equity proceeds reflecting an amount of \$0.85 per tax credit and total equity of \$13,568,213. Subsequently, the Applicant provided an LOI dated September 09, 2024, from PNC reflecting an amount of \$0.8485 per tax credit and total equity of \$13,544,269.
  - On October 24, 2024, the Applicant submitted a request to FHFC to change the legal description of the Development. The Applicant will be carving out a parcel of land that the Development is not being built on and preserve the parcel for a future phase. Seltzer confirmed with the Applicant that the scope of construction will not change and the number of units will remain the same. FHFC staff approval of this request is a condition to close.

These changes have no material impact to the HC recommendation for this development.

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

Florida Housing's Past Due Report dated September 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 item(s): 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. Per the Market Study, the Primary Market Area ("PMA") consists of one 'like-kind' development with a weighted occupancy rate of 99.3%.
2. Per the Market Study, the overall capture rate for the Development is very low at 2.4%.
3. Although the Borrower and Non-Investor Members are newly formed, the main principals of the Developer, General Contractor, and the Management Company 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 first equity installment outlined in the LOI from PNC does not meet the 15% HC equity requirement. 15% of the overall equity amount will be funded at closing through the combination of equity and bridge loan proceeds.
1. The subject was identified to be located within a USDA-eligible area. Per Section 42(i)(8), in the case of any Development for residential rental property located in a rural area, any income limitation measured by reference to area median gross income shall be measured by reference to the greater of area median gross income or national non-metropolitan median income. In the case of Sweetwater Apartments Phase II, the subject site is located within a USDA-eligible rural area; therefore, the rents included in the rent roll and operating pro forma are the maximum allowable USDA-eligible rural address rents per the FHFC 2024 Income Limits and Rent Limits chart. These rents have been reflected in the rent table under the Gross HC Rents.
2. Moran Consultants, LLC ("Moran") stated in the Plan and Cost Review ("PCA") that the \$684,167 or 5.91% Hard Cost Contingency within the Applicant's Development Budget is adequate; however, it is important to note that this Contingency is a combination of Hard Cost Contingency and soft Cost Contingency.
3. According to the RFA, the FHFC will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with FHFC's RFA requirements, FHFC will require an

amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to FHFC. The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. The RFA also requires FHFC to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract.

Issues and Concerns:

1. The Development site is zoned RSF-3, RO, Residential Single Family, by the city of Lake City. Multifamily does not appear to be a legally conforming use of this zoning designation.

Mitigating Factors:

2. Resolution Number 2020-079, which was adopted by the City Council of Lake City on September 14, 2020, approves the petition to allow the Development's affordable apartment complex to be placed on the property currently designated as Residential, Single Family-3 zoning.

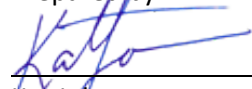
Recommendation:

SMG recommends FHFC award a NHTF Second Mortgage of \$1,375,000. SMG also recommends a \$1,596,420 annual HC allocation be awarded to Sweetwater Apartments Phase II for construction and permanent financing.

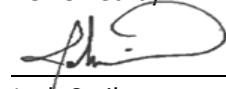
This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the NHTF Conditions and HC Allocation Contingencies (Section B). The reader is cautioned to refer to these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

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

Prepared by:

  
\_\_\_\_\_  
Kat Johnson  
Credit Underwriter

Reviewed by:

  
\_\_\_\_\_  
Josh Scribner  
Credit Underwriting Manager

## Overview

### Construction Financing Sources

| Source                 | Lender               | Applicant           | Revised Applicant   | Underwriter         | Interest Rate | Construction Debt Service |
|------------------------|----------------------|---------------------|---------------------|---------------------|---------------|---------------------------|
| First Mortgage         | PNC Bank             | \$12,750,000        | \$1,250,000         | \$1,250,000         | 8.46%         | \$101,728                 |
| Second Mortgage        | FHFC NHTF            | \$0                 | \$1,375,000         | \$1,375,000         | 0.00%         | \$0                       |
| Third Mortgage         | Columbia County HHLP | \$0                 | \$743,924           | \$743,924           | 0.00%         | \$0                       |
| Fourth Mortgage        | Columbia County      | \$0                 | \$500,000           | \$500,000           | 0.00%         | \$0                       |
| Fifth Mortgage         | Affiliate Funding    | \$0                 | \$200,000           | \$200,000           | 0.00%         | \$0                       |
| Sixth Mortgage/Bridge  | PNC Bank Bridge      | \$0                 | \$10,830,601        | \$10,465,411        | 8.46%         | \$851,697                 |
| HC Equity              | PNC Bank             | \$2,035,232         | \$1,760,755         | \$1,760,755         |               |                           |
| Deferred Developer Fee | Developer            | \$568,987           | \$1,837,414         | \$2,178,546         |               |                           |
| Additional Equity      | Affiliate            | \$0                 | \$100               | \$100               |               |                           |
| <b>Total</b>           |                      | <b>\$15,354,219</b> | <b>\$18,497,794</b> | <b>\$18,473,736</b> |               | <b>\$953,424</b>          |

#### First Mortgage Loan:

Seltzer reviewed a Proposal Letter dated September 09, 2024, provided by PNC. Based on this Proposal Letter, PNC will provide a combined construction and permanent loan in the amount of \$1,250,000 to facilitate the construction and long-term financing of the Development. Interest during the construction phase will accrue daily at a rate stated to be comprised of the One-Month Secured Overnight Funding Rate ("SOFR") plus a SOFR Adjustment of 0.10%, plus 2.75%. As of September 25, 2024, the SOFR was 4.86%, and Seltzer has utilized an underwriting cushion of 0.75% for an all-in rate of 8.46%. The construction term will be for up to 24 months with monthly interest only payments due through the term and the option of one six-month extension. There is a Commitment Fee of 1% of the loan amount.

#### Sixth Mortgage Equity Bridge Loan:

Based on the September 09, 2024 PNC Proposal Letter, PNC will provide an equity bridge loan in the amount of \$10,465,411. Interest will accrue daily at an interest rate stated to be comprised of the One-Month SOFR plus a SOFR Adjustment of 0.10%, plus 2.75%. As of September 25, 2024, the SOFR was 4.86%, and Seltzer has utilized an underwriting cushion of 0.75% for an all-in rate of 8.46%. The equity bridge loan will have a term of sixty (60) months with interest only payments due through the term of the loan. The bridge loan shall be paid at maturity, or from the capital contributions, if paid earlier.

#### Other Construction Sources of Funds:

Additional construction sources of funds for this Development are a Second Mortgage NHTF loan in the amount of \$1,375,000, Third Mortgage Columbia County SHIP loan in the amount of \$743,924, Fourth Mortgage Columbia County Loan in the amount of \$500,000, Fifth Mortgage Affiliate Funding in the amount of \$200,000, HC equity of \$1,760,755, Affiliate Equity in the amount of \$100 and deferred Developer Fees in the amount of \$2,178,546. See the Permanent Financing section below for Sources of Funds details.

### Permanent Financing Sources

| Source             | Lender               | Applicant           | Revised Applicant   | Underwriter         | Interest Rate | Amort. Yrs. | Term Yrs. | Annual Debt     |
|--------------------|----------------------|---------------------|---------------------|---------------------|---------------|-------------|-----------|-----------------|
| First Mortgage     | PNC Bank             | \$1,280,000         | \$1,250,000         | \$1,250,000         | 6.98%         | 35          | 15        | \$95,650        |
| Second Mortgage    | FHFC NHTF            | \$0                 | \$1,375,000         | \$1,375,000         | 0.00%         | N/A         | 30        | \$0             |
| Third Mortgage     | Columbia County HHLP | \$0                 | \$743,924           | \$743,924           | 0.00%         | N/A         | 20        | \$0             |
| Fourth Mortgage    | Columbia County      | \$0                 | \$500,000           | \$500,000           | 0.00%         | N/A         | 20        | \$0             |
| Fifth Mortgage     | Affiliate Funding    | \$0                 | \$200,000           | \$200,000           | 0.00%         | N/A         | 20        | \$0             |
| HC Equity          | PNC Bank             | \$13,568,213        | \$13,544,269        | \$13,544,269        |               |             |           |                 |
| Def. Developer Fee | Developer            | \$506,006           | \$884,499           | \$860,443           |               |             |           |                 |
| Additional Equity  | Affiliate            | \$0                 | \$100               | \$100               |               |             |           |                 |
| <b>Total</b>       |                      | <b>\$15,354,219</b> | <b>\$18,497,792</b> | <b>\$18,473,736</b> |               |             |           | <b>\$95,650</b> |

#### First Mortgage Loan:

Upon satisfaction of the conversion conditions, the loan will be converted to a permanent loan. Per PNC LOI, the term of the permanent loan will be 15 years following the construction completion and conversion with a 35-year amortization. The interest rate for the permanent period will be a fixed rate locked on or before closing. In an email dated September 18, 2024, PNC stated that the rate will be based on PNC's cost of funds plus a 350-basis point spread ("bps"). As of September 09, 2024, this rate was estimated by PNC to be 6.983%.

#### Second Mortgage NHTF Loan:

The Applicant was selected to receive a NHTF Loan in the form of a forgivable loan in an amount of \$1,375,000 and is required to designate 5 units as NHTF Link units targeted for Persons with Special Needs at or below 30% of AMI. This set-aside requirement is in addition to the ELI set-aside commitment.

The NHTF Loan is 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 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 (5 units) may convert to serve residents at or below 60% of AMI; however, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period. The NHTF Loan will have a total term of 32.5 years, of which 2.5 years is for the construction/stabilization period and 30 years is for the permanent period. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month and the Compliance Monitoring Fee is based on an annual multiple program fee of \$1,054.

#### Third Mortgage HHLP Loan:

Per a letter from the Board of County Commissioners for Columbia County, dated September 20, 2024, Columbia County Board voted to approve the commitment of HHLP grant funding in an amount up to \$743,924.50. The terms are set forth in the Local Housing Assistance Plan which state that the loan will be secured by a note and mortgage, and will have an interest rate of 0% for a term of 20 years. No payments will be due and the loan will be forgiven at the end of the term as long as the loan is in good standing.

Forth Mortgage Columbia County Loan:

Per a letter from the Board of County Commissioners for Columbia County, dated September 20, 2024, Columbia County will provide a loan in the amount of \$500,000. Resolution 2022R-28, which was adopted June 2022, states the loan was to be repaid no later than 15 years after disbursement of funds. On August 15, 2024, the Board voted to adopt Resolution 2024R-31 which amended the term to 20 years. In an email dated September 20, 2024 from a County attorney confirms that the funds will be loaned at a 0% interest rate.

Fifth Mortgage Affiliate Funding:

The Greater Lake City Community Development Corporation, Inc. has provided \$200,000 to the Applicant to be used for the development and/or construction of affordable housing. The Applicant will provide all \$200,000 for construction and permanent financing of the Development. The funds will be non-amortizing for a period of 20 years.

Housing Credits Equity Investment:

Applicant applied to FHFC to receive 9% HC. According to the September 09, 2024 LOI from PNC, HC equity will be provided to Applicant by PNC, according to the following terms and pay-in schedule:

| Capital Contributions | Amount       | Percent of Total | When Due                                            |
|-----------------------|--------------|------------------|-----------------------------------------------------|
| 1st Installment       | \$406,328    | 3.00%            | Prior to or at closing                              |
| 2nd Installment       | \$1,354,427  | 10.00%           | 98% construction completion                         |
| 3rd Installment       | \$365,190    | 2.70%            | 100% completion                                     |
| 4th Installment       | \$8,032,257  | 59.30%           | Later of draft cost cert and July 5, 2026           |
| 5th Installment       | \$3,093,915  | 22.84%           | Stabilized occupancy and receipt of final cost cert |
| 6th Installment       | \$292,152    | 2.16%            | At receipt of 8609                                  |
| Total                 | \$13,544,269 | 100.00%          |                                                     |

Annual Tax Credits per Syndication Agreement: \$1,596,420

Total HC Syndication: \$15,962,604

Syndication Percentage (limited partner interest): 99.99%

Calculated HC Exchange Rate (per dollar): \$0.8485

Proceeds Available During Construction: \$1,760,755

At least 15% of the total equity will be provided prior to or simultaneously with the closing of the construction financing using a combination of HC equity and the equity bridge loan.

Other Permanent Sources of Funds:

In order to balance the Sources and Uses of Funds after all loan proceeds and capital contributions have been received, the developer will have to defer \$860,443 (or 35%) of Developer Fee.

## Uses of Funds

| CONSTRUCTION COSTS:                      | Applicant Costs    | Revised<br>Applicant Costs | Underwriters<br>Total Costs - CUR | Cost Per Unit    | HC Ineligible<br>Costs - CUR | HOME Ineligible<br>Costs - CUR |
|------------------------------------------|--------------------|----------------------------|-----------------------------------|------------------|------------------------------|--------------------------------|
| Accessory Buildings                      |                    |                            |                                   | \$0              |                              |                                |
| Demolition                               |                    |                            |                                   | \$0              | \$0                          |                                |
| Installation of Pre Fab Units            |                    |                            |                                   | \$0              |                              |                                |
| New Rental Units                         | \$6,765,448        | \$8,337,900                | \$8,277,900                       | \$172,456        |                              |                                |
| Off-Site Work                            |                    |                            |                                   | \$0              | \$0                          |                                |
| Recreational Amenities                   |                    |                            |                                   | \$0              |                              |                                |
| Rehab of Existing Common Areas           |                    |                            |                                   | \$0              |                              |                                |
| Rehab of Existing Rental Units           |                    |                            |                                   | \$0              |                              |                                |
| Site Work                                | \$1,200,000        | \$1,677,601                | \$1,677,601                       | \$34,950         | \$251,640                    |                                |
| Swimming Pool                            |                    |                            |                                   | \$0              |                              |                                |
| Furniture, Fixture, & Equipment          |                    |                            | \$60,000                          | \$1,250          | \$60,000                     |                                |
| Hard Cost Contingency - in Constr. Cont. |                    |                            |                                   | \$0              |                              |                                |
| Constr. Contr. Costs subject to GC Fee   | \$7,965,448        | \$10,015,501               | \$10,015,501                      | \$208,656        | \$311,640                    | \$0                            |
| General Conditions                       | \$1,115,162        | \$600,930                  | \$600,930                         | \$12,519         |                              |                                |
| Overhead                                 |                    | \$200,310                  | \$200,310                         | \$4,173          |                              |                                |
| Profit                                   |                    | \$600,930                  | \$600,930                         | \$12,519         |                              |                                |
| Builder's Risk Insurance                 |                    |                            |                                   | \$0              |                              |                                |
| General Liability Insurance              |                    | \$45,070                   | \$45,069                          | \$939            |                              |                                |
| Payment and Performance Bonds            |                    | \$114,627                  | \$114,627                         | \$2,388          |                              |                                |
| Contract Costs not subject to GC Fee     |                    |                            |                                   | \$0              |                              |                                |
| Total Construction Contract/Costs        | \$9,080,610        | \$11,577,368               | \$11,577,367                      | \$241,195        | \$311,640                    | \$0                            |
| Hard Cost Contingency                    | \$448,338          | \$570,884                  | \$570,884                         | \$11,893         |                              |                                |
| PnP Bond paid outside Constr. Contr.     | \$67,706           |                            |                                   | \$0              |                              |                                |
| Fees for LOC used as Constr. Surety      |                    |                            |                                   | \$0              |                              |                                |
| Demolition paid outside Constr. Contr.   |                    |                            |                                   | \$0              |                              |                                |
| FF&E paid outside Constr. Contr.         | \$156,000          | \$156,000                  | \$156,000                         | \$3,250          |                              |                                |
| Other:                                   |                    |                            |                                   | \$0              |                              |                                |
| Other:                                   |                    |                            |                                   | \$0              |                              |                                |
| Other:                                   |                    |                            |                                   | \$0              |                              |                                |
| Other:                                   |                    |                            |                                   | \$0              |                              |                                |
| Other:                                   |                    |                            |                                   | \$0              |                              |                                |
| <b>Total Construction Costs:</b>         | <b>\$9,752,654</b> | <b>\$12,304,252</b>        | <b>\$12,304,251</b>               | <b>\$256,339</b> | <b>\$311,640</b>             | <b>\$0</b>                     |

### Notes to the Actual Construction Costs:

- The Applicant has provided an AIA A102-2017 Standard Form of Agreement between Applicant and Marmer Construction, Inc., ("Marmer"), dated September 19, 2024, where the basis for payment is the "Cost of the Work plus a Fee with a Guaranteed Maximum Price" ("GMP") in the amount of \$11,577,367.00. The GMP calls for achievement of substantial completion within 438 calendar days after the date of commencement. The GMP requires 10% retainage held throughout construction on all work performed through the first 50% percent of construction, then the retainage will be reduced to 5% if Applicant's Lenders approve.

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

Moran notes Allowances totaling \$54,600 (or 3.00% of the contract), which does not exceed Moran's recommended maximum allowance tolerance of 5%. GMP includes the following allowances:

- Entrance Signage                      \$10,000
- Building Signage                      \$9,600
- Irrigation                                \$35,000

2. SMG received the General Contractor's Certification of Requirements indicating an understanding of GC conditions per Rule 67-48, F.A.C.
3. Site work is estimated by Applicant as \$1,677,601, of which 15% or \$251,640 is ineligible.
4. FF&E inside the contract is for income producing washers and dryers shown on the Schedule of Values ("SOV") and is HC ineligible.
5. General contractor fees are within the 14% maximum per the RFA and Rule. General liability insurance and the cost of the payment and performance bond and General Liability Insurance are included within the GC contract but no GC fee was taken on these costs.
6. The Hard Cost Contingency for this development is 4.93% of the construction contract amount and is within the limits of the RFA and Rule. The hard cost contingency is not included in the construction contract amount.
7. FF&E outside the GMP is an estimate provided by the Applicant primarily for clubhouse furniture, which appears reasonable.
8. SMG received a PCA from Moran dated August 30, 2024. Complete results of the PCA are provided in Section C of this report.

| GENERAL DEVELOPMENT COSTS:              | Applicant Costs    | Revised<br>Applicant Costs | Underwriters<br>Total Costs - CUR | Cost Per Unit   | HC Ineligible<br>Costs - CUR | HOME Ineligible<br>Costs - CUR |
|-----------------------------------------|--------------------|----------------------------|-----------------------------------|-----------------|------------------------------|--------------------------------|
| Accounting Fees                         |                    | \$50,000                   | \$50,000                          | \$1,042         | \$25,000                     |                                |
| Appraisal                               |                    | \$15,600                   | \$15,600                          | \$325           |                              |                                |
| Architect's and Planning Fees           |                    |                            |                                   | \$0             |                              |                                |
| Architect's Fee - Green Initiative      |                    |                            |                                   | \$0             |                              |                                |
| Architect's Fee - Landscape             |                    |                            |                                   | \$0             |                              |                                |
| Architect's Fee - Site/Building Design  | \$1,018,799        | \$144,000                  | \$144,000                         | \$3,000         |                              |                                |
| Architect's Fee - Supervision           |                    | \$24,000                   | \$24,000                          | \$500           |                              |                                |
| Building Permits                        |                    | \$50,000                   | \$50,000                          | \$1,042         |                              |                                |
| Builder's Risk Insurance                |                    | \$146,400                  | \$146,400                         | \$3,050         |                              |                                |
| Capital Needs Assessment/Rehab          |                    |                            |                                   | \$0             |                              |                                |
| Engineering Fees                        |                    | \$91,000                   | \$91,000                          | \$1,896         |                              |                                |
| Environmental Report                    |                    | \$12,500                   | \$12,500                          | \$260           |                              |                                |
| Federal Labor Standards Monitoring      |                    |                            |                                   | \$0             |                              |                                |
| FHFC Administrative Fees                | \$404,510          | \$143,678                  | \$143,678                         | \$2,993         | \$143,678                    |                                |
| FHFC Application Fee                    |                    | \$3,100                    | \$3,100                           | \$65            | \$3,100                      |                                |
| FHFC Credit Underwriting Fee            |                    | \$15,618                   | \$15,618                          | \$325           | \$15,618                     |                                |
| FHFC Compliance Fee                     |                    | \$225,937                  | \$225,937                         | \$4,707         | \$225,937                    |                                |
| FHFC Other Processing Fee(s)            |                    |                            | \$500                             | \$10            | \$500                        |                                |
| Impact Fee                              | \$243,000          | \$48,000                   | \$48,000                          | \$1,000         | \$12,500                     |                                |
| Lender Inspection Fees / Const Admin    |                    | \$120,000                  | \$120,000                         | \$2,500         |                              |                                |
| Green Building Cert. (LEED, FGBC, NGBS) |                    | \$20,400                   | \$20,400                          | \$425           |                              |                                |
| Home Energy Rating System (HERS)        |                    |                            |                                   | \$0             |                              |                                |
| Insurance                               | \$213,600          | \$76,800                   | \$76,800                          | \$1,600         | \$69,600                     |                                |
| Legal Fees - Organizational Costs       |                    | \$144,000                  | \$144,000                         | \$3,000         | \$72,000                     |                                |
| Local Subsidy Underwriting Fee          |                    |                            |                                   | \$0             |                              |                                |
| Market Study                            |                    | \$18,000                   | \$18,000                          | \$375           | \$18,000                     |                                |
| Marketing and Advertising               |                    | \$50,000                   | \$50,000                          | \$1,042         | \$50,000                     |                                |
| Plan and Cost Review Analysis           |                    | \$11,700                   | \$11,700                          | \$244           |                              |                                |
| Property Taxes                          |                    | \$25,000                   | \$25,000                          | \$521           |                              |                                |
| Soil Test                               |                    | \$20,000                   | \$20,000                          | \$417           |                              |                                |
| Survey                                  |                    | \$50,000                   | \$50,000                          | \$1,042         | \$12,500                     |                                |
| Tenant Relocation Costs                 |                    |                            |                                   | \$0             |                              |                                |
| Title Insurance and Recording Fees      |                    | \$104,400                  | \$104,400                         | \$2,175         | \$26,100                     |                                |
| Traffic Study                           |                    |                            |                                   | \$0             |                              |                                |
| Utility Connection Fees                 |                    | \$135,000                  | \$135,000                         | \$2,813         |                              |                                |
| Soft Cost Contingency                   | \$105,180          | \$95,242                   | \$95,081                          | \$1,981         |                              |                                |
| Other:                                  |                    |                            |                                   | \$0             |                              |                                |
| <b>Total General Development Costs:</b> | <b>\$1,985,089</b> | <b>\$1,840,375</b>         | <b>\$1,840,714</b>                | <b>\$38,348</b> | <b>\$674,533</b>             | <b>\$0</b>                     |

*Notes to the General Development Costs:*

1. Architect's Fees for Site/Building Design and Supervision are based on the Standard Form Agreement between Applicant and Architect, PDS Architecture, Inc. dated December 04, 2024.
2. Engineering Fees are based on the executed Proposal for Professional Services between Applicant and Boral Engineering and Design, Inc. dated January 04, 2024 and Proposal for Civil Engineering Services for Due Diligence and Site Planning dated October 13, 2023.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC credits. The FHFC Application Fee is reflective of the RFA 2023-201 application fee and \$100 Predevelopment Loan Program application fee. The FHFC Compliance Fee is based upon the 2024 FHFC Compliance Monitoring Fee calculator for 48 units set aside with a 50-year affordability period. The FHFC Underwriting Fee reflects a total of \$1,759 for the Preliminary HC Recommendation Letter and

\$13,859 for the HC underwriting fee. The FHFC Other Processing Fee is for a legal description change. The NHTF underwriting fee (\$5,300) is paid by the Corporation and not included in the budget.

4. The Green Building Certification fee is based on the executed Agreement between the Applicant and Community Development Reimagined, LLC dated August 05, 2024.
5. The soft cost contingency is not included in the construction contract amount and has been limited to the 5% limit as allowed per the RFA and Rule.
6. Other General Development Costs are based on Applicant's estimates, which 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 Application Fee                      |                     |                         |                                | \$0              |                           |                             |
| Construction Loan Underwriting Fee                     |                     |                         |                                | \$0              |                           |                             |
| Construction Loan Origination Fee                      |                     |                         |                                | \$0              |                           |                             |
| Construction Loan Commitment Fee                       |                     | \$12,500                | \$12,500.00                    | \$260            |                           |                             |
| Construction Loan Closing Costs                        | \$1,241,849         |                         |                                | \$0              |                           |                             |
| Construction Loan Interest                             |                     | \$1,013,692             | \$1,013,692.00                 | \$21,119         | \$247,643                 |                             |
| Construction Loan Servicing Fees                       |                     |                         |                                | \$0              |                           |                             |
| Permanent Loan Application Fee                         |                     | \$25,000                | \$25,000.00                    | \$521            | \$25,000                  |                             |
| Permanent Loan Underwriting Fee                        |                     |                         |                                | \$0              | \$0                       |                             |
| Permanent Loan Subsidy Layering Rev.                   |                     |                         |                                | \$0              | \$0                       |                             |
| Permanent Loan Commitment Fee                          |                     | \$12,500                | \$12,500.00                    | \$260            | \$12,500                  |                             |
| Permanent Loan Origination Fee                         |                     |                         |                                | \$0              | \$0                       |                             |
| Permanent Loan Closing Costs                           | \$76,640            | \$35,000                | \$35,000.00                    | \$729            | \$35,000                  |                             |
| Permanent Loan Interest                                |                     |                         |                                | \$0              | \$0                       |                             |
| Permanent Loan Servicing Fee                           |                     |                         |                                | \$0              | \$0                       |                             |
| Bridge Loan Application Fee                            |                     |                         |                                | \$0              |                           |                             |
| Bridge Loan Underwriting Fee                           |                     |                         |                                | \$0              |                           |                             |
| Bridge Loan Origination Fee                            |                     |                         |                                | \$0              |                           |                             |
| Bridge Loan Commitment Fee                             |                     | \$54,153                | \$52,327.06                    | \$1,090          |                           |                             |
| Bridge Loan Closing Costs                              |                     |                         |                                | \$0              |                           |                             |
| Bridge Loan Interest                                   |                     |                         |                                | \$0              |                           |                             |
| Bridge Loan Servicing Fee                              |                     |                         |                                | \$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              |                           |                             |
| NHTF Subsidy Layering Review                           |                     | \$2,010                 | \$2,010                        | \$42             | \$2,010                   |                             |
| NHTF Closing Costs                                     |                     | \$12,500                | \$12,500                       | \$260            | \$12,500                  |                             |
| NHTF Servicing Fee                                     |                     |                         |                                | \$0              | \$0                       |                             |
| Legal Fees - Financing Costs                           |                     | \$144,000               | \$144,000                      | \$3,000          |                           |                             |
| Negative Arbitrage                                     |                     |                         |                                | \$0              |                           |                             |
| Forward Rate Lock Fee                                  |                     |                         |                                | \$0              |                           |                             |
| Other: Tax Credit Syndicator Fee                       | \$50,000            | \$50,000                | \$50,000                       | \$1,042          | \$50,000                  |                             |
| <b>Total Financial Costs:</b>                          | <b>\$1,368,489</b>  | <b>\$1,361,355</b>      | <b>\$1,359,529</b>             | <b>\$28,324</b>  | <b>\$384,653</b>          | <b>\$0</b>                  |
| <b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b> | <b>\$13,106,232</b> | <b>\$15,505,981</b>     | <b>\$15,504,494</b>            | <b>\$323,010</b> | <b>\$1,370,826</b>        | <b>\$0</b>                  |

*Notes to the Financial Costs:*

1. The Construction Loan Commitment Fee is equal to 1.00% of the construction phase loan amount per PNC's proposal letter.

2. The Bridge Loan Commitment Fee is equal to 0.5% of the equity bridge loan amount PNC's proposal letter.
3. The Permanent Loan Commitment Fee is equal to 1.00% of the permanent phase loan amount based on PNC's proposal letter.
4. Construction Loan Interest is based on Applicant's estimate, which appears reasonable and includes the interest for the construction loan and bridge loan.
5. NHTF Subsidy Layering review is based off of Seltzer's Fee Schedule.
6. The NHTF closing costs are \$12,500 for FHFC legal counsel fees.
7. Other Financial Costs are based on the Borrower'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 | HOME Ineligible Costs - CUR |
|------------------------------------------|-----------------|-------------------------|--------------------------------|---------------|---------------------------|-----------------------------|
| Brokerage Fees - Building                |                 |                         | \$0                            | \$0           |                           |                             |
| Building Acquisition Cost                |                 |                         | \$0                            | \$0           |                           |                             |
| Developer Fee on Non-Land Acq. Costs     |                 |                         | \$0                            | \$0           |                           |                             |
| <b>Total Non-Land Acquisition Costs:</b> | <b>\$0</b>      | <b>\$0</b>              | <b>\$0</b>                     | <b>\$0</b>    | <b>\$0</b>                | <b>\$0</b>                  |

*Notes to the Non-Land Acquisition Costs:*

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

| DEVELOPER FEE ON NON-ACQUISITION COSTS | Applicant Costs    | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit   | HC Ineligible Costs - CUR | HOME Ineligible Costs - CUR |
|----------------------------------------|--------------------|-------------------------|--------------------------------|-----------------|---------------------------|-----------------------------|
| Developer Fee - Unapportioned          | \$2,096,997        | \$2,484,037             | \$2,480,718                    | \$51,682        |                           |                             |
| 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                  |                    |                         |                                | \$0             |                           |                             |
| DF to Guaranty Fees                    |                    |                         |                                | \$0             |                           |                             |
| Other:                                 |                    |                         |                                | \$0             |                           |                             |
| Other:                                 |                    |                         |                                | \$0             |                           |                             |
| Other:                                 |                    |                         |                                | \$0             |                           |                             |
| <b>Total Other Development Costs:</b>  | <b>\$2,096,997</b> | <b>\$2,484,037</b>      | <b>\$2,480,718</b>             | <b>\$51,682</b> | <b>\$0</b>                | <b>\$0</b>                  |

*Notes to the Other Development Costs:*

1. Developer Fee has been limited to 16% of the Development's construction cost, exclusive of land, acquisition costs and reserves, as required per RFA and Rule. At the time of final cost certification, the Developer Fee will be recalculated based on the final TDC.

| LAND ACQUISITION COSTS          | Applicant Costs  | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit  | HC Ineligible Costs - CUR | HOME Ineligible Costs - CUR |
|---------------------------------|------------------|-------------------------|--------------------------------|----------------|---------------------------|-----------------------------|
| Brokerage Fees - Land           |                  |                         | \$0                            | \$0            | \$0                       |                             |
| Land Acquisition Cost           |                  |                         |                                | \$0            | \$0                       |                             |
| Land                            |                  |                         |                                | \$0            | \$0                       |                             |
| Land Lease Payment              | \$150,990        | \$150,990               | \$150,990                      | \$3,146        | \$150,990                 |                             |
| Land Carrying Costs             |                  |                         |                                | \$0            | \$0                       |                             |
| Other:                          |                  |                         |                                | \$0            | \$0                       |                             |
| Other:                          |                  |                         |                                | \$0            | \$0                       |                             |
| Other:                          |                  |                         |                                | \$0            | \$0                       |                             |
| <b>Total Acquisition Costs:</b> | <b>\$150,990</b> | <b>\$150,990</b>        | <b>\$150,990</b>               | <b>\$3,146</b> | <b>\$150,990</b>          | <b>\$0</b>                  |

*Notes to the Land Acquisition Costs:*

1. The site is owned by The Greater Lake City Community Development Corporation, Inc and leased to the Applicant. Per the Ground Lease with an effective date of September 12, 2023, the term of the lease will be the latest of the following to occur: (1) ninety-nine (99) years from the Commencement Date, which is defined as the date the Applicant closes on the construction debt and equity financing on the Development; or (2) December 31, 2123.

