

Florida Housing Finance Corporation

Credit Underwriting Report

Haley Park

State Apartment Incentive Loan Program, ELI Gap, and 4% Non-Competitive Housing Credits Program

RFA 2014-103 (2014-316S) / 2013-530C

Section A: Report Summary

**Section B: SAIL & ELI Gap Loan Special and General Loan Closing Conditions
and Housing Credit Recommendation and Contingencies**

Section C: Supporting Information and Schedules

Prepared by

AmeriNational Community Services, Inc.

Final Report

March 6, 2015

Haley Park

TABLE OF CONTENTS

Section A

Report Summary	<u>Page</u>
➤ Recommendation	A1-A6
➤ Overview	A7-A12
➤ Uses of Funds	A13-A16
➤ Operating Pro forma	A17-A19

Section B

SAIL and ELI Gap Program Loan Special and General Conditions	B1-B5
Housing Credit Recommendation and Contingencies	B6

Section C

Supporting Information and Schedules	
➤ Additional Development & Third Party Information	C1-C5
➤ Borrower Information	C6-C8
➤ Guarantor Information	C9
➤ Syndicator Information	C10
➤ General Contractor Information	C11-C12
➤ Property Management Information	C13

Exhibits

15 Year Pro forma	1
Description of Features and Amenities	2: 1-4
HC Allocation Calculation	3: 1-2
Completeness and Issues Checklist	4: 1-2

Section A
Report Summary

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

Recommendation

AmeriNational Community Services, Inc. ("AmeriNational") recommends an award of State Apartment Incentive Loan ("SAIL") funding in the amount of \$2,300,000, an ELI Gap loan of \$600,000 under Request for Applications 2014-103 for Financing of Affordable Multifamily Housing Developments with SAIL Funding to be used in conjunction with Tax-Exempt Bond Financing and Non-Competitive HC ("RFA"), and an annual 4% Housing Credit ("HC") allocation of \$565,556 to NVC Haley Park, Ltd. ("Applicant") for the construction and permanent phase financing of Haley Park (the proposed "Development").

DEVELOPMENT & SET-ASIDES

Development Name: Haley Park

Program Numbers: RFA 2014-103 2014-316S 2013-530C

Address: 1500 and 1503 E 130th Avenue City: Tampa Zip Code: 33613

County: Hillsborough County Size: Large

Development Category: New Construction Development Type: Garden Apartments

Construction Type: Combination of wood framed bearing walls and reinforced concrete masonry unit bearing walls on reinforced concrete monolithic thickened edge slabs.

Demographic Commitment: Elderly: X Homeless: ELI: 8 Units @ 40% AMI
 Farmworker or Commercial Fish Worker: Family: Link: 4 Units

Bed Rooms	Bath Rooms	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
1.0	1.0	4	618	40%	\$431	\$0	\$0	\$71	\$0	\$360	\$360	\$360	\$360	\$17,280
1.0	1.0	36	618	60%	\$646	\$0	\$0	\$71	\$0	\$575	\$569	\$575	\$575	\$248,400
2.0	2.0	4	912	40%	\$517	\$0	\$0	\$88	\$0	\$429	\$429	\$429	\$429	\$20,592
2.0	2.0	36	912	60%	\$775	\$0	\$0	\$88	\$0	\$687	\$664	\$687	\$687	\$296,784
		80	61200											\$583,056

Buildings: Residential - 1 Non-Residential - 1
 Parking: Parking Spaces - 113 Accessible Spaces - 5

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL and ELI Gap	10.0%	8	40%	30
SAIL	90.0%	72	60%	30
HC	10.0%	8	40%	30
HC	90.0%	72	60%	30
HFA MMRB	40.0%	32	60%	50

Absorption Rate: 20 units per month for 4 months.

Occupancy Rate at Stabilization: Physical Occupancy 95% Economic Occupancy 94%
 Based upon estimates from appraisal dated
 Occupancy Comments November 7, 2014.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

DDA?: Yes QCT?: Yes
 Site Acreage: 4.10 Density: 19.5074 Flood Zone Designation: X
 RMC-20 - Residential Multifamily Conventional. Up to
 Zoning: 20 units / acre. Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	NVC Haley Park, Ltd.	% Ownership
General Partner 1:	NVC/GP Haley Park, LLC	0.009%
Limited Partner 1:	RBC Tax Credit Equity, LLC	99.990%
Special Limited Partner:	RBC Tax Credit Manager II, LLC	0.001%
Guarantor(s):	NVC Haley Park, Ltd.	
	NVC/GP Haley Park, LLC	
	Jonathan Wolf	
	James Dyal	
Developer:	Haley Park Developer, Inc.	
	Principal 1 Jonathan Wolf	
Principal 2	James Dyal	
General Contractor 1:	Roger B Kennedy, Inc.	
Management Company:	Wendover Management, LLC	
Const. Credit Enhancer:	JPMorgan Chase with partial cash collateral	
Syndicator:	RBC Tax Credit Equity, LLC	
Bond Issuer:	Housing Finance Authority of Hillsborough County	
Architect:	BDG Architects, LLC	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2	3	4	5	6
Lender/Grantor	FCLF	FHFC	FHFC	Hills Cty	Hills Cty	Hills Cty
Amount	\$960,000	\$2,300,000	\$600,000	\$2,425,280	\$1,050,036	\$1,703,720
Underwritten Interest Rate	6.50%	1.00%	0.00%	0.50%	0.00%	0.50%
All In Interest Rate	6.50%	1.00%	0.00%	0.50%	0.00%	0.50%
Loan Term	15	30	30	30	30	30
Amortization	30	n/a	n/a	n/a	n/a	n/a
Market Rate/Market Financing LTV	19.43%	65.99%	78.14%	127.23%	148.49%	182.98%
Restricted Market Financing LTV	48.73%	165.48%	195.94%	319.05%	372.35%	458.83%
Loan to Cost	6.61%	15.83%	4.13%	16.69%	7.23%	11.73%
Debt Service Coverage	1.90	1.44	1.44	1.28	1.28	1.19
Operating/Deficit Service Reserve	\$240,000					
Period of Operating Expenses/Deficit Reserve in Months	5					

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

Deferred Developer Fee	\$449,364
Land Value	\$605,936
Market Rent/Market Financing Stabilized Value	\$4,940,000
Rent Restricted Market Financing Stabilized Value	\$1,970,000
Projected Net Operating Income (NOI) - Year 1	\$138,045
Projected Net Operating Income (NOI) - 15 Year	\$113,974
Year 15 Pro Forma Income Escalation Rate	2%
Year 15 Pro Forma Expense Escalation Rate	3%
Bond Structure	Negotiated Sale with partial cash collateralization
Housing Credit Syndication Price	\$0.96
Housing Credit Annual Allocation	\$565,556

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	Chase	\$6,750,000	\$0	\$0
First Mortgage	FCLF	\$960,000	\$960,000	\$12,000
Second Mortgage - SAIL	FHFC	\$2,300,000	\$2,300,000	\$28,750
Third Mortgage - ELI	FHFC	\$600,000	\$600,000	\$7,500
Fourth Mortgage - Hillsborough County HOME	Hills Cty	\$2,425,280	\$2,425,280	\$30,316
Fifth Mortgage - NSP	Hills Cty	\$1,050,036	\$1,050,036	\$13,125
Sixth Mortgage - Hillsborough County SHIP	Hills Cty	\$1,703,720	\$1,703,720	\$21,297
HC Equity	RBC	\$742,137	\$4,947,582	\$61,845
Deferred Developer Fee	Developer	\$449,364	\$449,364	\$5,617
Impact Fee Assistance	Hills Cty	\$91,874	\$91,874	\$1,148
TOTAL		\$17,072,411	\$14,527,856	\$181,598

Note: During the construction phase, all subordinate funding will be available and a portion will be drawn to pay down the Bonds until such time as the Development converts to Permanent financing.

