

**FLORIDA HOUSING FINANCE CORPORATION**

*Credit Underwriting Report*

**Kaylee Bay Village f/k/a Tampa Veteran's Village**

**RFA 2013-006 (2014-165G)**

**FINANCING TO BUILD PERMANENT SUPPORTIVE HOUSING FOR HOMELESS  
PERSONS AND FAMILIES**

**Grant Program**

**Section A: Report Summary**

**Section B: Grant Program Closing Conditions and**

**Section C: Supporting Information and Schedules**

---

**Prepared by**

**AmeriNational Community Services, Inc.**

*Final Report*

**January 16, 2015**

---

**Kaylee Bay Village f/k/a  
Tampa Veteran's Village**

**TABLE OF CONTENTS**

**Section A**

	<b><u>Page</u></b>
Report Summary	
➤ Recommendation	A1-A6
➤ Overview	A7-A10
➤ Uses of Funds	A11-A14
➤ Operating Pro Forma	A15-A17

**Section B**

Grant Program Closing Conditions	B1
----------------------------------	----

**Section C**

Supporting Information and Schedules	
➤ Additional Development & Third Party Information	C1-C3
➤ Borrower Information	C4-C5
➤ Guarantor Information	C6
➤ General Contractor Information	C7-C8
➤ Property Management Information	C9

**Exhibits**

15 Year Pro Forma	1
Description of Feature & Amenity Characteristics	2 1-2
Completeness and Issues Checklist	3 1-2

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

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

**Recommendation**

AmeriNational Community Services, Inc. ("AmeriNational") recommends grant program funding under Request for Applications ("RFA") 2013-006 in the amount of \$2,100,000 to Volunteers of America of Florida, Inc. ("Applicant" or "Borrower") for the construction and permanent financing of Kaylee Bay Village f/k/a Tampa Veteran's Village (the "Development").

DEVELOPMENT & SET-ASIDES																		
Development Name:	Kaylee Bay Village f/k/a Tampa Veteran's Village																	
Program Numbers:	RFA 2013-006			2014-165G														
Address:	4011 39th Street N.				City: Tampa				Zip Code: 33610									
County:	Hillsborough					County Size: Large												
Development Category:	New Construction					Development Type:					Duplex and Single Family (rental)							
Construction Type:	Wood frame with painted stucco exterior finish																	
Demographic Commitment:	Elderly: _____			Homeless: <u>X</u>			ELI: <u>8</u> Units @ <u>40%</u> AMI			Farmworker or Commercial Fish Worker: _____			Family: _____			Link: <u>0</u> Units		

Bed Rooms	Bath Rooms	Total Units	FHFC Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2.0	1.0	4	4	757	40%	\$517	\$648	\$0	\$141	\$0	\$376	\$325	\$376	\$376	\$18,048
2.0	1.0	16	7	757	60%	\$775	\$0	\$821	\$141	\$0	\$634	\$525	\$634	\$634	\$121,728
2.0	1.0	4	4	936	40%	\$517	\$0	\$0	\$141	\$0	\$376	\$375	\$376	\$376	\$18,048
2.0	1.0	4	0	936	60%	\$775	\$0	\$0	\$141	\$0	\$634	\$625	\$634	\$634	\$30,432
3.0	2.0	2	0	1150	60%	\$895	\$0	\$0	\$260	\$0	\$635	\$700	\$635	\$635	\$15,240
		30	15	12,816											\$203,496

Rental Assisted Units: 0

Buildings: Residential - 11 Non-Residential - 1  
 Parking: Parking Spaces - 82 Accessible Spaces - 5

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	HFAHC (ELI)	25%	8	40%	50
	HFAHC	75%	22	60%	50
	FHFC Grant (ELI)	50%	8	40%	20
	FHFC Grant	50%	7	60%	20
	HOME (City)	6%	2	50%	20
	HOME (City)	6%	2	80%	20

Note: The Development will consist of a total of 30 units. FHFC grant funding will be provided to construct and permanently finance 15 units located within duplexes only and City of Tampa HOME and HFA funding will be provided to construct and permanently finance an additional 15 units located within duplexes and single family rentals.

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

Absorption Rate: 15 units per month for 2 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%  
Occupancy Comments Weighted average stabilized properties 97%

DDA?: Y QCT?: Y  
Site Acreage: 5.40 Density: 5.56 units/acre Flood Zone Designation: X  
Zoning: RM-16 (16 dwelling units/acre) Flood Insurance Required?: No

DEVELOPMENT TEAM	
Applicant/Borrower:	Volunteers of America of Florida, Inc.
General Partner 1:	N/A - Not for Profit Corporation
Guarantor(s):	Volunteers of America of Florida, Inc.
Developer:	Volunteers of America of Florida, Inc.
Principal 1:	N/A - Not for Profit Corporation
General Contractor 1:	Rairigh Construction Management, Inc.
Management Company:	Volunteers of America of Florida, Inc. - Self Managed
Architect:	Modis Architects, LLC
Appraiser:	Meridian Appraisal Group, Inc.

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First	Second	N/A	N/A	N/A	
Lender/Grantor	HFAHC	COT	TD Bank	FHFC	Home Depot	
Amount	\$1,000,000	\$500,000	\$500,000	\$2,100,000	\$350,000	
Underwritten Interest Rate	1.00%	0.00%	6.00%	0.00%	0.00%	
All In Interest Rate	1.00%	0.00%	6.00%	0.00%	0.00%	
Loan Term	20	20	0	20	0	
Amortization	0	0	0	0	0	
Market Rate/Market Financing LTV	40.98%	20.49%	20.49%	86.07%	14.34%	
Restricted Market Financing LTV	126.58%	63.29%	63.29%	265.82%	44.30%	
Loan to Cost	20.67%	10.33%	10.33%	43.40%	7.23%	
Debt Service Coverage	5.82	5.82	1.46	1.46	1.46	
Operating/Deficit Service Reserve	\$91,928					
Period of Operating Expenses/Deficit Reserve in Months	8					

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

Deferred Developer Overhead	\$388,806
Land Value	\$260,000
Market Rent/Market Financing Stabilized Value	\$2,440,000
Rent Restricted Market Financing Stabilized Value	\$790,000
Projected Net Operating Income (NOI) - Year 1	\$58,224
Projected Net Operating Income (NOI) - 15 Year	\$42,427
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%