There will be a one-time capitalized lease payment in the amount of One Hundred Fifty Thousand Dollars (\$150,000) due on the Commencement Date, plus Ten Dollars (\$10) per year for the remainder of the 99-year term. The Applicant is exercising the option to prepay the annual lease payment of Nine Hundred Ninety Dollars (\$990) at closing.

2. The appraisal estimated a land value of \$1,440,000, which is greater than the capitalized lease payment.

| RESERVE ACCOUNTS                           | Applicant Costs | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit  | HC Ineligible Costs - CUR | HOME 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)     |                 | \$222,534               | \$222,534                      | \$4,636        | \$222,534                 |                             |
| 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      |                 | \$115,000               | \$115,000                      | \$2,396        | \$115,000                 |                             |
| Reserves - Working Capital                 |                 |                         |                                | \$0            | \$0                       |                             |
| Other:                                     |                 |                         |                                | \$0            | \$0                       |                             |
| Other:                                     |                 |                         |                                | \$0            | \$0                       |                             |
| Other:                                     |                 |                         |                                | \$0            | \$0                       |                             |
| <b>Total Reserve Accounts:</b>             | <b>\$0</b>      | <b>\$337,534</b>        | <b>\$337,534</b>               | <b>\$7,032</b> | <b>\$337,534</b>          | <b>\$0</b>                  |

*Notes to the Total Reserve Accounts:*

1. The Operating Deficit Reserve will be funded as required by the HC Syndicator in the PNC LOI dated September 9, 2024.

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 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 legal counsel and its Servicer.

2. Start-Up/Lease-up Expenses were estimated by the Applicant and appear reasonable.

| TOTAL DEVELOPMENT COSTS         | Applicant Costs | Revised<br>Applicant Costs | Underwriters<br>Total Costs - CUR | Cost Per Unit | HC Ineligible<br>Costs - CUR | HOME Ineligible<br>Costs - CUR |
|---------------------------------|-----------------|----------------------------|-----------------------------------|---------------|------------------------------|--------------------------------|
| <b>TOTAL DEVELOPMENT COSTS:</b> | \$15,354,219    | \$18,478,542               | \$18,473,736                      | \$384,869     | \$1,859,350                  | \$0                            |

*Notes to the Total Development Costs:*

1. Per RFA 2023-201, the FHFC Total Development Cost ("TDC") are limited on a per unit basis, based on the construction type of the units. At Application, the Applicant indicated a construction type of Garden Enhances Structural System ("ESS") Apartments (new construction), which at application had a TDC per unit limitation of \$339,200. Per an analysis of the approved development costs identified in this report, the Net Stated TDC per unit is \$323,010, which does not exceed the maximum allowable TDC per the RFA.

**Operating Pro forma**

| OPERATING PRO FORMA           |                                            |      | ANNUAL     | PER UNIT  |
|-------------------------------|--------------------------------------------|------|------------|-----------|
| INCOME                        | Gross Potential Rental Income              |      | \$470,568  | \$9,804   |
|                               | Rent Subsidy (ODR)                         |      | \$0        | \$0       |
|                               | Other Income:                              |      |            |           |
|                               | Ancillary Income-Parking                   |      | \$0        | \$0       |
|                               | Miscellaneous                              |      | \$9,527    | \$198     |
|                               | Washer/Dryer Rentals                       |      | \$12,960   | \$270     |
|                               | Cable/Satellite Income                     |      | \$0        | \$0       |
|                               | Rent Concessions                           |      | \$0        | \$0       |
|                               | Alarm Income                               |      | \$0        | \$0       |
|                               | Gross Potential Income                     |      | \$493,055  | \$10,272  |
|                               | Less:                                      |      |            |           |
|                               | Economic Loss - Percentage:                | 0.0% | \$0        | \$0       |
|                               | Physical Vacancy Loss - Percentage:        | 4.0% | (\$19,722) | (\$411)   |
|                               | Collection Loss - Percentage:              | 1.0% | (\$4,931)  | (\$103)   |
| Total Effective Gross Revenue |                                            |      | \$468,402  | \$9,758   |
| EXPENSES                      | Fixed:                                     |      |            |           |
|                               | Ground Lease                               |      | \$10       | \$0       |
|                               | Sub-Ground Lease                           |      | \$0        | \$0       |
|                               | Real Estate Taxes                          |      | \$35,500   | \$740     |
|                               | Insurance                                  |      | \$76,800   | \$1,600   |
|                               | Other                                      |      | \$0        | \$0       |
|                               | Variable:                                  |      |            |           |
|                               | Management Fee - Percentage:               | 5.5% | \$25,724   | \$536     |
|                               | General and Administrative                 |      | \$19,200   | \$400     |
|                               | Payroll Expenses                           |      | \$67,200   | \$1,400   |
|                               | Utilities                                  |      | \$42,000   | \$875     |
|                               | Marketing and Advertising                  |      | \$2,400    | \$50      |
|                               | Maintenance and Repairs                    |      | \$24,480   | \$510     |
|                               | Grounds Maintenance and Landscaping        |      | \$7,200    | \$150     |
|                               | Resident Programs                          |      | \$0        | \$0       |
|                               | Contract Services                          |      | \$0        | \$0       |
|                               | Security                                   |      | \$0        | \$0       |
|                               | Other-Painting and decorating              |      | \$1,680    | \$35      |
|                               | Reserve for Replacements                   |      | \$14,400   | \$300     |
| Total Expenses                |                                            |      | \$316,594  | \$6,596   |
| Net Operating Income          |                                            |      | \$151,808  | \$3,163   |
| Debt Service Payments         |                                            |      |            |           |
| DEBT SERVICE                  | First Mortgage - PNC Bank                  |      | \$95,650   | \$1,993   |
|                               | Second Mortgage - FHFC NHTF                |      | \$0        | \$0       |
|                               | Third Mortgage - Columbia County HHLP      |      | \$0        | \$0       |
|                               | Fourth Mortgage - Columbia County          |      | \$0        | \$0       |
|                               | Fifth Mortgage - Affiliate Funding         |      | \$0        | \$0       |
|                               | All Other Mortgages -                      |      | \$0        | \$0       |
|                               | First Mortgage Fees - PNC Bank             |      | \$0        | \$0       |
|                               | Second Mortgage Fees - FHFC NHTF           |      | \$4,492    | \$94      |
|                               | Third Mortgage Fees - Columbia County HHLP |      | \$0        | \$0       |
|                               | Fourth Mortgage Fees - Columbia County     |      | \$0        | \$0       |
|                               | Fifth Mortgage Fees - Affiliate Funding    |      | \$0        | \$0       |
|                               | All Other Mortgages Fees -                 |      | \$0        | \$0       |
|                               | Total Debt Service Payments                |      |            | \$100,141 |
| Cash Flow After Debt Service  |                                            |      | \$51,667   | \$1,076   |

| Debt Service Coverage Ratios |                                 |       |
|------------------------------|---------------------------------|-------|
|                              | DSC - First Mortgage plus Fees  | 1.587 |
|                              | DSC - Second Mortgage plus Fees | 1.516 |
|                              | DSC - Third Mortgage plus Fees  | 1.516 |
|                              | DSC - Fourth Mortgage plus Fees | 1.516 |
|                              | DSC - Fifth Mortgage plus Fees  | 1.516 |
|                              | DSC - All Mortgages and Fees    | 1.516 |
|                              |                                 |       |
| Financial Ratios             |                                 |       |
|                              | Operating Expense Ratio         | 67.6% |
|                              | Break-Even Ratio                | 84.8% |

*Notes to the Operating Proforma and Ratios:*

1. This Development will be utilizing Housing Credits and NHTF which will impose rent restrictions. The restricted rent schedule is based upon the lesser of 2024 maximum HC rents and the Appraiser's projections. As noted in Additional Information, the Development was identified to be located in a USDA-eligible rural address which allows the Applicant to utilize the USDA-eligible rural address rent limits as published in the 2024 Income Limits and Rents Limits. The Appraiser estimates that the Development will achieve 2024 maximum USDA-eligible rents, less utility allowances, on all units.
2. The Appraiser states they estimated the utility allowances based on estimates provided by the Developer. Subsequently, the Applicant provided SMG an Energy Consumption Model ("ECM") completed by Matern Professional Engineering, Inc. The ECM, which was approved by FHFC on August 15, 2024, includes electric, water and sewer; however, per Applicant, the residents will not be responsible for water and sewer. An updated ECM showing electric only was submitted to FHFC on August 29, 2024 and a condition to close.

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

USDA-Eligible Rural Address

| 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     | 694         | 30%  |                |                 | \$443         | \$60           | \$383                |                  | \$375           | \$390           | \$383    | \$13,788             |
| 1         | 1.0        | 3     | 694         | 40%  |                |                 | \$581         | \$60           | \$521                |                  | \$521           | \$528           | \$521    | \$18,756             |
| 1         | 1.0        | 18    | 694         | 60%  |                |                 | \$871         | \$60           | \$811                |                  | \$811           | \$818           | \$811    | \$175,176            |
| 2         | 2.0        | 2     | 978         | 30%  |                |                 | \$645         | \$70           | \$575                |                  | \$452           | \$588           | \$575    | \$13,800             |
| 2         | 2.0        | 2     | 978         | 40%  |                |                 | \$697         | \$70           | \$627                |                  | \$627           | \$640           | \$627    | \$15,048             |
| 2         | 2.0        | 20    | 978         | 60%  |                |                 | \$1,045       | \$70           | \$975                |                  | \$975           | \$988           | \$975    | \$234,000            |
|           |            | 48    | 40,128      |      |                |                 |               |                |                      |                  |                 |                 |          | \$470,568            |

3. The proforma reflects Miscellaneous Income of \$198 per unit per year for income from vending machines, late charges, forfeited security deposits and other miscellaneous sources.
4. The Appraiser estimates a stabilized physical vacancy rate and collection loss allowance of 3%, which includes a 0.5% collection loss for a physical occupancy rate of 97.5% and an economic occupancy of 97%. Seltzer has used a more conservative estimate of 4% physical vacancy rate and 1% collection loss. Based on current and historical market conditions, the appraiser has not estimated any concessions for the subject as restricted.

5. Management fees are based upon an executed management agreement, dated August 9, 2024, which reflects the greater of \$3,500 or 5% of the monthly gross receipts from the operation of the property, plus \$4.00 per unit per month for a compliance administrative fee, which equates to a combined rate of 5.50%. Gross receipts are all amounts received from the operation of the property including, but not limited to, rents, forfeited deposits, actual income received from laundry lease and fee. Seltzer has included the full management fee in the pro forma above.
6. Replacement Reserves in the amount of \$300 per unit per year meet RFA 2023-201 and Rule requirements.
7. Other operating expense estimates are based on market comparables supported by the appraisal estimate.
8. A 15-year income and expense projection shows increasing debt service coverage through year 8, then declining from year 8 through year 15. At year 15, the DSC is estimated at 1.490x. This projection is attached to this report as Exhibit 1.

**Section B**

**Loan Conditions**

**HC Allocation Recommendation and Contingencies**

Special Conditions

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

1. Completion of the HUD Section 3 pre-construction conference and executed Section 3 exhibits to the GMP.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 75).
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan.
4. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.
5. An updated Phase I Environmental Report or a letter from the provider stating that the findings may still be relied upon. The report dated January 4, 2024 has a viability date of June 14, 2024.
6. Approval from FHFC for the updated ECM showing electric only.
7. Receipt and satisfactory review of Amended and Restated Operating Agreements for DDER Sweetwater II Manager, LLC and ReVital Ventures, LLC showing the new entities with 1% ownership interest. FHFC staff approval of the change of the new entities with 1% ownership interest.
8. FHFC staff approval of change to legal description of the Development.
9. Receipt and satisfactory review of a finalized Plan and Cost Analysis.

General Conditions

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

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other

conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. NHTF Proceeds shall be disbursed in an amount per Draw that does not exceed the ratio of the NHTF loans to the Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect FHFC'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 FHFC, its Legal Counsel, Servicer or any agent or assignee of FHFC for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C. of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.
15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to FHFC, its Servicer and its Legal Counsel.

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

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

5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
  - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
  - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership/Operating Agreement and;
  - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507, 420.5087 and 420.509, Florida Statutes, Rule Chapters 67-48, 67-53, and 67-60, F.A.C., RFA 2023-201, 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 NHTF Loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low-Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

4. Guarantors are to provide the standard FHFC Construction Completion and Operating Deficit Guaranty. The Construction Completion Guaranty is to be released upon lien free completion as approved by the Servicer.
5. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
6. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
7. A mortgagee title insurance lender's policy naming Florida Housing as the insured second mortgage holder in the amount of the Loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
8. 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.
9. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$14,400 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of \$300 per unit per year for years 1 and 2, followed by \$300 per unit per year thereafter. 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 FHFC or its servicers, prepared by an independent third party and acceptable to FHFC and its servicers at the time the CNA is required, beginning no later than the 10<sup>th</sup> 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 15<sup>th</sup> year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

10. Moran Consultants, LLC ("Moran") or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
11. The RFA and Rule require 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. Under the Sweetwater Apartments Phase II construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete, at which time retainage shall be reduced to 5% with owner's lender's approval. 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.

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

## **Housing Credit Allocation Recommendation**

SMG recommends a Preliminary Annual Housing Credit Allocation of \$1,596,420. Please see the HC Allocation Calculation section of this Credit Underwriting 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. Receipt and satisfactory resolution of any outstanding past due items or noncompliance items.
2. All items listed under the Special Conditions section of the Loan Conditions to close.
3. Any reasonable requirements of Florida Housing and/or SMG.

| 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    |
|--------------------------------------|--------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>OPERATING PRO FORMA</b>           |                                            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| <b>INCOME</b>                        | Gross Potential Rental Income              | \$470,568  | \$479,979  | \$489,579  | \$499,371  | \$509,358  | \$519,545  | \$529,936  | \$540,535  | \$551,345  | \$562,372  | \$573,620  | \$585,092  | \$596,794  | \$608,730  | \$620,904  |
|                                      | Rent Subsidy (ODR)                         | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Other Income:                              |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|                                      | Ancillary Income-Parking                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Miscellaneous                              | \$9,527    | \$9,718    | \$9,912    | \$10,110   | \$10,312   | \$10,519   | \$10,729   | \$10,944   | \$11,162   | \$11,386   | \$11,613   | \$11,846   | \$12,083   | \$12,324   | \$12,571   |
|                                      | Washer/Dryer Rentals                       | \$12,960   | \$13,219   | \$13,484   | \$13,753   | \$14,028   | \$14,309   | \$14,595   | \$14,887   | \$15,185   | \$15,488   | \$15,798   | \$16,114   | \$16,436   | \$16,765   | \$17,100   |
|                                      | Cable/Satellite Income                     | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Rent Concessions                           | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Alarm Income                               | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Gross Potential Income                     | \$493,055  | \$502,916  | \$512,974  | \$523,234  | \$533,699  | \$544,373  | \$555,260  | \$566,365  | \$577,693  | \$589,246  | \$601,031  | \$613,052  | \$625,313  | \$637,819  | \$650,576  |
|                                      | Less:                                      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|                                      | Economic Loss - Percentage:                |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|                                      | Physical Vacancy Loss - Percentage: 4.0%   | (\$19,722) | (\$20,117) | (\$20,519) | (\$20,929) | (\$21,348) | (\$21,775) | (\$22,210) | (\$22,655) | (\$23,108) | (\$23,570) | (\$24,041) | (\$24,522) | (\$25,013) | (\$25,513) | (\$26,023) |
|                                      | Collection Loss - Percentage: 1.0%         | (\$4,931)  | (\$5,029)  | (\$5,130)  | (\$5,232)  | (\$5,337)  | (\$5,444)  | (\$5,553)  | (\$5,664)  | (\$5,777)  | (\$5,892)  | (\$6,010)  | (\$6,131)  | (\$6,253)  | (\$6,378)  | (\$6,506)  |
| <b>Total Effective Gross Revenue</b> |                                            | \$468,402  | \$477,770  | \$487,326  | \$497,072  | \$507,014  | \$517,154  | \$527,497  | \$538,047  | \$548,808  | \$559,784  | \$570,980  | \$582,399  | \$594,047  | \$605,928  | \$618,047  |
| <b>EXPENSES</b>                      | Fixed:                                     |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|                                      | Ground Lease                               | \$10       | \$10       | \$11       | \$11       | \$11       | \$12       | \$12       | \$12       | \$13       | \$13       | \$13       | \$14       | \$14       | \$15       | \$15       |
|                                      | Sub-Ground Lease                           | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Real Estate Taxes                          | \$35,500   | \$36,565   | \$37,662   | \$38,792   | \$39,956   | \$41,154   | \$42,389   | \$43,661   | \$44,970   | \$46,319   | \$47,709   | \$49,140   | \$50,615   | \$52,133   | \$53,697   |
|                                      | Insurance                                  | \$76,800   | \$79,104   | \$81,477   | \$83,921   | \$86,439   | \$89,032   | \$91,703   | \$94,454   | \$97,288   | \$100,207  | \$103,213  | \$106,309  | \$109,498  | \$112,783  | \$116,167  |
|                                      | Other                                      | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Variable:                                  |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|                                      | Management Fee - Percentage: 5.5%          | \$25,724   | \$26,239   | \$26,763   | \$27,299   | \$27,845   | \$28,401   | \$28,970   | \$29,549   | \$30,140   | \$30,743   | \$31,358   | \$31,985   | \$32,624   | \$33,277   | \$33,942   |
|                                      | General and Administrative                 | \$19,200   | \$19,776   | \$20,369   | \$20,980   | \$21,610   | \$22,258   | \$22,926   | \$23,614   | \$24,322   | \$25,052   | \$25,803   | \$26,577   | \$27,375   | \$28,196   | \$29,042   |
|                                      | Payroll Expenses                           | \$67,200   | \$69,216   | \$71,292   | \$73,431   | \$75,634   | \$77,903   | \$80,240   | \$82,648   | \$85,127   | \$87,681   | \$90,311   | \$93,021   | \$95,811   | \$98,685   | \$101,646  |
|                                      | Utilities                                  | \$42,000   | \$43,260   | \$44,558   | \$45,895   | \$47,271   | \$48,690   | \$50,150   | \$51,655   | \$53,204   | \$54,800   | \$56,444   | \$58,138   | \$59,882   | \$61,678   | \$63,529   |
|                                      | Marketing and Advertising                  | \$2,400    | \$2,472    | \$2,546    | \$2,623    | \$2,701    | \$2,782    | \$2,866    | \$2,952    | \$3,040    | \$3,131    | \$3,225    | \$3,322    | \$3,422    | \$3,524    | \$3,630    |
|                                      | Maintenance and Repairs                    | \$24,480   | \$25,214   | \$25,971   | \$26,750   | \$27,552   | \$28,379   | \$29,230   | \$30,107   | \$31,011   | \$31,941   | \$32,899   | \$33,886   | \$34,903   | \$35,950   | \$37,028   |
|                                      | Grounds Maintenance and Landscaping        | \$7,200    | \$7,416    | \$7,638    | \$7,868    | \$8,104    | \$8,347    | \$8,597    | \$8,855    | \$9,121    | \$9,394    | \$9,676    | \$9,966    | \$10,265   | \$10,573   | \$10,891   |
|                                      | Resident Programs                          | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Contract Services                          | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Security                                   | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Other-Pest Control                         | \$1,680    | \$1,730    | \$1,782    | \$1,836    | \$1,891    | \$1,948    | \$2,006    | \$2,066    | \$2,128    | \$2,192    | \$2,258    | \$2,326    | \$2,395    | \$2,467    | \$2,541    |
|                                      | Reserve for Replacements                   | \$14,400   | \$14,400   | \$14,400   | \$14,400   | \$14,400   | \$14,400   | \$14,400   | \$14,400   | \$14,400   | \$14,400   | \$14,832   | \$15,277   | \$15,735   | \$16,207   | \$16,694   |
| <b>Total Expenses</b>                |                                            | \$316,594  | \$325,403  | \$334,470  | \$343,805  | \$353,414  | \$363,306  | \$373,489  | \$383,972  | \$394,764  | \$405,873  | \$417,742  | \$429,961  | \$442,540  | \$455,490  | \$468,822  |
| <b>Net Operating Income</b>          |                                            | \$151,808  | \$152,368  | \$152,855  | \$153,267  | \$153,600  | \$153,848  | \$154,008  | \$154,075  | \$154,044  | \$153,911  | \$153,238  | \$152,439  | \$151,508  | \$150,439  | \$149,225  |
| <b>Debt Service Payments</b>         |                                            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| <b>DEBT SERVICE</b>                  | First Mortgage - PNC Bank                  | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   | \$95,650   |
|                                      | Second Mortgage - FHFC NHTF                | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Third Mortgage - Columbia County HHLP      | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Fourth Mortgage - Columbia County          | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Fifth Mortgage - Affiliate Funding         | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | All Other Mortgages -                      | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | First Mortgage Fees - PNC Bank             | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Second Mortgage Fees - FHFC NHTF           | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    | \$4,492    |
|                                      | Third Mortgage Fees - Columbia County HHLP | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Fourth Mortgage Fees - Columbia County     | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        | \$0        |
|                                      | Fifth Mortgage Fees - Affiliate Funding    | \$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        |
| <b>Total Debt Service Payments</b>   |                                            | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  | \$100,141  |
| <b>Cash Flow After Debt Service</b>  |                                            | \$51,667   | \$52,226   | \$52,714   | \$53,126   | \$53,458   | \$53,707   | \$53,867   | \$53,934   | \$53,903   | \$53,769   | \$53,096   | \$52,297   | \$51,366   | \$50,297   | \$49,084   |
| <b>Debt Service Coverage Ratios</b>  |                                            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|                                      | DSC - First Mortgage plus Fees             | 1.587      | 1.593      | 1.598      | 1.602      | 1.606      | 1.608      | 1.610      | 1.611      | 1.611      | 1.609      | 1.602      | 1.594      | 1.584      | 1.573      | 1.560      |
|                                      | DSC - Second Mortgage plus Fees            | 1.516      | 1.522      | 1.526      | 1.531      | 1.534      | 1.536      | 1.538      | 1.539      | 1.538      | 1.537      | 1.530      | 1.522      | 1.513      | 1.502      | 1.490      |
|                                      | DSC - Third Mortgage plus Fees             | 1.516      | 1.522      | 1.526      | 1.531      | 1.534      | 1.536      | 1.538      | 1.539      | 1.538      | 1.537      | 1.530      | 1.522      | 1.513      | 1.502      | 1.490      |
|                                      | DSC - Fourth Mortgage plus Fees            | 1.516      | 1.522      | 1.526      | 1.531      | 1.534      | 1.536      | 1.538      | 1.539      | 1.538      | 1.537      | 1.530      | 1.522      | 1.513      | 1.502      | 1.490      |
|                                      | DSC - Fifth Mortgage plus Fees             | 1.516      | 1.522      | 1.526      | 1.531      | 1.534      | 1.536      | 1.538      | 1.539      | 1.538      | 1.537      | 1.530      | 1.522      | 1.513      | 1.502      | 1.490      |
|                                      | DSC - All Mortgages and Fees               | 1.516      | 1.522      | 1.526      | 1.531      | 1.534      | 1.536      | 1.538      | 1.539      | 1.538      | 1.537      | 1.530      | 1.522      | 1.513      | 1.502      | 1.490      |
| <b>Financial Ratios</b>              |                                            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
|                                      | Operating Expense Ratio                    | 67.6%      | 68.1%      | 68.6%      | 69.2%      | 69.7%      | 70.3%      | 70.8%      | 71.4%      | 71.9%      | 72.5%      | 73.2%      | 73.8%      | 74.5%      | 75.2%      | 75.9%      |
|                                      | Break-Even Ratio                           | 84.8%      | 84.9%      | 85.0%      | 85.1%      | 85.3%      | 85.4%      | 85.6%      | 85.8%      | 85.9%      | 86.1%      | 86.4%      | 86.7%      | 87.1%      | 87.4%      | 87.7%      |

**SELTZER MANAGEMENT GROUP, INC.**

**October 25, 2024**

**EXHIBIT 1 – PAGE 1**

**SWEETWATER APARTMENTS PHASE II**  
**RFA 2023-201 / 2024-133CN**  
**DESCRIPTION OF FEATURES AND AMENITIES**

The Development will consist of:

48 apartment units located in 2 garden, residential buildings.

Unit Mix:

Twenty-four (24) one bedroom/one bath units;

Twenty-four (24) two bedroom/two bath units;

48 Total Units

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

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

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

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

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

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 FHFC funding program to the same extent as if the Development were subject to Section 504 and its related regulations in all respects. To that end, all Corporation funding shall be deemed "Federal financial assistance" within the meaning of that term as used in Section 504 and its related regulations for all Developments.

b. General Features

The Development will provide the following General Features:

- Broadband infrastructure which includes cables, fiber optics, wiring, or

other infrastructure, as long as the installation results in accessibility in each unit;

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

c. Required Accessibility Features, regardless of the age of the Development

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

(1) Required Accessibility Features in all Units

- Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;

- All door handles on primary entrance door and interior doors must have lever handles;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
- Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

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

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit and toilet, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

d. Required Green Building Features in all Developments

- (1) All new construction 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  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  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 and living room;
- Air Conditioning (in-unit or commercial):
  - Air-Source Heat Pumps – Energy Star certified:
    - $\geq 7.8$  HSPF2/  $\geq 15.2$  SEER2/  $\geq 11.7$  EER2 for split systems
    - $\geq 7.2$  HSPF2  $\geq 15.2$  SEER2/  $\geq 10.6$  EER2 for single package equipment including gas/electric package units.
  - Central Air Conditioners – Energy Star certified:
    - $\geq 15.2$  SEER2/  $\geq 12.0$  EER2 for split systems
    - $\geq 15.2$  SEER2/  $\geq 11.5$  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 1 bedroom units.

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

\_\_\_\_\_ Leadership in Energy and Environmental Design (LEED);  
\_\_\_\_\_ Florida Green Building Coalition (FGBC);  
\_\_\_\_\_ Enterprise Building Communities; or  
\_\_\_X\_\_\_ ICC 700 National Green Building Standard (NGBS).

- e. This Family Development will provide the following resident programs:

- (1) Adult Literacy

The Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

- (2) 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 service.

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

**(3) Financial Management Program**

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

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

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

## COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Sweetwater Apartments Phase II

DATE: October 25, 2024

In accordance with applicable Program Rule(s), 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 ("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 applicant that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

| CREDIT UNDERWRITING<br>REQUIRED ITEMS:                                                                                                                                                                                                                                                                                                                                                        | STATUS               | NOTE |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------|
|                                                                                                                                                                                                                                                                                                                                                                                               | Satis. /<br>Unsatis. |      |
| 1. The development's final "as submitted for permitting" plans and specifications.<br>Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.                                                                                                                                                                       | Satis.               |      |
| 2. Final site plan and/or status of site plan approval.                                                                                                                                                                                                                                                                                                                                       | Satis.               |      |
| 3. Permit Status.                                                                                                                                                                                                                                                                                                                                                                             | Satis.               |      |
| 4. Pre-construction analysis ("PCA").                                                                                                                                                                                                                                                                                                                                                         | Satis.               | 1    |
| 5. Survey.                                                                                                                                                                                                                                                                                                                                                                                    | Satis.               |      |
| 6. Complete, thorough soil test reports.                                                                                                                                                                                                                                                                                                                                                      | Satis.               |      |
| 7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.                                                                                                                                                                                                                                                                                   | Satis.               |      |
| 8. Market Study separate from the Appraisal.                                                                                                                                                                                                                                                                                                                                                  | Satis.               |      |
| 9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status. | Satis.               | 2    |
| 10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.                                                                                                                                                                       | Satis.               |      |

|                                                                                                                                |        |     |
|--------------------------------------------------------------------------------------------------------------------------------|--------|-----|
| 11. Resumes and experience of applicant, general contractor and management agent.                                              | Satis. |     |
| 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. |     |
| 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. | 3   |
| 22. Any additional items required by the credit underwriter.                                                                   | Satis. | 4-6 |

**NOTES AND APPLICANT’S RESPONSES:**

1. Receipt and satisfactory review of a finalized Plan and Cost Analysis.
2. Updated Phase I report or letter stating the findings may still be relied up will be a condition to close due to current report dated January 4, 2024 showing a viability date of June 14, 2024.
3. The 15% total equity will be from a combination of HC equity and an equity bridge loan.
4. Completion of the HUD Section 3 pre-construction conference and executed Section 3 exhibits to the GMP.
5. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 75).
6. Receipt and satisfactory review of Amended and Restated Operating Agreements for DDER Sweetwater II Manager, LLC and ReVital Ventures, LLC showing the new entities with 1% ownership interest.