Changes from the Application:

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

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

1. In the application, the Applicant provided a letter of interest dated January 20, 2014 from Wells Fargo Bank, N.A. for a permanent loan in the amount of \$1,900,000. Since the time of application, Florida Community Loan Fund ("FCLF") replaced Wells Fargo Bank, N.A. as the permanent first mortgage lender. For further information, refer to the Permanent Financing Sources in the Overview.
2. Total Development Costs have increased by \$3,548,583 to \$14,527,856 since the Application due to increases in construction costs, general development costs, and land costs.
3. As further explained in the Waiver Request, the Applicant selected a Mid-Rise with Elevator (a building comprised of 4 stories) Development Type in their application; however, a waiver request was approved by the Florida Housing Board of Directors on December 12, 2014 to change the Development Type to Garden Apartments.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

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. Strong demand for affordable housing with a family demographic commitment exists within the Primary Market Area as evidenced by a capture rate of 0.9% for income-qualified households with the propensity to rent and weighted average occupancy rates of 98.9% for comparable properties.

Other Considerations:

None.

Issues and Concerns:

None.

Waiver Requests:

1. The Applicant submitted a letter dated October 31, 2014 for a waiver request to Florida Housing. Specifically, the Applicant requested a waiver of Rule 67-48.004(3)(g) F.A.C. that prohibits the change of Development Type after the application submission. The rule waiver petition states that at the time the application was submitted, it was the opinion of the civil engineer and architect that a four-story building would be required in order to construct the eighty units at the maximum allowable density, meet zoning requirements (stormwater retention, set backs, adequate ingress and egress, etc.) and save as many trees as possible. However, as the building design and site planning was further commenced, the architect was able to re-orient a portion of the building which allowed for a three-story building that accommodates the eighty units, meets the zoning requirements and maintains the preservation of trees. Additionally, the development site is restricted to a height limitation of forty five feet based on current zoning requirements. According to the petition, a four-story building would have to be built to a height of fifty seven feet, exceeding the height limitation. The waiver was approved at the December 12, 2014 FHFC Board meeting.

Special Conditions:

1. Receipt of Mr. Wolf's financial statement updated within 90 days.
2. An Operating Deficit Reserve ("ODR") in the collective amount of approximately five months of expenses and debt service or \$240,000 will be permitted within the Applicant's budget, unless the credit underwriter deems a larger reserve is necessary. The calculation of developer fee will be exclusive of the budgeted ODR and any ODR "proposed or required by a limited partner or other lender" in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of developer fee. Upon expiration of the ODR, the balance in the reserve will be used to pay down any FHFC administered loan debt, if any, and if there is no FHFC administered loan debt, then the balance of the reserve shall be deposited into a replacement reserve account. In no event shall the remaining balance in said ODR be paid to the Developer or Applicant.
3. Any existing loans must agree to subordinate to SAIL and ELI Gap loans.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

Additional Information:

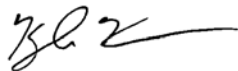
1. The credit underwriter initially projected Total Development Costs, exclusive of land acquisition cost and operating deficit reserve, to be \$174,332 per unit, which is in excess of \$171,024 per unit limitation, which is equal to the \$168,000 per unit threshold established in the RFA for garden style, wood framed new construction developments plus the 1.8% escalation factor for construction costs rising after the Application deadline. Pursuant to the RFA, AmeriNational reduced the Developer Fee to \$1,862,802 in order to reduce the Total Development Costs, exclusive of land acquisition cost and operating deficit reserve, to the amount per unit which is acceptable within the limit inclusive of the escalation factor as described in the RFA.

Recommendation:

AmeriNational recommends an award of SAIL loan funding in the amount of \$2,300,000, an ELI Gap loan of \$600,000, and an annual 4% HC allocation of \$565,556 to the Applicant for the construction and permanent phase financing of the proposed Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A), and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the SAIL and ELI Gap Program Loan Special and General Conditions and the Housing Credit Recommendation and Contingencies (Section B). This recommendation is only valid for six months from the date of the report. The reader is cautioned to refer to these sections for complete information.

Prepared by:



Kyle Kuenn
Credit Underwriter

Reviewed by:



Michael Drapkin, Jr.
Multifamily Credit Underwriting Manager

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
First Mortgage	Chase	\$5,000,000	\$6,750,000	\$6,750,000	3.466%	\$342,750
Second Mortgage	FCLF	\$0	\$0	\$960,000	5.50%	\$115,200
Third Mortgage - SAIL	FHFC	\$2,300,000	\$2,300,000	\$2,300,000	1.00%	\$0
Fourth Mortgage - ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	\$0
Fifth Mortgage - Hillsborough County HOME	Hills Cty	\$500,000	\$2,425,280	\$2,425,280	0.50%	\$0
Sixth Mortgage - NSP	Hills Cty	\$275,000	\$1,050,036	\$1,050,036	0.00%	\$0
Seventh Mortgage - Hillsborough County SHIP	Hills Cty	\$0	\$1,703,720	\$1,703,720	0.50%	\$0
HC Equity	RBC	\$698,018	\$742,137	\$742,137		
Deferred Developer Fee	Developer	\$1,606,255	-\$1,094,337	\$449,364		
Impact Fee Assistance	Hills Cty	\$0	\$91,874	\$91,874		
Total :		\$10,979,273	\$14,568,710	\$17,072,411		\$457,950

Proposed First Mortgage Loan:

The Developer will utilize a \$6,750,000 MMRB allocation issued by the Housing Finance Authority of Hillsborough County ("HFA") to finance the construction of the Development. The Applicant provided a letter dated February 6, 2015 executed by JPMorgan Chase Bank, N.A. ("Chase") that illustrates the terms and conditions of the purchase of the MMRB. Chase will purchase the tax-exempt bonds, the proceeds of which will fund a proposed construction loan up to \$6,750,000 ("Construction Loan"). The terms outlined in the letter include: a construction term of 24 months with two conditional 6 month extension available for a fee equal to 0.25% of the remaining loan commitment amount, and monthly interest only payments with the interest rate equal to 30-Day LIBOR (presently at 0.17%) plus a 2.00% spread adjusted monthly on a 360 day basis. AmeriNational added 20 basis points ("bps") for the Issuer Fee, 4.4 bps for Issuer Compliance Fee (estimated to be \$2,964 based on minimum monthly amount calculation), 5.2 bps for the Trustee Fee (\$3,500 annually), and 100 bps for an underwriting cushion to derive the "all-in" interest rate of 3.466% during the construction phase.

Chase requires \$2,800,000 of the bonds to be cash collateralized in order to meet Chase's Loan-To-Value requirements. As such, according to Chase, a combination of housing credit equity and subordinate debt will be funded simultaneously with the Construction Loan during the construction phase and will be held in a cash-collateral account with Chase or the Trustee.

The Construction Loan will be in 1st lien position until the loan is repaid in full.

Proposed Second Mortgage Loan – FCLF:

The Applicant provided a letter dated February 6, 2015 executed by Florida Community Loan Fund (“FCLF”) that illustrates the terms and conditions of a construction and permanent loan in an amount up to \$960,000. The construction terms outlined in the letter include: a term of 24 months with two six-month extension options and an interest only monthly payment based upon an interest rate estimated by FCLF to be 5%. AmeriNational added an additional 50 bps as an underwriting cushion to derive an “all-in” interest rate of 5.5% during the construction phase. The FCLF loan will occupy second lien position and will be fully disbursed into the MMRB cash collateral account at SAIL and ELI loan closing. When the Chase Construction Loan is repaid in full, the FCLF loan will be elevated into first lien position.

Proposed Third Mortgage Loan – SAIL:

Under RFA 2014-103, the \$2,300,000 SAIL loan will have a term of 30 years, which is equal to the period commensurate with the investment requirements by RBC, the HC Syndicator, as allowed according to Rule Chapter 67-48.010 (14) F.A.C. According to the RFA, the SAIL loan shall be non-amortizing with an interest rate of 1% over the life of the loan with payments based upon available development cash flow as determined by Florida Housing. A portion of the SAIL funds are expected to be utilized to pay off the Construction Loan. SAIL loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the SAIL loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Fourth Mortgage Loan –ELI Gap:

The application to the RFA included a request to FHFC for ELI Gap funds of \$600,000. The RFA allows for Applicants to receive ELI Gap funding up to \$75,000 for each required ELI set-aside unit, not to exceed a total of \$1.8 million. The ELI Gap loan will be non-amortizing at 0 percent simple interest per annum over the life of the ELI Gap loan, with the principal forgivable at maturity provided the units for which the ELI Gap loan amount is awarded are targeted to ELI Households for the duration of the 30-year Compliance Period. After 15 years all of the ELI Set Aside units may convert to serve residents at or below 60% of AMI, and if applicable, the Persons with a Developmental Disability set-aside requirement will no longer apply. A portion of the ELI Gap loan will be utilized to pay off the Construction Loan. ELI Gap loan proceeds shall be disbursed during the construction phase in an amount per construction draw which does not exceed the ratio of the ELI Gap loan to Total Development Costs, unless approved by the credit underwriter.