<b>CONSTRUCTION/PERMANENT SOURCES:</b>				
<b>Source</b>	<b>Lender</b>	<b>Construction</b>	<b>Permanent</b>	<b>Perm Loan/Unit</b>
First Mortgage	TD Bank	\$500,000	\$0	\$0
First Mortgage	HFAHC	\$1,000,000	\$1,000,000	\$33,333
Second Mortgage-HOME	City of Tampa	\$500,000	\$500,000	\$16,667
Equity Investment	TD Bank	\$0	\$500,000	\$16,667
Grant 1	FHFC	\$2,100,000	\$2,100,000	\$70,000
Grant 2	Home Depot Foundation	\$350,000	\$350,000	\$11,667
Deferred Developer Overhead	VOA	\$388,806	\$388,806	\$12,960
<b>TOTAL</b>		<b>\$4,838,806</b>	<b>\$4,838,806</b>	<b>\$161,294</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?		
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?		
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. BankUnited, NA ("BankUnited") was the proposed permanent and construction lender; however, was replaced by TD Bank, NA ("TD Bank") for the construction and permanent financing.
2. Development Costs have decreased by \$41,539 since the time of Application primarily due to a decrease in construction costs.
3. The name of the Development has changed from Tampa Veteran's Village to Kaylee Bay Village. Kaylee Bay Court is the name of the existing road in the Development and the Developer wanted to maintain this connection with the community and the Development. FHFC staff approved this change on May 20, 2014.

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

The Development Type has also changed from townhouse/duplex/quadrplex to duplexes and two single family homes. This change was required by the City of Tampa. The 15 units funded by FHFC will be located within duplexes only. FHFC staff approved this change on October 3, 2014.

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

According to the FHFC Asset Management Noncompliance Report dated November 14, 2014, the following noncompliance issues exist for the Development Team:

- Arbor Place (HC 96L-006/SAIL 1995S-046) – Failure to meet Uniform Physical Condition Standards
  - Deferred Maintenance
  - Missing Floor Coverings
  - Missing Appliances

Correspondence from the Developer stated the noncompliance issues listed above are being addressed in the rehabilitation currently underway at Arbor Place.

According to the FHFC Past Due Report dated November 7, 2014, the following past due issues exist for the Development Team:

- Arbor Place (SAIL 1995S-046) – Owes monthly principal and interest in the amount of \$595.03, due November 1, 2014. On January 12, 2015, FHFC staff confirmed this payment has been made and the Development is current.

This recommendation is subject to satisfactory resolution, as determined by Florida Housing, of any outstanding past due items or non-compliance issues applicable to the Development Team prior to the grant closing.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. Per the Appraisal completed by Meridian Appraisal Group, Inc. (“Meridian”), dated April 7, 2014, the 40% and 60% AMI rents for the Development are at achievable levels.
3. The Appraisal shows the comparable, “like-kind” restricted Developments offer an occupancy rate range of 94% to 98%, with a weighted average occupancy of 97%.
4. Absorption rates in the Tampa area generally range from 15 to 35 units per month. The Developer will work with the Veterans Administration and other organizations serving the homeless to pre-lease the units. Demand appears to be strong for housing for the homeless and Meridian is of the opinion that the Development will have reached stabilized occupancy by the time all of the buildings are complete.



**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

Other Considerations:

None.

Issues and Concerns:

None.

Waiver Requests:

1. On July 17, 2014, FHFC staff approved an extension of the loan closing deadline from September 30, 2014 to December 30, 2014.
2. On December 12, 2014, the Board of Directors of Florida Housing approved a loan closing extension to February 27, 2015.

Additional Information:

1. Per the RFA, the Applicant will provide a total of 15 units as Permanent Supportive Housing to Chronically Homeless persons or Households with Persistent Housing Instability.

Recommendation:

AmeriNational recommends grant program funding under RFA 2013-006 in the amount of \$2,100,000 to be utilized for the construction and permanent financing of the Development. This recommendation is based upon the assumptions detailed in the Report Summary (Section A), and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the Grant Program Closing Special and General Conditions Recommendation (Section B). This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:

Reviewed by:

Kimberly A. Thorne  
Credit Underwriter

Michael Drapkin, Jr.  
V.P.-Chief Credit Underwriter

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

**Overview**

**Construction Financing Sources:**

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
First Mortgage	TD Bank	\$0	\$500,000	\$500,000	3.91%	\$21,179
Second Mortgage	HFAHC	\$0	\$981,154	\$1,000,000	1.00%	\$5,864
Third Mortgage	COT	\$0	\$500,000	\$500,000	0.00%	\$0
Grant 1	FHFC	\$2,100,000	\$2,100,000	\$2,100,000	0.00%	\$0
Grant 2	Home Depot	\$0	\$350,000	\$350,000	0.00%	\$0
Deferred Developer Overhead	VOA	\$0	\$0	\$388,806		
<b>Total :</b>		<b>\$2,100,000</b>	<b>\$4,431,154</b>	<b>\$4,838,806</b>		<b>\$27,043</b>

First Mortgage Loan:

A Loan and Security Agreement was provided, dated March 21, 2014, between the Applicant and TD Bank, NA ("TD Bank"). TD Bank provided a \$500,000 loan to purchase the land and construct the Development. Terms include monthly payments of interest only during the construction period, which is 12 months from the date of the Agreement or March 21, 2015. Correspondence from Charles J. Tipton, Senior Commercial Lender of TD Bank, states a loan modification has been approved to extend the construction period for an additional 12 months to March 21, 2016. Confirmation of the loan modification is a condition to close and listed in Section B of this report.

The interest rate is equal to the Adjusted LIBOR Rate (0.16% as of December 17, 2014) plus 275 basis points. The underwriter included a 100 basis point cushion, for an "all-in" interest rate of 3.91%. A \$2,500 Loan Closing Fee was paid at loan closing. At permanent loan conversion, this loan will be paid in full and TD Bank will become an equity investor; thereby elevating the HFAHC loan into first lien position.