## HC Allocation Calculation

| Section I: Qualified Basis Calculation |               |
|----------------------------------------|---------------|
| Development Cost                       | \$18,473,736  |
| Less Land Cost                         | (\$150,990)   |
| Less Federal Funds                     | \$0           |
| Less Other Ineligible Cost             | (\$1,708,360) |
| Less Disproportionate Standard         | \$0           |
| Total Eligible Basis                   | \$16,614,386  |
| Applicable Fraction                    | 100.00%       |
| DDA/QCT Basis Credit                   | 130.00%       |
| Qualified Basis                        | \$21,598,701  |
| Housing Credit Percentage              | 9.00%         |
| Annual Housing Credit Allocation       | \$1,943,883   |

### Notes to the Qualified Basis Calculation:

1. Total Ineligible Costs have increased by 28% or \$408,229 from Application primarily due to the difference in construction loan interest and site work ineligible amounts showing in the budget. Other Ineligible Costs primarily include a portion of new construction costs for income producing washers and dryers, professional fees, insurance, local government fees & taxes, and all of Florida Housing fees, permanent loan fees, land, operating deficit reserves and lease-up reserves.
2. Applicant committed to a set aside of 100%; therefore, SMG has utilized an Applicable Fraction of 100%.
3. The Development is located within a HUD-designated Non-Metropolitan DDA. Therefore, a 130.00% basis credit has been applied.
4. Per the FY 2016 Omnibus Spending and Tax Bill passed by Congress as of December 18, 2015, a permanent 9% minimum HC rate was established. For purposes of this report, a total HC percentage of 9.00% has therefore been applied.

| <b>Section II: Gap Calculation</b>                           |               |
|--------------------------------------------------------------|---------------|
| Total Development Cost (Including Land and Ineligible Costs) | \$18,473,736  |
| Less Mortgages                                               | (\$4,068,924) |
| Less Grants                                                  | \$0           |
| Equity Gap                                                   | \$14,404,812  |
| Percentage to Investment Partnership                         | 99.99%        |
| HC Syndication Pricing                                       | \$0.8485      |
| HC Required to Meet Gap                                      | \$16,978,495  |
| Annual HC Required                                           | \$1,697,849   |

*Notes to the Gap Calculation:*

1. The qualifying first mortgage of \$1,164,908.53, as determined by Rule Chapter 67-48.0072(28)(g), is less than the actual first mortgage and therefore, does not apply. "Mortgages" represent the first mortgage provided by PNC, NHTF loan provided by FHFC, Columbia County HHLP loan, Columbia County Loan and Affiliate Funding.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the PNC Bank LOI.

| <b>Section III: Summary</b> |             |
|-----------------------------|-------------|
| HC per Applicant Request    | \$1,596,420 |
| HC per Qualified Basis      | \$1,943,883 |
| HC per Gap Calculation      | \$1,697,849 |
| Annual HC Recommended       | \$1,596,420 |

*Notes to the Summary:*

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

**Minimum First Mortgage**

| <b>Input Variables</b>                                                  |                       |
|-------------------------------------------------------------------------|-----------------------|
| Annual rate of increase for revenues                                    | 2.00%                 |
| Annual rate of increase for operating expenses                          | 3.00%                 |
| Vacancy & Collection Factor in CUR                                      | 5.00%                 |
| Minimum Vacancy & Collection Factor                                     | 7.00%                 |
| Which Rule was applicable at time of Application?                       | Post 7/11/2019        |
| Minimum DSCR Year 15                                                    | 1.25x                 |
| Minimum DSCR Year 1                                                     | 1.50x                 |
| Minimum NCF after DS Year 1                                             | \$1,000.00            |
| Minimum qualifying 1st mortgage                                         | \$500,000.00          |
| Number of units in the proposed Development                             | 48                    |
| Potential Gross Income Year 1                                           | \$493,055.00          |
| Vacancy & Collection Loss (7.00%)                                       | \$34,513.85           |
| Effective Gross Income Year 1                                           | \$458,541.15          |
| Operating Expenses Year 1                                               | \$316,594.11          |
| <b>(i) Actual Debt of Development</b>                                   | <b>\$1,250,000.00</b> |
| Actual interest rate                                                    | 6.98%                 |
| Actual term of debt amortization                                        | 35.00 Yrs             |
| DS Interest Rate floor                                                  | 7.00%                 |
| Application deadline                                                    | 09/12/23              |
| 10-Year Treasury Rate as of App deadline                                | 4.288%                |
| Spread over 10-yr Treasury                                              | 325 bps               |
| 10-yr Treasury plus the stated spread                                   | 7.54%                 |
| Greater of interest rate floor or spread over Treasury                  | 7.54%                 |
| Maximum Rate                                                            | 8.54%                 |
| <b>Interest Rate to be used for qualifying debt</b>                     | <b>7.54%</b>          |
| Minimum stated term of debt amortization per RFA                        | 30.00 Yrs             |
| <b>Term of debt amortization to be used for qualifying debt</b>         | <b>35.00 Yrs</b>      |
| Resulting Mortgage Constant to be used for qualifying debt              | 8.12350%              |
| <b>Minimum Debt Service</b>                                             |                       |
| NOI Year 15                                                             | \$126,158.31          |
| DSCR DS limitation                                                      | \$100,926.65          |
| <b>(a) Resulting Debt, Year 15 limitation</b>                           | <b>\$1,242,403.31</b> |
| NOI Year 1                                                              | \$141,947.04          |
| (b)(i) DSCR DS limitation                                               | \$94,631.36           |
| (b)(i) DSCR Debt Sizing                                                 | \$1,164,908.53        |
| (b)(ii) NCF DS limitation                                               | \$93,947.04           |
| (b)(ii) NCF Debt Sizing                                                 | \$1,156,484.58        |
| <b>(b) Greater of (i) DSCR debt or (ii) NCF debt, Year 1 limitation</b> | <b>\$1,164,908.53</b> |
| <b>(ii) Minimum qualifying first mortgage (lesser of (a) or (b))</b>    | <b>\$1,164,908.53</b> |
| <b>Greater of Actual or Minimum</b>                                     | <b>\$1,250,000.00</b> |

# **Florida Housing Finance Corporation**

*Credit Underwriting Report*

## **Cardinal Pointe**

**Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval,  
Hillsborough, Orange, Palm Beach, and Pinellas Counties**

**NHTF and 9% HC**

**RFA 2023-202 /2024-139CN**

**Section A      Report Summary**

**Section B      Loan Conditions and HC Allocation Recommendation and Contingencies**

**Section C      Supporting Information and Schedules**

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*Prepared by*

***Seltzer Management Group, Inc.***

*Final Report*

*October 23, 2024*

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**CARDINAL POINTE**

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SMG

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**Section A**  
**Report Summary**

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**OCTOBER 23, 2024**

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

**Recommendation**

Seltzer Management Group, Inc. ("SMG" or "Seltzer" or "Servicer") recommends Florida Housing Finance Corporation ("FHFC" or "Florida Housing") fund a National Housing Trust Fund ("NHTF") Second Mortgage of \$2,750,000. SMG also recommends an annual Housing Credit ("HC") allocation of \$2,992,500 to Cardinal Pointe ("Subject Development") for construction and permanent financing.

| DEVELOPMENT & SET-ASIDES                                                                                                                                                                                                                                                                                                                     |  |  |  |  |  |  |  |  |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|
| Development Name: <u>Cardinal Pointe</u>                                                                                                                                                                                                                                                                                                     |  |  |  |  |  |  |  |  |  |
| RFA/Program Numbers: <u>RFA 2023-202</u> / <u>2024-139CN</u>                                                                                                                                                                                                                                                                                 |  |  |  |  |  |  |  |  |  |
| Address: <u>Snyder Dr, approx 762 ft east of the intersection of Snyder Dr and S. Goldenrod Rd</u><br><u>Snyder Dr, approx 649 ft east and then approx 56 ft north of intersection of Snyder Dr and S. Goldenrod Rd</u><br><u>Snyder Dr, approx 649 ft east and then approx 56 ft south of intersection of Snyder Dr and S. Goldenrod Rd</u> |  |  |  |  |  |  |  |  |  |
| City: <u>Unincorporated Orange Co</u> Zip Code: <u>32822</u> County: <u>Orange</u> County Size: <u>Large</u>                                                                                                                                                                                                                                 |  |  |  |  |  |  |  |  |  |
| Development Category: <u>New Construction</u> Development Type: <u>Garden Apts (1-3 Stories)</u>                                                                                                                                                                                                                                             |  |  |  |  |  |  |  |  |  |
| Construction Type: <u>Masonry</u>                                                                                                                                                                                                                                                                                                            |  |  |  |  |  |  |  |  |  |
| Demographic Commitment:<br>Primary: <u>Elderly: 55+ or 62+</u> for <u>80%</u> of the Units                                                                                                                                                                                                                                                   |  |  |  |  |  |  |  |  |  |
| Unit Composition:<br># of ELI Units: <u>12</u> ELI Units Are Restricted to <u>40%</u> AMI, or less. Total # of units with PBRA? <u>0</u><br># of Link Units: <u>6</u> Are the Link Units Demographically Restricted? <u>Yes</u> # of NHTF Units: <u>10</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        | 5     | 688         | 30%  |                |                 | \$543         | \$68           | \$475                |                  | \$475           | \$447           | \$475    | \$28,500             |
| 1         | 1.0        | 6     | 688         | 40%  |                |                 | \$724         | \$68           | \$656                |                  | \$656           | \$628           | \$656    | \$47,232             |
| 1         | 1.0        | 49    | 688         | 60%  |                |                 | \$1,086       | \$68           | \$1,018              |                  | \$1,018         | \$990           | \$1,018  | \$598,584            |
| 2         | 2.0        | 4     | 941         | 30%  |                |                 | \$652         | \$94           | \$558                |                  | \$557           | \$521           | \$558    | \$26,784             |
| 2         | 2.0        | 5     | 942         | 40%  |                |                 | \$869         | \$94           | \$775                |                  | \$775           | \$738           | \$775    | \$46,500             |
| 2         | 2.0        | 39    | 942         | 60%  |                |                 | \$1,303       | \$94           | \$1,209              |                  | \$1,209         | \$1,172         | \$1,209  | \$565,812            |
| 3         | 2.0        | 1     | 1,187       | 30%  |                |                 | \$847         | \$118          | \$729                |                  | \$635           | \$675           | \$729    | \$8,748              |
| 3         | 2.0        | 1     | 1,187       | 40%  |                |                 | \$1,004       | \$118          | \$886                |                  | \$886           | \$832           | \$886    | \$10,632             |
| 3         | 2.0        | 10    | 1,198       | 60%  |                |                 | \$1,506       | \$118          | \$1,388              |                  | \$1,388         | \$1,334         | \$1,388  | \$166,560            |
|           |            | 120   | 100,846     |      |                |                 |               |                |                      |                  |                 |                 |          | \$1,499,352          |

The demographic commitment is Elderly, age 55+ (80% of demographic commitment). As required by the Federal Fair Housing Act, at least 80% of the total units will be rented to residents that qualify as Elderly. The Applicant is determining if 62+ age requirement will be required to obtain the school impact fee waiver and if required the Applicant will increase the demographic commitment to 100% for 62+.

Persons with Special Needs Set-Aside Commitment: The proposed Subject 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 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). The

NHTF AND HC CREDIT UNDERWRITING REPORT

SMG

executed MOU was approved by Florida Housing on August 21, 2024. FHFC approved the Tenant Selection Plan on January 8, 2024.

NHTF Units Set-Aside Commitment: The proposed Development must set aside 10 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 30% of Area Medium Income ("AMI") and are in addition to the fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of 16 units targeted for Link units for Persons with Special Needs (ELI – 6 units, NHTF – 10 units). After 30 years, all of the NHTF Link units (10 units) may convert to serve residents at or below 60% AMI. The Persons with Special Needs set-aside requirements must be maintained through the entire 50-year Compliance Period.

Buildings: Residential - 2 Non-Residential - 1  
Parking: Parking Spaces - 131 Accessible Spaces - 16

| Set Asides: | Program | % of Units | # of Units | % AMI | Term (Years) |
|-------------|---------|------------|------------|-------|--------------|
|             | NHTF    | 8.3%       | 10         | 30%   | 99           |
|             | HC      | 10.0%      | 12         | 40%   | 50           |
|             | HC      | 90.0%      | 108        | 60%   | 50           |

Absorption Rate 25 units per month for 5.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No  
Site Acreage: 9.96 Density: 12.0482 Flood Zone Designation: X  
Zoning: PD - Planned Development Flood Insurance Required?: No

The 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 NHTF 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"), which will be defined under the NHTF Land Use Restriction Agreement. 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.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

| DEVELOPMENT TEAM                      |                                              |             |
|---------------------------------------|----------------------------------------------|-------------|
| Applicant/Borrower:                   | Cardinal Pointe, LLC                         | % Ownership |
| Manager                               | DDER Cardinal Pointe Manager, LLC            | 0.0100%     |
| Member                                | Wells Fargo Bank, N.A.                       | 99.9900%    |
| Construction Completion Guarantor(s): |                                              |             |
| CC Guarantor 1:                       | Cardinal Pointe, LLC                         |             |
| CC Guarantor 2:                       | DDER Cardinal Pointe Manager, LLC            |             |
| CC Guarantor 3:                       | DDER Development, LLC                        |             |
| CC Guarantor 4:                       | Deion R. Lowery                              |             |
| CC Guarantor 5:                       | Domingo Sanchez                              |             |
| CC Guarantor 6:                       | Robert H. Godwin                             |             |
| CC Guarantor 7:                       | Edward Haddock, Jr                           |             |
| Operating Deficit Guarantor(s):       |                                              |             |
| OD Guarantor 1:                       | Cardinal Pointe, LLC                         |             |
| OD Guarantor 2:                       | DDER Cardinal Pointe Manager, LLC            |             |
| OD Guarantor 3:                       | DDER Development, LLC                        |             |
| OD Guarantor 4:                       | Deion R. Lowery                              |             |
| OD Guarantor 5:                       | Domingo Sanchez                              |             |
| OD Guarantor 6:                       | Robert H. Godwin                             |             |
| OD Guarantor 7:                       | Edward Haddock, Jr                           |             |
| Developer:                            | DDER Development, LLC                        |             |
| Principal 1                           | Deion R. Lowery                              |             |
| Principal 2                           | Domingo Sanchez                              |             |
| Principal 3                           | Robert H. Godwin                             |             |
| Principal 4                           | Edward Haddock, Jr                           |             |
| General Contractor 1:                 | Parramore Development & Construction LLC     |             |
| Management Company:                   | Professional Management, Inc.                |             |
| Syndicator:                           | Wells Fargo Community Lending and Investment |             |
| Architect:                            | Slocum Platts Architect                      |             |
| Market Study Provider:                | Integra Realty Resources                     |             |
| Appraiser:                            | Integra Realty Resources                     |             |

NHTF AND HC CREDIT UNDERWRITING REPORT

SMG

| PERMANENT FINANCING INFORMATION           |              |             |               |            |            |       |
|-------------------------------------------|--------------|-------------|---------------|------------|------------|-------|
|                                           | 1st Source   | 2nd Source  | 3rd Source    | 4th Source | 5th Source | Other |
| Lien Position                             | 1st          | 2nd         | 3rd           |            |            |       |
| Lender/Grantor                            | NLP Partners | FHFC - NHTF | Orange County |            |            |       |
| Amount                                    | \$7,202,000  | \$2,750,000 | \$610,000     |            |            |       |
| Underwritten Interest Rate                | 6.27%        | 0.00%       | 1.00%         |            |            |       |
| Loan Term                                 | 18.0         | 30.0        | 23.0          |            |            |       |
| Amortization                              | 35.0         | N/A         | 35.0          |            |            |       |
| Market Rate/Market Financing LTV          | 29.5%        | 40.8%       | 43.3%         |            |            |       |
| Restricted Market Financing LTV           | 55.4%        | 76.6%       | 81.2%         |            |            |       |
| Loan to Cost - Cumulative                 | 18.1%        | 25.0%       | 26.6%         |            |            |       |
| Debt Service Coverage                     | 1.407        | 1.386       | 1.332         |            |            |       |
| Operating Deficit & Debt Service Reserves | \$308,852    |             |               |            |            |       |
| # of Months covered by the Reserves       | 4.9          |             |               |            |            |       |

|                                                   |              |
|---------------------------------------------------|--------------|
| Deferred Developer Fee                            | \$2,567,670  |
| As-Is Land Value                                  | \$1,800,000  |
| Market Rent/Market Financing Stabilized Value     | \$24,400,000 |
| Rent Restricted Market Financing Stabilized Value | \$13,000,000 |
| Projected Net Operating Income (NOI) - Year 1     | \$715,706    |
| Projected Net Operating Income (NOI) - 15 Year    | \$829,267    |
| 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              | \$2,992,500  |
| HC Annual Allocation - Qualified in CUR           | \$2,992,500  |
| HC Annual Allocation - Equity Letter of Interest  | \$2,992,500  |

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

| <b>CONSTRUCTION/PERMANENT SOURCES:</b> |                    |                     |                  |                       |
|----------------------------------------|--------------------|---------------------|------------------|-----------------------|
| <b>Source</b>                          | <b>Lender</b>      | <b>Construction</b> | <b>Permanent</b> | <b>Perm Loan/Unit</b> |
| Regulated Mortgage Lender              | Wells Fargo        | \$8,333,998         | \$0              | \$0.00                |
| Regulated Mortgage Lender              | NLP Partners       | \$0                 | \$7,202,000      | \$60,016.67           |
| FHFC - NHTF                            | FHFC - NHTF        | \$2,750,000         | \$2,750,000      | \$22,916.67           |
| Local Government Subsidy               | Orange County      | \$610,000           | \$610,000        | \$5,083.33            |
| HC Equity                              | Wells Fargo Equity | \$23,672,507        | \$26,630,589     | \$221,921.58          |
| Deferred Developer                     | Applicant          | \$4,393,754         | \$2,567,670      | \$21,397.25           |
| Operating Deficit Reserve              | Deferred Funding   | \$308,852           | \$0              | \$0.00                |
| <b>TOTAL</b>                           |                    | \$39,760,259        | \$39,760,259     | \$331,335.49          |

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 |    |

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

|                                                                                                |  |   |
|------------------------------------------------------------------------------------------------|--|---|
| HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application? |  | 3 |
| Is the Development in all other material respects the same as presented in the Application?    |  | 4 |

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

1. See the below changes in the source of funds:
  - The Application included a Letter of Intent (“LOI”) from Bank of America, N.A. (“BOA”), dated September 7, 2023, for construction and permanent financing, in the amounts of \$22,297,281 and \$6,008,656, respectively. Subsequently, the Applicant provided a new LOI from Wells Fargo, N.A. (“Wells Fargo”), dated August 20, 2024, for construction financing in the amount of \$25,348,361, or an increase of \$3,051,080. In addition, a LOI from Neighborhood Lending Partners (“NLP”), dated August 7, 2024, for permanent financing in the amount of \$7,202,000, or an increase of \$1,193,344.
  - Florida Housing received NHTF funding with the requirement of committing the funds within two years of receiving the allocation. Cardinal Pointe’s Application was identified to be able to utilize the NHTF funding. On May 20, 2024, the Applicant requested NHTF funding from FHFC to fill a funding gap. Per an email dated, May 17, 2024, from a representative of FHFC, the NHTF underwriting parameters will mirror those reflected in RFA 2023-205, with the exception that the NHTF units will be set-aside at 30% AMI. On June 3, 2024, the Applicant was invited to credit underwriting by FHFC for the NHTF funding. The invitation represented a preliminary commitment up to \$2,750,000, which is available in the construction and permanent period.
  - The Application included a LOI from BOA, dated September 7, 2023, to provide Housing Credits, totaling \$28,425,900. Subsequently, the Applicant provided a summary from Wells Fargo Community Lending and Investment (“Wells Fargo Equity”), dated September 9, 2024, committing \$26,630,589 of Housing Credits or a decrease of \$1,795,311.
  - The Applicant added the deferred funding of the Operating Deficit Reserve, in the amount of \$308,852, as an additional source of funds for the construction period.
2. Total Development Costs (“TDC”) as stated in the application were \$36,894,599. TDC have increased to \$39,760,259, an increase of \$2,865,660. This increase is primarily due to increases in construction costs, general development costs, financing costs, developer fee and the operating deficit reserve.
3. In the Application, the BOA syndication LOI indicated a rate of \$0.95. Per the Wells Fargo Equity LOI, the syndication rate was reduced to \$0.89
4. In an email dated October 22, 2024, the Applicant indicated that they will be submitting a request to change of the legal description of the Subject Development. The Applicant will be carving out a parcel of land that the Subject Development is not being built on and preserve the parcel for a future phase. Seltzer confirmed with the Applicant that the scope of construction will not change and the number of units will remain the same. The approval of this required is a condition to close.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

These changes have no substantial material impact to the NHTF 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 September 12, 2024 reflects the following past due item(s): None  
Florida Housing's Asset Management Noncompliance Report, dated October 18, 2023, reflect 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. Per the Market Study, Integra Realty Resources – Tampa Bay ("Integra") states the capture rate of 1.4% is low and indicate there is sufficient demand for the subject units. The quality of the subject is considered to be superior to that of other restricted properties in the market and will have a lower effective age.
2. Although the Borrower and managing member are newly formed, the Developer principals, General Contractor, and the management company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions: None

Issues and Concerns: None

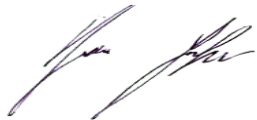
Recommendation:

SMG recommends FHFC award a NHTF Second Mortgage of \$2,750,000. SMG also recommends an annual Housing Credit ("HC") allocation of \$2,992,500 to Cardinal Pointe 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 NHTF Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

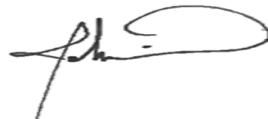
This recommendation is only valid for six months from the date of the report.

Prepared by:



Ryan Johnson  
Credit Underwriter

Reviewed by:



Josh Scribner  
Credit Underwriting Manager

## Overview

### Construction Financing Sources

| Source                     | Lender             | Applicant           | Revised Applicant   | Underwriter         | Interest Rate | Construction Debt Service |
|----------------------------|--------------------|---------------------|---------------------|---------------------|---------------|---------------------------|
| First Mortgage             | Wells Fargo        | \$22,297,281        | \$25,348,361        | \$8,333,998         | 8.44%         | \$2,223,889               |
| Second Mortgage            | FHFC - NHTF        | \$0                 | \$2,750,000         | \$2,750,000         | 0.00%         | \$0                       |
| Third Mortgage             | Orange County      | \$610,000           | \$610,000           | \$610,000           | 1.00%         | \$5,505                   |
| HC Equity                  | Wells Fargo Equity | \$14,212,950        | \$6,218,545         | \$23,672,507        |               |                           |
| Deferred Developer Fee     | Applicant          | \$0                 | \$4,095,137         | \$4,393,754         |               |                           |
| Deferred Operating Reserve | Deferred Funding   | \$0                 | \$0                 | \$308,852           |               |                           |
| <b>Total</b>               |                    | <b>\$37,120,231</b> | <b>\$39,022,043</b> | <b>\$39,760,259</b> |               | <b>\$2,229,394</b>        |

#### First Mortgage Tax Exempt Construction Loan:

Per an August 20, 2024 LOI, Wells Fargo will provide a construction loan to the Applicant in the amount of \$25,348,361, of which is to be funded via a participation loan from NLP. The term of the construction loan is up to 24 months, with the option for one 6-month extension. The variable interest rate will be based on the Secured Overnight Finance Rate ("SOFR") in Advance plus 235 basis points (2.35%). The rate carries a floor of 0.50%. As of the date of this report, the SOFR in Advance rate was 5.34%, Seltzer has included an underwriting cushion of 75 basis points (0.75%), for an "all-in" rate of 8.44%.

A construction loan origination fee of 100 basis points (1.00%) of the loan amount (\$253,484) will be paid at closing.

The full construction loan will be exhausted throughout the construction progress. At the latter of 95% completion or full funding of the NHTF loan, an equity installment in the amount of \$18,346,389 will be used to paydown the construction loan to an estimated amount of \$8,333,998.

#### Other Construction Sources of Funds:

Additional sources of funds for this Development during construction are a NHTF in the amount of \$2,750,000, an Orange County Loan in the amount of \$610,000, Housing Credit equity of \$23,672,507, deferred Developer Fee in the amount of \$4,393,754, and deferred funding of Operating Deficit Reserve in the amount of \$308,852. See the Permanent Financing section below for details.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

**Permanent Financing Sources**

| Source             | Lender             | Applicant           | Revised Applicant   | Underwriter         | Interest Rate | Amort. Yrs. | Term Yrs. | Annual Debt      |
|--------------------|--------------------|---------------------|---------------------|---------------------|---------------|-------------|-----------|------------------|
| First Mortgage     | NLP Partners       | \$6,008,656         | \$7,202,000         | \$7,202,000         | 6.27%         | 35          | 18        | \$508,550        |
| Second Mortgage    | FHFC - NHTF        | \$0                 | \$2,750,000         | \$2,750,000         | 0.00%         | N/A         | 30        | \$0              |
| Third Mortgage     | Orange County      | \$610,000           | \$610,000           | \$610,000           | 1.00%         | 35          | 23        | \$20,663         |
| HC Equity          | Wells Fargo Equity | \$28,425,900        | \$26,630,580        | \$26,630,589        |               |             |           |                  |
| Def. Developer Fee | Deferred Funding   | \$1,850,043         | 1,829,463           | \$2,567,670         |               |             |           |                  |
| <b>Total</b>       |                    | <b>\$36,894,599</b> | <b>\$39,022,043</b> | <b>\$39,760,259</b> |               |             |           | <b>\$529,213</b> |

**First Mortgage Permanent Loan:**

Based on an August 7, 2024 LOI, NLP will provide permanent financing for Cardinal Pointe in an amount up to \$7,202,000. The interest rate will be fixed at equal to the 10-year Treasury plus 260 basis points (2.60%). The LOI indicates the interest rate has a floor of 6.00%. As of the date of this report, the all-in rate is estimated at 6.27%. The Applicant may request to fix the interest rate up to two days in advance of the construction closing date. The total term of the loan is 20.5 years, of which 2.5 years is for the construction/stabilization period with an 18-year permanent period and a 35-year amortization.

**NHTF**

Borrower applied to FHFC for NHTF funds in the amount of \$2,750,000. The NHTF loan will have a total term of 32.5 years, of which 2.5 years is for the construction/stabilization period with a 30-year permanent period. The NHTF loan will be non-amortizing and will bear 0.00% simple interest per annum. The principal is forgivable at maturity provided the units for which the NHTF loan amount is awarded are targeted as NHTF Link units for the first 30 years of the 50-year Compliance Period. After 30 years all of the NHTF Link units 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. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$964 per month, subject to a minimum of \$243 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$1,054.

**Orange County Loan:**

Orange County issued a Loan Commitment, dated August 19, 2024, in the amount of \$610,000. The loan shall be non-recourse and have a term of 25.5 years, of which 2.5 years is for the construction/stabilization period with a 23-year permanent period and will amortize over a 35-year period. The loan will bear an interest rate of 1% throughout the term of the loan.

The Loan Commitment details an origination fee of 1% of the Orange County loan or \$6,100.

**Housing Credits Equity Investment:**

The Borrower has applied to Florida Housing to receive 9%. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon the September 9, 2024 Summary and an email from a representative of Wells Fargo Equity, dated September 10, 2024, Wells Fargo Equity or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

| Capital Contributions | Amount       | Percent of Total | When Due                                                        |
|-----------------------|--------------|------------------|-----------------------------------------------------------------|
| 1st Installment       | \$5,326,118  | 20.00%           | At closing                                                      |
| 2nd Installment       | \$18,346,389 | 68.89%           | 95% Completion or NHTF Funding                                  |
| 3rd Installment       | \$1,102,755  | 4.14%            | Final CO for 100%, lien free completion, rcpt of eligible Basis |
| 4th Installment       | \$1,855,327  | 6.97%            | 8609                                                            |
| Total                 | \$26,630,589 | 100.00%          |                                                                 |

Annual Tax Credits per Syndication Agreement: \$2,992,500

Total HC Available to Syndicator (10 years): \$29,922,008

Syndication Percentage (investor member interest): 99.990%

Calculated HC Exchange Rate (per dollar): \$0.89

Proceeds Available During Construction: \$23,672,507

At least 15% of the total equity will be provided prior to or simultaneously with the closing of the construction financing.

It is anticipated that the second equity installment will be used to paydown the construction first mortgage at 95% construction completion.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions have been received, the Developer will have to defer \$2,567,670 or 50% of Developer Fees.