Proposed Fifth Mortgage Loan – Hillsborough County HOME:

The Applicant entered into a HOME Program Funding Agreement (“HOME Agreement”) dated September 17, 2014 with Hillsborough County, Florida, for a HOME Investment Partnership Program (“HOME”) loan in an amount up to \$2,425,280. According to the HOME Agreement, the HOME loan shall bear interest at a rate of 0.5% per annum over a 30 year term with interest payments to be paid out of available Development Cash Flow.

Proposed Sixth Mortgage Loan – NSP:

The Applicant entered into a NSP Funding Agreement (“NSP Agreement”) dated September 17, 2014 with Hillsborough County, Florida, for a Neighborhood Stabilization Program (“NSP”) loan in an amount up to \$1,050,036. According to the NSP Agreement, the NSP loan shall be non-interest bearing throughout the 30 year term with any outstanding principal due at maturity. Of the total NSP award of \$1,050,036, a total of \$605,936 has been expended on acquisition and maintenance of the land.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

Proposed Seventh Mortgage Loan – SHIP:

The Applicant entered into a SHIP Program Funding Agreement (“SHIP Agreement”) dated September 17, 2014 with Hillsborough County, Florida, for a State Housing Initiatives Partnership (“SHIP”) loan in an amount up to \$1,703,720. According to the SHIP Agreement, the SHIP loan shall bear interest at a rate of 0.5% per annum over a 30 year term with interest payments to be paid out of any remaining available Development Cash Flow.

Housing Credit Equity:

The Applicant provided a letter of interest dated February 6, 2015 from RBC Tax Credit Equity, LLC (“RBC”) that outlines the terms and conditions of the purchase of the HC. RBC, through an affiliated entity will provide a net equity investment of \$4,947,582 in exchange for a 99.991% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by RBC to be \$5,154,250. The HC allocation will be syndicated at a rate of approximately \$0.96 per \$1.00 of delivered tax credits. An initial HC equity infusion of \$200,000 has been issued and an additional \$542,137 will be available at construction loan closing for a total of \$742,137, which satisfies the 15% requirement. No other equity payments are indicated during the construction period.

Deferred Developer Fee:

As indicated in the term sheet provided by RBC, any payment of developer fee is subject to RBC’s approval. In order to balance the sources and uses of funds, the Applicant will be required to defer \$449,364 of the total developer fee during the construction phase.

Impact Fee Assistance:

The Applicant will receive assistance from Hillsborough County to pay for the impact fees under the Affordable Housing Impact Fee Relief Program as set forth by Hillsborough County. According to the program, Hillsborough County shall pay impact fees of \$91,874 on behalf the Applicant.

SAIL, ELI, AND HC CREDIT 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	FCLF	\$1,900,000	\$960,000	\$960,000	6.50%	30	15	\$72,814
Second Mortgage - SAIL	FHFC	\$2,300,000	\$2,300,000	\$2,300,000	1.00%	n/a	30	\$72,814
Third Mortgage - ELI	FHFC	\$600,000	\$600,000	\$600,000	0.00%	n/a	30	\$23,000
Fourth Mortgage - Hillsborough County HOME	Hills Cty	\$500,000	\$2,425,280	\$2,425,280	0.50%	n/a	30	\$0
Fifth Mortgage - NSP	Hills Cty	\$275,000	\$1,050,036	\$1,050,036	0.00%	n/a	30	\$12,126
Sixth Mortgage - Hillsborough County SHIP	Hills Cty	\$3,877,877	\$1,703,720	\$1,703,720	0.50%	n/a	30	\$0
HC Equity	RBC	\$0	\$4,947,582	\$4,947,582				
Deferred Developer Fee	Developer	\$1,526,396	\$490,218	\$449,364				
Impact Fee Assistance	Hills Cty	\$0	\$91,874	\$91,874				
Total :		\$10,979,273	\$14,568,710	\$14,527,856				\$180,755

Proposed First Mortgage Loan – FCLF:

Following satisfaction of the Chase Construction Loan, the FCLF loan will be elevated into first lien position. The Applicant provided a letter dated February 6, 2015 prepared and executed by Florida Community Loan Fund (“FCLF”) that illustrates the terms and conditions of a construction and permanent loan in an amount up to \$960,000. The permanent terms outlined in the letter include: a loan-to-value of no more than 60% of the market value “as-completed and stabilized” and a term of 15 years with monthly principal and interest payments based upon a 30 year amortization schedule and an interest rate estimated to be 6%, AmeriNational added an additional 50 bps as an underwriting cushion to derive an “all-in” interest rate of 6.50%. The FCLF loan will be funded in full at SAIL and ELI Loan closing and does not contain any prepayment penalties.

Proposed Second Mortgage Loan – SAIL:

Under RFA 2014-103, the \$2,300,000 SAIL loan will have a term of 30 years, which is equal to the period commensurate with the investment requirements by RBC, the HC Syndicator, as allowed according to Rule Chapter 67-48.010 (14) F.A.C. According to the RFA, the SAIL loan shall be non-amortizing with an interest rate of 1% over the life of the loan with payments based upon available development cash flow as determined by Florida Housing. However, at maturity of the SAIL Loan, all principal and accrued interest will be due and payable. 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 \$808 per month, subject to a minimum of \$203 per month) and Compliance Monitoring Fees (\$882). The Compliance Monitoring Fee shall be adjusted January 1 of each year, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th. This automatic increase shall not exceed 3% of the prior year’s fee.

Proposed Third Mortgage Loan –ELI Gap:

The application to the RFA included a request to FHFC for ELI Gap funds of \$600,000. The RFA allows for Applicants to receive ELI Gap funding up to \$75,000 for each required ELI set-aside unit, not to exceed a total of \$1.8 million. The ELI Gap loan will be non-amortizing at 0 percent simple interest per annum over the life of the ELI Gap loan, with the principal forgivable at maturity provided the units for which the ELI Gap loan amount is awarded are targeted to ELI Households for the duration of the 30-year Compliance Period. It shall have a term of 30 years, as required by the HC syndicator and as permitted by the Rule. After 15 years all of the ELI Set-Aside units may convert to serve residents at or below 60% of AMI, and if

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

applicable, the Persons with a Developmental Disability set-aside requirement will no longer apply. 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 \$808 per month, subject to a minimum of \$203 per month) and Compliance Monitoring Fees (\$882). The Compliance Monitoring Fee shall be adjusted January 1 of each year, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th. This automatic increase shall not exceed 3% of the prior year's fee.

Proposed Fourth Mortgage Loan – Hillsborough County HOME:

The Applicant entered into a HOME Program Funding Agreement (“HOME Agreement”) dated September 17, 2014 with Hillsborough County, Florida, for a HOME Investment Partnership Program (“HOME”) loan in an amount up to \$2,425,280. According to the HOME Agreement, the HOME loan shall bear interest at a rate of 0.5% per annum over a 30 year term with interest payments to be paid out of available Development Cash Flow.

Proposed Fifth Mortgage Loan – NSP:

The Applicant entered into a NSP Funding Agreement (“NSP Agreement”) dated September 17, 2014 with Hillsborough County, Florida, for a Neighborhood Stabilization Program (“NSP”) loan in an amount up to \$1,050,036. According to the NSP Agreement, the NSP loan shall be non-interest bearing throughout the 30 year term with any outstanding principal due at maturity. Of the total NSP award of \$1,050,036, a total of \$605,936 has been expended on acquisition and maintenance of the land.