Proposed Second Mortgage Loan:

Per a letter dated April 29, 2013, the HFAHC has committed to provide up to \$1,000,000 in construction financing to the Development. The loan term will be 20 years, and shall be non-amortizing with a 1.00% interest rate over the life of the loan with interest only payments due monthly. Loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the loan to Total Development Costs, unless approved by the credit underwriter. Annual payments of all applicable fees will be required.

Proposed Third Mortgage Loan:

An executed HOME Investment Partnership Program ("HOME") Funds Agreement between the City of Tampa and the Applicant, dated July 23, 2014, was provided. The City of Tampa will provide \$500,000 in HOME funds for the construction financing of the Development. The deferred payment loan shall accrue interest at a rate of 0.0% per annum. Payment of the principal and interest will be deferred until the Maturity Date, which shall be twenty years from the date of the executed Promissory Note dated

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

February 19, 2014, at which time all outstanding accrued interest and principal shall be forgiven as long as the Development continues to meet the HOME eligibility requirements. HOME funds will be expended simultaneously or following the HFAHC and FHFC funding.

Proposed Grant Funding:

The Applicant has applied to receive up to \$140,000 in FHFC's RFA grant funding for each new unit constructed. The Applicant is requesting \$2,100,000 in grant funding for the construction of 15 units, which is the maximum allowable amount. In accordance with the RFA, the Applicant has committed to set-aside eight units at the Development for households with incomes at or below 40% of the area median income ("AMI"), seven units at or below 60% AMI, and at least 80% of the units are to be set-aside for homeless persons. The Compliance Period is 20-years. The Grant funding is available during the construction and permanent phases and carries no repayment provision or interest rate for a 20 year term. Grant proceeds shall be disbursed during the construction phase in an amount per Draw which does not exceed the ratio of the grant to the Total Development Cost, unless approved by the credit underwriter.

Grant Funding:

The Home Depot Foundation has provided a grant in the amount of \$350,000 for the Development, per Grant Agreement #201317844. A bank statement was provided by the VOA which reflects \$245,000 has been deposited; with \$17,500 (5% holdback) and \$87,500 of Home Depot gift cards pending VOA's final report to be submitted to Home Depot for payment. To date, no funds have been expended. The grant funding carries no repayment provision or interest rate.

Deferred Developer Overhead:

The Applicant will be required to defer \$388,806 or 95% of total developer overhead during the construction phase.

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

**Permanent Financing Sources:**

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
First Mortgage	HFAHC	\$0	\$981,154	\$1,000,000	1.00%	0	20	\$10,000
Second Mortgage	COT	\$288,013	\$500,000	\$500,000	0.00%	0	20	\$0
Equity Investment	TD Bank	\$0	\$500,000	\$500,000	6.00%	0	0	\$30,000
Grant 1	FHFC	\$2,100,000	\$2,100,000	\$2,100,000	0.00%	0	20	\$0
Grant 2	Home Depot	\$0	\$350,000	\$350,000	0.00%	0	0	\$0
Deferred Developer Overhead	VOA	\$0	\$0	\$388,806				
<b>Total :</b>		<b>\$2,388,013</b>	<b>\$4,431,154</b>	<b>\$4,838,806</b>				<b>\$40,000</b>

Proposed First Mortgage Loan:

The HFAHC has committed to provide up to \$1,000,000 permanent financing to the Development. The loan term will be for 20 years. The loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with interest only payments due monthly. At maturity of the loan, any and all remaining principal and interest will be due. Annual payments of all applicable fees will be required. Fees include Permanent Loan Servicing Fees (25 bps of the outstanding loan amount up to a maximum of \$798 per month, subject to a minimum of \$200 per month) and Compliance Monitoring Fees (\$244 per month).

Proposed Second Mortgage Loan:

The City of Tampa will provide \$500,000 in HOME funds for the permanent financing of the Development. The deferred payment loan shall accrue interest at a rate of 0.0% per annum. Payment of the principal and interest will be deferred until the Maturity Date, which shall be twenty years from the date of the executed Promissory Note dated February 19, 2014, at which time all outstanding accrued interest and principal shall be forgiven as long as the Development continues to meet the HOME eligibility requirements. The Development must provide a minimum of two HOME units to be leased to households earning at or below 50% AMI and two HOME units to be leased to households earning at or below 80% AMI. At least one of the HOME units must be completely handicapped accessible according to ADA requirements for physically handicapped individuals.

Proposed Equity Investment:

TD Bank provided a \$500,000 "mini perm" loan for the permanent financing of the Development, which matures on March 21, 2019. Correspondence from Charles J. Tipton, Senior Commercial Lender of TD Bank, states a loan modification has been approved to extend the loan maturity date for an additional 12 months to March 21, 2020. Confirmation of the loan modification is a condition to close and listed in Section B of this report.

Terms include 47 payments of principal and interest due monthly with the final balloon payment of all principal and interest then outstanding due on the maturity date. The interest rate is equal to the Adjusted LIBOR Rate (0.16% as of December 17, 2014) plus 275 basis points. The underwriter included a 100 basis point cushion, for an "all-in" interest rate of 3.91%. This loan will be paid in full by a \$500,000 equity investment by TD Bank.

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

A letter of intent dated December 22, 2014 between TD Bank and the Applicant was provided. TD Bank will purchase a 99% limited partnership interest in the Development for \$500,000, which will be used to pay off the TD Bank “mini perm” loan. The Applicant will maintain a 1% general partnership interest in the Development. Terms include a preferred fixed annual return of 6%, paid on a quarterly basis from available cash flow after operating expenses and a \$10,000 annual debt service payment to the HFAHC. If cash flow is insufficient to pay the preferred return, interest will accrue and shall be paid from cash flow in the future. No transaction fees are due to TD Bank for the equity investment.

The equity investment will be paid to the partnership upon the Development’s achievement of proforma occupancy, net rental revenue and operating expenses for a minimum of six consecutive months at the discretion of TD Bank. Based on the payment terms of the “mini perm” loan and the Development’s marginal net operating income, AmeriNational will require a \$91,928 Debt Service Coverage Reserve be funded at the time of construction loan closing in order to collateralize eight months of “mini perm” debt service payments.

Proposed Grant Funding:

The Applicant has applied to FHFC for grant funding in the amount of \$2,100,000, which is the maximum allowable amount. The Grant funding is available during the construction and permanent phases and carries no repayment provision or interest rate for a 20-year term.

