

July 8, 2016

Mr. Ken Reecy  
Director of Multifamily Programs  
Florida Housing Finance Corporation  
227 N. Bronough Street, Suite 5000  
Tallahassee, FL 32301

RE: Cork Country Place (2015-265G)  
Request for Applications 2015-105 ("RFA")  
Financing to Build Smaller Permanent Supportive Housing Properties For Persons With  
Developmental Disabilities

Dear Mr. Reecy:

AmeriNational Community Services, LLC d/b/a AmeriNat<sup>SM</sup> in KY, GA and FL ("AmeriNat") reviewed an application submitted in response to the Florida Housing Finance Corporation ("FHFC" or "Florida Housing") RFA 2015-105 for Financing to Build Smaller Permanent Supportive Housing Properties For Persons With Developmental Disabilities on behalf of MacDonald Training Center, Inc. ("Applicant"). The Applicant is requesting \$392,000 of grant funding for the construction of a single-family home to be located at 2902 Cork Road, Plant City, Hillsborough County, FL 33565. The new single-family home will consist of approximately 3,010 square feet with six bedrooms, a den/respice room and three and one-half bathrooms, known as Cork Country Place (the "Development").

The Development will house six residents who will each have a bedroom with a locking door. There will be three bathrooms, which will be shared by two tenants each. A seventh room will act as a den/respice room and an extra half bathroom will also be provided for guests, staff or residents at the home. Separate areas include a dining room, living room, manager's office, storage rooms, laundry room and screened porch. As such, the Development will be adding to the supply of units through new construction to serve persons with developmental disabilities with six residents residing at the home.

The Development will set aside the six bedrooms to persons with development disabilities as permanent supportive housing, with four units for tenants with incomes at or below 60% of the Area Median Income ("AMI") and two units for tenants with incomes at or below 40% AMI ("Extremely Low Income") for a period of ten years.

The Development is a Community Residential Home and should be considered Shared Housing. As such, the Applicant shall utilize the six bedrooms as Shared Housing throughout the entire affordability period. Income certification of residents will be required throughout the affordability period (10 years).

The Applicant, a Florida not-for-profit corporation with an 18-member Board of Directors, was formed February 25, 1955 for the purpose of providing persons with disabilities life and job skills training, community based residential support and competitive employment placement. The Development will be self-managed by the Applicant and constructed by Palmwood Construction, LLC (the "Building Contractor" or "Palmwood").

**DEVELOPMENT & SET-ASIDES**

Development Name: Cork Country Place

Program Numbers: RFA 2015-105 2015-265G \_\_\_\_\_

Address: 2902 Cork Road City: Plant City Zip Code: 33565

County: Hillsborough County Size: Large

Development Category: New Construction Development Type: Single Family Community Residential Home (Rental)

Demographic Commitment: Elderly: \_\_\_\_\_ Homeless: \_\_\_\_\_ ELI: 2 Units @ 40% AMI  
 Farmworker or Commercial Fish Worker: \_\_\_\_\_ Family: \_\_\_\_\_ Link: 0 Units

Set Asides:

Program	% of Bedrooms	# of Bedrooms	% AMI	Term (Years)
Grant	33.3%	2	40%	10
Grant	66.7%	4	60%	10

**DEVELOPMENT TEAM**

Applicant/Borrower:	MacDonald Training Center, Inc.
Guarantor(s):	MacDonald Training Center, Inc.
General Contractor 1:	Palmwood Construction, LLC
Management Company:	MacDonald Training Center, Inc.
Architect:	N/A

## Sources of Funds

Source	Lender	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
Grant	FHFC	\$392,000	\$392,000	N/A	0	10	\$0
Borrower Equity	Borrower	\$30,648	\$54,889				
<b>Total :</b>		<b>\$422,648</b>	<b>\$446,889</b>				<b>\$0</b>

### **Grant Funding:**

Applicants that commit to a New Construction that Serves Persons with Development Disabilities may request grant funding amounts as outlined within the RFA. The Applicant requested \$375,000, plus an additional \$17,000 for predevelopment and credit underwriting costs, for a total of \$392,000 of grant funding which complies with the requirements of the RFA. Florida Housing will pay the predevelopment and credit underwriting costs directly and deduct the appropriate amounts from the award. Any funding remaining from the amount set aside for these costs may be utilized for development costs. Grant proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the grant to the Total Development Cost.