Proposed Sixth Mortgage Loan – SHIP:

The Applicant entered into a SHIP Program Funding Agreement (“SHIP Agreement”) dated September 17, 2014 with Hillsborough County, Florida, for a State Housing Initiatives Partnership (“SHIP”) loan in an amount up to \$1,703,720. According to the SHIP Agreement, the SHIP loan shall bear interest at a rate of 0.5% per annum over a 30 year term with interest payments to be paid out of any remaining available Development Cash Flow.

HC Equity:

The Applicant provided a letter of interest dated February 6, 2015 from RBC that outlines the terms and conditions of the purchase of the HC. RBC, through an affiliated entity will provide a net equity investment of \$4,947,582 in exchange for a 99.991% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by RBC to be \$5,154,250. The HC equity contributions are estimated to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$200,000	4.04%	Execution of Partnership Agreement
2nd Installment	\$542,137	10.96%	Later of: (a) closing of the financing sources; (b) receipt and approval of all due diligence items, and (c) March 1, 2015
3rd Installment	\$2,968,549	60.00%	Later of: (a) receipt of final Cert. of Occupancy for all units, (b) receipt of an architect's certificate of substantial completion, (c) receipt of a preliminary cost certification, and (d) April 1, 2016
4th Installment	\$989,517	20.00%	Later of (a) receipt of final cost certification, (b) achievement of 100% qualified occupancy, (c) permanent loan conversion, and (d) January 1, 2017.
5th Installment	\$247,379	5.00%	Later of (a) achievement of Stabilization, (b) receipt of IRS Form 8609, and (c) April 1, 2017.
Total:	\$4,947,582	100%	

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

Annual Credits Per Syndication Agreement	\$515,373
Total Credits Per Syndication Agreement	\$5,153,730
Calculated HC Rate:	\$0.96
Limited Partner Ownership Percentage	99.991%
Proceeds During Construction	\$742,137

Deferred Developer Fee:

In order to balance the sources and uses of funds, the Applicant will be required to permanently defer \$449,364 of the total developer fee after stabilization.

Impact Fee Assistance:

The Applicant will receive assistance from Hillsborough County to pay for the impact fees under the Affordable Housing Impact Fee Relief Program as set forth by Hillsborough County. According to the program, Hillsborough County shall pay impact fees of \$91,874 on behalf the Applicant.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	\$5,185,000	\$6,718,148	\$6,718,148	\$83,977	\$0
Site Work	\$850,000	\$935,252	\$935,252	\$11,691	\$0
General Conditions	\$0	\$455,400	\$455,400	\$5,693	\$0
Overhead	\$0	\$151,800	\$151,800	\$1,898	\$0
Profit	\$765,000	\$455,400	\$455,400	\$5,693	\$0
Total Construction Contract/Costs	\$6,800,000	\$8,716,000	\$8,716,000	\$108,950	\$0
Hard Cost Contingency	\$340,000	\$435,800	\$435,800	\$5,448	\$0
Total Construction Costs:	\$7,140,000	\$9,151,800	\$9,151,800	\$114,398	\$0

Notes to Actual Construction Costs:

1. The Applicant provided an executed Standard Form of Agreement Between the Owner and Contractor where the basis of payment is a stated to be a stipulated sum in the amount \$8,716,000 (the "Construction Contract"). The Construction Contract was entered into as of February 4, 2015 by the Applicant and Roger B. Kennedy, Inc. (the "General Contractor"). It contains a production schedule indicating completion within 365 days from the date of commencement. Retainage shall be withheld at a rate of ten percent (10%) until fifty percent (50%) of the value of the work, as shown on the Schedule of Values, is complete and no further retainages shall be withheld thereafter.
2. AmeriNational engaged GLE Associates, Inc. ("GLE") to perform a plan and cost review and their review of the schedule of values was summarized in a report dated February 19, 2015. The review concludes that the construction budget appears reasonable and adequate to complete the proposed improvements.
3. A 5% hard cost contingency was utilized by AmeriNational and is supported by the plan and cost review.
4. General Contractor's Fee (consisting of general requirements, overhead, and profit) is within 14.0% allowed for in the Rule.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$20,000	\$25,000	\$25,000	\$313	\$0
Appraisal	\$6,800	\$6,800	\$6,800	\$85	\$0
Architect's Fee - Site/Building Design	\$175,000	\$231,000	\$231,000	\$2,888	\$0
Architect's Fee - Supervision	\$15,000	\$44,000	\$44,000	\$550	\$0
Building Permits	\$40,000	\$40,000	\$40,000	\$500	\$0
Builder's Risk Insurance	\$70,000	\$50,000	\$50,000	\$625	\$0
Engineering Fees	\$90,000	\$60,000	\$60,000	\$750	\$0
Environmental Report	\$2,000	\$2,000	\$2,000	\$25	\$0
FF&E paid outside Construction Contract	\$90,000	\$225,000	\$225,000	\$2,813	\$0
FHFC Administrative Fees	\$0	\$45,937	\$45,246	\$566	\$45,246
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$38	\$3,000
FHFC Credit Underwriting Fee	\$16,886	\$43,935	\$16,886	\$211	\$16,886
FHFC HC Compliance Fee (HC)	\$4,670	\$107,995	\$105,540	\$1,319	\$105,540
Impact Fee	\$121,566	\$91,874	\$91,874	\$1,148	\$0
Lender Inspection Fees / Const Admin	\$32,500	\$39,100	\$35,800	\$448	\$0
Green Building Cert. (LEED, FGBC, NAHB)	\$60,000	\$0	\$0	\$0	\$0
Legal Fees	\$129,500	\$235,186	\$235,186	\$2,940	\$235,186
Market Study	\$6,800	\$6,800	\$6,800	\$85	\$6,800
Marketing and Advertising	\$50,000	\$100,000	\$100,000	\$1,250	\$0
Plan and Cost Review Analysis	\$0	\$0	\$3,300	\$41	\$0
Property Taxes	\$0	\$15,000	\$15,000	\$188	\$0
Soil Test	\$8,000	\$10,000	\$10,000	\$125	\$0
Survey	\$25,000	\$25,000	\$25,000	\$313	\$0
Title Insurance and Recording Fees	\$96,000	\$75,000	\$87,000	\$1,088	\$87,000
Utility Connection Fees	\$81,051	\$46,387	\$46,387	\$580	\$0
Soft Cost Contingency	\$0	\$0	\$75,540	\$944	\$0
Total General Development Costs:	\$1,143,773	\$1,529,014	\$1,586,359	\$19,829	\$499,658

Notes to the General Development Costs:

1. AmeriNational reflects actual costs for the appraisal, market study, and plan and cost review analysis.
2. AmeriNational reflects the costs associated with the Architect's fees as stated in the executed Architect Agreement between the Applicant and BDG Architects, LLC dated August 26, 2014.
3. AmeriNational reflects the costs associated with the Engineering fees as stated in the executed Architect Agreement between the Applicant and Catalano Engineering, Inc. dated July 22, 2014.
4. The Applicant expects to expend \$225,000 on fixtures, furniture and equipment. The Applicant indicates \$186,000 will be utilized on furnishings and equipment for the leasing office, community center and common areas, \$13,000 will be utilized on pool furniture, \$8,000 will be utilized on a computer lab and \$18,000 will be utilized on fitness equipment.
5. AmeriNational estimated the costs associated with the Application to Florida Housing for 4% Tax Credits. The FHFC Administrative Fee is equal to 8% of the annual Housing Credit Allocation recommendation.
6. A soft cost contingency of 5% has been underwritten, which is consistent with underwriting standards and may be utilized by the Applicant in the event soft costs exceed these estimates.
7. The remaining general development costs appear reasonable.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	\$50,000	\$67,500	\$67,500	\$844	\$0
Construction Loan Interest	\$375,000	\$357,500	\$342,750	\$4,284	\$134,431
Permanent Loan Origination Fee	\$19,000	\$0	\$9,600	\$120	\$0
Permanent Loan Interest	\$0	\$105,600	\$115,200	\$1,440	\$33,600
Local HFA Bond Application Fee	\$0	\$13,000	\$13,000	\$163	\$0
Local HFA Bond Underwriting Fee	\$0	\$0	\$14,049	\$176	\$14,049
Local HFA Bond Origination Fee	\$0	\$0	\$0	\$0	\$0
Local HFA Bond Commitment Fee	\$0	\$145,577	\$145,577	\$1,820	\$0
Local HFA Bond Trustee Fee	\$0	\$4,500	\$4,500	\$56	\$0
Local HFA Bond Closing Costs	\$317,500	\$12,739	\$12,739	\$159	\$0
Local HFA Bond Servicing Fee	\$0	\$20,000	\$20,000	\$250	\$0
SAIL Application Fee	\$0	\$3,000	\$3,000	\$38	\$3,000
SAIL Commitment Fee	\$29,000	\$29,000	\$29,000	\$363	\$0
SAIL Closing Costs	\$0	\$0	\$15,000	\$188	\$0
Reserves - Operating Deficit	\$250,000	\$240,000	\$240,000	\$3,000	\$240,000
Financial Advisor Fee	\$0	\$18,500	\$18,500	\$231	\$0
Legal Fees - Bond Counsel	\$0	\$65,000	\$65,000	\$813	\$0
Legal Fees - Issuer's Counsel	\$0	\$12,000	\$12,000	\$150	\$12,000
Legal Fees - Lender's Counsel	\$0	\$60,000	\$60,000	\$750	\$60,000
Legal Fees - Underwriter's Counsel	\$0	\$0	\$0	\$0	\$0
Other: HFA Feasibility Analysis	\$0	\$0	\$5,500	\$69	\$0
Other: Placement Agent	\$0	\$31,000	\$31,000	\$388	\$0
Other: Rating Agent	\$0	\$0	\$0	\$0	\$0
Other: Trustee Counsel	\$0	\$5,000	\$5,000	\$63	\$0
Other: HFA Compliance Monitoring	\$0	\$92,044	\$92,044	\$1,151	\$92,044
Total Financial Costs:	\$1,040,500	\$1,281,960	\$1,320,959	\$16,512	\$589,124