NHTF AND HC CREDIT UNDERWRITING REPORT

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Uses of Funds

| CONSTRUCTION COSTS:                      | Applicant Costs     | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit    | HC Ineligible Costs - CUR |
|------------------------------------------|---------------------|-------------------------|--------------------------------|------------------|---------------------------|
| Accessory Buildings                      |                     |                         |                                | \$0              |                           |
| Demolition                               |                     |                         |                                | \$0              | \$0                       |
| Installation of Pre Fab Units            |                     |                         |                                | \$0              |                           |
| New Rental Units                         | \$17,240,000        | \$22,200,000            | \$19,165,000                   | \$159,708        |                           |
| Off-Site Work                            |                     |                         |                                | \$0              | \$0                       |
| Recreational Amenities                   |                     |                         | \$25,000                       | \$208            |                           |
| Rehab of Existing Common Areas           |                     |                         |                                | \$0              |                           |
| Rehab of Existing Rental Units           |                     |                         |                                | \$0              |                           |
| Site Work                                | \$3,060,000         | \$0                     | \$3,060,000                    | \$25,500         | \$459,000                 |
| Swimming Pool                            |                     |                         |                                | \$0              |                           |
| Furniture, Fixture, & Equipment          |                     |                         |                                | \$0              |                           |
| Hard Cost Contingency - in Constr. Cont. |                     |                         |                                | \$0              |                           |
| Constr. Contr. Costs subject to GC Fee   | \$20,300,000        | \$22,200,000            | \$22,250,000                   | \$185,417        | \$459,000                 |
| General Conditions                       | \$2,856,000         | \$1,335,000             | \$1,335,000                    | \$11,125         |                           |
| Overhead                                 |                     | \$445,000               | \$445,000                      | \$3,708          |                           |
| Profit                                   |                     | \$1,335,000             | \$1,335,000                    | \$11,125         |                           |
| Builder's Risk Insurance                 |                     |                         |                                | \$0              |                           |
| General Liability Insurance              |                     | \$90,000                | \$90,000                       | \$750            |                           |
| Payment and Performance Bonds            |                     | \$150,000               | \$150,000                      | \$1,250          |                           |
| Contract Costs not subject to GC Fee     |                     |                         |                                | \$0              |                           |
| Total Construction Contract/Costs        | \$23,156,000        | \$25,555,000            | \$25,605,000                   | \$213,375        | \$459,000                 |
| Hard Cost Contingency                    | \$1,162,800         | \$1,265,750             | \$1,265,750                    | \$10,548         |                           |
| PnP Bond paid outside Constr. Contr.     |                     | \$0                     |                                | \$0              |                           |
| Fees for LOC used as Constr. Surety      |                     |                         |                                | \$0              |                           |
| Demolition paid outside Constr. Contr.   | \$100,000           | \$50,000                | \$50,000                       | \$417            | \$50,000                  |
| FF&E paid outside Constr. Contr.         | \$125,000           | \$125,000               | \$125,000                      | \$1,042          |                           |
| <b>Total Construction Costs:</b>         | <b>\$24,543,800</b> | <b>\$26,995,750</b>     | <b>\$27,045,750</b>            | <b>\$225,381</b> | <b>\$509,000</b>          |

Notes to the Construction Costs:

- The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Parramore where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated July 25, 2024. The contract is in the amount of \$25,605,000 and calls for achievement of substantial completion no later than 620 days from the date of commencement. Work will begin after the latter of 5 days from: (a) the date of issuance of all required permits and approvals from all applicable governing agencies or authorities necessary to commence the Work or any portion thereof in accordance with the Contract Documents; (b) the date a written notice to proceed is issued by the Owner to the Contractor, provided that the Owner shall not deliver a written notice to proceed until the Owner has procured the property insurance required of it by the Contract Documents; and (c) a Noticed to Commence has been filed and provided to the Contractor. Ten (10%) percent retainage will be withheld on each Application of Payment. The contract lists the following allowances totaling \$283,070, which are 1.1% of the GMP:
  - Utility Underground Conduit - \$25,000
  - Unusual Site Conditions - \$150,000

**NHTF AND HC CREDIT UNDERWRITING REPORT**

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- Amenities - \$25,000
- Signage / Identification Plaques - \$26,070
- Postal Specialties - \$22,000
- Electrical Secondary - \$15,000
- Fencing - \$20,000

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 indicating an understanding of GC conditions per Rule Chapter 67-48, ("Rule").
3. General Contractor fees as stated are within the 14% maximum per the RFA and Rule. General liability insurance and the cost of the payment and performance bond of \$240,000 are included within the GC contract but no GC fee was taken on these costs.
4. 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.
5. FF&E and Demolition is outside of the GC Contract.
6. SMG engaged and received a Plan and Cost Analysis ("PCA") from On Solid Ground, LLC ("OSG"). Complete results are set forth in Section C of this credit underwriting report.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

| GENERAL DEVELOPMENT COSTS:              | Applicant Costs    | Revised<br>Applicant Costs | Underwriters<br>Total Costs - CUR | Cost Per Unit   | HC Ineligible<br>Costs - CUR |
|-----------------------------------------|--------------------|----------------------------|-----------------------------------|-----------------|------------------------------|
| Accounting Fees                         |                    | \$35,000                   | \$35,000                          | \$292           | \$17,500                     |
| Appraisal                               |                    | \$9,000                    | \$9,000                           | \$75            |                              |
| Architect's and Planning Fees           |                    |                            |                                   | \$0             |                              |
| Architect's Fee - Green Initiative      |                    |                            |                                   | \$0             |                              |
| Architect's Fee - Landscape             |                    |                            |                                   | \$0             |                              |
| Architect's Fee - Site/Building Design  |                    | \$357,000                  | \$357,000                         | \$2,975         |                              |
| Architect's Fee - Supervision           |                    |                            |                                   | \$0             |                              |
| Building Permits                        |                    | \$1,181,633                | \$1,181,633                       | \$9,847         |                              |
| Builder's Risk Insurance                |                    |                            |                                   | \$0             |                              |
| Capital Needs Assessment/Rehab          |                    |                            |                                   | \$0             |                              |
| Engineering Fees                        |                    | \$112,800                  | \$112,800                         | \$940           |                              |
| Environmental Report                    |                    | \$65,000                   | \$65,000                          | \$542           |                              |
| Federal Labor Standards Monitoring      |                    |                            |                                   | \$0             |                              |
| FHFC Administrative Fees                | \$524,849          | \$269,325                  | \$269,325                         | \$2,244         | \$269,325                    |
| FHFC Application Fee                    |                    | \$3,000                    | \$3,000                           | \$25            | \$3,000                      |
| FHFC Credit Underwriting Fee            |                    | \$30,618                   | \$15,618                          | \$130           | \$15,618                     |
| FHFC Compliance Fee                     |                    | \$243,770                  | \$251,112                         | \$2,093         | \$251,112                    |
| FHFC Other Processing Fee(s)            |                    |                            | \$4,900                           | \$41            | \$4,900                      |
| Impact Fee                              |                    |                            |                                   | \$0             |                              |
| Lender Inspection Fees / Const Admin    |                    | \$35,208                   | \$35,208                          | \$293           |                              |
| Green Building Cert. (LEED, FGBC, NGBS) |                    | \$25,000                   | \$25,000                          | \$208           |                              |
| Home Energy Rating System (HERS)        |                    |                            |                                   | \$0             |                              |
| Insurance                               | \$236,800          | \$46,800                   | \$46,800                          | \$390           |                              |
| Legal Fees - Organizational Costs       | \$5,000            | \$5,000                    | \$5,000                           | \$42            | \$2,500                      |
| Local Subsidy Underwriting Fee          |                    |                            |                                   | \$0             |                              |
| Market Study                            |                    | \$8,000                    | \$8,000                           | \$67            | \$8,000                      |
| Marketing and Advertising               |                    | \$35,000                   | \$35,000                          | \$292           | \$35,000                     |
| Plan and Cost Review Analysis           |                    | \$8,000                    | \$8,000                           | \$67            |                              |
| Property Taxes                          | \$1,394,486        | \$1,250                    | \$1,250                           | \$10            |                              |
| Soil Test                               |                    | \$18,000                   | \$18,000                          | \$150           |                              |
| Survey                                  |                    | \$120,000                  | \$120,000                         | \$1,000         | \$30,000                     |
| Tenant Relocation Costs                 |                    |                            |                                   | \$0             |                              |
| Title Insurance and Recording Fees      |                    | \$90,000                   | \$90,000                          | \$750           | \$22,500                     |
| Traffic Study                           |                    |                            |                                   | \$0             |                              |
| Utility Connection Fees                 |                    |                            |                                   | \$0             |                              |
| Soft Cost Contingency                   | \$200,597          | \$164,675                  | \$143,582                         | \$1,197         |                              |
| Other: Professional Fees                | \$1,725,815        |                            |                                   | \$0             |                              |
| <b>Total General Development Costs:</b> | <b>\$4,087,547</b> | <b>\$2,864,078</b>         | <b>\$2,840,228</b>                | <b>\$23,669</b> | <b>\$659,455</b>             |

*Notes to the General Development Costs:*

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Slocum Platts Architects, (dated February 26, 2024), at a base cost of \$357,000 plus estimated additional expenses for budgeting purposes.
2. Engineering Fees are based on Agreements from Kinley-Horn and Associates, Inc. dated September 18, 2023.

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**SMG**

3. 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 2023-202. The total FHFC Credit Underwriting Fees are \$15,618 which reflects Underwriting fees for RFA 2023-202. The NHTF underwriting fee (\$5,300) is paid by the Corporation and not included in the budget. FHFC Compliance Fees are the estimated future compliance fees based on the 2024 FHFC Compliance Fee Model with a final allocation date of December 31, 2025.
4. The FHFC Other Processing fee of \$4,900 is for the FHFC NHTF Compliance fee based on the \$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 operation pro forma and debt service analysis of this report.
5. Soft cost contingency is within the 5% limit as allowed per the RFA and Rule.
6. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

| <b>FINANCIAL COSTS:</b>                                | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|--------------------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Construction Loan Application Fee                      |                        |                                |                                       | \$0                  |                                  |
| Construction Loan Underwriting Fee                     |                        |                                |                                       | \$0                  |                                  |
| Construction Loan Origination Fee                      |                        | \$253,484                      | \$253,484                             | \$2,112              |                                  |
| Construction Loan Commitment Fee                       |                        |                                |                                       | \$0                  |                                  |
| Construction Loan Closing Costs                        | \$1,372,876            | \$50,000                       | \$50,000                              | \$417                |                                  |
| Construction Loan Interest                             |                        | \$1,488,814                    | \$2,229,394                           | \$18,578             | \$ -                             |
| Construction Loan Servicing Fees                       |                        |                                |                                       | \$0                  |                                  |
| Permanent Loan Application Fee                         |                        | \$8,000                        | \$8,000                               | \$67                 | \$8,000                          |
| Permanent Loan Underwriting Fee                        |                        |                                |                                       | \$0                  | \$0                              |
| Permanent Loan Subsidy Layering Rev.                   |                        |                                |                                       | \$0                  | \$0                              |
| Permanent Loan Commitment Fee                          |                        |                                |                                       | \$0                  | \$0                              |
| Permanent Loan Origination Fee                         | \$60,087               | \$72,020                       | \$72,020                              | \$600                | \$72,020                         |
| Permanent Loan Closing Costs                           |                        |                                |                                       | \$0                  | \$0                              |
| Permanent Loan Interest                                |                        |                                |                                       | \$0                  | \$0                              |
| Permanent Loan Servicing Fee                           |                        | \$3,000                        | \$3,000                               | \$25                 | \$3,000                          |
| Local HFA Application Bond Fee                         |                        |                                |                                       | \$0                  | \$0                              |
| Local HFA Bond Underwriting Fee                        |                        |                                |                                       | \$0                  | \$0                              |
| Local HFA Bond Subsidy Layering Rev.                   |                        |                                |                                       | \$0                  | \$0                              |
| Local HFA Bond Origination Fee                         |                        | \$0                            | \$6,100                               | \$51                 | \$6,100                          |
| NHTF Subsidy Layering Review                           |                        |                                | \$2,010                               | \$17                 | \$2,010                          |
| NHTF Commitment Fee                                    |                        | \$33,600                       | \$0                                   | \$0                  | \$0                              |
| NHTF Closing Costs                                     |                        | \$14,510                       | \$12,500                              | \$104                | \$12,500                         |
| NHTF Servicing Fee                                     |                        |                                |                                       | \$0                  | \$0                              |
| Legal Fees - Financing Costs                           |                        | \$175,000                      | \$175,000                             | \$1,458              | \$175,000                        |
| Other: Syndicator Closing Costs                        |                        | \$35,000                       | \$35,000                              | \$292                | \$35,000                         |
| <b>Total Financial Costs:</b>                          | <b>\$1,432,963</b>     | <b>\$2,133,428</b>             | <b>\$2,846,508</b>                    | <b>\$23,721</b>      | <b>\$313,630</b>                 |
| <b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b> | <b>\$30,064,310</b>    | <b>\$31,993,256</b>            | <b>\$32,732,486</b>                   | <b>\$272,771</b>     | <b>\$1,482,085</b>               |

*Notes to the Financial Costs:*

1. Construction Origination Fee is based on 1.00% of the loan amount per Wells Fargo LOI.
2. Construction loan interest is based on a first mortgage loan amount of \$25,348,361 over a construction period of 19 months with 57% of the loan outstanding (on average). At 95% construction completion, it is anticipated that the first mortgage will be paid down to \$8,333,998 and this remaining balance will accrue interest at 8.44% during the final month of construction and the four month stabilization period. Interest that accrues in the stabilization period is ineligible.
3. Permanent Loan Origination Fee is based on 1.00% of the loan amount per NLP.
4. Permanent Loan Application and Servicing Fee are based off of NLP's LOI.
5. Local HFA Bond Origination Fee is based on the Orange County Application.
6. NHTF Subsidy Layering review is based off of Seltzer's Fee Schedule.
7. The NHTF Closing Costs of \$12,500 are for FHFC legal counsel fees.
8. Other Financial Costs are based on the Borrower's estimates, which appear reasonable.

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**SMG**

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

*Notes to the Non-Land Acquisition Costs:* None.

| <b>DEVELOPER FEE ON NON-ACQUISITION COSTS</b> | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|-----------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Developer Fee - Unapportioned                 | \$4,810,289            | \$5,118,921                    | \$5,118,921                           | \$42,658             |                                  |
| 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                         |                        |                                |                                       | \$0                  |                                  |
| DF to Guaranty Fees                           |                        |                                |                                       | \$0                  |                                  |
| <b>Total Other Development Costs:</b>         | <b>\$4,810,289</b>     | <b>\$5,118,921</b>             | <b>\$5,118,921</b>                    | <b>\$42,658</b>      | <b>\$0</b>                       |

*Notes to Developer Fee on Non-Acquisition Costs:*

- Developer Fee has been limited to 16% of the Development's construction cost, exclusive of land acquisition costs and reserves, as required per the RFA and Rule.

| <b>LAND ACQUISITION COSTS</b>   | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|---------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Brokerage Fees - Land           |                        |                                | \$0                                   | \$0                  | \$0                              |
| Land Acquisition Cost           |                        |                                |                                       | \$0                  | \$0                              |
| Land                            | \$1,600,000            | \$1,600,000                    | \$1,300,000                           | \$10,833             | \$1,300,000                      |
| Land Lease Payment              |                        |                                |                                       | \$0                  | \$0                              |
| Land Carrying Costs             |                        |                                |                                       | \$0                  | \$0                              |
| Other: Assignment Fee           |                        |                                | \$300,000                             | \$2,500              | \$300,000                        |
| <b>Total Acquisition Costs:</b> | <b>\$1,600,000</b>     | <b>\$1,600,000</b>             | <b>\$1,600,000</b>                    | <b>\$13,333</b>      | <b>\$1,600,000</b>               |

*Notes to the Land Acquisition Costs:*

- The Applicant provided a Warranty Deed, dated November 1, 2023, which indicated the Applicant was deeded the vacant land of the subject site from Snyder Street Properties, LLC.
- The Applicant provided an Assignment of Vacant Land Contract, dated May 1, 2023, which detailed an assignment fee of \$300,000.
- Closing Statement from John L. Thomas, II, Attorney, dated November 1, 2023, confirms the purchase price and assignment fee of \$1,300,000 and \$300,000, respectively. The Appraisal supports the total purchase price of \$1,600,000.

NHTF AND HC CREDIT UNDERWRITING REPORT

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| RESERVE ACCOUNTS                           | Applicant Costs  | Revised<br>Applicant Costs | Underwriters<br>Total Costs - CUR | Cost Per Unit  | HC Ineligible<br>Costs - CUR |
|--------------------------------------------|------------------|----------------------------|-----------------------------------|----------------|------------------------------|
| ACC Reserve (Lender)                       |                  |                            |                                   | \$0            | \$0                          |
| ACC Reserve (Syndicator)                   |                  |                            |                                   | \$0            | \$0                          |
| Operating Deficit Reserve (FHFC)           |                  |                            |                                   | \$0            | \$0                          |
| Operating Deficit Reserve (Lender)         | \$420,000        | \$309,866                  | \$308,852                         | \$2,574        | \$308,852                    |
| Operating Deficit Reserve (Syndicator)     |                  |                            |                                   | \$0            | \$0                          |
| 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                          |
| <b>Total Reserve Accounts:</b>             | <b>\$420,000</b> | <b>\$309,866</b>           | <b>\$308,852</b>                  | <b>\$2,574</b> | <b>\$308,852</b>             |

*Notes to Reserve Accounts:*

1. Wells Fargo Equity is requiring an Operating Deficit Reserve (“ODR”) of \$308,852 per their LOI.

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. Any and all terms and conditions of the ODR must be acceptable to Florida housing, its Legal Counsel and Servicer.

| TOTAL DEVELOPMENT COSTS         | Applicant Costs     | Revised<br>Applicant Costs | Underwriters<br>Total Costs - CUR | Cost Per Unit    | HC Ineligible<br>Costs - CUR |
|---------------------------------|---------------------|----------------------------|-----------------------------------|------------------|------------------------------|
| <b>TOTAL DEVELOPMENT COSTS:</b> | <b>\$36,894,599</b> | <b>\$39,022,043</b>        | <b>\$39,760,259</b>               | <b>\$331,335</b> | <b>\$3,390,937</b>           |

*Notes to the Total Development Costs:*

1. Per RFA 2023-202, the FHFC Total Development Costs (“TDC”) are limited on a per unit basis based on the construction type of the units. At application, the Applicant indicated a construction type of Garden-ESS construction (New Construction), which at application had a TDC limitation of \$339,200. Per an analysis of the approved development costs identified in this report, the costs presented do not exceed the maximum allowable TDC per the RFA.

NHTF AND HC CREDIT UNDERWRITING REPORT

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Operating Pro forma

| OPERATING PRO FORMA           |                                     |      |  | ANNUAL      | PER UNIT  |
|-------------------------------|-------------------------------------|------|--|-------------|-----------|
| INCOME                        | Gross Potential Rental Income       |      |  | \$1,499,352 | \$12,495  |
|                               | Rent Subsidy (ODR)                  |      |  | \$0         | \$0       |
|                               | Other Income:                       |      |  |             |           |
|                               | Ancillary Income-Parking            |      |  | \$0         | \$0       |
|                               | Miscellaneous                       |      |  | \$43,503    | \$363     |
|                               | Washer/Dryer Rentals                |      |  | \$0         | \$0       |
|                               | Cable/Satellite Income              |      |  | \$0         | \$0       |
|                               | Rent Concessions                    |      |  | \$0         | \$0       |
|                               | Alarm Income                        |      |  | \$0         | \$0       |
|                               | Gross Potential Income              |      |  | \$1,542,855 | \$12,857  |
|                               | Less:                               |      |  |             |           |
|                               | Economic Loss - Percentage:         | 0.0% |  | \$0         | \$0       |
|                               | Physical Vacancy Loss - Percentage: | 4.0% |  | (\$61,714)  | (\$514)   |
|                               | Collection Loss - Percentage:       | 1.0% |  | (\$15,429)  | (\$129)   |
| Total Effective Gross Revenue |                                     |      |  | \$1,465,712 | \$12,214  |
| EXPENSES                      | Fixed:                              |      |  |             |           |
|                               | Ground Lease                        |      |  | \$0         | \$0       |
|                               | Sub-Ground Lease                    |      |  | \$0         | \$0       |
|                               | Real Estate Taxes                   |      |  | \$1,250     | \$10      |
|                               | Insurance                           |      |  | \$180,000   | \$1,500   |
|                               | Other                               |      |  | \$0         | \$0       |
|                               | Variable:                           |      |  |             |           |
|                               | Management Fee - Percentage:        | 6.0% |  | \$88,157    | \$735     |
|                               | General and Administrative          |      |  | \$42,000    | \$350     |
|                               | Payroll Expenses                    |      |  | \$180,000   | \$1,500   |
|                               | Utilities                           |      |  | \$123,000   | \$1,025   |
|                               | Marketing and Advertising           |      |  | \$6,000     | \$50      |
|                               | Maintenance and Repairs             |      |  | \$69,600    | \$580     |
|                               | Grounds Maintenance and Landscaping |      |  | \$24,000    | \$200     |
|                               | Resident Programs                   |      |  | \$0         | \$0       |
|                               | Contract Services                   |      |  | \$0         | \$0       |
|                               | Security                            |      |  | \$0         | \$0       |
|                               | Other-Pest Control                  |      |  | \$0         | \$0       |
|                               | Reserve for Replacements            |      |  | \$36,000    | \$300     |
|                               | Total Expenses                      |      |  |             | \$750,007 |
| Net Operating Income          |                                     |      |  | \$715,706   | \$5,964   |
| Debt Service Payments         |                                     |      |  |             |           |
| DEBT SERVICE                  | First Mortgage - NLP Partners       |      |  | \$508,550   | \$4,238   |
|                               | Second Mortgage - FHFC - NHTF       |      |  | \$0         | \$0       |
|                               | Third Mortgage - Orange County      |      |  | \$20,663    | \$172     |
|                               | First Mortgage Fees - NLP Partners  |      |  | \$0         | \$0       |
|                               | Second Mortgage Fees - FHFC - NHTF  |      |  | \$7,929     | \$66      |
|                               | Third Mortgage Fees - Orange County |      |  | \$0         | \$0       |
| Total Debt Service Payments   |                                     |      |  | \$537,142   | \$4,476   |
| Cash Flow After Debt Service  |                                     |      |  | \$178,564   | \$1,488   |

**NHTF AND HC CREDIT UNDERWRITING REPORT**

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| <b>Debt Service Coverage Ratios</b> |                                 |       |
|-------------------------------------|---------------------------------|-------|
|                                     | DSC - First Mortgage plus Fees  | 1.407 |
|                                     | DSC - Second Mortgage plus Fees | 1.386 |
|                                     | DSC - Third Mortgage plus Fees  | 1.332 |
|                                     | DSC - All Mortgages and Fees    | 1.332 |
| <b>Financial Ratios</b>             |                                 |       |
|                                     | Operating Expense Ratio         | 51.2% |
|                                     | Break-Even Ratio                | 83.7% |

*Notes to the Operating Pro forma and Ratios:*

1. The Subject Development will be utilizing NHTF and Housing Credits, which will impose rent restrictions. Cardinal Pointe 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 KN Consultants, LLC of Safety Harbor, FL to prepare a UA Energy Consumption Model Estate which was approved by Florida Housing on July 19, 2024. The model reflects the residents paying for electricity and the Applicant paying for water, sewer and trash pickup. No manager/employee units are anticipated at this time.

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

MSA/County: Orlando-Kissimmee-Sanford 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 |
|-----------|------------|-------|-------------|------|----------------|-----------------|---------------|----------------|----------------------|------------------|-----------------|-----------------|----------|----------------------|
| 1         | 1.0        | 5     | 688         | 30%  |                |                 | \$543         | \$68           | \$475                |                  | \$475           | \$447           | \$475    | \$28,500             |
| 1         | 1.0        | 6     | 688         | 40%  |                |                 | \$724         | \$68           | \$656                |                  | \$656           | \$628           | \$656    | \$47,232             |
| 1         | 1.0        | 49    | 688         | 60%  |                |                 | \$1,086       | \$68           | \$1,018              |                  | \$1,018         | \$990           | \$1,018  | \$598,584            |
| 2         | 2.0        | 4     | 941         | 30%  |                |                 | \$652         | \$94           | \$558                |                  | \$557           | \$521           | \$558    | \$26,784             |
| 2         | 2.0        | 5     | 942         | 40%  |                |                 | \$869         | \$94           | \$775                |                  | \$775           | \$738           | \$775    | \$46,500             |
| 2         | 2.0        | 39    | 942         | 60%  |                |                 | \$1,303       | \$94           | \$1,209              |                  | \$1,209         | \$1,172         | \$1,209  | \$565,812            |
| 3         | 2.0        | 1     | 1,187       | 30%  |                |                 | \$847         | \$118          | \$729                |                  | \$635           | \$675           | \$729    | \$8,748              |
| 3         | 2.0        | 1     | 1,187       | 40%  |                |                 | \$1,004       | \$118          | \$886                |                  | \$886           | \$832           | \$886    | \$10,632             |
| 3         | 2.0        | 10    | 1,198       | 60%  |                |                 | \$1,506       | \$118          | \$1,388              |                  | \$1,388         | \$1,334         | \$1,388  | \$166,560            |
|           |            | 120   | 100,846     |      |                |                 |               |                |                      |                  |                 |                 |          | \$1,499,352          |

2. Miscellaneous income includes late fees, vending income, forfeited security deposits and other miscellaneous fees as based on the Applicants estimate.
3. The appraiser estimates a stabilized physical vacancy rate of 2% and collection loss of 1% for a physical occupancy of 98% and an economic occupancy rate of 97%. Seltzer utilized 4% and 1% for physical vacant rate and collection lost, respectively, for a physical occupancy rate of 96% and an economic occupancy rate of 95%.
4. Real estate tax expense is based on the Borrower 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 Orange County Property Appraiser by March 1<sup>st</sup> of the tax year. Applying for this exemption requires a 99-year 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

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

penalty that is equal to 100% of the total amount financed by FHFC multiplied by each year remaining in the agreement. Approvals from all lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption, is a condition of this CUR. Minor taxes are for Other Taxes or Assessments based on historical figures and supported by the Appraisal.

5. Management Fees are based upon the Property Management Agreement provided by the Applicant that reflects a management fee in the amount of 5.0% of the gross collections. The Agreement also has a \$4.00 per unit/per month fee for a compliance administrative fee, annual software licensing fee of \$7,071 and \$170 per month in software maintenance. The effective Management Fee is 6.0%.
6. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
7. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements.
8. A 15-year income and expense projection reflects increasing debt service coverage ("DSC") through year fifteen. This projection is attached to this report as Exhibit 1.

**SMG**

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**Section B**

**Loan Conditions**

**HC Allocation Recommendation and Contingencies**

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**OCTOBER 23, 2024**

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

Special Conditions

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

1. Completion of the HUD Section 3 pre-construction conference and executed Section 3 exhibits to the GMP.
2. The Development shall meet the Section 3 requirements of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701 u and 24CFR Part 75).
3. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan
4. Approval from all lenders/parties involved in the transaction, confirming their approval of the terms of the Ad Valorem Property Tax Exemption.
5. Receipt of the NHTF Compliance Monitoring Fee of \$4,900 for Ad Valorem Compliance Period.
6. Updated Phase I Environmental Site Assessment.
7. Universal Engineering Sciences (“UES”) sign-off on de-watering plan, regarding the Soil Test Report.
8. Receipt and satisfactory review of UES contract to review the de-mucking plan, regarding the Soil Test Report.
9. FHFC approval of change to legal description of the Subject Development.
10. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

General Conditions

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

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. Final “as permitted” (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

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. NHTF loan proceeds shall be disbursed in an amount per Draw that does not exceed the ratio of the NHTF loan to the Total Development Cost during the construction or rehabilitation phase, unless otherwise approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by FHFC and Servicer.

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

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. The General Contractor shall secure a payment and performance bond equal to 100% of the total construction cost listing FHFC as co-obligee, whose terms do not adversely affect the Corporation's interest, issued in the name of the General Contractor, from a company rated at least "A-" by A.M. Best & Co., or a Corporation-approved alternate security for the General Contractor's performance such as a letter of credit ("LOC") issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial Publishing. The LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

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

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

**13. 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.**

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

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its Legal Counsel at least two weeks 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 NHTF loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the NHTF loan naming FHFC as the insured. All endorsements required by Florida

**NHTF AND HC CREDIT UNDERWRITING REPORT**

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Housing shall be provided.

5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
  - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;
  - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
  - c. The Loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
  - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership/Operating Agreement and;
  - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its Legal Counsel in form and substance acceptable to Florida Housing and its Legal Counsel, in connection with the loan(s).
11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

**Additional Conditions**

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Rule Chapters 67-48, 67-53, and 67-60, F.A.C., RFA 2023-202, 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 NHTF loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

4. Guarantors are to provide the standard FHFC Construction Completion and Operating Deficit Guaranty. The Construction Completion Guaranty is to be released upon lien free completion as approved by the Servicer.
5. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
6. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
7. 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.
8. 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.
9. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of \$36,000 (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 10<sup>th</sup> 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 15<sup>th</sup> year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.
10. 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.
11. The RFA and Rule require 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. Under the Cardinal Pointe construction contract, a minimum of 10% retainage will be withheld on each Application of Payment. 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.

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

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

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## **Housing Credit Allocation Recommendation**

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$2,992,500. Please see the HC Allocation Calculation section of this report for further details.