Grant Funding Loan:

The Home Depot Foundation has provided a grant in the amount of \$350,000 for the Development per Grant Agreement #201317844. A bank statement was provided by the VOA which reflects \$245,000 has been deposited; with \$17,500 (5% holdback) and \$87,500 of Home Depot gift cards pending VOA’s final report to be submitted to Home Depot for payment. To date, no funds have been expended. The grant funding carries no repayment provision or interest rate.

Deferred Developer Overhead:

The Applicant will be required to permanently defer \$388,806 or 95% of total developer overhead after stabilization. Based upon the estimates of the Operating Pro Forma, the amount of deferred developer overhead may not be paid back in 12 years.

**Uses of Funds**

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	FHFC 15 Units	Underwriters Total Costs - CUR	Cost Per Unit
Accessory Buildings - Community Bldg.	\$0	\$254,700	\$127,350	\$254,700	\$8,490
New Rental Units	\$1,600,000	\$2,075,300	\$1,037,650	\$2,075,300	\$69,177
Site Work	\$0	\$530,350	\$265,175	\$530,350	\$17,678
General Conditions	\$0	\$183,650	\$91,825	\$183,650	\$6,122
Overhead	\$0	\$0	\$69,875	\$139,750	\$4,658
Profit	\$0	\$215,000	\$37,625	\$75,250	\$2,508
Payment and Performance Bonds	\$0	\$25,000	\$12,500	\$25,000	\$833
Total Construction Contract/Costs	\$1,600,000	\$3,284,000	\$1,642,000	\$3,284,000	\$109,467
Hard Cost Contingency	\$197,088	\$35,000	\$82,100	\$164,200	\$5,473
<b>Total Construction Costs:</b>	<b>\$1,797,088</b>	<b>\$3,319,000</b>	<b>\$1,724,100</b>	<b>\$3,448,200</b>	<b>\$114,940</b>

*Notes to Actual Construction Costs:*

1. A Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Fixed Price in the amount \$3,284,000 (the "Construction Contract"), dated October 1, 2014, has been provided between the Applicant and Rairigh Construction Management, Inc. ("Rairigh"). The Construction Contract indicates substantial completion shall be achieved no later than 360 days from the date of commencement, and provides for retainage of not less than 10% until the work of the contract is 100% complete.
2. General Contractor's Fee (consisting of general requirements, overhead, and profit) is within the RFA guidelines of 14%, and is calculated exclusive of Payment and Performance Bonds.
3. Hard Cost Contingency has been adjusted to \$164,200, which is within the RFA guidelines of 5% of Total Construction Costs.
4. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract. The cost is included in the Construction Contract's Schedule of Values.
5. A Plan and Cost Review was engaged by AmeriNational and performed by GLE Associates, Inc. ("GLE"). GLE summarized their review of the Construction Contract and Schedule of Values in a report dated November 17, 2014. The review concludes that the cost of the project is within acceptable costs for similar type projects. GLE also reviewed the construction schedule and opined that the timeline presented appeared to be reasonable.

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

<b>GENERAL DEVELOPMENT COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>FHFC 15 Units</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>
Accounting Fees	\$5,000	\$10,000	\$5,000	\$10,000	\$333
Appraisal	\$1,250	\$5,000	\$2,500	\$5,000	\$167
Architect's and Planning Fees	\$107,500	\$148,750	\$74,375	\$148,750	\$4,958
Architect's Fee - Supervision	\$0	\$26,250	\$13,125	\$26,250	\$875
Building Permits	\$0	\$20,000	\$10,000	\$20,000	\$667
Builder's Risk Insurance	\$12,500	\$12,000	\$6,000	\$12,000	\$400
Engineering Fees	\$0	\$40,000	\$20,000	\$40,000	\$1,333
Environmental Report	\$2,500	\$2,500	\$1,250	\$2,500	\$83
FHFC Application Fee	\$0	\$0	\$500	\$500	\$17
FHFC Credit Underwriting Fee	\$6,000	\$29,500	\$6,000	\$6,000	\$200
FHFC Compliance Monitoring Fee (pre-paid)	\$10,000	\$0	\$10,000	\$10,000	\$333
Impact Fee	\$60,000	\$101,500	\$67,000	\$134,000	\$4,467
Lender Inspection Fees / Const Admin	\$7,500	\$10,000	\$12,600	\$24,600	\$820
Insurance	\$10,000	\$0	\$0	\$0	\$0
Legal Fees	\$7,500	\$15,000	\$12,000	\$37,000	\$1,233
Plan and Cost Review Analysis	\$0	\$0	\$3,650	\$3,650	\$122
Property Taxes	\$1,250	\$5,000	\$2,500	\$5,000	\$167
Soil Test	\$3,750	\$7,500	\$3,750	\$7,500	\$250
Survey	\$5,000	\$10,000	\$5,000	\$10,000	\$333
Title Insurance and Recording Fees	\$5,000	\$7,000	\$3,500	\$7,000	\$233
Utility Connection Fees	\$0	\$45,000	\$17,500	\$35,000	\$1,167
Soft Cost Contingency	\$0	\$21,154	\$13,812	\$27,237	\$908
<b>Total General Development Costs:</b>	<b>\$244,750</b>	<b>\$516,154</b>	<b>\$290,062</b>	<b>\$571,987</b>	<b>\$19,066</b>

*Notes to the General Development Costs:*

1. Architect and Engineering Fees reflect the actual costs represented in the executed contracts reviewed by the underwriter.
2. AmeriNational reflects actual costs for the Appraisal and Plan and Cost Review Analysis, and FHFC's Application, Credit Underwriting and Compliance Monitoring Fees.
3. Impact Fees include sewer, transportation and school impact fees, which were adjusted and verified by documentation provided by the Applicant. Transportation impact fee waivers for the east Tampa area ended in 2010 per correspondence from Hamilton Engineering & Surveying, Inc. No other waivers were provided.
4. The Insurance line item was reduced to zero as this cost is comprised of Builder's Risk Insurance.
5. Legal Fees include \$15,000 for the HFA and \$12,000 for the VOA.
6. Utility Connection Fees were adjusted and verified by a September 10, 2014 letter from the City of Tampa Water Department.
7. The soft cost contingency has been adjusted to 5% of Total General Development Costs, which is within industry standard for new construction.
8. The remaining General Development Costs appear reasonable.