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the letters of intent for equity and construction and permanent financing as well as the 2014 Multi-Family Tax Exempt Bond Program Guidelines handbook from the HFA of Hillsborough County and appear reasonable to AmeriNational.
2. An interest reserve for the Construction Loan and Permanent Loan is supported by the interest rate illustrated in the letter provided by Chase, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNational through the use of a construction draw schedule provided by the Applicant.
3. Per the RFA, a Commitment Fee of 1.00% for the ELI loan amount and the SAIL loan amount is due upon acceptance of a firm commitment.
4. SAIL and ELI Closing Costs are estimated at \$15,000.
5. The RBC LOI illustrates an operating deficit reserve of \$240,000 to be funded at the time of funding the third capital contribution, an amount that is deemed sufficient by AmeriNational.

OTHER DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Development Cost Before Developer Fee and Land Costs	\$9,324,273	\$11,962,774	\$12,059,118	\$150,739	\$1,088,782
Developer Fee	\$1,630,000	\$2,000,000	\$1,862,802	\$23,285	\$0
Total Other Development Costs:	\$1,630,000	\$2,000,000	\$1,862,802	\$23,285	\$0

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

Notes to the Other Development Costs:

1. The credit underwriter initially projected Total Development Costs, exclusive of land acquisition cost and operating deficit reserve, to be \$174,332 per unit, which is in excess of \$171,024 per unit limitation, which is equal to the \$168,000 per unit threshold established in the RFA for garden style, wood framed new construction developments plus the 1.8% escalation factor for construction costs rising after the Application deadline. Pursuant to the RFA, AmeriNational reduced the Developer Fee to \$1,862,802 in order to reduce the Total Development Costs, exclusive of land acquisition cost and operating deficit reserve, to the amount per unit which is acceptable within the limit inclusive of the escalation factor as described in the RFA.

The Developer Fee of \$1,862,802 is within 18% of Development Costs before Land excluding the Operating Deficit Reserve and is within the limits for tax exempt bond transactions permitted by Rule Chapter 67-21 F.A.C.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	\$25,000	\$605,936	\$605,936	\$7,574	\$605,936
Total Acquisition Costs:	\$25,000	\$605,936	\$605,936	\$7,574	\$605,936

Notes to Land Acquisition Costs:

1. A Contract for Purchase and Sale of Real Property dated October 1, 2013 between the Applicant and Corporation to Develop Communities of Tampa, Inc. ("CDC") to purchase the site for a purchase price of \$25,000. However, the NSP Funding Agreement dated September 17, 2014 reflects that a portion of the NSP award was utilized to reimburse the CDC for costs expended by Hillsborough County in connection with a Land Banking Agreement dated August 31, 2012 between the CDC and Hillsborough County. The NSP Funding Agreement states that the CDC, as Hillsborough County's land banking entity, agreed to purchase and maintain the site until full funding of the Development was secured. The Agreement states that of the \$1,050,036 NSP funding award, \$605,936 has been expended by the CDC on acquiring the site and related holding and maintenance costs. The CDC will convey title to the Applicant upon execution and recording of a Deferred Payment Mortgage, Promissory Note, and Land Use Restriction Agreement for the NSP loan.
2. An Appraisal performed by Meridian identifies an "As Is" market value of the real estate as of October 26, 2012 is \$800,000, which supports the purchase price of \$605,936.

TOTAL DEVELOPMENT COSTS:	\$10,979,273	\$14,568,710	\$14,527,856	\$181,598	\$1,694,718
---------------------------------	---------------------	---------------------	---------------------	------------------	--------------------

Notes to Total Development Costs:

1. Total Development Costs have increased by \$3,548,583 to \$14,527,856 since the Application due to increases in construction costs, general development costs, and land costs.
2. Total Development Costs exclusive of the land acquisition costs and Operating Deficit Reserve is within the limit (inclusive of the escalation factor) of \$171,024 per unit established by FHFC for garden style, wood framed new construction developments in the RFA.

OPERATING PRO FORMA

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$583,056	\$7,288
	Other Income		
	Ancillary Income	\$19,200	\$240
	Gross Potential Income	\$602,256	\$7,528
	Less:		
	Physical Vac. Loss Percentage: 5.0%	\$30,113	\$376
	Collection Loss Percentage: 1.0%	\$6,023	\$75
Total Effective Gross Income		\$566,121	\$7,077
EXPENSES:	Fixed:		
	Real Estate Taxes	\$34,939	\$437
	Insurance	\$32,000	\$400
	Variable:		
	Management Fee Percentage: 5.50%	\$31,137	\$389
	General and Administrative	\$24,000	\$300
	Payroll Expenses	\$106,000	\$1,325
	Utilities	\$82,000	\$1,025
	Marketing and Advertising	\$8,000	\$100
	Maintenance and Repairs/Pest Control	\$42,000	\$525
	Grounds Maintenance and Landscaping	\$24,000	\$300
	Security	\$20,000	\$250
	Reserve for Replacements	\$24,000	\$300
	Total Expenses		\$428,076
Net Operating Income		\$138,045	\$1,726
Debt Service Payments			
First Mortgage	\$72,814	\$910	
Second Mortgage - SAIL	\$23,000	\$288	
Third Mortgage - ELI	\$0	\$0	
Fourth Mortgage - Hillsborough County HOME	\$12,126	\$152	
Fifth Mortgage - NSP	\$0	\$0	
Sixth Mortgage - Hillsborough County SHIP	\$8,519	\$106	
SAIL/ELI PLS Fee	\$2,964	\$37	
SAIL/ELI CM Fee	\$1,764	\$22	
Total Debt Service Payments	\$121,187	\$1,515	
Cash Flow after Debt Service	\$16,858	\$211	
	Annual	Per Unit	
Debt Service Coverage Ratios			
DSC - First Mortgage	1.90	1.90	
DSC - Second Mortgage	1.44	1.44	
DSC - Third Mortgage	1.44	1.44	
DSC - Fourth Mortgage	1.28	1.28	
DSC - Fifth Mortgage	1.28	1.28	
DSC - All Other Mortgages	1.19	1.19	
DSC - All Mortgages and Fees	1.14	1.14	
Financial Ratios			
Operating Expense Ratio	75.62%		
Break-even Economic Occupancy Ratio (all debt)	91.20%		

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

Notes to the Operating Pro forma and Ratios:

1. Gross Potential Rental Revenue is based upon 2014 HC Rent Limits schedule published on the FHFC website December 27, 2013. The estimated utility allowances are \$71 for one-bedroom units and \$88 for two-bedroom units and are based on the utility allowance chart of the Tampa Housing Authority as presented in the appraisal. A rent roll for the Development property is illustrated in the following table:

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

Bed Rooms	Bath Rooms	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
1.0	1.0	4	618	40%	\$431	\$0	\$0	\$71	\$0	\$360	\$360	\$360	\$360	\$17,280
1.0	1.0	36	618	60%	\$646	\$0	\$0	\$71	\$0	\$575	\$569	\$575	\$575	\$248,400
2.0	2.0	4	912	40%	\$517	\$0	\$0	\$88	\$0	\$429	\$429	\$429	\$429	\$20,592
2.0	2.0	36	912	60%	\$775	\$0	\$0	\$88	\$0	\$687	\$664	\$687	\$687	\$296,784
		80	61200											\$583,056

2. A 5.0% vacancy rate and 1.0% collection loss was concluded by the appraisal based on comparable developments in the market. AmeriNational relied upon this figure for underwriting purposes.
3. Ancillary Income is comprised of fees associated with vending income, late charges, pet deposits, forfeited security deposits, and other income related to multifamily operations.
4. AmeriNational utilized a real estate tax expense of \$437 per unit based upon the current millage rate for the municipality and an estimated assessment of \$20,000 per unit presented by the appraiser. The estimate also took into account the income restrictions of the Development. Comparable properties indicated a range of assessments from \$15,693 to \$20,039 per unit.
5. AmeriNational utilized an estimate of \$400 per unit for insurance as presented by the appraiser. Comparable properties indicated a range from \$358 to \$603 per unit. The Development will be located in a flood zone designated "X", which appears to lie outside of the 100-year flood plain and will not require flood insurance.
6. The Applicant has submitted an executed Housing Management Agreement with WM, dated September 9, 2014. The agreement states an initial term of twelve months and will automatically renew for an additional year unless terminated by either party. The agreed compensation to WM is \$2,500 or 5% of the monthly gross receipts received during the previous month, whichever is greater. The appraisal concluded a management fee of 5.5% which is supported by comparable properties in the market; therefore, a more conservative management fee of 5.5% was utilized for underwriting purposes.
7. Replacement Reserves of \$300 per unit per year are required by Rule Chapters 67-48 and 67-21 F.A.C. and is considered reasonable by AmeriNational.
8. Based upon an estimated Net Operating Income ("NOI") of \$138,045 for the proposed development's initial year of stabilized operations; the first mortgage loan can be supported by operations at a 1.90 to 1.00 Debt Service Coverage ("DSC"). The combined amount of all mortgage loans and fees yields a DSC ratio of 1.14 to 1.00 in the initial year of operations.
9. The SAIL/ELI Permanent Loan Servicing Fees (\$7,250 annually) are equal to 25 bps of the SAIL and ELI Gap loan amounts, subject to a minimum monthly fee of \$203 and a monthly maximum of \$808.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

10. The SAIL/ELI Compliance Monitoring Fees are estimated to be \$1,764, which is equal to \$882 as a multiple program fee (SAIL) and an additional \$882 as a multiple program fee (ELI Gap). Compliance Monitoring Fees for the primary program (HC) have been capitalized into the sources and uses budget.
11. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

Section B

**SAIL and ELI Gap Program Loan Special and General Conditions and Housing Credit
Recommendation and Contingencies**

Special Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and the Servicer, at least 30 days prior to SAIL and ELI Gap loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the loan closing date.

1. Receipt of Mr. Wolf's financial statement updated within 90 days.
2. An Operating Deficit Reserve ("ODR") in the collective amount of approximately five months of expenses and debt service or \$240,000 will be permitted within the Applicant's budget, unless the credit underwriter deems a larger reserve is necessary. The calculation of developer fee will be exclusive of the budgeted ODR and any ODR "proposed or required by a limited partner or other lender" in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of developer fee. Upon expiration of the ODR, the balance in the reserve will be used to pay down any FHFC administered loan debt, if any, and if there is no FHFC administered loan debt, then the balance of the reserve shall be deposited into a replacement reserve account. In no event shall the remaining balance in said ODR be paid to the Developer or Applicant.
3. Any existing loans must agree to subordinate to SAIL and ELI Gap loans.
4. Receipt of final site plan approval from Hillsborough County, free of any and all conditions that must be resolved.

General Conditions

This recommendation is contingent upon the review and approval of the following items by Florida Housing and the Servicer at least 30 days prior to SAIL and ELI Gap loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date.

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

approved development budget.

5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL Program loan proceeds shall be disbursed during the construction phase in an amount per Draw that does not exceed the ratio of the SAIL loan to the Total Development Cost, unless approved by the Credit Underwriter. ELI Gap loan proceeds shall be disbursed during the construction phase in an amount per Draw that does not exceed the ratio of the ELI Gap loan to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.
6. During construction/rehabilitation, the developer is only allowed to draw a maximum of 50% of the total developer fee (developer fee minus acquisition developer fee) during construction/rehabilitation, but in no case more than the payable developer fee, which is determined to be "developer's overhead". No more than 35% of "developer's overhead" during construction/rehabilitation will be allowed to be disbursed at closing. The remainder of the "developer's overhead" will be disbursed during the construction/rehabilitation on a pro rata basis, based on the percentage of completion of the Development, as approved by FHFC and Servicer. The remaining unpaid developer fee shall be considered attributable to "developer's profit" and may not be funded until the development has achieved 100% lien-free completion and retainage has been released.
7. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, with coverages, deductibles and amounts satisfactory to Florida Housing.
8. If the development is not 100% lien-free completed, a 100% Payment and Performance Bond or a Letter of Credit (LOC) in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the GC and the Borrower. In either case, Florida Housing must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co with a financial size category of at least FSC VI. FHFC, and/or Legal Counsel must approve the source, amount(s), and all terms of the P&P bonds, or LOC. If the LOC option is utilized, the LOC must include "evergreen" language and be in a form satisfactory to the Servicer, Florida Housing, and its Legal Counsel.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.
10. A copy of the Amended and Restated Limited Partnership Agreement ("LPA") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The LPA shall be in a form and of financial substance satisfactory to Servicer, Florida Housing, and its Legal Counsel.
11. Satisfactory resolution of any outstanding past due or non-compliance issues by closing of the loan(s).
12. Final "as permitted" (signed & sealed) site plans, building plans & specifications. The geotechnical report must be bound within the final plans & specifications.
13. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) and 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.

This recommendation is contingent upon the review and approval by Florida Housing, and its Legal Counsel at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this timeframe may result in postponement of the bond pricing date. For competitive bond sales, these items must be reviewed and approved prior to issuance of the notice of bond sale.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of SAIL 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 SAIL and ELI Gap loan(s) naming Florida Housing as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of general liability, flood (if applicable), builder's risk, and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, in coverage, deductibles and amounts satisfactory to Florida Housing.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to Florida Housing addressing the following matters:
 - a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, and of any corporate guarantor and any manager;
 - b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

- c. The loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
 - d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
 - e. Such other matters as Florida Housing or its legal counsel may require.
8. Evidence of compliance with local concurrency laws, if applicable.
 9. UCC Searches for the Borrower, its partnerships, as requested by 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 or 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 Rule Chapters 67-21, 67-48, 67-53, 67-60 F.A.C., RFA 2014-103, Section 42 of the I.R.C., and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL and ELI Gap loan(s) in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreement(s), the Mortgage and Security Agreement, and the Land Use Restriction Agreement(s).
3. All amounts necessary to complete construction or any phased pay-in of amount necessary to complete construction shall be contingent upon an unconditional obligation, through a Joint Funding Agreement or other mechanism acceptable to Florida Housing, of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at Loan Closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded.
4. If applicable, receipt and satisfactory review of financial statements from all guarantors dated within 90 days of real estate closing.
5. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
6. Guarantors are to provide the standard FHFC Operating Deficit Guaranty to be released upon achievement of an average 1.15 Debt Service Coverage on the combined SAIL loan and ELI Gap loan, 90% occupancy and 90% of Gross Potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA"). Notwithstanding the above, the Operating Deficit Guarantee shall not terminate earlier than three years following the final certificate of occupancy.
7. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.
9. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the SAIL and ELI Gap loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required

- by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the Bond Trustee or the Servicer. In the event the reserve account is held by the Servicer, the release of funds shall be at Florida Housing's sole discretion.
 11. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves. New construction developments shall not be allowed to draw during the first five (5) years after closing or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The reserve shall be adjusted based on a capital needs assessment beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.
 12. GLE Associates, Inc. will act as Florida Housing's inspector during the construction period.
 13. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy.
 14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.
 15. Closing of all the funding sources prior to or simultaneously with the SAIL and ELI Gap loans.
 16. Any other reasonable requirements of the Servicer, Florida Housing, or its Legal Counsel.