### **Contingencies**

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

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

Exhibit 1  
Cardinal Pointe  
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     |
|-------------------------------------|------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>OPERATING PRO FORMA</b>          |                                          |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| INCOME                              | Gross Potential Rental Income            | \$1,499,352 | \$1,529,339 | \$1,559,926 | \$1,591,124 | \$1,622,947 | \$1,655,406 | \$1,688,514 | \$1,722,284 | \$1,756,730 | \$1,791,864 | \$1,827,702 | \$1,864,256 | \$1,901,541 | \$1,939,572 | \$1,978,363 |
|                                     | Rent Subsidy (ODR)                       | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Other Income:                            |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Ancillary Income-Parking                 | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Miscellaneous                            | \$43,503    | \$44,373    | \$45,261    | \$46,166    | \$47,089    | \$48,031    | \$48,991    | \$49,971    | \$50,971    | \$51,990    | \$53,030    | \$54,091    | \$55,172    | \$56,276    | \$57,401    |
|                                     | Washer/Dryer Rentals                     | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Cable/Satellite Income                   | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Rent Concessions                         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Alarm Income                             | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Gross Potential Income                   | \$1,542,855 | \$1,573,712 | \$1,605,186 | \$1,637,290 | \$1,670,036 | \$1,703,437 | \$1,737,505 | \$1,772,255 | \$1,807,701 | \$1,843,855 | \$1,880,732 | \$1,918,346 | \$1,956,713 | \$1,995,847 | \$2,035,764 |
|                                     | Less:                                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Economic Loss - Percentage:              |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Physical Vacancy Loss - Percentage: 4.0% | (\$61,714)  | (\$62,948)  | (\$64,207)  | (\$65,492)  | (\$66,801)  | (\$68,137)  | (\$69,500)  | (\$70,890)  | (\$72,308)  | (\$73,754)  | (\$75,229)  | (\$76,734)  | (\$78,269)  | (\$79,834)  | (\$81,431)  |
|                                     | Collection Loss - Percentage: 1.0%       | (\$15,429)  | (\$15,737)  | (\$16,052)  | (\$16,373)  | (\$16,700)  | (\$17,034)  | (\$17,375)  | (\$17,723)  | (\$18,077)  | (\$18,439)  | (\$18,807)  | (\$19,183)  | (\$19,567)  | (\$19,958)  | (\$20,358)  |
|                                     | <b>Total Effective Gross Revenue</b>     | \$1,465,712 | \$1,495,027 | \$1,524,927 | \$1,555,426 | \$1,586,534 | \$1,618,265 | \$1,650,630 | \$1,683,643 | \$1,717,316 | \$1,751,662 | \$1,786,695 | \$1,822,429 | \$1,858,878 | \$1,896,055 | \$1,933,976 |
| EXPENSES                            | Fixed:                                   |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Ground Lease                             | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Sub-Ground Lease                         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Real Estate Taxes                        | \$1,250     | \$1,288     | \$1,326     | \$1,366     | \$1,407     | \$1,449     | \$1,493     | \$1,537     | \$1,583     | \$1,631     | \$1,680     | \$1,730     | \$1,782     | \$1,836     | \$1,891     |
|                                     | Insurance                                | \$180,000   | \$185,400   | \$190,962   | \$196,691   | \$202,592   | \$208,669   | \$214,929   | \$221,377   | \$228,019   | \$234,859   | \$241,905   | \$249,162   | \$256,637   | \$264,336   | \$272,266   |
|                                     | Other                                    | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Variable:                                |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                     | Management Fee - Percentage: 6.0%        | \$88,157    | \$89,920    | \$91,718    | \$93,553    | \$95,424    | \$97,332    | \$99,279    | \$101,264   | \$103,290   | \$105,355   | \$107,462   | \$109,612   | \$111,804   | \$114,040   | \$116,321   |
|                                     | General and Administrative               | \$42,000    | \$43,260    | \$44,558    | \$45,895    | \$47,271    | \$48,690    | \$50,150    | \$51,655    | \$53,204    | \$54,800    | \$56,444    | \$58,138    | \$59,882    | \$61,678    | \$63,529    |
|                                     | Payroll Expenses                         | \$180,000   | \$185,400   | \$190,962   | \$196,691   | \$202,592   | \$208,669   | \$214,929   | \$221,377   | \$228,019   | \$234,859   | \$241,905   | \$249,162   | \$256,637   | \$264,336   | \$272,266   |
|                                     | Utilities                                | \$123,000   | \$126,690   | \$130,491   | \$134,405   | \$138,438   | \$142,591   | \$146,868   | \$151,274   | \$155,813   | \$160,487   | \$165,302   | \$170,261   | \$175,369   | \$180,630   | \$186,049   |
|                                     | Marketing and Advertising                | \$6,000     | \$6,180     | \$6,365     | \$6,556     | \$6,753     | \$6,956     | \$7,164     | \$7,379     | \$7,601     | \$7,829     | \$8,063     | \$8,305     | \$8,555     | \$8,811     | \$9,076     |
|                                     | Maintenance and Repairs                  | \$69,600    | \$71,688    | \$73,839    | \$76,054    | \$78,335    | \$80,685    | \$83,106    | \$85,599    | \$88,167    | \$90,812    | \$93,537    | \$96,343    | \$99,233    | \$102,210   | \$105,276   |
|                                     | 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    |
|                                     | Resident Programs                        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Contract Services                        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Security                                 | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Other-Pest Control                       | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Reserve for Replacements                 | \$36,000    | \$36,000    | \$36,000    | \$36,000    | \$36,000    | \$36,000    | \$36,000    | \$36,000    | \$36,000    | \$36,000    | \$37,080    | \$38,192    | \$39,338    | \$40,518    | \$41,734    |
|                                     | <b>Total Expenses</b>                    | \$750,007   | \$770,545   | \$791,682   | \$813,436   | \$835,823   | \$858,864   | \$882,576   | \$906,981   | \$932,098   | \$957,948   | \$985,632   | \$1,014,127 | \$1,043,455 | \$1,073,640 | \$1,104,709 |
|                                     | <b>Net Operating Income</b>              | \$715,706   | \$724,481   | \$733,245   | \$741,990   | \$750,711   | \$759,401   | \$768,054   | \$776,662   | \$785,218   | \$793,714   | \$801,063   | \$808,302   | \$815,423   | \$822,415   | \$829,267   |
| <b>Debt Service Payments</b>        |                                          |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| DEBT SERVICE                        | First Mortgage - NLP Partners            | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   | \$508,550   |
|                                     | Second Mortgage - FHFC - NHTF            | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Third Mortgage - Orange County           | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    | \$20,663    |
|                                     | First Mortgage Fees - NLP Partners       | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                     | Second Mortgage Fees - FHFC - NHTF       | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     | \$7,929     |
|                                     | Third Mortgage Fees - Orange County      | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
| <b>Total Debt Service Payments</b>  |                                          | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   | \$537,142   |
| <b>Cash Flow After Debt Service</b> |                                          | \$178,564   | \$187,339   | \$196,103   | \$204,848   | \$213,569   | \$222,259   | \$230,912   | \$239,520   | \$248,076   | \$256,572   | \$263,921   | \$271,160   | \$278,281   | \$285,273   | \$292,125   |
| <b>Debt Service Coverage Ratios</b> |                                          |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| DSC - First Mortgage plus Fees      |                                          | 1.407       | 1.425       | 1.442       | 1.459       | 1.476       | 1.493       | 1.510       | 1.527       | 1.544       | 1.561       | 1.575       | 1.589       | 1.603       | 1.617       | 1.631       |
| DSC - Second Mortgage plus Fees     |                                          | 1.386       | 1.403       | 1.420       | 1.437       | 1.454       | 1.470       | 1.487       | 1.504       | 1.520       | 1.537       | 1.551       | 1.565       | 1.579       | 1.592       | 1.606       |
| DSC - Third Mortgage plus Fees      |                                          | 1.332       | 1.349       | 1.365       | 1.381       | 1.398       | 1.414       | 1.430       | 1.446       | 1.462       | 1.478       | 1.491       | 1.505       | 1.518       | 1.531       | 1.544       |
| DSC - All Mortgages and Fees        |                                          | 1.332       | 1.349       | 1.365       | 1.381       | 1.398       | 1.414       | 1.430       | 1.446       | 1.462       | 1.478       | 1.491       | 1.505       | 1.518       | 1.531       | 1.544       |
| <b>Financial Ratios</b>             |                                          |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Operating Expense Ratio             |                                          | 51.2%       | 51.5%       | 51.9%       | 52.3%       | 52.7%       | 53.1%       | 53.5%       | 53.9%       | 54.3%       | 54.7%       | 55.2%       | 55.6%       | 56.1%       | 56.6%       | 57.1%       |
| Break-Even Ratio                    |                                          | 83.7%       | 83.4%       | 83.1%       | 82.8%       | 82.5%       | 82.3%       | 82.0%       | 81.8%       | 81.6%       | 81.4%       | 81.3%       | 81.2%       | 81.1%       | 81.0%       | 81.0%       |

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The Development will consist of:

120 apartment units located in 2 garden style residential buildings.

Unit Mix:

Sixty (60) one bedroom/one bath units;

Forty-eight (48) two bedroom/two bath units; and

Twelve (12) three bedroom/two bath units.

120 Total Units

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

All features and amenities committed to and proposed by the Applicant that are not unit-specific 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.

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.

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b. General Features

The Development will provide the following General Features:

- Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
- Termite prevention;
- Pest control
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
- Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
  - There must be a minimum of one Energy Star certified washer and one Energy Star certified or commercial grade dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number;
  - At least one washing machine and one dryer shall be front loading that meets the accessibility standards of Section 504;
  - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
- At least two full bathrooms in all 3 bedroom or larger new construction units;
- Bathtub with shower in at least one bathroom in at least 90 percent of the new construction non-Elderly units;
- Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor; and
- Full-size range and oven in all units.

c. Required Accessibility Features, regardless of the age of the Development

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

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residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

(1) Required Accessibility Features in all Units

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

(2) Accessibility Features in all Developments with the Elderly (ALF or Non-ALF) Demographic must also provide the following features:

- 20 percent of the new construction units must have roll-in showers.
- Horizontal grab bars in place around each tub and/or shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
  - If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.1.
  - If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.2.
  - If a roll-in shower is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 608.3.2;
- Reinforced walls for future installation of horizontal grab bars in place around each toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design;
- All bathrooms in all new construction units must have vanity cabinets with at least one roll-out shelf or drawer in bottom of cabinet;
- Adjustable shelving in master bedroom closets (must be adjustable by resident); and
- In one of the kitchen's base cabinets, there shall be a large bottom drawer that opens beyond full extension, also referred to as an "overtravel feature." Drawers with the over-travel feature allow drawers to extend completely past the cabinet front so all the contents can be accessed. The drawer shall be deep and wide enough to store pots and

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pans and the drawer slides shall have a weight load rating of a minimum of 100 pounds. The drawers shall be mounted on a pair of metal side rails that are ball-bearing.

d. Required Green Building Features in all Developments

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

- Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
  - Toilets: 1.28 gallons/flush or less,
  - Urinals: 0.5 gallons/flush,
  - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
  - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
- Energy Star certified refrigerator;
- Energy Star certified dishwasher;
- Energy Star certified ventilation fan in all bathrooms;
- Water heater minimum efficiency specifications:
  - Residential Electric:
    - Up to 55 gallons = 0.95 EF or 0.92 UEF; or
    - More than 55 gallons = Energy Star certified; or
    - Tankless = 0.97 EF and Max GPM of  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  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 and living rooms;
- Air Conditioning (in-unit or commercial):
  - Air-Source Heat Pumps – Energy Star certified:
    - $\geq 7.8$  HSPF2/  $\geq 15.2$  SEER2/  $\geq 11.7$  EER2 for split systems
    - $\geq 7.2$  HSPF2  $\geq 15.2$  SEER2/  $\geq 10.6$  EER2 for single package equipment including gas/electric package units
  - Central Air Conditioners – Energy Star certified:
    - $\geq 15.2$  SEER2/  $\geq 12.0$  EER2 for split systems
    - $\geq 15.2$  SEER2/  $\geq 11.5$  EER2\* for single package equipment including gas/electric units

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

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

- 
- \_\_\_\_\_ Leadership in Energy and Environmental Design (LEED);
- \_\_\_\_\_ Florida Green Building Coalition (FGBC);
- \_\_\_\_\_ Enterprise Green Communities; or
- \_\_\_X\_\_\_ ICC 700 National Green Building Standard (NGBS)

e. This Elderly (Non-ALF) Development will provide the following resident programs:

(1) 24 Hour Support to Assist Residents In Handling Urgent Issues

An important aging in place best practice is providing the residents access to property management support 24 hours per day, 7 days a week to assist them to appropriately and efficiently handle urgent issues or incidents that may arise. These issues may include, but are not limited to, an apartment maintenance emergency, security or safety concern, or a health risk incident in their apartment or on the property. The management's assistance will include a 24/7 approach to receiving residents' requests for assistance that will include a formal written process for relevant property management staff to effectively assess and provide assistance for each request.

This assistance may include staff:

- visiting or coordinating a visit to a resident's apartment to address an urgent maintenance issue;
- responding to a resident being locked out of their apartment;
- contacting on-site security or the police to address a concern;
- providing contact information to the resident and directing or making calls on a resident's behalf to appropriate community-based emergency services or related resources to address an urgent health risk incident;
- calling the resident's informal emergency contact; or
- addressing a resident's urgent concern about another resident.

Property management staff shall be on site at least 8 hours daily, but the 24-hour support approach may include contracted services or technology to assist the management in meeting this commitment, if these methods adequately address the intent of this service. The Development's owner and/or designated property management entity shall develop and implement policies and procedures for staff to immediately receive and handle a resident's call and assess the call based on a resident's request and/or need.

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's common or public areas, that staff are available to receive resident calls at all times. These notices shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

(2) 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.

(3) 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.

(4) Resident Assurance Check-In Program

The Applicant commits to provide and use an established system for checking in with each resident on a pre-determined basis not less than once per day, at no cost to the resident. Residents may opt out of this program with a written certification that they choose not to participate.

## **COMPLETENESS AND ISSUES CHECKLIST**

DEVELOPMENT NAME: Cardinal Pointe

DATE: October 23, 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<br>REQUIRED ITEMS:                                                                                                                                                                                                                                                                                                                                                        | STATUS              | NOTE |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------|
|                                                                                                                                                                                                                                                                                                                                                                                               | Satis.<br>/Unsatis. |      |
| 1. The Development's final "as submitted for permitting" plans and specifications.<br>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.                                                                                                                                                                                                                                                                                                                                                                             | Unsatis.            | 1    |
| 4. Pre-construction analysis ("PCA").                                                                                                                                                                                                                                                                                                                                                         | Satis.              |      |
| 5. Survey.                                                                                                                                                                                                                                                                                                                                                                                    | Satis.              |      |
| 6. Complete, thorough soil test reports.                                                                                                                                                                                                                                                                                                                                                      | Satis.              | 2    |
| 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.              | 3    |
| 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.              |      |

**NHTF AND HC CREDIT UNDERWRITING REPORT**

**SMG**

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

**NOTES AND APPLICANT’S RESPONSES:**

1. Applicant to provide the permits prior to closing.
2. Receipt and satisfactory review of UES contract to monitor de-mucking.
3. Updated Phase I ESA and final sign-off on de-watering plan.

## HC Allocation Calculation

| Section I: Qualified Basis Calculation |               |
|----------------------------------------|---------------|
| Development Cost                       | \$39,760,259  |
| Less Land Cost                         | (\$1,600,000) |
| Less Federal Funds                     | \$0           |
| Less Other Ineligible Cost             | (\$1,790,937) |
| Less Disproportionate Standard         | \$0           |
| Total Eligible Basis                   | \$36,369,322  |
| Applicable Fraction                    | 100.00%       |
| DDA/QCT Basis Credit                   | 130.00%       |
| Qualified Basis                        | \$47,280,118  |
| Housing Credit Percentage              | 9.00%         |
| Annual Housing Credit Allocation       | \$4,255,211   |

### Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of site work, demolition, accounting fees, FHFC administrative, application, underwriting, and HC compliance fees, a portion of the construction loan interest, legal fees, Market Study, marketing, survey, title insurance, permanent loan closing costs, NHTF Subsidy Layering Review, Commitment Fee and Closing Costs, Orange County Origination Fee, closing costs, land costs and operating deficit reserve.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is located in a SADDA. Therefore, the 130% basis credit has been applied to the Eligible Basis.

NHTF AND HC CREDIT UNDERWRITING REPORT

SMG

| Section II: Gap Calculation                                  |                |
|--------------------------------------------------------------|----------------|
| Total Development Cost (Including Land and Ineligible Costs) | \$39,760,259   |
| Less Mortgages                                               | (\$10,562,000) |
| Less Grants                                                  | \$0            |
| Equity Gap                                                   | \$29,198,259   |
| Percentage to Investment Partnership                         | 99.99%         |
| HC Syndication Pricing                                       | \$0.89         |
| HC Required to Meet Gap                                      | \$32,810,314   |
| Annual HC Required                                           | \$3,281,031    |

*Notes to the Gap Calculation:*

1. Mortgages include the MLP's first mortgage, FHFC NHTF second mortgage and Orange County third mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the August 19, 2024 LOI from Wells Fargo Equity.

| Section III: Summary     |             |
|--------------------------|-------------|
| HC per Applicant Request | \$2,992,500 |
| HC per Qualified Basis   | \$4,255,211 |
| HC per Gap Calculation   | \$3,281,031 |
| Annual HC Recommended    | \$2,992,500 |

*Notes to the Summary:*

1. The Annual HC Recommended is based on the Applicants Request.

**Rule Chapter 67-48.0072(28)(g)**

***Determination of the minimum first mortgage for use in the Housing Credit gap calculation***

| <b>Input Variables</b>                                                  |                       |
|-------------------------------------------------------------------------|-----------------------|
| Annual rate of increase for revenues                                    | 2.00%                 |
| Annual rate of increase for operating expenses                          | 3.00%                 |
| Vacancy & Collection Factor in CUR                                      | 5.00%                 |
| Minimum Vacancy & Collection Factor                                     | 7.00%                 |
| Which Rule was applicable at time of Application?                       | Post 7/11/2019        |
| Minimum DSCR Year 15                                                    | 1.25x                 |
| Minimum DSCR Year 1                                                     | 1.50x                 |
| Minimum NCF after DS Year 1                                             | \$1,000.00            |
| Minimum qualifying 1st mortgage                                         | \$500,000.00          |
| Number of units in the proposed Development                             | 120                   |
| Potential Gross Income Year 1                                           | \$1,542,855.00        |
| Vacancy & Collection Loss (7.00%)                                       | \$107,999.85          |
| Effective Gross Income Year 1                                           | \$1,434,855.15        |
| Operating Expenses Year 1                                               | \$750,006.61          |
| <b>(i) Actual Debt of Development</b>                                   | <b>\$7,202,000.00</b> |
| Actual interest rate                                                    | 6.27%                 |
| Actual term of debt amortization                                        | 35.00 Yrs             |
| DS Interest Rate floor                                                  | 7.00%                 |
| Application deadline                                                    | 09/13/23              |
| 10-Year Treasury Rate as of App deadline                                | 4.264%                |
| Spread over 10-yr Treasury                                              | 325 bps               |
| 10-yr Treasury plus the stated spread                                   | 7.51%                 |
| Greater of interest rate floor or spread over Treasury                  | 7.51%                 |
| Maximum Rate                                                            | 8.51%                 |
| <b>Interest Rate to be used for qualifying debt</b>                     | <b>7.51%</b>          |
| Minimum stated term of debt amortization per RFA                        | 30.00 Yrs             |
| <b>Term of debt amortization to be used for qualifying debt</b>         | <b>35.00 Yrs</b>      |
| Resulting Mortgage Constant to be used for qualifying debt              | 8.10291%              |
| <b>Minimum Debt Service</b>                                             |                       |
| NOI Year 15                                                             | \$758,808.60          |
| DSCR DS limitation                                                      | \$607,046.88          |
| <b>(a) Resulting Debt, Year 15 limitation</b>                           | <b>\$7,491,711.71</b> |
| NOI Year 1                                                              | \$684,848.54          |
| (b)(i) DSCR DS limitation                                               | \$456,565.69          |
| (b)(i) DSCR Debt Sizing                                                 | \$5,634,587.11        |
| (b)(ii) NCF DS limitation                                               | \$564,848.54          |
| (b)(ii) NCF Debt Sizing                                                 | \$6,970,931.78        |
| <b>(b) Greater of (i) DSCR debt or (ii) NCF debt, Year 1 limitation</b> | <b>\$6,970,931.78</b> |
| <b>(ii) Minimum qualifying first mortgage (lesser of (a) or (b))</b>    | <b>\$6,970,931.78</b> |
| <b>Greater of Actual or Minimum</b>                                     | <b>\$7,202,000.00</b> |

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**Florida Housing Finance Corporation**

*Credit Underwriting Report (“CUR”)*

**Quail Roost Transit Village V**

**RFA 2023-203 (2024-198CN)**

**National Housing Trust Fund Loan (“NHTF”) and  
Competitive 9% Housing Credits (“HC”)**

**Housing Credit Financing For Affordable Housing Developments Located In  
Miami-Dade County**

**Section A: Report Summary**

**Section B: NHTF Special and General Conditions and Housing Credit Allocation  
Recommendation and Contingencies**

**Section C: Supporting Information and Schedules**

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**Prepared by**

**AmeriNat®**

*Final Report*

**October 25, 2024**

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## **Quail Roost Transit Village V**

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**Section A**  
**Report Summary**

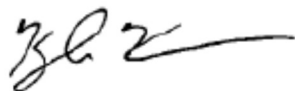
**NHTF & HC CREDIT UNDERWRITING REPORT**

**Recommendation**

AmeriNat® ("AmeriNat") recommends Florida Housing Finance Corporation ("FHFC" or "Florida Housing") fund a NHTF loan in the amount of \$3,750,000 and an annual 9% HC allocation in the amount of \$3,442,106 to Quail Roost Transit Village V, Ltd. ("Applicant") for the construction and permanent phase financing of Quail Roost Transit Village V. (the proposed "Development"). This recommendation is only valid for six months from the date of the report.

| DEVELOPMENT & SET-ASIDES          |                                                                                         |                                          |                                                                            |
|-----------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------|
| Development Name:                 | <u>Quail Roost Transit Village V</u>                                                    |                                          |                                                                            |
| RFA/Program Numbers:              | <u>RFA 2023-203</u> / <u>2024-198CN</u>                                                 |                                          |                                                                            |
| Address                           | <u>On Homestead Ave, northwest of the intersection of Homestead Ave and SW 186th St</u> |                                          |                                                                            |
| City:                             | <u>Unincorporated Miami-Dade Count</u>                                                  | Zip Code: <u>33157</u>                   | County: <u>Miami-Dade</u> County Size: <u>Large</u>                        |
| Development Category:             | <u>New Construction</u>                                                                 | Development Type: <u>High-Rise</u>       |                                                                            |
| Construction Type:                | <u>Steel and Masonry</u>                                                                | Number of Stories: <u>7</u>              |                                                                            |
| Demographic Commitment:           |                                                                                         |                                          |                                                                            |
| Primary:                          | <u>Elderly, Non-ALF</u>                                                                 | for                                      | <u>80%</u> of the Units                                                    |
| Link Units:                       | <u>Elderly, Non-ALF</u>                                                                 | for                                      | <u>7.5%</u> of the Units                                                   |
| NHTF Units:                       | <u>Elderly, Non-ALF</u>                                                                 | for                                      | <u>10%</u> of the Units                                                    |
| Unit Composition:                 |                                                                                         |                                          |                                                                            |
| # of ELI Units:                   | <u>17</u>                                                                               | ELI Units Are Restricted to              | <u>30%</u> AMI, or less. Min % of Units @ ELI: <u>15%</u>                  |
| # of Link Units:                  | <u>9</u>                                                                                | # of Preference units:                   | <u>                    </u> IRS Minimum Set-Aside Commitment: <u>AIT</u>   |
| # of NHTF Units:                  | <u>10</u>                                                                               | # of units w/ PBRA?                      | <u>                    </u> TSP Approval Date: <u>                    </u> |
| Buildings:                        | Residential - <u>1</u>                                                                  | Non-Residential - <u>0</u>               |                                                                            |
| Parking:                          | Parking Spaces - <u>26</u>                                                              | Accessible Spaces - <u>9</u>             |                                                                            |
| DDA:                              | <u>No</u>                                                                               | SADD:                                    | <u>No</u>                                                                  |
| QCT:                              | <u>Yes</u>                                                                              | Multi-Phase Boost:                       | <u>No</u>                                                                  |
| Site Acreage:                     | <u>1.37</u>                                                                             | Density:                                 | <u>77.3158</u>                                                             |
| Zoning:                           | <u>Perrine Community Urban Center (PECUC)</u>                                           |                                          | QAP Boost: <u>No</u> QAP Type: <u>                    </u>                 |
|                                   |                                                                                         | Flood Zone Designation:                  | <u>X</u>                                                                   |
|                                   |                                                                                         | Flood Insurance Required?:               | <u>No</u>                                                                  |
| Credit Underwriter:               | <u>AmeriNat Loan Services</u>                                                           |                                          | Date of Application: <u>09/13/2023</u>                                     |
| Date of Final CUR:                | <u>10/25/2024</u>                                                                       |                                          | Minimum 1st Mortgage per Rule <u>\$6,323,623</u>                           |
| TDC PU Limitation at Application: | <u>\$438,133</u>                                                                        | TDC PU Limitation at Credit Underwriting | <u>\$438,133</u>                                                           |
| Actual TDC PU for Limitation:     | <u>\$375,586</u>                                                                        | Amount Dev. Fee Reduced for TDC Limit:   | <u>\$0</u>                                                                 |

Prepared by Kyle Kuenn, Multifamily Chief Credit Underwriter



Reviewed by Kimberly A. Thorne, Senior Credit Underwriter



**NHTF & HC CREDIT UNDERWRITING REPORT**

Set Asides:

| Program | % of Units | # of Units | % AMI | Term (Years) |
|---------|------------|------------|-------|--------------|
| HC-9%   | 16.038%    | 17         | 30%   | 50           |
| HC-9%   | 35.849%    | 38         | 60%   | 50           |
| HC-9%   | 48.113%    | 51         | 70%   | 50           |
| NHTF    | 9.434%     | 10         | 30%   | 50           |

As required by the Federal Fair Housing Act, at least 80% of the total units will be rented to residents that qualify as Elderly.

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside fifty percent (50%) of the ELI set-aside units (9 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 (Miami-Dade County). The fully executed MOU will need to be approved by FHFC prior to closing and is a closing condition.

NHTF Units Set-Aside Commitment: The proposed Development must set aside 10 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 30% of Area Medium Income (“AMI”) and are in addition to the fifty percent (50%) requirement for ELI set-aside units. Therefore, the Development will have a total of 19 units targeted for Link units for Persons with Special Needs (ELI – 9 units, NHTF – 10 units). After 30 years, all of the NHTF Link units (10 units) may convert to serve residents at or below 60% of AMI. However, the Persons with Special Needs set-aside commitment must be maintained throughout the entire 50-year Compliance Period.

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

Miami-Dade County (Miami-Miami Beach-Kendall HMFA)

| Bed Rooms | Bath Rooms | Units | Square Feet | AMI% | Low HOME Rents | High HOME Rents | Gross HC Rent | Utility Allow. | Net Restrictd Rents | PBRA Contr Rents | Applicant Rents | Appraiser Rents | CU Rents | Annual Rental Income |
|-----------|------------|-------|-------------|------|----------------|-----------------|---------------|----------------|---------------------|------------------|-----------------|-----------------|----------|----------------------|
| 0         | 1.0        | 10    | 470         | 30%  |                |                 | 596           | 71             | 525                 |                  | 525             | 525             | 525      | 63,000               |
| 0         | 1.0        | 6     | 470         | 30%  |                |                 | 596           | 71             | 525                 |                  | 525             | 525             | 525      | 37,800               |
| 0         | 1.0        | 16    | 470         | 60%  |                |                 | 1,192         | 71             | 1,121               |                  | 1,121           | 1,121           | 1,121    | 215,232              |
| 0         | 1.0        | 30    | 470         | 70%  |                |                 | 1,391         | 71             | 1,320               |                  | 1,320           | 1,320           | 1,320    | 475,200              |
| 1         | 1.0        | 7     | 557         | 30%  |                |                 | 638           | 81             | 557                 |                  | 638             | 557             | 557      | 46,788               |
| 1         | 1.0        | 4     | 557         | 30%  |                |                 | 638           | 81             | 557                 |                  | 638             | 557             | 557      | 26,736               |
| 1         | 1.0        | 12    | 557         | 60%  |                |                 | 1,277         | 81             | 1,196               |                  | 1,196           | 1,196           | 1,196    | 172,224              |
| 1         | 1.0        | 21    | 557         | 70%  |                |                 | 1,490         | 81             | 1,409               |                  | 1,409           | 1,409           | 1,409    | 355,068              |
|           |            | 106   | 53,648      |      |                |                 |               |                |                     |                  |                 |                 |          | 1,392,048            |

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.

NHTF & HC CREDIT UNDERWRITING REPORT

15 Year Operating Pro Forma

| FINANCIAL COSTS:                            |                                              | Year 1      | Year 1<br>Per Unit | 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                | \$1,392,048 | \$13,133           | \$1,419,889 | \$1,448,287 | \$1,477,252 | \$1,506,798 | \$1,536,933 | \$1,567,672 | \$1,599,026 | \$1,631,006 | \$1,663,626 | \$1,696,899 | \$1,730,837 | \$1,765,453 | \$1,800,763 | \$1,836,778 |
|                                             | Other Income: (8.71%)                        |             |                    | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
|                                             | Miscellaneous                                | \$121,240   | \$1,144            | \$123,665   | \$126,138   | \$128,661   | \$131,234   | \$133,859   | \$136,536   | \$139,267   | \$142,052   | \$144,893   | \$147,791   | \$150,747   | \$153,762   | \$156,837   | \$159,974   |
|                                             | Gross Potential Income                       | \$1,513,288 | \$14,276           | \$1,543,554 | \$1,574,425 | \$1,605,913 | \$1,638,032 | \$1,670,792 | \$1,704,208 | \$1,738,292 | \$1,773,058 | \$1,808,519 | \$1,844,690 | \$1,881,583 | \$1,919,215 | \$1,957,599 | \$1,996,751 |
|                                             | Less:                                        |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                             | Physical Vac. Loss      Percentage:    4.00% | \$60,532    | \$571              | \$61,742    | \$62,977    | \$64,237    | \$65,521    | \$66,832    | \$68,168    | \$69,532    | \$70,922    | \$72,341    | \$73,788    | \$75,263    | \$76,769    | \$78,304    | \$79,870    |
|                                             | Collection Loss      Percentage:    1.00%    | \$15,133    | \$143              | \$15,436    | \$15,744    | \$16,059    | \$16,380    | \$16,708    | \$17,042    | \$17,383    | \$17,731    | \$18,085    | \$18,447    | \$18,816    | \$19,192    | \$19,576    | \$19,968    |
|                                             | Total Effective Gross Income                 | \$1,437,623 | \$13,562           | \$1,466,376 | \$1,495,703 | \$1,525,618 | \$1,556,130 | \$1,587,252 | \$1,618,998 | \$1,651,377 | \$1,684,405 | \$1,718,093 | \$1,752,455 | \$1,787,504 | \$1,823,254 | \$1,859,719 | \$1,896,914 |
| Annual Escalation Rate (Income):    2.00%   |                                              |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| EXPENSES:                                   | Fixed:                                       |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                             | Real Estate Taxes                            | \$86,040    | \$812              | \$88,621    | \$91,280    | \$94,018    | \$96,839    | \$99,744    | \$102,736   | \$105,818   | \$108,993   | \$112,263   | \$115,631   | \$119,099   | \$122,672   | \$126,353   | \$130,143   |
|                                             | Insurance                                    | \$212,000   | \$2,000            | \$218,360   | \$224,911   | \$231,658   | \$238,608   | \$245,766   | \$253,139   | \$260,733   | \$268,555   | \$276,612   | \$284,910   | \$293,458   | \$302,261   | \$311,329   | \$320,669   |
|                                             | Variable:                                    |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|                                             | Management Fee      Percentage:    6.00%     | \$86,257    | \$814              | \$87,982    | \$89,742    | \$91,537    | \$93,367    | \$95,235    | \$97,139    | \$99,082    | \$101,064   | \$103,085   | \$105,147   | \$107,250   | \$109,395   | \$111,583   | \$113,814   |
|                                             | General and Administrative                   | \$42,400    | \$400              | \$43,672    | \$44,982    | \$46,332    | \$47,722    | \$49,153    | \$50,628    | \$52,147    | \$53,711    | \$55,322    | \$56,982    | \$58,692    | \$60,452    | \$62,266    | \$64,134    |
|                                             | Payroll Expenses                             | \$143,100   | \$1,350            | \$147,393   | \$151,815   | \$156,369   | \$161,060   | \$165,892   | \$170,869   | \$175,995   | \$181,275   | \$186,713   | \$192,314   | \$198,084   | \$204,026   | \$210,147   | \$216,452   |
|                                             | Utilities                                    | \$55,650    | \$525              | \$57,320    | \$59,039    | \$60,810    | \$62,635    | \$64,514    | \$66,449    | \$68,442    | \$70,496    | \$72,611    | \$74,789    | \$77,033    | \$79,344    | \$81,724    | \$84,176    |
|                                             | Marketing and Advertising                    | \$5,300     | \$50               | \$5,459     | \$5,623     | \$5,791     | \$5,965     | \$6,144     | \$6,328     | \$6,518     | \$6,714     | \$6,915     | \$7,123     | \$7,336     | \$7,557     | \$7,783     | \$8,017     |
|                                             | Maintenance and Repairs/Pest Control         | \$47,700    | \$450              | \$49,131    | \$50,605    | \$52,123    | \$53,687    | \$55,297    | \$56,956    | \$58,665    | \$60,425    | \$62,238    | \$64,105    | \$66,028    | \$68,009    | \$70,049    | \$72,151    |
|                                             | Grounds Maintenance and Landscaping          | \$23,850    | \$225              | \$24,566    | \$25,302    | \$26,062    | \$26,843    | \$27,649    | \$28,478    | \$29,332    | \$30,212    | \$31,119    | \$32,052    | \$33,014    | \$34,004    | \$35,025    | \$36,075    |
|                                             | Security                                     | \$60,000    | \$566              | \$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    |
|                                             | Other                                        | \$7,950     | \$75               | \$8,189     | \$8,434     | \$8,687     | \$8,948     | \$9,216     | \$9,493     | \$9,777     | \$10,071    | \$10,373    | \$10,684    | \$11,005    | \$11,335    | \$11,675    | \$12,025    |
|                                             | Reserve for Replacements                     | \$31,800    | \$300              | \$31,800    | \$31,800    | \$31,800    | \$31,800    | \$31,800    | \$31,800    | \$31,800    | \$31,800    | \$31,800    | \$42,737    | \$44,019    | \$45,339    | \$46,699    | \$48,100    |
|                                             | Total Expenses                               | \$802,047   | \$7,566            | \$824,292   | \$847,187   | \$870,751   | \$895,004   | \$919,967   | \$945,659   | \$972,104   | \$999,322   | \$1,027,337 | \$1,067,109 | \$1,098,071 | \$1,129,940 | \$1,162,744 | \$1,196,511 |
|                                             | Annual Escalation Rate (Expenses):    3.00%  |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Net Operating Income                        |                                              | \$635,576   | \$5,996            | \$642,084   | \$648,517   | \$654,867   | \$661,126   | \$667,286   | \$673,338   | \$679,274   | \$685,083   | \$690,756   | \$685,346   | \$689,434   | \$693,314   | \$696,975   | \$700,403   |
| Debt Service Payments                       |                                              |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| First Mortgage - Wells Fargo                |                                              | \$371,036   | \$3,500            | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   | \$371,036   |
| Second Mortgage - NHTF                      |                                              |             | \$0                | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
| First Mortgage Fees - Wells Fargo           |                                              |             | \$0                | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
| Second Mortgage Fees - NHTF                 |                                              | \$10,429    | \$98               | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    | \$10,429    |
| Total Debt Service Payments                 |                                              | \$381,465   | \$3,599            | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   | \$381,465   |
| Cash Flow after Debt Service                |                                              | \$254,111   | \$2,397            | \$260,619   | \$267,051   | \$273,401   | \$279,660   | \$285,821   | \$291,873   | \$297,809   | \$303,618   | \$309,291   | \$303,881   | \$307,968   | \$311,849   | \$315,510   | \$318,937   |
| Debt Service Coverage Ratios                |                                              |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| DSC - First Mortgage plus Fees              |                                              | 1.71x       |                    | 1.73x       | 1.75x       | 1.76x       | 1.78x       | 1.80x       | 1.81x       | 1.83x       | 1.85x       | 1.86x       | 1.85x       | 1.86x       | 1.87x       | 1.88x       | 1.89x       |
| DSC - Second Mortgage plus Fees             |                                              | 1.67x       |                    | 1.68x       | 1.70x       | 1.72x       | 1.73x       | 1.75x       | 1.77x       | 1.78x       | 1.80x       | 1.81x       | 1.80x       | 1.81x       | 1.82x       | 1.83x       | 1.84x       |
| DSC - All Mortgages and Fees                |                                              | 1.67x       |                    | 1.68x       | 1.70x       | 1.72x       | 1.73x       | 1.75x       | 1.77x       | 1.78x       | 1.80x       | 1.81x       | 1.80x       | 1.81x       | 1.82x       | 1.83x       | 1.84x       |
| Financial Ratios                            |                                              |             |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Operating Expense Ratio                     |                                              | 55.79%      |                    | 56.21%      | 56.64%      | 57.08%      | 57.51%      | 57.96%      | 58.41%      | 58.87%      | 59.33%      | 59.80%      | 60.89%      | 61.43%      | 61.97%      | 62.52%      | 63.08%      |
| Break-even Econ Occup Ratio (all debt)      |                                              | 78.51%      |                    | 78.42%      | 78.34%      | 78.28%      | 78.23%      | 78.19%      | 78.17%      | 78.17%      | 78.18%      | 78.20%      | 78.83%      | 78.93%      | 79.05%      | 79.18%      | 79.33%      |
| Break-even Econ Occup Ratio (must pay debt) |                                              | 77.82%      |                    |             |             |             |             |             |             |             |             |             |             |             |             |             |             |