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

<b>FINANCIAL COSTS:</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>FHFC 15 Units</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>
Construction Loan Origination Fee	\$5,000	\$2,500	\$1,250	\$2,500	\$83
Construction Loan Closing Costs	\$0	\$11,000	\$0	\$0	\$0
Construction Loan Interest	\$15,000	\$15,000	\$0	\$27,047	\$2,424
Permanent Loan Closing Costs	\$0	\$10,000	\$0	\$0	\$0
Reserves - Debt Service Coverage	\$0	\$0	\$0	\$91,928	\$3,064
Other: FHFC Grant Commitment Fee	\$2,000	\$0	\$2,000	\$2,000	\$67
Other: HFA Credit Underwriting Fee	\$0	\$0	\$0	\$12,751	\$425
Other: HFA Construction Loan Servicing Fee	\$0	\$0	\$0	\$16,769	\$559
<b>Total Financial Costs:</b>	<b>\$22,000</b>	<b>\$38,500</b>	<b>\$3,250</b>	<b>\$152,995</b>	<b>\$6,622</b>

*Notes to the Financial Costs*

1. Construction Loan Origination Fee was derived from the closing statement of the TD Bank loan. No other fees are due per the letter of intent from TD Bank dated December 22, 2014.
2. Construction Loan Interest, for the HFAHC and TD Bank loans, is supported by the underwriter's Total Development Costs, the all-in underwriting interest rate, and the resultant calculation completed by AmeriNational through the use of a construction draw schedule provided by the Applicant.
3. Reserves for Debt Service Coverage include eight months of debt service payments to TD Bank, based on the terms of the \$500,000 "mini perm" loan. The Reserve includes payments calculated based on the following: i) two months to reach stabilization after the 12 month construction period, based on a 15 unit/month absorption rate, and ii) six consecutive months of stabilization, based on the terms noted in the letter of intent from TD Bank.
4. The underwriter included the FHFC Grant Commitment Fee and HFA Credit Underwriting Fee.
5. The Servicer Construction Loan Servicing Fees were calculated at \$169/hour, including 7.5 hours per draw for draws two through eleven, and \$2,047 for the first and last draw. Per the RFA, up to four draws are reimbursable from the grant funding.

<b>OTHER DEVELOPMENT COSTS</b>	<b>Applicant Costs</b>	<b>Revised Applicant Costs</b>	<b>FHFC 15 Units</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Unit</b>
Development Cost Before Developer Overhead and Land Costs	\$2,063,838	\$3,873,654	\$4,173,182	\$4,173,182	\$140,628
Developer Overhead	\$199,175	\$300,000	\$204,062	\$408,124	\$13,604
<b>Total Other Development Costs:</b>	<b>\$199,175</b>	<b>\$307,500</b>	<b>\$204,062</b>	<b>\$415,624</b>	<b>\$13,604</b>

*Notes to the Other Development Costs:*

1. Developer Overhead is within 10% of Total Development Costs exclusive of Land and Reserves, which is a requirement of the RFA.
2. Brokerage Fees of \$7,500 is a sub-set of Developer Overhead, which is industry standard. The underwriter verified this fee via the TD Bank loan closing statement dated March 21, 2014.



**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	FHFC 15 Units	Underwriters Total Costs - CUR	Cost Per Unit
Land	\$125,000	\$250,000	\$125,000	\$250,000	\$8,333
<b>Total Acquisition Costs:</b>	<b>\$125,000</b>	<b>\$250,000</b>	<b>\$125,000</b>	<b>\$250,000</b>	<b>\$8,333</b>

*Notes to Land Acquisition Costs:*

1. A Vacant Land Contract (“Contract”) was provided, dated April 30, 2013, between H&R 39<sup>th</sup> Street Properties, LLC (“Seller”) and the Applicant (“Buyer”) in the amount of \$250,000 subject to certain terms and conditions. Under Additional Terms of the Contract, the Buyer and Seller agreed to extend the closing date to May 9, 2014.
2. A Warranty Deed dated March 21, 2014 reflects the owner of the property as the Applicant.
3. According to the appraisal prepared by Meridian, dated March 4, 2014, the “As Is” (vacant land) market value of the property is \$260,000.

<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$2,388,013</b>	<b>\$4,431,154</b>	<b>\$2,346,474</b>	<b>\$4,838,806</b>	<b>\$162,566</b>
---------------------------------	--------------------	--------------------	--------------------	--------------------	------------------

*Notes to Total Development Costs:*

1. Total Development Costs have decreased by \$41,539 since the time of Application, primarily due to a decrease in construction costs.

GRANT PROGRAM UNDERWRITING REPORT

ACS

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
<b>OPERATING PRO FORMA</b>			
INCOME:	Gross Potential Rental Income	\$203,496	\$6,783
	Ancillary Income	\$7,200	\$240
	Clubhouse Rental	\$60,000	\$2,000
	Transitional Units	\$9,432	\$314
	Gross Potential Income	\$280,128	\$9,338
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$11,205	\$374
	Collection Loss Percentage: 1.00%	\$2,801	\$93
<b>Total Effective Gross Income</b>		<b>\$266,122</b>	<b>\$8,871</b>
EXPENSES:	Fixed:		
	Real Estate Taxes	\$1,182	\$39
	Insurance	\$24,990	\$833
	Variable:		
	Management Fee Percentage: 5.00%	\$13,306	\$444
	General and Administrative	\$21,000	\$700
	Payroll Expenses	\$90,000	\$3,000
	Utilities	\$25,920	\$864
	Marketing and Advertising	\$1,500	\$50
	Maintenance and Repairs/Pest Control	\$12,000	\$400
	Grounds Maintenance and Landscaping	\$9,000	\$300
	Reserve for Replacements	\$9,000	\$300
<b>Total Expenses</b>		<b>\$207,898</b>	<b>\$6,930</b>
<b>Net Operating Income</b>		<b>\$58,224</b>	<b>\$1,941</b>
<b>Debt Service Payments</b>			
First Mortgage	HFAHC	\$10,000	\$333
Second Mortgage	COT	\$0	\$0
Equity Investment	TD Bank	\$30,000	\$1,000
Grant 1	FHFC	\$0	\$0
Grant 2	Home Depot	\$0	\$0
All Other Mortgages -		\$0	\$0
Other Fees - HFAHC Permanent Loan Servicing		\$2,500	\$83
Other Fees - HFAHC Compliance Monitoring Fee		\$2,928	\$98
<b>Total Debt Service Payments</b>		<b>\$45,428</b>	<b>\$1,514</b>
<b>Cash Flow after Debt Service</b>		<b>\$12,796</b>	<b>\$427</b>
		<b>Annual</b>	<b>Per Unit</b>
<b>Debt Service Coverage Ratios</b>			
DSC - First Mortgage		<b>5.82</b>	<b>5.82</b>
DSC - Second Mortgage		<b>5.82</b>	<b>5.82</b>
DSC - Equity Investment		<b>1.46</b>	<b>1.46</b>
DSC - Grant 1		<b>1.46</b>	<b>1.46</b>
DSC - Grant 2		<b>1.46</b>	<b>1.46</b>
DSC - All Mortgages and Fees		<b>1.28</b>	<b>1.28</b>
<b>Financial Ratios</b>			
Operating Expense Ratio		<b>78.12%</b>	
Break-even Economic Occupancy Ratio (all debt)		<b>90.43%</b>	