HC Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by AmeriNational and FHFC by the deadline established in the Preliminary Determination. Failure to resolve these contingencies within this timeframe may result in forfeiture of the HC allocation:

1. Closing of the SAIL and ELI Gap loan consistent with the assumptions of this credit underwriting report.
2. GLE is to act as construction phase inspector for Florida Housing.
3. Purchase of the HC by the Syndicator or its assigns under the terms consistent with the assumptions of this report.
4. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
5. Satisfactory resolution of any outstanding past due or non-compliance issues.
6. Any other reasonable requirements of FHFC or AmeriNational.

Exhibit 1
Haley Park
15 Year Operating Pro Forma

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$583,056	\$594,717	\$606,611	\$618,744	\$631,119	\$643,741	\$656,616	\$669,748	\$683,143	\$696,806	\$710,742	\$724,957	\$739,456	\$754,245	\$769,330
	Other Income															
	Ancillary Income	\$19,200	\$19,584	\$19,976	\$20,375	\$20,783	\$21,198	\$21,622	\$22,055	\$22,496	\$22,946	\$23,405	\$23,873	\$24,350	\$24,837	\$25,334
	Gross Potential Income	\$602,256	\$614,301	\$626,587	\$639,119	\$651,901	\$664,939	\$678,238	\$691,803	\$705,639	\$719,752	\$734,147	\$748,830	\$763,806	\$779,082	\$794,664
	Less:															
	Physical Vac. Loss Percentage: 5.00%	\$30,113	\$30,715	\$31,329	\$31,956	\$32,595	\$33,247	\$33,912	\$34,590	\$35,282	\$35,988	\$36,707	\$37,441	\$38,190	\$38,954	\$39,733
Collection Loss Percentage: 1.00%	\$6,023	\$6,143	\$6,266	\$6,391	\$6,519	\$6,649	\$6,782	\$6,918	\$7,056	\$7,198	\$7,341	\$7,488	\$7,638	\$7,791	\$7,947	
Total Effective Gross Income	\$566,121	\$577,443	\$588,992	\$600,772	\$612,787	\$625,043	\$637,544	\$650,295	\$663,301	\$676,567	\$690,098	\$703,900	\$717,978	\$732,337	\$746,984	
EXPENSES:	Fixed:															
	Real Estate Taxes	\$34,939	\$35,987	\$37,067	\$38,179	\$39,324	\$40,504	\$41,719	\$42,971	\$44,260	\$45,587	\$46,955	\$48,364	\$49,815	\$51,309	\$52,848
	Insurance	\$32,000	\$32,960	\$33,949	\$34,967	\$36,016	\$37,097	\$38,210	\$39,356	\$40,537	\$41,753	\$43,005	\$44,295	\$45,624	\$46,993	\$48,403
	Variable:															
	Management Fee Percentage: 5.50%	\$31,137	\$31,759	\$32,395	\$33,042	\$33,703	\$34,377	\$35,065	\$35,766	\$36,482	\$37,211	\$37,955	\$38,714	\$39,489	\$40,279	\$41,084
	General and Administrative	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315	\$32,254	\$33,222	\$34,218	\$35,245	\$36,302
	Payroll Expenses	\$106,000	\$109,180	\$112,455	\$115,829	\$119,304	\$122,883	\$126,570	\$130,367	\$134,278	\$138,306	\$142,455	\$146,729	\$151,131	\$155,665	\$160,335
	Utilities	\$82,000	\$84,460	\$86,994	\$89,604	\$92,292	\$95,060	\$97,912	\$100,850	\$103,875	\$106,991	\$110,201	\$113,507	\$116,912	\$120,420	\$124,032
	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	\$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
	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
	Security	\$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
	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
	Total Expenses	\$428,076	\$439,887	\$452,046	\$464,563	\$477,449	\$490,716	\$504,374	\$518,434	\$532,909	\$547,812	\$563,874	\$580,411	\$597,436	\$614,964	\$633,010
	Net Operating Income	\$138,045	\$137,557	\$136,946	\$136,209	\$135,338	\$134,327	\$133,170	\$131,861	\$130,391	\$128,755	\$126,224	\$123,489	\$120,542	\$117,373	\$113,974
Debt Service Payments																
First Mortgage	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814	\$72,814
Second Mortgage - SAIL	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Third Mortgage - ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fourth Mortgage - Hillsborough County HOME	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$12,126	\$11,030	\$8,211	\$5,263	\$2,159
Fifth Mortgage - NSP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sixth Mortgage - Hillsborough County SHIP	\$8,519	\$8,519	\$8,519	\$8,519	\$8,519	\$8,519	\$8,519	\$8,519	\$6,792	\$5,331	\$3,833	\$1,467	\$0	\$0	\$0	\$0
SAIL/ELI PLS Fee	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964	\$2,964
SAIL/ELI CM Fee	\$1,764	\$1,817	\$1,871	\$1,928	\$1,985	\$2,045	\$2,106	\$2,169	\$2,235	\$2,302	\$2,371	\$2,442	\$2,515	\$2,590	\$2,668	
Total Debt Service Payments	\$121,187	\$121,240	\$121,295	\$121,351	\$121,409	\$121,468	\$121,530	\$119,866	\$118,470	\$117,039	\$114,743	\$112,250	\$109,504	\$106,632	\$103,606	
Cash Flow after Debt Service	\$16,858	\$16,316	\$15,652	\$14,858	\$13,929	\$12,859	\$11,641	\$11,995	\$11,921	\$11,716	\$11,481	\$11,239	\$11,038	\$10,742	\$10,368	
Debt Service Coverage Ratios																
DSC - First Mortgage	1.90	1.89	1.88	1.87	1.86	1.84	1.83	1.81	1.79	1.77	1.73	1.70	1.66	1.61	1.57	
DSC - Second Mortgage	1.44	1.44	1.43	1.42	1.41	1.40	1.39	1.38	1.36	1.34	1.32	1.29	1.26	1.23	1.19	
DSC - Third Mortgage	1.44	1.44	1.43	1.42	1.41	1.40	1.39	1.38	1.36	1.34	1.32	1.29	1.26	1.23	1.19	
DSC - Fourth Mortgage	1.28	1.27	1.27	1.26	1.25	1.24	1.23	1.22	1.21	1.19	1.17	1.16	1.16	1.16	1.16	
DSC - Fifth Mortgage	1.28	1.27	1.27	1.26	1.25	1.24	1.23	1.22	1.21	1.19	1.17	1.16	1.16	1.16	1.16	
DSC - All Other Mortgages	1.19	1.18	1.18	1.17	1.16	1.15	1.14	1.15	1.15	1.15	1.15	1.16	1.16	1.16	1.16	
DSC - All Mortgages and Fees	1.14	1.13	1.13	1.12	1.11	1.11	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	
Financial Ratios																
Operating Expense Ratio	75.62%	76.18%	76.75%	77.33%	77.91%	78.51%	79.11%	79.72%	80.34%	80.97%	81.71%	82.46%	83.21%	83.97%	84.74%	
Break-even Economic Occupancy Ratio (all debt)	91.20%	91.34%	91.50%	91.68%	91.86%	92.07%	92.28%	92.27%	92.31%	92.37%	92.44%	92.50%	92.55%	92.62%	92.70%	