*Notes to the Operating Pro forma and Ratios:*

1. The Development will be utilizing Housing Credits in conjunction with NHTF which will impose rent restrictions. Overall, the maximum Housing Credit rents for 2024 published on FHFC's website for the Development are achievable as confirmed by the appraiser. Utility allowances were derived from a Utility Allowance Study prepared by Enercon Services, Inc. that were approved by FHFC staff on August 19, 2024.
2. AmeriNat utilized a physical vacancy of 4.00% and collection loss of 1.00% for total vacancy of 5.00%, which is more conservative than the Appraiser's estimate.
3. Miscellaneous Income is comprised of the following:
  - Income related to multifamily operations in the form of late fees, pet fees, transfer fees, retained deposits, application fees, and other miscellaneous sources in the amount of \$25,440 annually.
  - The Development will provide washers/dryers to the tenants with an option to lease at \$50 per month. The Appraiser estimated a 50% utilization rate and rounded it to \$300 per unit or \$31,800 annually.
  - The Development will have 1,600 square feet of commercial/retail space on the first floor. The appraiser estimates the base market rent for the Development's ground floor retail space as proposed to be constructed at \$30.00 per square foot on a triple net basis. Further, the appraiser estimates a Common Area Maintenance allowance of approximately \$10.00 per square foot. Therefore, the annual effective average rental rate of \$40.00 per square foot is multiplied by the 1,600 square feet of retail space indicating commercial/retail rental income of approximately \$64,000 annually.
4. Real Estate taxes of \$812 per unit are based upon an estimated assessed value of \$49,434 per unit. The Appraiser concluded the taxes based upon a 40% adjusted assessment ratio of the appraised value, the current millage rate, and an early payment discount of 4%.
5. AmeriNat utilized an estimate of \$2,000 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 \$447 to \$1,064 per unit. However, the appraiser estimates a higher per unit cost based a trend to rising insurance costs throughout the Florida market. 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.
6. The Applicant submitted a draft Management Agreement between the Applicant and Atlantic Pacific Community Management, LLC, which provides for monthly compensation in the amount of 6.00% of the gross rental collections received during the preceding month, assuming 95% occupancy. The term of the Agreement shall be in effect for a period of one year beginning when leasing operations commence. The Agreement will renew automatically for additional one-year terms thereafter.
7. Replacement Reserves of \$300 per unit per year were underwritten by AmeriNat as required per the minimum requirements of the RFA and Rule 67-48.

## Financing Overview

| CONSTRUCTION FINANCING INFORMATION |                 |              |             |              |               |              |
|------------------------------------|-----------------|--------------|-------------|--------------|---------------|--------------|
|                                    | 1st Source      | 2nd Source   | 3rd Source  | 4th Source   | 5th Source    | Totals       |
| Lien Position                      | First           | Second       | NA          | NA           | NA            | Totals       |
| Source                             | Reg. Mtg Lender | Bridge Loan  | FHFC - NHTF | HC Equity    | Def. Dev. Fee |              |
| Lender/Grantor                     | Wells Fargo     | Wells Fargo  | FHFC        | Wells Fargo  | Developer     |              |
| Construction Amount                | \$5,878,100     | \$20,229,617 | \$3,750,000 | \$10,892,870 | \$298,896     | \$41,049,483 |
| All In Interest Rate               | 5.65%           | 8.60%        | 0.00%       |              |               |              |
| Debt Service During                | \$530,028       | \$2,048,100  | \$0         |              |               |              |
| Bond Structure (if applicable)     |                 |              |             |              |               |              |

### Proposed Construction Mortgage Loan:

The Applicant provided an executed Preliminary Loan Commitment Agreement (“Preliminary Commitment”) dated August 14, 2024, between the Applicant and Wells Fargo Bank, N.A. (“Wells Fargo”) in which Wells Fargo will provide Equity Bridge Loan Financing (“Bridge Loan”) during the construction period in the form of a loan in an amount up to \$22,000,000 to be paid in full by equity proceeds. AmeriNat estimates that \$20,229,617 of the Bridge Loan will be utilized. The Bridge Loan will have a term of 24 months. Monthly interest-only payments will be required with a floating interest rate equal to SOFR in Advance (5.35%) plus 250 basis points with a floor of 7.85%. Wells Fargo notes that the actual rate may be negotiated by the payment of additional points set at closing. AmeriNat added an additional 75 basis points (“bps”) for an all-in interest rate equal to 8.60%. A Commitment Fee equal to 0.80% of the Equity Bridge Loan is payable at closing. This loan shall be unsecured, but will be secured by other collateral including i) assignment of rights to LIHTC Capital Contributions, ii) security interest in the General Partner interests of the Applicant, iii) assignment of development fee, and iv) assignment of Borrower’s Agreement with the general contractor, architect, property manager, and service provider (if applicable).

Note: The \$5,878,100 Wells Fargo first mortgage loan terms and conditions are detailed below. Interest only payments are due during the construction period.

NHTF & HC CREDIT UNDERWRITING REPORT

| PERMANENT FINANCING INFORMATION           |                 |             |                        |               |              |
|-------------------------------------------|-----------------|-------------|------------------------|---------------|--------------|
| Lien Position                             | First           | Second      | NA                     | NA            | Totals       |
| Source                                    | Reg. Mtg Lender | FHFC - NHTF | HC Equity              | Def. Dev. Fee |              |
| Lender/Grantor                            | Wells Fargo     | FHFC        | Wells Fargo Bank, N.A. | Developer     |              |
| Permanent Amount                          | \$5,878,100     | \$3,750,000 | \$31,122,487           | \$298,896     | \$41,049,483 |
| Permanent Funding Per Unit                | \$55,454        | \$35,377    | \$293,608              | \$2,820       | \$387,259    |
| % of Permanent Funding                    | 14.3%           | 9.1%        | 75.8%                  | 0.7%          | 100.0%       |
| Underwritten Interest Rate                | 5.65%           | 0.00%       |                        |               |              |
| All In Interest Rate                      | 5.65%           | 0.00%       |                        |               |              |
| Loan Term                                 | 40              | 40.5        |                        |               |              |
| Amortization                              | 40              | n/a         |                        |               |              |
| Must Pay or Cash Flow Dependent           | Must-Pay        | Cash Flow   |                        |               |              |
| Permanent Debt Service, No Fees           | \$371,036       | \$0         |                        |               | \$371,036    |
| Permanent Debt Service, with Fees         | \$371,036       | \$10,429    |                        |               | \$381,465    |
| Debt Service Coverage, with Fees          | 1.71x           | 1.67x       |                        |               |              |
| Operating Deficit & Debt Service Reserves | \$295,878       |             |                        |               |              |
| # of Months covered by the Reserves       | 3.0             |             |                        |               |              |
| Market Rate/Market Financing LTV          | 22.27%          | 36.47%      |                        |               |              |
| Restricted Market Financing LTV           | 47.79%          | 78.28%      |                        |               |              |
| Loan to Cost - Cumulative                 | 14.32%          | 23.45%      |                        |               |              |

Proposed First Mortgage Loan:

The Applicant provided a preliminary commitment from Wells Fargo dated August 9, 2024, that illustrates the terms in which Wells Fargo will make a loan to be insured by mortgage insurance provided by the United States Department of Housing and Urban Development (“HUD”) through the Federal Housing Administration (“FHA”) pursuant to FHA’s Section 221(d)(4) mortgage insurance program. Per the term sheet, the 221(d)(4) loan is estimated to be in the amount of \$5,878,100. The loan will be issued at Construction Loan closing and shall be secured by a first lien mortgage. During construction, the loan shall require payments of interest only based upon a fixed interest rate to be set at construction loan closing, estimated by Wells Fargo to be 5.65% as of the date of the preliminary commitment. Following the construction term, the permanent term shall be for a period of 40 years and shall require monthly payments based upon the fixed interest rate of 5.65% and a 40-year amortization.

Estimated fees for the loan include i) a Financing Fee equal to 0.50% of the final loan amount due at the issuance of the FHA Firm Commitment, ii) Ginnie Mae Fee of \$2,000, iii) HUD Mortgage Insurance Premium equal to 25bps initially and 25 bps ongoing payable at Initial Endorsement and annually thereafter, iv) HUD Inspection Fee equal to 50 bps of the Loan amount due at construction loan closing.

Proposed Second Mortgage Loan – NHTF:

Per an Invitation to Enter Credit Underwriting from FHFC dated June 3, 2024, the Applicant received a preliminary commitment for an NHTF loan of \$3,750,000 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 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 Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by HUD. The loan will have a total term of 42.5 years, including a 24-month construction/stabilization period and a 40.5-year permanent period. The principal of the loan will be forgiven at maturity provided the units for which the NHTF loan amount is awarded. As required by HUD and permitted by the RFA, the NHTF Loan will be coterminous with the first mortgage plus six months (total term of 42.5 years). 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.

Deferred Developer Fee:

The Applicant will be required to permanently defer \$298,896 or 5.44% of the total Developer Fee after stabilization subject to the terms outlined in Section B of this report.

Additional Permanent Sources of Funds:

The Applicant provided letter of interest (“LOI”) dated August 7, 2024, from Wells Fargo that outlines the terms and conditions of the purchase of the HC. Wells Fargo or its assigns will provide a net equity investment of \$31,122,487 in exchange for a 99.99% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by Wells Fargo to be \$3,458,400. The HC allocation will be syndicated at a rate of approximately \$0.90 per \$1.00 of delivered tax credits. The HC equity contribution to be paid as follows:

**NHTF & HC CREDIT UNDERWRITING REPORT**

**Syndication Contributions:**

| Capital Contributions | Amount       | Percentage of Total | When Due                          |
|-----------------------|--------------|---------------------|-----------------------------------|
| 1st Installment       | \$6,224,497  | 20.00%              | Closing of Construction Financing |
| 2nd Installment       | \$4,668,373  | 15.00%              | Prior to Construction Completion  |
| 3rd Installment       | \$20,229,617 | 65.00%              | Stabilization                     |
| Total                 | \$31,122,487 | 100.00%             |                                   |

Syndicator Name Wells Fargo Bank, N.A.

Date of LOI 8/7/2024

Total Credits Per Syndication Agreement: \$34,584,000

Annual Credits Per Syndication Agreement: \$3,458,400

Calculated HC Exchange Rate: \$0.90

Limited Partner Ownership Percentage: 99.99%

Proceeds Available During Construction: \$10,892,870

Annual Credits - Qualified in CUR: \$3,458,400

**NHTF & HC CREDIT UNDERWRITING REPORT**

**Changes from the Application:**

| <b>COMPARISON CRITERIA</b>                                                                                                                                                                  | <b>YES</b> | <b>NO</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| 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?                                                                                                 | X          |           |

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

1. At the time of Application, Wells Fargo was providing a tax-exempt construction loan in the amount of \$26,000,000 and a permanent loan in the amount of \$5,180,000. As previously illustrated, Wells Fargo will now provide an Equity Bridge Loan in the amount of \$20,229,617 in lieu of the construction loan and a FHA insured 221(d)(4) loan in the amount of \$5,878,100.

Per the Invitation to Credit Underwriting issued by FHFC on June 3, 2024, the Applicant was awarded \$3,750,000 in NHTF funds.

2. Total Development Costs have increased from \$39,048,991 to \$41,049,483 for a difference of \$2,000,492 since the Application due to increases in Construction Costs, Developer Fee and inclusion of Various Reserves described herein.

These changes have no substantial material impact to the 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 September 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 Meridian Appraisal Group, Inc. dated April 2, 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 182% rental rate advantage compared to the average achievable market rents for the area.
3. The Market Study identified six properties with a total of 900 units as comparable to the Development that are located in the Primary Market Area ("PMA"). The comparable properties have a weighted average occupancy rate of 100%.

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 (High-Rise) (New Construction), inclusive of a 6.00% escalation rate applied to the base \$413,333 per unit allowable, is \$438,133.33 per unit. With a total of 106 units, the maximum TDC for the Development is therefore \$53,872,873.98. The TDC as underwritten equals \$41,049,483. As such, the Development does not exceed the per unit maximum TDC and is eligible for 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:

None.

Waiver Requests:

None.

Additional Information:

None.

## Uses of Funds

| CONSTRUCTION COSTS:                    | Applicant Costs     | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit    | HC Ineligible Costs - CUR |
|----------------------------------------|---------------------|-------------------------|--------------------------------|------------------|---------------------------|
| New Commercial/Retail/Office Space     | \$328,506           |                         | \$575,000                      | \$5,425          | \$575,000                 |
| New Rental Units                       | \$19,336,833        | \$24,835,797            | \$19,943,812                   | \$188,149        |                           |
| Site Work                              | \$1,777,481         |                         | \$1,266,976                    | \$11,953         | \$190,046                 |
| Constr. Contr. Costs subject to GC Fee | \$21,442,820        | \$24,835,797            | \$21,785,788                   | \$205,526        | \$765,046                 |
| General Conditions (6.0%)              |                     |                         | \$1,307,147                    | \$12,332         |                           |
| Overhead (2.0%)                        |                     |                         | \$435,715                      | \$4,111          |                           |
| Profit (6.0%)                          | \$2,725,024         |                         | \$1,307,147                    | \$12,332         |                           |
| Total Construction Contract/Costs      | \$24,167,844        | \$24,835,797            | \$24,835,797                   | \$234,300        | \$765,046                 |
| Hard Cost Contingency (4.7%)           | \$1,138,600         | \$1,124,228             | \$1,241,789                    | \$11,715         |                           |
| PnP Bond paid outside Constr. Contr.   |                     | \$218,556               | \$218,556                      | \$2,062          |                           |
| FF&E paid outside Constr. Contr.       |                     | \$743,006               | \$743,006                      | \$7,009          | \$75,000                  |
| Other: Art in Public Places            |                     | \$599,404               | \$599,404                      | \$5,655          |                           |
| <b>Total Construction Costs:</b>       | <b>\$25,306,444</b> | <b>\$27,520,991</b>     | <b>\$27,638,552</b>            | <b>\$260,741</b> | <b>\$840,046</b>          |

### Notes to Actual Construction Costs:

- An unexecuted HUD-92442M Construction Contract where the basis of payment is Cost Plus has been provided ("Construction Contract"). The Construction Contract is made between the Applicant and Atlantic Pacific Community Builders, LLC ("General Contractor") in the amount of \$24,835,797. A HUD-5372 Construction Progress Schedule was submitted that illustrates substantial completion within sixteen months from commencement. Retainage shall be withheld from the monthly draws at a rate of ten percent (10%) of the value of the work completed. However, pursuant to the Retainage Reduction Rider, one half (1/2) of the retainage held by the Applicant shall be released to the General Contractor upon satisfaction of the following:
  - Certificates of occupancy or other required approvals for the dwelling units and non-dwelling facilities, where applicable, have been issued by governmental authorities having jurisdiction.(Separate buildings for community rooms, rental offices, laundry rooms, etc., commonly require separate certificates of occupancy.);
  - Permission to Occupy, form HUD-92485 has been issued by HUD for all units; and
  - Contractor has otherwise complied with the requirements of the Contract Documents.

Satisfactory receipt and review of an executed Construction Contract is precedent to loan closing and listed in Section B.
- The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract.
- FF&E Paid outside of the Construction Contract consists of common area furniture, computers/printer/books, washer and dryers for the common area, signage, picnic and other exterior benches, BBQ, garbage cans, gym equipment, and other features and equipment not included in the Construction Contract. FF&E also includes \$75,000 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.
- There are no allowances listed in the Construction Contract and verified by Moran Construction Consultants, LLC.

**NHTF & HC CREDIT UNDERWRITING REPORT**

| <b>GENERAL DEVELOPMENT COSTS:</b>       | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|-----------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Accounting Fees                         |                        | \$50,000                       | \$50,000                              | \$472                | \$50,000                         |
| Appraisal                               |                        | \$15,000                       | \$15,000                              | \$142                |                                  |
| Architect's Fees                        |                        | \$825,000                      | \$700,000                             | \$6,604              |                                  |
| Builder's Risk Insurance                |                        | \$125,878                      | \$125,878                             | \$1,188              |                                  |
| Building Permits                        |                        | \$122,213                      | \$122,213                             | \$1,153              |                                  |
| Environmental Report                    |                        | \$83,200                       | \$83,200                              | \$785                |                                  |
| FHFC Administrative Fees                | \$552,409              | \$311,256                      | \$311,256                             | \$2,936              | \$311,256                        |
| FHFC Application Fee                    |                        | \$3,000                        | \$3,000                               | \$28                 | \$3,000                          |
| FHFC Compliance Fee                     |                        | \$222,535                      | \$243,770                             | \$2,300              | \$243,770                        |
| FHFC Credit Underwriting Fee            |                        | \$36,087                       | \$21,762                              | \$205                | \$21,762                         |
| Green Building Cert. (LEED, FGBC, NAHB) |                        |                                |                                       | \$0                  |                                  |
| Impact Fee                              |                        | \$27,038                       | \$27,038                              | \$255                |                                  |
| Insurance                               | \$347,608              | \$86,926                       | \$86,926                              | \$820                |                                  |
| Legal Fees - Organizational Costs       |                        | \$1,010,000                    | \$1,010,000                           | \$9,528              | \$505,000                        |
| Lender Inspection Fees / Const Admin    |                        | \$403,800                      | \$459,672                             | \$4,337              |                                  |
| Market Study                            |                        | \$12,000                       | \$12,000                              | \$113                | \$12,000                         |
| Plan and Cost Review Analysis           |                        |                                | \$5,850                               | \$55                 |                                  |
| Property Taxes                          | \$373,206              |                                |                                       | \$0                  |                                  |
| Soil Test                               |                        | \$8,000                        | \$8,000                               | \$75                 |                                  |
| Survey                                  |                        | \$32,760                       | \$32,760                              | \$309                |                                  |
| Title Insurance and Recording Fees      |                        | \$43,065                       | \$43,065                              | \$406                | \$43,065                         |
| Utility Connection Fees                 |                        | \$134,631                      | \$134,631                             | \$1,270              |                                  |
| Soft Cost Contingency (4.9%)            | \$199,167              | \$190,767                      | \$174,507                             | \$1,646              |                                  |
| Other: Professional Fees                | \$2,710,120            |                                | \$50,000                              | \$472                |                                  |
| <b>Total General Development Costs:</b> | <b>\$4,182,510</b>     | <b>\$3,743,156</b>             | <b>\$3,720,528</b>                    | <b>\$35,099</b>      | <b>\$1,189,853</b>               |

*Notes to the General Development Costs:*

1. AmeriNat reflects the costs associated with the Architect's and Engineer's fees as stated in the executed AIA Document B108 Standard Form of Agreement between Owner and Architect for a Federally Funded or Federally Insured Project between the Applicant and Corwil Architects, Inc., which was reviewed by AmeriNat.
2. FHFC Administrative Fee is based upon a fee of 9% of the annual HC allocation recommendation made herein.
3. FHFC Credit Underwriting Fee includes the HC Credit Underwriting Fee (\$14,275), multiple program fees for NHTF (\$5,300), preliminary recommendation letter (\$1,812 each), and a \$375 credit reporting fee.
4. Impact Fees are net fees provided by the Applicant.
5. Lender Inspection Fees / Construction Admin costs are based on proposals for building envelope, threshold, and materials testing and inspections provided by the Applicant, site inspections by Moran, and construction loan administration for draw processing.
6. The Applicant selected to adhere to the National Green Building Standard Certification program; however, the Applicant has not provided a proposal with a contractor to provide the certification. Receipt of the executed proposal for the National Green Building Standard Certification is a condition for the NHTF loan closing.
7. The remaining general development costs appear reasonable.

**NHTF & HC CREDIT UNDERWRITING REPORT**

| <b>FINANCIAL COSTS:</b>                                | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|--------------------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Construction Loan Interest                             | \$3,664,164            |                                |                                       | \$0                  |                                  |
| Permanent Loan Application Fee                         |                        | \$15,000                       | \$16,756                              | \$158                | \$16,756                         |
| Permanent Loan Closing Costs                           | \$93,240               | \$88,172                       | \$88,172                              | \$832                | \$88,172                         |
| Permanent Loan Commitment Fee                          |                        | \$77,713                       | \$31,391                              | \$296                | \$31,391                         |
| Permanent Loan Interest                                |                        | \$417,608                      | \$530,028                             | \$5,000              | \$249,084                        |
| Bridge Loan Commitment Fee                             |                        | \$220,000                      | \$176,000                             | \$1,660              | \$176,000                        |
| Bridge Loan Interest                                   |                        | \$2,129,391                    | \$2,048,100                           | \$19,322             | \$1,284,561                      |
| NHTF Closing Costs                                     |                        | \$88,000                       | \$12,500                              | \$118                | \$12,500                         |
| FHA MIP (Prepayment)                                   |                        | \$29,391                       | \$29,391                              | \$277                | \$29,391                         |
| Other: HUD Inspection Fee                              |                        |                                | \$29,391                              | \$277                | \$29,391                         |
| <b>Total Financial Costs:</b>                          | <b>\$3,757,404</b>     | <b>\$3,065,275</b>             | <b>\$2,961,729</b>                    | <b>\$27,941</b>      | <b>\$1,917,246</b>               |
| <b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b> | <b>\$33,246,358</b>    | <b>\$34,329,422</b>            | <b>\$34,320,809</b>                   | <b>\$323,781</b>     | <b>\$3,947,145</b>               |

*Notes to the Financial Costs*

- Interest reserves for the 221(d)(4) loan and Bridge Loan are supported by the terms illustrated in the term sheets provided by Wells Fargo, 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.
- The NHTF Closing Costs are \$12,500 for FHFC legal fees.
- The remaining Financial Costs appear reasonable.

| <b>DEVELOPER FEE ON NON-ACQUISITION COSTS</b>    | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|--------------------------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Developer Fee - Unapportioned                    | \$5,272,633            | \$5,513,282                    | \$5,491,329                           | \$51,805             | \$0                              |
| <b>Total Dev. Fee on Non-Acq. Costs (16.0%):</b> | <b>\$5,272,633</b>     | <b>\$5,513,282</b>             | <b>\$5,491,329</b>                    | <b>\$51,805</b>      | <b>\$0</b>                       |

*Notes to the Developer Fee on Non-Acquisition Costs:*

- None

| <b>LAND ACQUISITION COSTS</b>   | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|---------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Land                            | \$530,000              | \$530,000                      | \$530,000                             | \$5,000              | \$530,000                        |
| <b>Total Acquisition Costs:</b> | <b>\$530,000</b>       | <b>\$530,000</b>               | <b>\$530,000</b>                      | <b>\$5,000</b>       | <b>\$530,000</b>                 |

*Notes to Land Acquisition Costs:*

- AmeriNat received a Sublease Agreement, dated November 1, 2020, between Quail Roost Holdings, LLC and Quail Roost Transit Village V, Ltd. The term of the Lease is 90 years after the Commencement Date with a one-time capitalized minimum rent payment in the amount of \$5,000 per unit, or \$530,000, due at the Construction Financing closing. The Lease is a sublease and is subject to all terms and conditions listed in the Master Lease.
- The lesser of the appraisal (\$780,000) or Land Lease Payment has been used for underwriting purposes.

| <b>RESERVE ACCOUNTS</b>        | <b>Applicant Costs</b> | <b>Revised Applicant Costs</b> | <b>Underwriters Total Costs - CUR</b> | <b>Cost Per Unit</b> | <b>HC Ineligible Costs - CUR</b> |
|--------------------------------|------------------------|--------------------------------|---------------------------------------|----------------------|----------------------------------|
| Operating Deficit Reserves     |                        | \$207,582                      | \$176,343                             | \$1,664              | \$176,343                        |
| Reserves - Working Capital     |                        | \$235,124                      | \$235,124                             | \$2,218              | \$235,124                        |
| Other: Permanent ODR           |                        | \$145,754                      | \$295,878                             | \$2,791              | \$295,878                        |
| <b>Total Reserve Accounts:</b> | <b>\$0</b>             | <b>\$588,460</b>               | <b>\$707,345</b>                      | <b>\$6,673</b>       | <b>\$707,345</b>                 |

*Notes to Reserve Accounts*

**NHTF & HC CREDIT UNDERWRITING REPORT**

1. Pursuant to the FHA 221(d)(4) loan underwriting requirements, an Operating Deficit Reserve (“ODR”) in an amount equal to 3% of the loan amount (\$176,343) shall be established at closing along with a Working Capital Escrow (\$235,124), equal to 2% of the loan amount to cover accruals of taxes, insurance, and interest above the amounts capitalized in the budget, and an additional 2% of the loan to fund change orders during the construction period as they occur.
2. The Permanent ODR Reserve is an estimate of 3 months of operating expenses and debt service that is anticipated to be held long term as required by Wells Fargo for the permanent loan. The FHA ODR shall be released at the later of permanent loan conversion (HUD’s final endorsement) or HUD’s satisfaction of six months of breakeven coverage.

| TOTAL DEVELOPMENT COSTS         | Applicant Costs     | Revised Applicant Costs | Underwriters Total Costs - CUR | Cost Per Unit    | HC Ineligible Costs - CUR |
|---------------------------------|---------------------|-------------------------|--------------------------------|------------------|---------------------------|
| <b>TOTAL DEVELOPMENT COSTS:</b> | <b>\$39,048,991</b> | <b>\$40,961,164</b>     | <b>\$41,049,483</b>            | <b>\$387,259</b> | <b>\$5,184,490</b>        |

*Notes to Total Development Costs:*

None.

| RFA Limits             | Maximum per RFA (%) | Actual at CUR (%) | Maximum per RFA (\$) | Actual at CUR (\$) |
|------------------------|---------------------|-------------------|----------------------|--------------------|
| General Contractor Fee | 14.00%              | 14.00%            | \$3,050,010          | \$3,050,009        |
| Hard Cost Contingency  | 5.00%               | 5.00%             | \$1,241,790          | \$1,241,789        |
| Soft Cost Contingency  | 5.00%               | 4.92%             | \$177,301            | \$174,507          |
| Developer Fee          | 16.00%              | 16.00%            | \$5,491,329          | \$5,491,329        |

**Section B**  
**NHTF Loan Special and General Conditions**

### **Special Conditions**

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

1. Receipt of the executed proposal for the National Green Building Standard Certification.
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. Satisfactory receipt of the Affirmative Fair Housing Marketing Plan
5. Satisfactory receipt and review of an executed Construction Contract.
6. Receipt of the fully executed MOU approved by FHFC.
7. Tenant Selection Plan approved by FHFC.
8. Receipt of an executed Management Agreement.
9. Satisfactory receipt and review of a final PCR.
10. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

### **General Conditions**

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

1. 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.). 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.
3. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.

4. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. NHTF Loan Proceeds shall be disbursed in an amount per Draw that does not exceed the ratio of the NHTF loan 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.
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 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.
7. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if 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 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.
10. 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.
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. 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.
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 of the following items by Florida Housing and its Legal Counsel at least two weeks prior to Real Estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Applicant, the general partner/member(s)/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners/members of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area, and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of NHTF loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Applicant to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the NHTF loan naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Amended and Restated Limited Partnership Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.