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

Notes to the Operating Pro Forma and Ratios:

1. Gross potential rental revenue is based upon the 2014 restricted rents published by Florida Housing less utility allowances published by U.S. Department of Housing and Urban Development as of October 1, 2013 for Tampa, Florida. Based upon the FHFC funded units, the Development will have 50% of the units (8 units) leased to tenants with incomes at or below 40% AMI and 50% of the units (7 units) leased to tenants with incomes at or below 60% AMI. The Applicant will provide a minimum of 15 units set aside for homeless persons and families, and will target the homeless veteran population. Permanent supportive housing will be provided in all 15 FHFC funded units. Overall, the 40% and 60% AMI rents for the Development are at achievable levels and confirmed by the appraiser.

Note: The permanent supportive housing units will have utility allowances based on the tenant-paid expenses. Trash and pest control expenses will be included in the rental rates for the permanent supportive units.

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

MSA (County): Tampa-St. Petersburg-Clearwater (Hillsborough County)

Bed Rooms	Bath Rooms	Total Units	FHFC Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2.0	1.0	4	4	757	40%	\$517	\$648	\$0	\$141	\$0	\$376	\$325	\$376	\$376	\$18,048
2.0	1.0	16	7	757	60%	\$775	\$0	\$821	\$141	\$0	\$634	\$525	\$634	\$634	\$121,728
2.0	1.0	4	4	936	40%	\$517	\$0	\$0	\$141	\$0	\$376	\$375	\$376	\$376	\$18,048
2.0	1.0	4	0	936	60%	\$775	\$0	\$0	\$141	\$0	\$634	\$625	\$634	\$634	\$30,432
3.0	2.0	2	0	1150	60%	\$895	\$0	\$0	\$260	\$0	\$635	\$700	\$635	\$635	\$15,240
		30	15	12,816											\$203,496

Note: The Development will consist of a total of 30 units. FHFC grant funding will be provided to construct and permanently finance 15 units located within duplexes only and City of Tampa HOME and HFA funding will be provided to construct and permanently finance an additional 15 units located within duplexes and single family rentals.

2. Ancillary Income of \$20 per unit is comprised of fees associated with late charges, cleaning fees, pet deposits and forfeiture of security deposits. The Developer will provide washer/dryer appliances in each unit, which will be included in the base rent. No income will be generated from washer/dryer appliance rentals. The Developer will not provide bulk cable television.
3. The Applicant receives funds from the Veteran's Administration to provide supportive and transitional care. The Applicant indicated the Development is permitted to allocate rental income to the clubhouse as part of the supportive care funding and estimates Clubhouse Rental Income of \$60,000/year, which is supported by the appraisal.
4. A 5.0% vacancy and collection loss rate was concluded by the appraiser based on comparables in the market.
5. The appraiser estimated real estate tax expense at \$12,232 or \$408 per unit based on non-exempt properties and \$1,182 or \$39 per unit based on tax-exempt properties. However, the Applicant is a

**GRANT PROGRAM UNDERWRITING REPORT**

**ACS**

non-profit entity and will apply for a tax-exemption. The underwriter reviewed the Hillsborough County Property Appraiser's website and found other properties owned by the Applicant were tax exempt and did not incur real estate taxes.

6. The insurance expense was based on the Developer's proforma, which considers the mix of single-family and duplex units for an estimated expense of \$24,990 annually or \$833 per unit.
7. The appraiser stated the 5.00% Management Fee is reasonable based on comparables and the small size of the Development.
8. The Payroll Expense estimate is higher than the comparables primarily due to the higher costs associated with supportive and transitional housing, which will be provided by in-house staff.
9. The appraiser stated the overall operating expense estimate is higher than the comparables primarily due to the higher payroll and administrative costs associated with supportive and transitional housing.
10. Based upon an estimated Net Operating Income ("NOI") of \$58,224 for the Development's initial year of stabilized operations; the first mortgage loan (HFAHC) can be supported by operations at a 5.82 to 1.00 Debt Service Coverage ("DSC"). The DSC for the combined first and second mortgages (HFAHC+COT) is 5.82 to 1.00, and the combined first and second mortgages and the equity investment (HFAHC+COT+TD Bank) is 1.46 to 1.00.

At the request of the HFAHC, the HFA loan was underwritten utilizing the terms and conditions of Rule Chapter 67-48 F.A.C.. Per Rule, the maximum debt service coverage shall be 1.50 to 1.00 for the loan, including all superior mortgages. In extenuating circumstances, such as when the Development has deep or short term subsidy, the debt service coverage may exceed 1.50 to 1.00 if the Credit Underwriter's favorable recommendation is supported by the projected cash flow analysis. Based on the deep subsidy of eight units at or below 40% of the AMI and the homeless demographic of the Development, the DSC of 5.82 to 1.00 appears reasonable.