Exhibit 2
Haley Park
RFA 2014-103 (2014-316S) /2013-530C
Hillsborough County

Description of Features and Amenities

- A. The Development will consist of:
80 units located in 1 garden style residential building w/elevator.
Unit Mix:
Forty (40) one bedroom/one bath units; and
Forty (40) two bedroom/two bath units;
80 Total Units
- B. The Development must meet all 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., Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations, and rules, as applicable.
- C. The Development must provide the following General features:
1. Termite prevention;
 2. Pest control;
 3. Window covering for each window and glass door inside each unit;
 4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
 5. Full-size range and oven in all units;
 6. At least two full bathrooms in all 3 bedroom or larger new construction units;
 7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units.
- D. All new construction units that are located on an accessible route must have the following Accessibility, Adaptability, Universal Design and Visitability Features listed below. All rehabilitation units that are located on an accessible route must include as many of the features listed below as are structurally and financially feasible within the scope of rehabilitation work utilizing a capital needs assessment performed during the credit underwriting process:
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;

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
 5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.
- E. All new construction units must include the following Green Building Features:
1. Required Green Building Features in all Family and Elderly Demographic Developments:
 - a. Low or No-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
 - b. Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
 - i. Toilets: 1.6 gallons/flush or less,
 - ii. Faucets: 1.5 gallons/minute or less,
 - iii. Showerheads: 2.2 gallons/minute or less;
 - c. Energy Star qualified refrigerator;
 - d. Energy Star qualified dishwasher;
 - e. Water heating minimum efficiency specifications (choose gas, electric, or gas tankless or boiler/hot water maker);
 - i. Gas:
 - 30 gal = .63 EF; or
 - 40 gal = .61 EF; or
 - 50 gal = .59 EF; or
 - 60 gal = .57 EF; or
 - 70 gal = .55 EF; or
 - 80 gal = .53 EF; or
 - ii. Electric:
 - 30 gal = .94 EF; or
 - 40 gal = .93 EF; or
 - 50 gal = .92 EF; or
 - 60 gal = .91 EF; or
 - 70 gal = .90 EF; or
 - 80 gal = .89 EF; or
 - iii. Tankless gas water heater: minimum .80 EF
 - iv. Boiler or hot water maker:
 - <300,000 Btu/h: 85% Et (thermal efficiency); or
 - 300,000 Btu/h or higher: 80% Et;
 - f. Energy Star qualified ceiling fans with lighting fixtures in the bedrooms;
 - g. Air Conditioning (choose in-unit or commercial);
 - i. In-unit air conditioning: minimum 14 SEER; or
 - ii. Central chiller AC system – based on size:

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

ACS

- 0-65 KBtuh: Energy Star certified; or
- >65-135 KBtuh: 11.3 EER/11.5 IPLV; or
- >135-240 KBtuh: 11.0 EER/11.5 IPLV; or
- >240 KBtuh: 10.6 EER/11.2 IPLV.

F. The Applicant has committed to provide the following Additional Green Building to achieve a total point value of at least 10 points:

1. Programmable thermostat in each unit (2 points)
2. Humidistat in each unit (2 points)
3. Water Sense certified dual flush toilets in all bathrooms (2 points)
4. Light colored concrete pavement instead of or on top of asphalt to reduce the heat-island effect (2 points)
5. Energy star qualified roof coating (2 points) *
6. Energy star qualified roofing materials (metal, shingles, thermoplastic polyolefin (TPO), or tiles) (3 points) *
7. Eco-friendly cabinets – formaldehyde free, material certified by the Forest Stewardship Council (3 points)
8. Eco-friendly flooring for entire unit – Carpet and Rug Institute Green Label certified carpet and pad, bamboo, cork, 100 percent recycled content tile, and/or natural linoleum (3 points)
9. Energy star rating for all windows in each unit (3 points)
10. Florida Yards and Neighborhoods certification on all landscaping (2 points)
11. Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings (2 points)

* Applicant may choose only one option related to Energy Star qualified roofing.

G. In addition to the required features above, all Applications with the Elderly Demographic must also provide the following in all units (new construction units and rehabilitation units):

1. Fifteen (15) percent of the new construction units must have roll-in showers.
2. In all of the new construction units and in as many of the rehabilitation units as is structurally and financially feasible within the scope of the rehabilitation work utilizing a capital needs assessment performed during the credit underwriting process:
 - a. Horizontal grab bars in place around each tub and/or shower, the installation of which meets or exceeds 2010 ADA Standards for Accessible Design, Section 609. In addition, the following standards for grab bars are required:
 - i. If a bathtub/shower combination with a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.1.
 - ii. If a bathtub/shower combination without a permanent seat is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 607.4.2.

- iii. If a roll-in shower is provided, grab bars shall be installed to meet or exceed 2010 ADA Standards for Accessible Design, Section 608.3.2;
 - b. Reinforced walls for future installation of horizontal grab bars in place around each toilet, the installation of which meets or exceeds 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall);
 - c. Roll-out shelving or drawers in all bottom bathroom vanity cabinets;
 - d. Adjustable shelving in master bedroom closets (must be adjustable by resident); and
 - e. In at least one of the kitchen's bottom or base cabinets, there shall be a large drawer that has full extension drawer slides.
- H. The Applicant has committed to provide the following Resident Programs:
- 1. Daily Activities – 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.
 - 2. 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 (6) months.
 - 3. Resident Assurance Check-In Program – 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.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

Exhibit 3
HC Allocation Calculation

Section I – Qualified Basis Calculation

Total Development Cost	\$14,527,856
Less Land Costs	\$605,936
Less Federal Grants	\$0
Less Other Ineligible Costs	\$1,088,782
Total Eligible Basis	\$12,833,138
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$16,683,079
Housing Credit Percentage (Federal allocation)	3.39%
Annual Housing Credit Allocation	\$565,556

Notes to the Eligible Basis Calculation:

1. The Development has a 100% set-aside; therefore, the applicable fraction is 100%.
2. The Development is located in a Qualified Census Tract (“QCT”) and Difficult to Develop Area (“DDA”); therefore, a 130% basis credit was applied.
3. The Housing Credit percentage are 3.39% based on the rate for 4% non-competitive tax credits as of the date of the Applicant’s invitation into enter credit underwriting at risk (3.24%) plus 15 basis points.

Section II - Gap Calculation

Total Development Cost (including land and ineligible costs)	\$14,527,856
Less Mortgages	\$9,039,036
Less Grants	\$0
Equity Gap	\$5,488,820
HC Percentage to Investment Partnership	99.991%
HC Syndication Pricing	\$0.96
HC Required to meet Equity Gap	\$5,718,035
Annual HC Required	\$571,804

Notes to the Gap Calculation:

1. The Mortgage amounts include the SAIL and ELI Gap loans from Florida Housing and the HOME, NSP and SHIP loans from Hillsborough County.
2. The HC Syndication Percentage to the Investment Partnership and Syndication Pricing are based upon the firm commitment letter dated July 31, 2014 by RBC.

SAIL, ELI, AND HC CREDIT UNDERWRITING REPORT

Section III - Tax Credit 50% Test

Total DEPRECIABLE Cost	\$12,833,138
Plus: Land Cost	\$605,936
Equals Aggregate Basis	\$13,439,074
Tax Exempt Bond Amount	\$6,750,000
Plus GIC Income	\$0
LESS Debt Service Reserve	\$0
LESS Tax Exempt Proceeds Used for Cost of Issuance	\$0
Equals Tax Exempt Proceeds Used for Building and Land	\$6,750,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	50.23%

Notes to the Tax Credit 50% Test:

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

Section IV – Summary

HC Per Qualified Basis	\$565,556
HC Per GAP Calculation	\$571,804
Annual HC Recommended	\$565,556

Notes to the Summary:

1. The Annual HC recommended is based upon the lower of the Qualified Basis or Gap Calculation; therefore, the Qualified Basis applies.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Haley Park

DATE: March 6, 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 FHFC. The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Applicant that the transaction can close within the allowed timeframe. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

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

COMPLETENESS AND ISSUES CHECKLIST

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

NOTES AND DEVELOPER RESPONSES:

1. Receipt of Final "signed, sealed, and approved for construction" plans and specifications is a condition precedent to closing.
2. The Applicant provided a preliminary site plan approval from Hillsborough County that indicated the engineer approved the site plan with five conditions that must be resolved in order to receive final site plan approval. Receipt of final site plan approval is a condition precedent to SAIL and ELI loan closing.
3. Receipt of Mr. Wolf's financial statement updated within 90 days is a special condition precedent to SAIL and ELI loan closing.