6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
7. Receipt of a legal opinion from the 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.

This recommendation is also contingent upon the following additional conditions:

1. Compliance with all provisions of Sections 420.507 and 420.5087 Florida Statutes, Rule Chapters 67-48, 67-53, and 67-60, F.A.C., RFA 2023-203, 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 NHTF Loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).
3. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
4. Guarantors are to provide the standard FHFC Construction Completion and Operating Deficit Guaranty. The Construction Completion Guaranty will be released upon lien free completion as approved by the Servicer.
5. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
6. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
7. A mortgagee title insurance lender's policy naming Florida Housing as the insured mortgage holder in the amount of the NHTF Loan 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.

8. 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.
9. 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 \$31,800 (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 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.

10. Moran Construction Consultants, LLC or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
11. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. Under terms of the construction contract, Retainage shall be withheld from the monthly draws at a rate of ten percent (10%) of the value of the work completed. However, pursuant to the Retainage Reduction Rider, one half (1/2) of the retainage held by the Applicant shall be released to the General Contractor upon satisfaction of the following:
  - a. Certificates of occupancy or other required approvals for the dwelling units and non-dwelling facilities, where applicable, have been issued by governmental authorities having jurisdiction. (Separate buildings for community rooms, rental offices, laundry rooms, etc., commonly require separate certificates of occupancy.);
  - b. Permission to Occupy, form HUD-92485 has been issued by HUD for all units; and
  - c. Contractor has otherwise complied with the requirements of the Contract Documents.

This meets the RFA and Rule 67- 48 minimum requirement.

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

13. Closing of all funding sources prior to or simultaneous with the closing of the NHTF loan.
14. Housing Credits - Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
15. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

## **Section C**

### **Supporting Information & Schedules**

## Additional Development & Third-Party Information

| Appraisal Summary Questions                                                                            | Responses                      | Note |
|--------------------------------------------------------------------------------------------------------|--------------------------------|------|
| Appraisal Firm Name                                                                                    | Colliers International         |      |
| Date of Report                                                                                         | 8/14/2024                      |      |
| Confirm certified and prepared for FHFC (Y/N)                                                          | Yes                            |      |
| Date appraisers license expires (should be after report date)                                          | 11/30/2024                     |      |
| Occupancy at Stabilization: Economic (%)                                                               | 96.5%                          |      |
| Occupancy at Stabilization: Physical (%)                                                               | 97.0%                          |      |
| Value: As Is market value of the land                                                                  |                                |      |
| Value: As Is restricted value of the land                                                              | \$780,000                      |      |
| As of date and type of interest (as if vacant land)                                                    | 7/27/2024; Leased Fee Interest |      |
| Value: As Is market value (as improved)                                                                |                                |      |
| As of date and type of interest (as improved)                                                          |                                |      |
| Value: "As Complete and Stabilized", subject to unrestricted rents                                     | \$26,400,000                   |      |
| As of date and type of interest (unrestricted rents)                                                   | 7/27/2024; Leasehold           |      |
| Value: "As Complete and Stabilized", subject to restricted rents                                       | \$12,300,000                   |      |
| As of date and type of interest (restricted rents)                                                     | 7/27/2024; Leasehold           |      |
| Value: "As Complete and Stabilized", subject to HAP contract rents                                     |                                |      |
| As of date and type of interest (HAP Contract rents)                                                   |                                |      |
| Value: "As Complete and Stabilized", subject to favorable financing                                    |                                |      |
| Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N) | Yes                            |      |

**NHTF & HC CREDIT UNDERWRITING REPORT**

| Market Study Summary Questions                                                                                                                                                               | Responses                      | Note |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------|
| Market Study Firm Name                                                                                                                                                                       | Meridian Appraisal Group, Inc. |      |
| Date of Report                                                                                                                                                                               | 4/2/2024                       |      |
| Confirm certified and prepared for FHFC (Y/N)                                                                                                                                                | Yes                            |      |
| Number of like-kind developments (existing and proposed) in the Competitive Market Area (CMA)                                                                                                | 6                              |      |
| Short Term and Long Term Impact to existing like-kind developments                                                                                                                           | Yes                            | 1.   |
| Weighted Average Occupancy of like-kind developments (submarket) (must be ≥ 92%)                                                                                                             | 100.0%                         |      |
| Number of Guarantee Fund Properties in PMA?                                                                                                                                                  | 0                              |      |
| Metrics for 10 mile radius:                                                                                                                                                                  |                                |      |
| Level of Effort (%)                                                                                                                                                                          | 17.3%                          |      |
| Capture Rate (%)                                                                                                                                                                             | 0.3%                           |      |
| Remaining Potential Demand                                                                                                                                                                   | 9215                           |      |
| Metrics for 5 mile radius:                                                                                                                                                                   |                                |      |
| Level of Effort (%)                                                                                                                                                                          | 28.1%                          |      |
| Capture Rate (%)                                                                                                                                                                             | 1.0%                           |      |
| Remaining Potential Demand                                                                                                                                                                   | 2737                           |      |
| Metrics for 3 mile radius:                                                                                                                                                                   |                                |      |
| Level of Effort (%)                                                                                                                                                                          | 44.3%                          |      |
| Capture Rate (%)                                                                                                                                                                             | 1.6%                           |      |
| Remaining Potential Demand                                                                                                                                                                   | 1347                           |      |
| Absorption Rate                                                                                                                                                                              | 34                             |      |
| Will the development achieve maximum allowable HC Rents? (Y/N)                                                                                                                               | Yes                            |      |
| For New Construction Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of a 60 percent of Area Median Income rental rate? | Yes                            |      |
| For Live Local Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of the highest percent Area Median Income rental rate?   | N/A                            |      |
| Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)                               | Yes                            |      |

1. In the short-term (defined as the period it takes the Development to lease to stabilized), there is a weak case for impact to the properties not located within three miles of the Development due to the strength of the market overall and the distance between the Development and these projects. There is a moderate case for impact on the four existing elderly (Tucker Tower, Cabana Club, Caribbean Village, and John & Anita Ferguson Residences) projects and three proposed elderly projects (Quail Roost Transit Village II, Perrine Village II, and Sol Vista) located within three miles of the Development. There is a weak case for overall short-term impact on the other projects in the Competitive Market Area ("CMA"). Any impact beyond the Development's lease-up would be considered long-term. Since the Miami-Dade economy and apartment market are expected to perform well over the long-term, there would be a weak case for long-term impact to all of the properties located near the Development.

**NHTF & HC CREDIT UNDERWRITING REPORT**

| Environmental Report Summary Questions                           | Responses                          | Note |
|------------------------------------------------------------------|------------------------------------|------|
| Preparer Firm Name                                               | Hydrologic Associates U.S.A., Inc. |      |
| Date of Report                                                   | 11/14/2022                         |      |
| Type of Report                                                   | Phase I ESA                        |      |
| Confirm certified and prepared for FHFC (Y/N)                    | N                                  | 1.   |
| Were any Recognized Environmental Conditions (RECs) noted? (Y/N) | Y                                  | 2.   |
| Is any further investigation required? (Y/N)                     | Y                                  | 3.   |

1. As a condition for NHTF closing, an acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of NHTF loan closing, shall be required unless otherwise approved by Florida Housing, and Legal Counsel.
2. This assessment revealed recognized environmental conditions ("RECs") in connection with the documented soil contamination at the site. Based upon these results, HAI recommends that a No Further Action with Conditions be pursued for the site.
3. Groundwater Monitoring will be required on a quarterly basis for one year after redevelopment has been completed at the site. The conditions for the impacted soil will be maintenance of Engineering Controls ("ECs") (e.g., parking lots, building foundations, and two feet of imported clean fill) that will prevent leaching of contaminants into groundwater and prevent direct exposure to the contamination. These EC's will be proposed in an Engineering Control and Maintenance Plan. Additionally, such ECs will be memorialized in an Institutional Control ("IC") in the form of a Declaration of Restrictive Covenant recorded in the public records for the subject site. Furthermore, the DERM will require that a Soil Management Plan (SMP), Dust Control Plan (DCP), and Health & Safety Plan (HASP) be submitted and approved prior to the redevelopment of the site.

| Soils Test Report Summary Questions                                                                                                                                | Responses | Note |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------|
| Preparer Firm Name                                                                                                                                                 | NV5, Inc. |      |
| Date of Report                                                                                                                                                     | 3/19/2024 |      |
| Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N) | Y         |      |
| Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)                                                                               | Y         |      |

**NHTF & HC CREDIT UNDERWRITING REPORT**

| Property Conditions Report (PCR) Summary Questions                                                                                                                       | Responses                                                     | Note |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------|
| Preparer Firm Name                                                                                                                                                       | Moran Construction Consultants, LLC                           |      |
| Date of Report                                                                                                                                                           | 9/17/2024 <b>(DRAFT)</b>                                      | 1.   |
| Confirm certified and prepared for FHFC (Y/N)                                                                                                                            | N (Pending Final Report)                                      |      |
| Were all features and amenities in Exhibit B present in the PCA report? (Y/N)                                                                                            | N (Pending Final Report)                                      |      |
| Is the GC Contract a Guaranteed Maximum Price Contract? (Y/N)                                                                                                            | N                                                             | 2.   |
| General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)                                                                                                 | Y                                                             |      |
| Cost per Unit                                                                                                                                                            | \$227,851                                                     |      |
| Costs for Similar Type Developments (Include Range)                                                                                                                      | \$219,976 - \$261,474                                         |      |
| Is the Cost per Unit reasonable? (Y/N)                                                                                                                                   | Y                                                             |      |
| Construction schedule to substantial completion                                                                                                                          | 16 months                                                     |      |
| Is the development timeline considered feasible? (Y/N)                                                                                                                   | Y                                                             |      |
| Was an ADA Accessibility Review completed? (Y/N)                                                                                                                         | Y                                                             |      |
| Are accessibility requirements met and have executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 been received? (Y/N) | N (Received Forms 121 and 126, Form 128 pending Final Report) |      |
| Does the design conform with all applicable Florida Building and Design Codes? (Y/N)                                                                                     | Y                                                             |      |
| Are the drawings and specifications satisfactory for completion and adherence to the scope of the project? (Y/N)                                                         | Y                                                             |      |

**Allowances:**

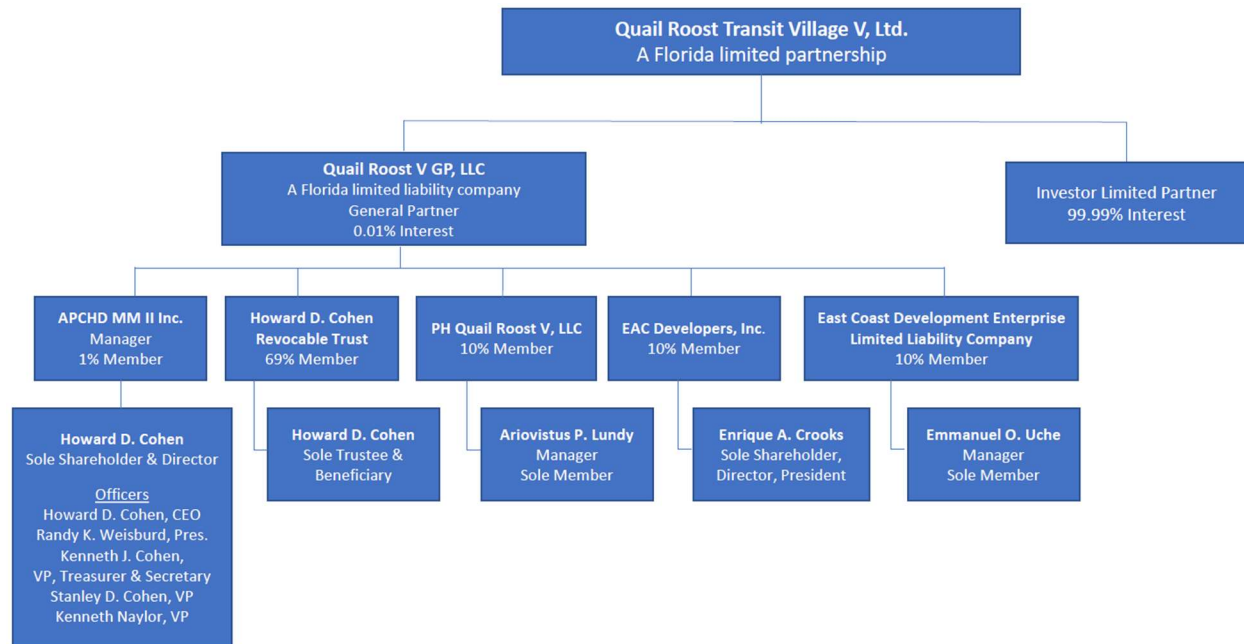
Total \$0

1. Satisfactory receipt and review of a final PCR is a condition to loan closing and listed in Section B.
2. The Development will be constructed utilizing the HUD-92442M Construction Contract where the basis of payment is Cost Plus as required by the FHA 221(d)(4) program.

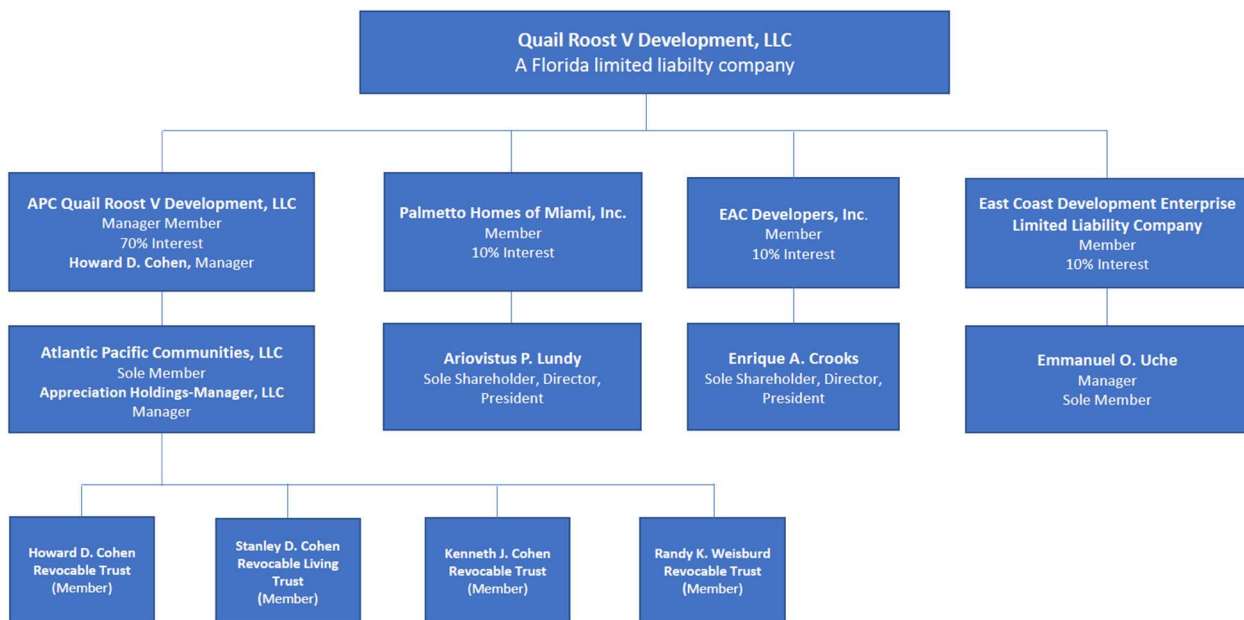
| Site Visit Summary Questions                                                  | Responses  | Note |
|-------------------------------------------------------------------------------|------------|------|
| Name of Inspector                                                             | Kyle Kuenn |      |
| Date of Inspection                                                            | 5/10/2024  |      |
| Were the observation(s) of the inspector in line with the Market Study? (Y/N) | Y          |      |

## Applicant & Related Party Information:

### Borrower Org Chart:



### Developer Org Chart:



## NHTF &amp; HC CREDIT UNDERWRITING REPORT

|                                                                                                                                                       | Quail Roost Transit Village V, Ltd.                                                                                   | Quail Roost V GP, LLC | APCHD MM II Inc. | Howard D. Cohen Revocable Trust | Howard D. Cohen | Quail Roost V Development, LLC | APC Quail Roost V Development, LLC | Atlantic Pacific Communities, LLC | Wells Fargo Bank, NA                                                                                                                  | Atlantic Pacific Community Builders, LLC                                                                    | Atlantic Pacific Community Management, LLC ("APCM")                                                         | Note |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|---------------------------------|-----------------|--------------------------------|------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------|
| Relationship Type                                                                                                                                     | Guarantor                                                                                                             | Guarantor             | Guarantor        | Guarantor                       | Guarantor       | Guarantor                      | Guarantor                          | Guarantor                         | Syndicator                                                                                                                            | General Contractor                                                                                          | Management Company                                                                                          |      |
| Contact Person Name & Title                                                                                                                           | Kenneth Naylor, Vice President                                                                                        |                       |                  |                                 |                 |                                |                                    |                                   | Neal C. Deaton<br>Managing Director<br>Regional LIHTC Equity Manager                                                                  | Joseph Roig, VP of Construction                                                                             | Claudia Lopez, Director of Operations                                                                       |      |
| Contact Information                                                                                                                                   | knaylor@apccompanies.com<br>(305) 357-4700<br><br>3 Miami Central<br>161 NW 6th Street, Suite 1020<br>Miami, FL 33136 |                       |                  |                                 |                 |                                |                                    |                                   | neal.deaton@wellsfargo.com<br>(704) 383-9524<br><br>550 South Tryon Street, 23rd Floor<br>Charlotte, NC 28202-4200 I<br>MAC D1086-239 | jroig@apcommunities.com<br>Telephone (305) 357-4707<br><br>161 NW 6th Street, Suite 1020<br>Miami, FL 33136 | claudia@apmanagement.net<br>Telephone (305) 357-4702<br><br>161 NW 6th Street Suite 1020<br>Miami, FL 33136 |      |
| Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?                               | Yes                                                                                                                   | Yes                   | Yes              | Yes                             | Yes             | Yes                            | Yes                                | Yes                               | N/A                                                                                                                                   | N/A                                                                                                         | N/A                                                                                                         |      |
| Does entity have the necessary experience?                                                                                                            | Yes                                                                                                                   | Yes                   | Yes              | Yes                             | Yes             | Yes                            | Yes                                | Yes                               | Yes                                                                                                                                   | Yes                                                                                                         | Yes                                                                                                         |      |
| Has a credit evaluation been completed and is it satisfactory?                                                                                        | Yes                                                                                                                   | Yes                   | Yes              | Yes                             | Yes             | Yes                            | Yes                                | Yes                               | N/A                                                                                                                                   | Yes                                                                                                         | N/A                                                                                                         |      |
| Have bank statements and/or trade references been received and reviewed and are they adequate?                                                        | N/A                                                                                                                   | N/A                   | N/A              | Yes                             | Yes             | N/A                            | N/A                                | Yes                               | N/A                                                                                                                                   | Yes                                                                                                         | N/A                                                                                                         |      |
| Have all financial statements been reviewed and are they adequate?                                                                                    | N/A                                                                                                                   | N/A                   | N/A              | Yes                             | Yes             | N/A                            | N/A                                | Yes                               | Yes                                                                                                                                   | Yes                                                                                                         | N/A                                                                                                         |      |
| Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?                                                             | Yes                                                                                                                   | Yes                   | Yes              | Yes                             | Yes             | Yes                            | Yes                                | Yes                               | N/A                                                                                                                                   | N/A                                                                                                         | N/A                                                                                                         |      |
| P&P Bond, or LOC, required and received from company adequately rated as required by Rule?                                                            |                                                                                                                       |                       |                  |                                 |                 |                                |                                    |                                   |                                                                                                                                       | Closing Item                                                                                                |                                                                                                             |      |
| Have the Management Agreement and Plans been received, dated, and executed?                                                                           |                                                                                                                       |                       |                  |                                 |                 |                                |                                    |                                   |                                                                                                                                       |                                                                                                             | No                                                                                                          | 1.   |
| Has the Property Manager been approved by FHFC's Asset Mgmt Dept (and if Rehab have they been approved prior to or at closing)?                       |                                                                                                                       |                       |                  |                                 |                 |                                |                                    |                                   |                                                                                                                                       |                                                                                                             | No                                                                                                          | 2.   |
| Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed? | Yes                                                                                                                   | Yes                   | Yes              | Yes                             | Yes             | Yes                            | Yes                                | Yes                               | Yes                                                                                                                                   | Yes                                                                                                         | Yes                                                                                                         |      |

Note: FHFC reserves the right to request additional information.

1. A draft Management Agreement was received. Receipt of an executed Management Agreement is a condition precedent to the loan closing.
2. The selection of APCM to manage the Development must be approved by FHFC's Asset Management Department prior to lease-up activity pursuant to Rule Chapter 67-53 F.A.C. As the Development is proposed to be constructed, said approval is not required at closing.

**Quail Roost Transit Village V**  
**RFA 2023-203 (2024-198CN)**  
**DESCRIPTION OF FEATURES AND AMENITIES**

The Development will consist of:

106 Units located in 1 high-rise residential building

Unit Mix:

Sixty-two (62) zero bedroom/one bath units;

Forty-four (44) one bedroom/one bath units:

106 Total Units

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

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

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

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

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

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

**b. General Features:**

The Development will provide the following General Features:

- Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
- Termite prevention;
- Pest control;
- Window covering for each window and glass door inside each unit;
- Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
- Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:
  - There must be a minimum of one (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.
- At least two full bathrooms in all 3 bedroom or larger new construction units;
- Elderly Developments must have a minimum of one elevator per residential building provided for all Elderly Set-Aside Units that are located on a floor higher than the first floor.
- Full-size range and oven in all units.

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

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

1) Required Accessibility Features in all Units:

- Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
- All door handles on primary entrance door and interior doors must have lever handles;

- Lever handles on all bathroom faucets and kitchen sink faucets;
  - Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
  - Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- 2) Accessibility Features in all Developments with the Elderly (ALF or Non-ALF) Demographic must also provide the following features:
- 20 percent of the new construction units must have roll-in showers.
  - Horizontal grab bars in place around each tub and/or shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
    - If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.1.
    - If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 607.4.2.
    - If a roll-in shower is provided, grab bars shall be installed to meet or exceed the 2010 ADA Standards for Accessible Design, Section 608.3.2;
  - Reinforced walls for future installation of horizontal grab bars in place around each toilet, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design;
  - All bathrooms in all new construction units must have vanity cabinets with at least one roll-out shelf or drawer in bottom of cabinet.;
  - Adjustable shelving in master bedroom closets (must be adjustable by resident); and
  - In one of the kitchen's base cabinets, there shall be a large bottom drawer that opens beyond full extension, also referred to as an "overtravel feature." Drawers with the 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.

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  $\geq 2.5$  over a 77° rise or 0.87 UEF and GPM of  $\geq 2.9$  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 and living rooms;
- Air Conditioning (in-unit or commercial):
  - Air-Source Heat Pumps – Energy Star certified:
    - $\geq 7.8$  HSPF2/  $\geq 15.2$  SEER2/  $\geq 11.7$  EER2 for split systems
    - $\geq 7.2$  HSPF2  $\geq 15.2$  SEER2/  $\geq 10.6$  EER2 for single package equipment including gas/electric package units
  - Central Air Conditioners – Energy Star certified:
    - $\geq 15.2$  SEER2/  $\geq 12.5$  EER2\* for split systems
    - $\geq 15.2$  SEER2/  $\geq 12$  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;

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

\_\_\_\_\_ Leadership in Energy and Environmental Design (LEED); or

\_\_\_\_\_ Florida Green Building Coalition (FGBC); or

\_\_\_\_\_ Enterprise Green Communities; or

  X   ICC 700 National Green Building Standard (NGBS)

e. This Elderly (Non-ALF) Development will provide the following resident programs:

1) Required Resident Program for all Applicants that select the Elderly Demographic (ALF or Non-ALF)

24 Hour Support to Assist Residents In Handling Urgent Issues

An important aging in place best practice is providing the residents access to property management support 24 hours per day, 7 days a week to assist them to appropriately and

efficiently handle urgent issues or incidents that may arise. These issues may include, but are not limited to, an apartment maintenance emergency, security or safety concern, or a health risk incident in their apartment or on the property. The management's assistance will include a 24/7 approach to receiving residents' requests for assistance that will include a formal written process for relevant property management staff to effectively assess and provide assistance for each request.

This assistance may include staff:

- visiting or coordinating a visit to a resident's apartment to address an urgent maintenance issue;
- responding to a resident being locked out of their apartment;
- contacting on-site security or the police to address a concern;
- providing contact information to the resident and directing or making calls on a resident's behalf to appropriate community-based emergency services or related resources to address an urgent health risk incident;
- calling the resident's informal emergency contact; or
- addressing a resident's urgent concern about another resident.

Property management staff shall be on site at least 8 hours daily, but the 24- hour support approach may include contracted services or technology to assist the management in meeting this commitment, if these methods adequately address the intent of this service. The Development's owner and/or designated property management entity shall develop and implement policies and procedures for staff to immediately receive and handle a resident's call and assess the call based on a resident's request and/or need.

At a minimum, residents shall be informed by the property management, at move-in and via a written notice(s)/instructions provided to each resident and displayed in the Development's common or public areas, that staff are available to receive resident calls at all times. These notices shall also provide contact information and direction to first contact the community-based emergency services if they have health or safety risk concerns.

## 2) 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.

## 3) Daily Activities

The Applicant or its Management Company must provide on-site supervised, structured activities, at no cost to the resident, at least five days per week which must be offered between the hours of 8:00 a.m. and 7:00 p.m. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

## 4) Assistance with Light Housekeeping, Grocery Shopping and/or Laundry

The Applicant or its Management Company must provide residents with a list of qualified service providers for (a) light housekeeping, and/or (b) grocery shopping, and/or (c) laundry

and will coordinate, at no cost to the resident, the scheduling of services. The Developer or Management Company shall verify that the services referral information is accurate and up-to-date at least once every six months.

## HOUSE CREDIT ALLOCATION CALCULATION

### Qualified Basis Calculation

| Section I: Qualified Basis Calculation |               |
|----------------------------------------|---------------|
|                                        |               |
| Development Cost                       | \$41,049,483  |
| Less: Land Cost                        | (\$530,000)   |
| Less: Other Ineligible Cost            | (\$4,654,490) |
| Total Eligible Basis                   | \$35,864,993  |
| Applicable Fraction                    | 100.00%       |
| DDA/QCT Basis Credit                   | 130.00%       |
| Qualified Basis                        | \$46,624,491  |
| Housing Credit Percentage              | 9.00%         |
| Annual Housing Credit Allocation       | \$4,196,204   |

Notes to the Eligible Basis Calculation:

1. "Other Ineligible Costs" include, but are not limited to, site preparation and site work, the retail space, accounting fees, legal fees, market study, Florida Housing compliance, administrative, application, and underwriting fees, various fees associated with the NHTF funding, a portion of 221(d)(4) and equity bridge loan interest, permanent loan related 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 (102.07); therefore, a 130% basis credit was applied.
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**

| <b>Section II: Gap Calculation</b>                           |                |
|--------------------------------------------------------------|----------------|
|                                                              |                |
| Total Development Cost (Including Land and Ineligible Costs) | \$41,049,483   |
|                                                              |                |
| Less: Mortgages                                              | (\$10,073,623) |
| Equity Gap                                                   | \$30,975,860   |
|                                                              |                |
| Percentage to Investment Partnership                         | 99.99%         |
| HC Syndication Pricing                                       | \$0.900        |
| HC Required to Meet Gap                                      | \$34,421,064   |
| Annual HC Required                                           | \$3,442,106    |

Notes to the Gap Calculation:

1. The Rule indicates that the first mortgage loan must be the greater of the actual amount committed to the Development or the amount of the proposed Development's minimum qualifying first mortgage based on Florida Housing's Mortgage Sizing Criteria. Therefore, the minimum qualifying first mortgage amount of \$6,323,623 was utilized for the GAP Calculation. A second mortgage in the amount of \$3,750,000 will be provided by FHFC.
2. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon the LOI from Wells Fargo dated August 7, 2024.

**Summary**

| <b>Section III: Summary</b> |             |
|-----------------------------|-------------|
|                             |             |
| HC per Applicant Request    | \$3,458,400 |
| HC per Qualified Basis      | \$4,196,204 |
| HC per Gap Calculation      | \$3,442,106 |
|                             |             |
| Annual HC Recommended       | \$3,442,106 |

Notes to the Summary:

1. The Annual HC recommended is based upon the lesser of the Applicant's Request, the Qualified Basis, or Gap Calculation. Therefore, the GAP Calculation amount applies.

**Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

| HFA# | Event         | FEMA IA County | Property-HDR        | City      | County | Ttl Units HDR | Buildings Damaged | Units Damaged | Households Displaced | Estimated Damage | Construction Progress as 11/15/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Households Displaced at 11/15/2024 |
|------|---------------|----------------|---------------------|-----------|--------|---------------|-------------------|---------------|----------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| 2278 | Hurricane Ian | Yes            | Renaissance Phase I | Ft. Myers | Lee    | 96            | 15                | 18            | 6                    | EXTENSIVE        | All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement had been executed. Work was estimated to begin no later than May 1, 2024, and should be completed by year end. As of 4/1/2024, contractors onboard and all roofs being replaced. Project was recently awarded CDBG-DR funds for multifamily rehab. Contract for funding was expected by May 7th and work was anticipated to start immediately after. Expected completion time was 3–4 months from start date. As of 5/31/2024, property was officially awarded CDBG-DR funding from Board of County Commissioners (May 21st). Currently working with County grant managers to finalize contracts with all the requirements for funding. The county is performing an Environmental Review as required by CDBG-DR funds that should be completed by July 1st. Contractors to be ready to begin work immediately after the county signed the contracts. As of 7/15/2024, Lee County committed to an August 20th grant award date. Contractors were waiting on final approval to file for permits. As of 9/30/2024, all permanent work was done with the exception of roofs which were awaiting the execution of the CDBG-DR funding in order to proceed with the full replacement of the roofs. However, until the permanent replacement of the roof, leaks were being addressed accordingly with temporary measures. As of 11/15/2024, CDBG DR contracts were received from the county and RBC will need to review for III and IV and approve the loan documents. Renaissance Preserve II and Senior are in the public procurement process as required by the county for CDBG DR funds to be expended on Renaissance Phase II and Renaissance Senior. | 0                                  |

**Exhibit A**  
**Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households**  
**as of 11/15/2024**

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

| HFA# | Event         | FEMA IA County | Property-HDR         | City      | County | Ttl Units HDR | Buildings Damaged | Units Damaged | Households Displaced | Estimated Damage | Construction Progress as 11/15/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Households Displaced at 11/15/2024 |
|------|---------------|----------------|----------------------|-----------|--------|---------------|-------------------|---------------|----------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| 2466 | Hurricane Ian | Yes            | Renaissance Phase II | Ft. Myers | Lee    | 88            | 8                 | 11            | 4                    | EXTENSIVE        | <p>All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement had been executed. Work was estimated to begin no later than May 1, 2024, and should be completed by year end. As of 4/1/2024, contractors onboard and all roofs being replaced. Project was recently awarded CDBG-DR funds for multifamily rehab. Contract for funding was expected by May 7th and work was anticipated to start immediately after. Expected completion time was 3–4 months from start date. As of 5/31/2024, property was officially awarded CDBG-DR funding from Board of County Commissioners (May 21st). Currently working with County grant managers to finalize contracts with all the requirements for funding. The county is performing an Environmental Review as required by CDBG-DR funds that should be completed by July 1st. Contractors to be ready to begin work immediately after the county signed the contracts. As of 7/15/2024, Lee County committed to an August 20th grant award date. Contractors were waiting on final approval to file for permits. As of 9/30/2024, all permanent work was done with the exception of roofs which were awaiting the execution of the CDBG-DR funding in order to proceed with the full replacement of the roofs. However, until the permanent replacement of the roof, leaks were being addressed accordingly with temporary measures. As of 11/15/2024, CDBG DR contracts were received from the county and RBC will need to review for III and IV and approve the loan documents. Renaissance Preserve II and Senior are in the public procurement process as required by the county for CDBG DR funds to be expended on Renaissance Phase II and Renaissance Senior.</p> | 0                                  |

**Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

| HFA# | Event         | FEMA IA County | Property-HDR          | City      | County | Ttl Units HDR | Buildings Damaged | Units Damaged | Households Displaced | Estimated Damage | Construction Progress as 11/15/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Households Displaced at 11/15/2024 |
|------|---------------|----------------|-----------------------|-----------|--------|---------------|-------------------|---------------|----------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| 2710 | Hurricane Ian | Yes            | Renaissance Phase III | Ft. Myers | Lee    | 72            | 8                 | 11            | 3                    | EXTENSIVE        | <p>All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement had been executed. Work was estimated to begin no later than May 1, 2024, and should be completed by year end. As of 4/1/2024, contractors onboard and all roofs being replaced. Project was recently awarded CDBG-DR funds for multifamily rehab. Contract for funding was expected by May 7th and work was anticipated to start immediately after. Expected completion time was 3–4 months from start date. As of 5/31/2024, property was officially awarded CDBG-DR funding from Board of County Commissioners (May 21st). Currently working with County grant managers to finalize contracts with all the requirements for funding. The county is performing an Environmental Review as required by CDBG-DR funds that should be completed by July 1st. Contractors to be ready to begin work immediately after the county signed the contracts. As of 7/15/2024, Lee County committed to an August 20th grant award date. Contractors were waiting on final approval to file for permits. As of 9/30/2024, all permanent work was done with the exception of roofs which were awaiting the execution of the CDBG-DR funding in order to proceed with the full replacement of the roofs. However, until the permanent replacement of the roof, leaks were being addressed accordingly with temporary measures. As of 11/15/2024, CDBG DR contracts were received from the county and RBC will need to review for III and IV and approve the loan documents. Renaissance Preserve II and Senior are in the public procurement process as required by the county for CDBG DR funds to be expended on Renaissance Phase II and Renaissance Senior.</p> | 0                                  |

**Hurricane Ian- Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

| HFA# | Event         | FEMA IA<br>County | Property-HDR       | City      | County | Ttl Units<br>HDR | Buildings<br>Damaged | Units<br>Damaged | Households<br>Displaced | Estimated<br>Damage | Construction Progress as 11/15/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Households<br>Displaced at<br>11/15/2024 |
|------|---------------|-------------------|--------------------|-----------|--------|------------------|----------------------|------------------|-------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 2010 | Hurricane Ian | Yes               | Renaissance Senior | Ft. Myers | Lee    | 120              | 1                    | 8                | 0                       | EXTENSIVE           | <p>All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement had been executed. Work was estimated to begin no later than May 1, 2024, and should be completed by year end. As of 4/1/2024, contractors onboard and all roofs being replaced. Project was recently awarded CDBG-DR funds for multifamily rehab. Contract for funding was expected by May 7th and work was anticipated to start immediately after. Expected completion time was 3–4 months from start date. As of 5/31/2024, property was officially awarded CDBG-DR funding from Board of County Commissioners (May 21st). Currently working with County grant managers to finalize contracts with all the requirements for funding. The county is performing an Environmental Review as required by CDBG-DR funds that should be completed by July 1st. Contractors to be ready to begin work immediately after the county signed the contracts. As of 7/15/2024, Lee County committed to an August 20th grant award date. Contractors were waiting on final approval to file for permits. As of 9/30/2024, all permanent work was done with the exception of roofs which were awaiting the execution of the CDBG-DR funding in order to proceed with the full replacement of the roofs. However, until the permanent replacement of the roof, leaks were being addressed accordingly with temporary measures. As of 11/15/2024, CDBG DR contracts were received from the county and RBC will need to review for III and IV and approve the loan documents. Renaissance Preserve II and Senior are in the public procurement process as required by the county for CDBG DR funds to be expended on Renaissance Phase II and Renaissance Senior.</p> | 0                                        |

**as of 11/15/2024**

### Displaced HHs with Catastrophic, Extensive, or Moderate Damage

[illegible]

[illegible]

**May 2024 Tornadoes and Severe Storms- Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | Development Name | City        | County   | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Construction Progress as of 11/15/2024                                                                                                                                                                                                                                                                                                                                                                                         | Households Displaced as of 11/15/2024 |
|------|------------------|-------------|----------|-------------|--------------|------------------------|--------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 1140 | Addison Place    | Crestview   | Okaloosa | 160         | 8            | 1                      | 0                  | LIMITED          | Accessory Buildings & Amenities, Landscape Trees Debris Etc. - Gable damage to an accessory building (200 building). No estimated completion date given. As of 7/15/2024, the gable had not been reinstalled. Awaiting three quotes to move forward with repair. As of 9/30/2024, the gable repair was pending. The damage is cosmetic and not hindering anything at this time. As of 11/15/2024, the gable repair is pending. | 0                                     |
| 2760 | Kenwood Place    | Tallahassee | Leon     | 112         | 5            | 1                      | 0                  | LIMITED          | Large tree blocking entrance was cleared within hours of the storm passing. Minor damage to roofing shingles, soffits and gutter was reported. No leaks or water damage reported. All work was completed with the exception of the fence. Anticipated completion date was 6/30/2024. Fence repair completion date was delayed beyond 9/30/2024. As of 11/15/2024, all repairs completed.                                       | 0                                     |

**Hurricane Debby - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA<br>County | Development Name     | City           | County       | Total Units | Total<br>Bldgs. | # of<br>Buildings<br>Damaged | # of Units<br>Damaged | Households<br>Displaced | Estimated<br>Damage | Description of Damage                    |
|------|-------------------|----------------------|----------------|--------------|-------------|-----------------|------------------------------|-----------------------|-------------------------|---------------------|------------------------------------------|
| 1898 | Yes               | Autumn Place         | Temple Terrace | Hillsborough | 120         | 1               | 0                            | 1                     | 0                       | LIMITED             | Roof/Soffit                              |
| 2498 | Yes               | Bayside Court        | Clearwater     | Pinellas     | 144         | 7               | 0                            | 1                     | 0                       | LIMITED             | Roof/Soffit                              |
| 1312 | Yes               | Belleair Place       | Clearwater     | Pinellas     | 180         | 8               | 0                            | 2                     | 0                       | LIMITED             | Roof/Soffit, Landscape Trees Debris Etc. |
| 1322 | Yes               | Centro Place         | Tampa          | Hillsborough | 160         | 4               | 0                            | 7                     | 0                       | LIMITED             | Roof/Soffit                              |
| 1595 | Yes               | Claymore Crossings   | Tampa          | Hillsborough | 260         | 13              | 0                            | 0                     | 0                       | LIMITED             | Roof/Soffit                              |
| 1919 | Yes               | Cross Creek          | Tampa          | Hillsborough | 192         | 8               | 0                            | 2                     | 0                       | LIMITED             | Window                                   |
| 1132 | No                | Cypress Oaks         | Leesburg       | Lake         | 140         | 1               | 0                            | 15                    | 0                       | LIMITED             | Flood - Rising Water Level               |
| 2584 | Yes               | Harbour's Edge       | St. Petersburg | Pinellas     | 85          | 1               | 0                            | 0                     | 0                       | LIMITED             | Roof/Soffit                              |
| 347  | Yes               | Heritage Pines       | Tampa          | Hillsborough | 340         | 17              | 0                            | 0                     | 0                       | LIMITED             | Roof/Soffit                              |
| 2809 | No                | Houston Street Manor | Jacksonville   | Duval        | 72          | 1               | 1                            | 4                     | 0                       | LIMITED             | Window                                   |
| 1531 | No                | Jacaranda Trail II   | Arcadia        | DeSoto       | 50          | 3               | 0                            | 1                     | 0                       | LIMITED             | Window                                   |

**Hurricane Debby - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA<br>County | Development Name         | City         | County       | Total Units | Total<br>Bldgs. | # of<br>Buildings<br>Damaged | # of Units<br>Damaged | Households<br>Displaced | Estimated<br>Damage | Description of Damage                                                             |
|------|-------------------|--------------------------|--------------|--------------|-------------|-----------------|------------------------------|-----------------------|-------------------------|---------------------|-----------------------------------------------------------------------------------|
| 429  | No                | Lake Delray              | Delray Beach | Palm Beach   | 404         | 4               | 0                            | 0                     | 0                       | LIMITED             | Accessory Buildings & Amenities                                                   |
| 2080 | No                | Laurel Oaks - Leesburg   | Leesburg     | Lake         | 144         | 6               | 0                            | 1                     | 0                       | LIMITED             | Roof/Soffit                                                                       |
| 2129 | No                | Laurel Oaks II           | Leesburg     | Lake         | 108         | 5               | 0                            | 1                     | 0                       | LIMITED             | Roof/Soffit                                                                       |
| 559  | Yes               | Oaks at Ellenton         | Ellenton     | Manatee      | 168         | 11              | 0                            | 17                    | 0                       | LIMITED             | Roof/Soffit, Window                                                               |
| 565  | No                | Oaks Trail               | Arcadia      | DeSoto       | 123         | 10              | 0                            | 5                     | 0                       | LIMITED             | Window                                                                            |
| 3232 | Yes               | Reef at Riviera          | Palmetto     | Manatee      | 224         | 1               | 1                            | 2                     | 0                       | LIMITED             | Roof/Soffit, Window, Accessory Buildings & Amenities, Landscape Trees Debris Etc. |
| 1241 | Yes               | Royal Palm Key           | Tampa        | Hillsborough | 240         | 30              | 4                            | 0                     | 0                       | LIMITED             | Roof/Soffit                                                                       |
| 726  | No                | Sabal Chase              | Ft. Pierce   | St. Lucie    | 340         | 17              | 0                            | 3                     | 0                       | LIMITED             | Window                                                                            |
| 1523 | No                | Sanctuary Walk           | Jacksonville | Duval        | 120         | 5               |                              | 2                     | 0                       | LIMITED             | Non- Specific                                                                     |
| 1483 | Yes               | Silas Oaks               | Live Oak     | Suwannee     | 110         | 14              |                              | 1                     | 0                       | LIMITED             | Non- Specific                                                                     |
| 3068 | Yes               | Southern Villas of Perry | Perry        | Taylor       | 36          | 6               | 1                            | 1                     | 0                       | LIMITED             | Roof/Soffit, Landscape Trees Debris Etc.                                          |
| 927  | No                | Waterford East           | Orlando      | Orange       | 460         | 40              | 0                            | 0                     | 0                       | LIMITED             | Roof/Soffit                                                                       |

Hurricane Debby - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024

| HFA# | FEMA IA<br>County | Development Name | City    | County | Total Units | Total<br>Bldgs. | # of<br>Buildings<br>Damaged | # of Units<br>Damaged | Households<br>Displaced | Estimated<br>Damage | Description of Damage |
|------|-------------------|------------------|---------|--------|-------------|-----------------|------------------------------|-----------------------|-------------------------|---------------------|-----------------------|
| 2925 | No                | Westwood Park    | Orlando | Orange | 178         | 8               | 0                            | 0                     | 0                       | LIMITED             | Roof/Soffit           |
|      |                   |                  |         |        |             |                 | 7                            | 66                    | 0                       |                     |                       |

**Hurricane Helene - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name                     | City           | County       | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Description of Damage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------|----------------|--------------------------------------|----------------|--------------|-------------|--------------|------------------------|--------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2556 | Yes            | Aqua                                 | Tampa          | Hillsborough | 197         | 1            | 0                      | 2                  | MODERATE         | As of 11/15/2024, the community consists of one building, with 16 floors and a community center; only the first-floor experienced impact from Helene. The remediation work has been fully completed, and the rebuild efforts are currently 20% finished. Two units, 112 and 113, are being rebuilt, with completion expected by the end of December, while the remaining 195 units are fully occupied. Regarding insurance, the adjuster is finalizing the flood claim report, which is expected to be ready for review and approval by the end of next week. Construction Contracts Executed: A. Belfor Property Restoration: Flood remediation, rebuilding drywall, and painting; B.TK Elevator Corporation: Repairs to Elevator Cars A and B due to flood damage; C. Elite Flooring: Installation of LVP and carpet tile flooring; D.Karelink: Installation of emergency call system and DVR recorders; E. Kustom Closet & Cabinets: Cabinets for Units 112/113, employee break room, office desks, and business center; F.Switch Electric: Inspection of all apartment wiring, circuit breaker panels, meter centers, and mechanical room electric panels for water damage. Two households were displaced and were relocated to vacant units at Aqua. Anticipated completion date is late December to early January. |
| 1898 | Yes            | Autumn Place                         | Temple Terrace | Hillsborough | 120         | 1            | 2                      | 1                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1312 | Yes            | Belleair Place                       | Clearwater     | Pinellas     | 180         | 8            | 1                      | 1                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1029 | No             | Brentwood Club on Millenia Boulevard | Orlando        | Orange       | 312         | 13           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2741 | Yes            | Brookside Square                     | St. Petersburg | Pinellas     | 142         | 14           | 0                      | 71                 | MODERATE         | A of 11/15/2024, working with insurance agent on flood insurance settlement. Repairs completed on 35/69 units as well as the leasing office. All 69 units have remained habitable and are occupied. No households were displaced, however, as a safety precaution households leave the unit while repairs are being made in their home. Anticipated completion of repairs is in mid-December.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2685 | No             | Caroline Oaks                        | Jacksonville   | Duval        | 82          | 1            | 1                      | 0                  | LIMITED          | Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**Hurricane Helene - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name            | City           | County       | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Description of Damage                                                                                     |
|------|----------------|-----------------------------|----------------|--------------|-------------|--------------|------------------------|--------------------|------------------|-----------------------------------------------------------------------------------------------------------|
| 1595 | Yes            | Claymore Crossings          | Tampa          | Hillsborough | 260         | 13           | 1                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                     |
| 1919 | Yes            | Cross Creek                 | Tampa          | Hillsborough | 192         | 8            | 1                      | 1                  | LIMITED          | Roof/Soffit                                                                                               |
| 2548 | Yes            | East Pointe Place           | Ft. Myers      | Lee          | 86          | 4            | 4                      | 6                  | LIMITED          | Roof/Soffit, Window, Landscape Trees Debris, Also reported damage to Non Residential building             |
| 271  | No             | Forest Edge                 | Orlando        | Orange       | 48          | 6            | 0                      | 1                  | LIMITED          | Roof/Soffit                                                                                               |
| 2634 | No             | Fountains at Lingo Cove     | Orlando        | Orange       | 110         | 7            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                               |
| 285  | Yes            | Gardenia Square             | Madison        | Madison      | 12          | 2            | 3                      | 2                  | LIMITED          | Roof/Soffit, Window, Landscape Trees Debris, Also reported damage to Non Residential building             |
| 1076 | No             | Glenn on Millenia Boulevard | Orlando        | Orange       | 192         | 8            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                               |
| 2584 | Yes            | Harbour's Edge              | St. Petersburg | Pinellas     | 85          | 1            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                               |
| 2664 | No             | Heritage Park - Kissimmee   | Kissimmee      | Osceola      | 238         | 24           | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                     |
| 347  | Yes            | Heritage Pines              | Tampa          | Hillsborough | 340         | 17           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                               |
| 1080 | No             | Hidden Cove - Orlando       | Orlando        | Orange       | 128         | 1            | 0                      | 0                  | LIMITED          | Accessory Buildings & Amenities, Landscape Trees Debris, Also reported damage to Non Residential building |

**Hurricane Helene - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name        | City           | County       | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Description of Damage                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|----------------|-------------------------|----------------|--------------|-------------|--------------|------------------------|--------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3128 | Yes            | Hilltop                 | Madison        | Madison      | 72          | 15           | 4                      | 11                 | MODERATE         | As of 11/15/2024, trees have been successfully removed from buildings 500, 600 and the 400 building. Roofs for all the buildings have been tapered. Adjuster visited site on 10/1/24. The architect is expected to inspect damaged units on 11/19/24. No units have been completed for occupancy. Two households still displaced. Estimated completion date undetermined at this time but expect to know more after architect inspection is completed. |
| 1984 | Yes            | Hudson Ridge            | Port Richey    | Pasco        | 168         | 1            | 1                      | 0                  | LIMITED          | Roof/Soffit                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1306 | Yes            | Hunters Run I           | Tampa          | Hillsborough | 216         | 9            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3273 | Yes            | Jacaranda Place         | Port Charlotte | Charlotte    | 88          | 1            | 0                      | 0                  | LIMITED          | Window, Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                                                                                                                                                                                                                       |
| 1245 | Yes            | La Mirada Gardens       | Oneco          | Manatee      | 144         | 9            | 2                      | 0                  | LIMITED          | Roof/Soffit                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 427  | Yes            | Lake City Villas        | Lake City      | Columbia     | 36          | 6            | 1                      | 1                  | MODERATE         | As of 11/15/2024, damage inspected by insurance adjuster and building consultant. Awaiting scope of work to schedule repairs. Anticipated completion date is yet to be determined.                                                                                                                                                                                                                                                                     |
| 1578 | No             | Lake Harris Cove        | Leesburg       | Lake         | 152         | 1            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2254 | Yes            | Lakewood Pointe I       | Seffner        | Hillsborough | 144         | 7            | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                                                                                                                                                                                                                  |
| 2561 | Yes            | Landings at East Pointe | Ft. Myers      | Lee          | 126         | 10           | 10                     | 15                 | LIMITED          | Roof/Soffit, Window, Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                                                                                                                                                                                                          |

**Hurricane Helene - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name               | City         | County       | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Description of Damage                                                                          |
|------|----------------|--------------------------------|--------------|--------------|-------------|--------------|------------------------|--------------------|------------------|------------------------------------------------------------------------------------------------|
| 1147 | No             | Landings on Millenia Boulevard | Orlando      | Orange       | 336         | 14           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                    |
| 2464 | Yes            | Live Oak - Meadows             | Live Oak     | Suwannee     | 87          | 18           | 1                      | 0                  | LIMITED          | Roof/Soffit, Accessory Buildings & Amenities, Also reported damage to Non Residential building |
| 3037 | Yes            | Madison Point                  | Clearwater   | Pinellas     | 80          | 1            | 1                      | 0                  | LIMITED          | Roof/Soffit                                                                                    |
| 2382 | Yes            | Madison Reserve                | Spring Hill  | Hernando     | 90          | 3            | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building          |
| 2619 | No             | Mary Eaves                     | Jacksonville | Duval        | 80          | 1            | 1                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building          |
| 1593 | Yes            | Meridian Pointe                | Tampa        | Hillsborough | 360         | 15           | 1                      | 2                  | LIMITED          | Window, Landscape Trees Debris, Also reported damage to Non Residential building               |
| 3254 | No             | Parramore Oaks II              | Orlando      | Orange       | 91          | 1            | 0                      | 1                  | LIMITED          | Window                                                                                         |
| 2462 | No             | Pine Terrace                   | Callahan     | Nassau       | 63          | 14           | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building          |
| 628  | No             | Pine Terrace III               | Callahan     | Nassau       | 40          | 7            | 0                      | 0                  | LIMITED          | Landscape Trees Debris, Also reported damage to Non Residential building                       |
| 883  | No             | Retreat at Valencia            | Orlando      | Orange       | 336         | 14           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                    |

**Hurricane Helene - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name                | City            | County       | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Description of Damage                                                                                |
|------|----------------|---------------------------------|-----------------|--------------|-------------|--------------|------------------------|--------------------|------------------|------------------------------------------------------------------------------------------------------|
| 2583 | Yes            | Richey Woods                    | New Port Richey | Pasco        | 95          | 7            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                          |
| 2540 | No             | River Ridge                     | Orlando         | Orange       | 160         | 13           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                          |
| 1443 | Yes            | Rolling Green                   | Sarasota        | Sarasota     | 118         | 1            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                          |
| 3217 | Yes            | Royal Palm Gardens - Fort Myers | Fort Myers      | Lee          | 80          | 10           | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                |
| 1241 | Yes            | Royal Palm Key                  | Tampa           | Hillsborough | 240         | 30           | 4                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                |
| 2575 | Yes            | Santos Isle                     | Tarpon Springs  | Pinellas     | 50          | 1            | 0                      | 0                  | LIMITED          | Flood - Rising Water Level, Landscape Trees Debris, Also reported damage to Non Residential building |

**Hurricane Helene - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name         | City           | County       | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Description of Damage                                                                                                                                                                                                                                           |
|------|----------------|--------------------------|----------------|--------------|-------------|--------------|------------------------|--------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 755  | Yes            | Savannah Sound           | Tallahassee    | Leon         | 160         | 11           | 1                      | 0                  | LIMITED          | Accessory Buildings & Amenities, Also reported damage to Non Residential building                                                                                                                                                                               |
| 761  | Yes            | Seabreeze Manor          | Inglis         | Levy         | 36          | 6            | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris Etc., Also reported damage to Non Residential building                                                                                                                                                                      |
| 3068 | Yes            | Southern Villas of Perry | Perry          | Taylor       | 36          | 6            | 2                      | 2                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                           |
| 1596 | Yes            | Spring Haven II          | Spring Hill    | Hernando     | 88          | 11           | 1                      | 0                  | LIMITED          | Roof/Soffit                                                                                                                                                                                                                                                     |
| 2035 | No             | Spring Lake Cove I       | Fruitland Park | Lake         | 96          | 7            | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building                                                                                                                                                                           |
| 1606 | No             | St. Luke's Life Center   | Lakeland       | Polk         | 151         | 3            | 1                      | 0                  | MODERATE         | As of 11/15/2024, contract has been executed for both fence repairs, replacement, and roof repairs. Roofers will be starting roof repairs week of 11/18/24. Fence work will be starting week of 11/25/24. Interior work from water intrusion is currently being |
| 854  | No             | Summer Cove              | St. Cloud      | Osceola      | 192         | 16           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                                                                                                                                                                                                     |
| 2726 | Yes            | Tempo at Encore          | Tampa          | Hillsborough | 203         | 1            | 0                      | 1                  | LIMITED          | Roof/Soffit, Also reported damage to Non Residential building                                                                                                                                                                                                   |
| 2601 | Yes            | Trio at Encore           | Tampa          | Hillsborough | 141         | 2            | 0                      | 1                  | LIMITED          | Roof/Soffit, Also reported damage to Non Residential building                                                                                                                                                                                                   |
| 1151 | Yes            | University Club          | Sarasota       | Sarasota     | 192         | 8            | 0                      | 0                  | LIMITED          | Roof/Soffit, Accessory Buildings & Amenities, Also reported damage to Non Residential building                                                                                                                                                                  |

**Hurricane Helene - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name             | City           | County   | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Description of Damage                                                                 |
|------|----------------|------------------------------|----------------|----------|-------------|--------------|------------------------|--------------------|------------------|---------------------------------------------------------------------------------------|
| 2635 | Yes            | Urban Landings               | St. Petersburg | Pinellas | 40          | 1            | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                           |
| 728  | Yes            | Venue at Lockwood            | Bradenton      | Manatee  | 264         | 21           | 3                      | 2                  | MODERATE         | As of 11/15/2024, all repairs completed.                                              |
| 3268 | No             | Venue at Viera Senior Living | Viera          | Brevard  | 145         | 13           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                           |
| 888  | Yes            | Victoria Pointe              | North Port     | Sarasota | 42          | 7            | 0                      | 0                  | LIMITED          | Roof/Soffit, Landscape Trees Debris, Also reported damage to Non Residential building |
| 3121 | No             | Vineland Landings            | Kissimmee      | Osceola  | 200         | 14           | 0                      | 0                  | LIMITED          | Roof/Soffit                                                                           |

**Hurricane Milton - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name          | City       | County       | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Progress as of 11/15/2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Households Displaced |
|------|----------------|---------------------------|------------|--------------|-------------|--------------|------------------------|--------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 3102 | Yes            | Colonnade Park            | Inverness  | Citrus       | 106         | 3            | 1                      | 1                  | MODERATE         | As of 11/15/2024, proposals for repairs in process. No insurance claim needed. Anticipating repairs to be completed by the end of this year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0                    |
| 1481 | Yes            | Bristol Bay               | Tampa      | Hillsborough | 300         | 15           | 12                     | 0                  | MODERATE         | As of 11/15/2024, collecting estimates for repairs. Anticipated completion by end of December 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0                    |
| 143  | Yes            | Cedar Forest              | Tampa      | Hillsborough | 200         | 7            | 9                      | 56                 | EXTENSIVE        | As of 11/15/2024, repairs under contract and in process. Anticipated completion is in March 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 56                   |
| 1212 | Yes            | Clipper Bay               | Tampa      | Hillsborough | 276         | 12           | 12                     | 0                  | MODERATE         | No update available                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0                    |
| 225  | Yes            | Cypress Trace             | Brandon    | Hillsborough | 348         | 15           | 0                      | 20                 | MODERATE         | As of 11/15/2024, all repairs completed except fence which is expected to be repaired by end of December 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                    |
| 995  | Yes            | Woodbridge at Walden Lake | Plant City | Hillsborough | 236         | 12           | 1                      | 0                  | MODERATE         | As of 11/15/2024, repairs started 10/21 and are still in process. Anticipated completions date is by end of December 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 8                    |
| 996  | Yes            | Eden Pointe               | Bradenton  | Manatee      | 270         | 14           | 2                      | 8                  | EXTENSIVE        | As of 11/15/2024, repairs have been scheduled. All roof repairs have been completed throughout the property. Five units had their repairs completed and are suitable for occupancy. Remaining units still need drywall and paint to be finished. Two of the displaced households were offered in-house transfer but they chose to stay with family until their units are ready. They will be able to move back into their unit once the drywall and paint repairs are completed. The remaining displaced households transferred in-house or stayed in unit while repairs are completed. Anticipated completion is in mid-January 2025. | 6                    |
| 1245 | Yes            | La Mirada Gardens         | Oneco      | Manatee      | 144         | 9            | 2                      | 0                  | EXTENSIVE        | As of 11/15/2024, soffit and fascia damage will be repaired during November 2024 with anticipated completion date of 12/10/2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                    |
| 921  | Yes            | Acclaim at Conroy         | Orlando    | Orange       | 172         | 8            | 1                      | 1                  | MODERATE         | As of 11/15/2024, all work completed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0                    |

**Hurricane Milton - Progress Report on Reconstruction and Re-housing of Displaced Households  
as of 11/15/2024**

| HFA# | FEMA IA County | Development Name                   | City          | County    | Total Units | Total Bldgs. | # of Buildings Damaged | # of Units Damaged | Estimated Damage | Progress as of 11/15/2024                                                                                                                                                                                                                                                                                                                                    | Households Displaced |
|------|----------------|------------------------------------|---------------|-----------|-------------|--------------|------------------------|--------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 67   | Yes            | Beacon Hill                        | Orlando       | Orange    | 192         | 24           | 1                      | 8                  | EXTENSIVE        | Roof/Soffit, Window, Landscape Trees Debris, Reported damage to Non Residential building                                                                                                                                                                                                                                                                     | 0                    |
| 109  | Yes            | Nassau Bay I                       | Orlando       | Orange    | 252         | 12           | 2                      | 0                  | MODERATE         | As of 11/15/2024, all repairs have been completed.                                                                                                                                                                                                                                                                                                           | 0                    |
| 110  | Yes            | Nassau Bay II                      | Orlando       | Orange    | 240         | 10           | 0                      | 0                  | MODERATE         | As of 11/15/2024, all repairs have been completed.                                                                                                                                                                                                                                                                                                           | 0                    |
| 3276 | Yes            | Roberts                            | Orlando       | Orange    | 197         | 1            | 0                      | 0                  | MODERATE         | Roof/Soffit, Reported damage to Non Residential building                                                                                                                                                                                                                                                                                                     | 0                    |
| 1600 | Yes            | Summerlin Oaks                     | Bartow        | Polk      | 144         | 6            | 3                      | 0                  | MODERATE         | As of 11/15/2024, Roof shingles and shutter repairs are complete. We are working on a contract to upgrade all outside lighting to resolve several missing globes in the outside corridors. The anticipated completion date is TBD once the contract is completed/signed.                                                                                     | 0                    |
| 2657 | Yes            | Villages at Noah's Landing         | Lakeland      | Polk      | 126         | 16           | 2                      | 0                  | MODERATE         | As of 11/15/2024, all roof damages have been tarped. Received four (4) bids for roof repairs and are currently in negotiations with ownership. Anticipated completion date is unknown at this time.                                                                                                                                                          | 0                    |
| 1493 | yes            | Summer Breeze at Summerset Village | St. Augustine | St. Johns | 132         | 4            | 2                      | 1                  | MODERATE         | As of 11/15/2024, the roof has been tarped at building #300 where the tree limb fell. The tree limb has been cut down and removed. Waiting on 3 bids in order to finish repairs. Anticipated completion date unknown at this time.                                                                                                                           | 0                    |
| 1346 | Yes            | Enclave at Pine Oaks               | DeLand        | Volusia   | 228         | 14           | 2                      | 0                  | MODERATE         | As of 11/15/2024, roof repair and ceiling for maintenance shop is completed, tree that fell on lift station was removed, also tree that struck building 602 has been removed and disposed, tree that broke in front of property toward building 614 was removed, storm debris trough out property has one pile left to be removed (landscaping) by 11/22/24. | 0                    |
|      |                |                                    |               |           | 3,563       | 182          | 52                     | 95                 |                  |                                                                                                                                                                                                                                                                                                                                                              | 70                   |