11. The HFAHC Permanent Loan Servicing and Compliance Monitoring Fees are subject to annual increases, not to exceed 3% of the prior year's fee.
12. A 15-year Operating Pro Forma reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

**Section B**

**Grant Program Closing Conditions**

### **Closing Conditions**

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

1. Receipt of an executed Investment Agreement between TD Bank and the Applicant for the partnership interest or equity investment in the Development under terms consistent with the assumptions of this report.
2. Receipt of a Loan Modification of the Loan and Security Agreement dated March 21, 2014 between TD Bank and the Applicant extending the interest only construction period to March 21, 2016 and extending the loan maturity date to March 21, 2020.
3. Receipt of a legal description for the collateral of the 15 units funded by FHFC.
4. Any other reasonable requirements of Florida Housing or its Legal Counsel.
5. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by GLE Associates, Inc.
6. Receipt and satisfactory review of a fully executed Payment and Performance Bond by Rairigh Construction Management, Inc.
7. Execution by Applicant of any documents Florida Housing deems necessary including, but not limited to, the Restrictive Covenant and Grant Agreement, a Construction Completion Guaranty, and an Environmental Indemnity.
8. Evidence of adequate insurance sufficient to meet the standards established in Part IIIB, Chapter 9, Section 911 of the Fannie Mae Multifamily Delegated Underwriting and Servicing Guide, effective April 29, 2011.
9. Satisfactory resolution of any outstanding past due or non-compliance issues by closing of the loan(s).
10. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025 (5) and 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
11. Payment of a grant commitment fee equal to 1% of the amount of the entire funding amount up to a maximum of \$2,000.
12. Prepayment of compliance monitoring fee at a rate of \$500 per year for 20 years (the Compliance Period).
13. Any other due diligence required by Florida Housing or its legal counsel.

**Exhibit 1**  
**Kaylee Bay Village f/k/a Tampa Veteran's Village**  
**15 Year Operating Pro Forma**

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>OPERATING PRO FORMA</b>																
<b>INCOME:</b>	Gross Potential Rental Income	\$203,496	\$207,566	\$211,717	\$215,952	\$220,271	\$224,676	\$229,170	\$233,753	\$238,428	\$243,197	\$248,060	\$253,022	\$258,082	\$263,244	\$268,509
	Ancillary Income	\$7,200	\$7,344	\$7,491	\$7,641	\$7,794	\$7,949	\$8,108	\$8,271	\$8,436	\$8,605	\$8,777	\$8,952	\$9,131	\$9,314	\$9,500
	Gross Potential Income	\$280,128	\$285,731	\$291,445	\$297,274	\$303,220	\$309,284	\$315,470	\$321,779	\$328,215	\$334,779	\$341,474	\$348,304	\$355,270	\$362,375	\$369,623
	Less:															
	Physical Vac. Loss Percentage: 4.00%	\$11,205	\$11,429	\$11,658	\$11,891	\$12,129	\$12,371	\$12,619	\$12,871	\$13,129	\$13,391	\$13,659	\$13,932	\$14,211	\$14,495	\$14,785
	Collection Loss Percentage: 1.00%	\$2,801	\$2,857	\$2,914	\$2,973	\$3,032	\$3,093	\$3,155	\$3,218	\$3,282	\$3,348	\$3,415	\$3,483	\$3,553	\$3,624	\$3,696
<b>Total Effective Gross Income</b>	<b>\$266,122</b>	<b>\$271,444</b>	<b>\$276,873</b>	<b>\$282,410</b>	<b>\$288,059</b>	<b>\$293,820</b>	<b>\$299,696</b>	<b>\$305,690</b>	<b>\$311,804</b>	<b>\$318,040</b>	<b>\$324,401</b>	<b>\$330,889</b>	<b>\$337,507</b>	<b>\$344,257</b>	<b>\$351,142</b>	
<b>EXPENSES:</b>	Fixed:															
	Real Estate Taxes	\$1,182	\$1,217	\$1,254	\$1,292	\$1,330	\$1,370	\$1,411	\$1,454	\$1,497	\$1,542	\$1,589	\$1,636	\$1,685	\$1,736	\$1,788
	Insurance	\$24,990	\$25,740	\$26,512	\$27,307	\$28,126	\$28,970	\$29,839	\$30,735	\$31,657	\$32,606	\$33,584	\$34,592	\$35,630	\$36,699	\$37,800
	Variable:															
	Management Fee Percentage: 5.00%	\$13,306	\$13,572	\$13,844	\$14,121	\$14,403	\$14,691	\$14,985	\$15,285	\$15,590	\$15,902	\$16,220	\$16,544	\$16,875	\$17,213	\$17,557
	General and Administrative	\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345	\$25,075	\$25,827	\$26,602	\$27,400	\$28,222	\$29,069	\$29,941	\$30,839	\$31,764
	Payroll Expenses	\$90,000	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335	\$107,465	\$110,689	\$114,009	\$117,430	\$120,952	\$124,581	\$128,318	\$132,168	\$136,133
	Utilities	\$25,920	\$26,698	\$27,499	\$28,323	\$29,173	\$30,048	\$30,950	\$31,878	\$32,835	\$33,820	\$34,834	\$35,879	\$36,956	\$38,064	\$39,206
	Marketing and Advertising	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269
	Maintenance and Repairs/Pest Control	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657	\$16,127	\$16,611	\$17,109	\$17,622	\$18,151
	Grounds Maintenance and Landscaping	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130	\$10,433	\$10,746	\$11,069	\$11,401	\$11,743	\$12,095	\$12,458	\$12,832	\$13,217	\$13,613
	Reserve for Replacements	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130	\$10,433
	<b>Total Expenses</b>	<b>\$207,898</b>	<b>\$213,732</b>	<b>\$219,738</b>	<b>\$225,922</b>	<b>\$232,288</b>	<b>\$238,843</b>	<b>\$245,591</b>	<b>\$252,539</b>	<b>\$259,693</b>	<b>\$267,057</b>	<b>\$274,910</b>	<b>\$282,995</b>	<b>\$291,320</b>	<b>\$299,891</b>	<b>\$308,715</b>
<b>Net Operating Income</b>	<b>\$58,224</b>	<b>\$57,712</b>	<b>\$57,135</b>	<b>\$56,488</b>	<b>\$55,770</b>	<b>\$54,977</b>	<b>\$54,105</b>	<b>\$53,151</b>	<b>\$52,111</b>	<b>\$50,982</b>	<b>\$49,491</b>	<b>\$47,893</b>	<b>\$46,187</b>	<b>\$44,366</b>	<b>\$42,427</b>	
<b>Debt Service Payments</b>																
First Mortgage	HFAHC	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Second Mortgage	COT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investment	TD Bank	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$29,237	\$27,680	\$26,017	\$24,245	\$22,360	\$20,327
Grant 1	FHFC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant 2	Home Depot	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees - HFAHC Permanent Loan Servicing Fee		\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781
Other Fees - HFAHC Compliance Monitoring Fee		\$2,928	\$3,016	\$3,106	\$3,200	\$3,295	\$3,394	\$3,496	\$3,601	\$3,709	\$3,820	\$3,935	\$4,053	\$4,175	\$4,300	\$4,429
<b>Total Debt Service Payments</b>		<b>\$45,428</b>	<b>\$45,591</b>	<b>\$45,759</b>	<b>\$45,931</b>	<b>\$46,109</b>	<b>\$46,293</b>	<b>\$46,481</b>	<b>\$46,676</b>	<b>\$46,876</b>	<b>\$46,320</b>	<b>\$44,975</b>	<b>\$43,531</b>	<b>\$41,984</b>	<b>\$40,331</b>	<b>\$38,537</b>
<b>Cash Flow after Debt Service</b>		<b>\$12,796</b>	<b>\$12,121</b>	<b>\$11,376</b>	<b>\$10,557</b>	<b>\$9,661</b>	<b>\$8,684</b>	<b>\$7,623</b>	<b>\$6,475</b>	<b>\$5,235</b>	<b>\$4,663</b>	<b>\$4,516</b>	<b>\$4,363</b>	<b>\$4,203</b>	<b>\$4,035</b>	<b>\$3,890</b>
<b>Debt Service Coverage Ratios</b>																
DSC - First Mortgage		5.82	5.77	5.71	5.65	5.58	5.50	5.41	5.32	5.21	5.10	4.95	4.79	4.62	4.44	4.24
DSC - Second Mortgage		5.82	5.77	5.71	5.65	5.58	5.50	5.41	5.32	5.21	5.10	4.95	4.79	4.62	4.44	4.24
DSC - Equity Investment		1.46	1.44	1.43	1.41	1.39	1.37	1.35	1.33	1.30	1.30	1.31	1.33	1.35	1.37	1.40
DSC - Grant 1		1.46	1.44	1.43	1.41	1.39	1.37	1.35	1.33	1.30	1.30	1.31	1.33	1.35	1.37	1.40
DSC - Grant 2		1.46	1.44	1.43	1.41	1.39	1.37	1.35	1.33	1.30	1.30	1.31	1.33	1.35	1.37	1.40
DSC - All Mortgages and Fees		1.28	1.27	1.25	1.23	1.21	1.19	1.16	1.14	1.11	1.10	1.10	1.10	1.10	1.10	1.10
<b>Financial Ratios</b>																
Operating Expense Ratio		78.12%	78.74%	79.36%	80.00%	80.64%	81.29%	81.95%	82.61%	83.29%	83.97%	84.74%	85.53%	86.32%	87.11%	87.92%
Break-even Economic Occupancy Ratio (all debt)		90.43%	90.76%	91.10%	91.45%	91.81%	92.19%	92.58%	92.99%	93.40%	93.61%	93.68%	93.75%	93.82%	93.89%	93.95%

**Kaylee Bay Village f/k/a Tampa Veteran's Village  
RFA 2013-006 (2014-165G)  
Financing to Build Permanent Supportive Housing for Homeless Persons and Families  
Hillsborough County**

**DESCRIPTION OF FEATURES AND AMENITIES**

- A.** The Development will consist of **15** units.

Unit Mix: 15 two bedrooms and one bathroom

- B.** The Development is to be constructed and will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act as implemented by 24 CFR 100, the 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, F.S., and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 30, incorporating the most recent amendments, regulations, and rules, as applicable.

If the proposed Development meets the definition of Scattered Sites, 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.

- C.** The Development must provide the following features and amenities:

1. Termite prevention and pest control throughout the entire Compliance period; and
2. A full-size range and oven in all Units.

- D.** All new construction Developments must include the following green building features:

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
  - o Toilets: 1.6 gallons/flush or less;
  - o Faucets: 1.5 gallons/minute or less;
  - o Showerheads: 2.2 gallons/minute or less;
3. Energy Star qualified refrigerator;
4. Energy Star qualified washing machine, if provided;
5. Energy Star qualified exhaust fans in all bathrooms;
6. Energy Star qualified dishwasher; and
7. Minimum SEER of 14 for air conditioners.



**GRANT PROGRAM UNDERWRITING REPORT**

---

- E.** All New Construction developments must provide the following Accessibility, Adaptability, Universal Design and Visitability Features listed below and all Rehabilitation developments (with or without acquisition) are strongly encouraged to include as many of the features listed below as are structurally and financially feasible within the scope of work. If the proposed Development serves persons with physical disabilities it must include all accessibility, adaptability, universal design and Visitability features listed below.
1. Primary entrance door shall have a threshold with no more than a ½-inch rise;
  2. All door handles on primary entrance door and interior doors must have lever handles;
  3. Lever handles on all bathroom faucets and kitchen sink faucets;
  4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
  5. For Developments of 10 Units or more, at least one Unit shall be fully accessible in accordance with the 2010 ADA Standards for Accessible Design. Any fully accessible Units shall provide mobility features that comply with the residential dwelling Units provision of the 2010 ADA Standards for Accessible Design. For Developments of 10 Units or more, at least one Unit shall also be accessible to persons with visual and hearing impairments and shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.
- F.** The Development must provide the following optional Accessibility, Adaptability, Universal Design and Visitability features and amenities as described in their response to Request for Application 2013-006:
1. Two (2) additional ADA compliant units;
  2. Walkways requiring no steps or ramps; and
  3. Travel paths made of hard surfaced materials.

**COMPLETENESS AND ISSUES CHECKLIST**

**DEVELOPMENT NAME:** Kaylee Bay Village f/k/a Tampa Veteran’s Village  
**DATE:** January 16, 2015

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

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

**COMPLETENESS AND ISSUES CHECKLIST**

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

**NOTES AND DEVELOPER RESPONSES:**

None.