### **Borrower Equity:**

AmeriNat estimates the Applicant will contribute \$54,889 at Grant closing. AmeriNat has received bank statements that confirm the cash funding is available to the Applicant.

## Uses of Funds

<b>CONSTRUCTION COSTS:</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Bedroom</b>
New Rental Units	\$295,106	\$295,106	\$49,184
Site Work	\$41,450	\$41,450	\$6,908
General Conditions	\$9,074	\$9,074	\$1,512
Overhead	\$19,180	\$19,180	\$3,197
Profit	\$26,080	\$26,080	\$4,347
Total Construction Contract/Costs	\$390,890	\$390,890	\$65,148
Hard Cost Contingency	\$0	\$19,544	\$3,257
Other: Change Order	\$0	\$1,750	\$292
<b>Total Construction Costs:</b>	<b>\$390,890</b>	<b>\$412,184</b>	<b>\$68,697</b>

<b>GENERAL DEVELOPMENT COSTS:</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Bedroom</b>
Building Permits	\$2,050	\$0	\$0
Environmental Report	\$3,790	\$3,790	\$632
FHFC Credit Underwriting Fee	\$8,300	\$8,300	\$1,383
FHFC HC Compliance Fee (Pre-Paid)	\$1,000	\$1,000	\$167
Impact Fee	\$6,100	\$0	\$0
Lender Inspection Fees / Const Admin	\$0	\$9,345	\$1,558
Legal Fees	\$553	\$553	\$92
Plan and Cost Review Analysis	\$1,700	\$1,700	\$283
Soil Test	\$2,250	\$2,250	\$375
Survey	\$4,015	\$4,015	\$669
Title Insurance and Recording Fees	\$0	\$100	\$17
Soft Cost Contingency	\$0	\$1,652	\$275
Other: FHFC Grant Commitment Fee	\$2,000	\$2,000	\$333
<b>Total General Development Costs:</b>	<b>\$31,758</b>	<b>\$34,705</b>	<b>\$5,784</b>

<b>OTHER DEVELOPMENT COSTS</b>	<b>Revised Applicant Costs</b>	<b>Underwriters Total Costs - CUR</b>	<b>Cost Per Bedroom</b>
Development Cost Before Developer Fee and Land Costs	\$422,648	\$446,889	\$74,482
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$422,648</b>	<b>\$446,889</b>	<b>\$74,482</b>

**Notes to Total Development Costs:**

1. The Applicant provided an executed Property Construction Agreement (“Agreement”) dated May 20, 2016 between the Applicant and the General Contractor illustrating a sum of \$390,890. The General Contractor will achieve construction completion in 210 days from the notice to proceed. Retainage in the amount of 10 percent per draw shall be held by the Servicer during construction until the Development is 100% complete.
2. The Agreement includes \$2,050 in Building Permit Fees and \$6,100 in Impact Fees.
3. A change order in the amount of \$1,750 was provided representing a change in the air conditioning units from 14 SEER to 15 SEER, which is a requirement of the RFA.
4. The General Contractor Fee, comprised of general conditions, overhead and profit, does not exceed the maximum 18% of the actual construction costs permitted by the RFA.
5. A Hard Cost Contingency of 5% and a Soft Cost Contingency of 5% of General Development Costs were utilized and meets the requirements of the RFA.
6. Builder’s Risk Insurance and the General Contractor’s General Liability Insurance costs are included in the Agreement.
7. The FHFC Credit Underwriting Fee includes an \$8,000 fee for credit underwriting and a \$300 fee for personal credit reports and Dunn & Bradstreet Business Information reports.
8. For Inspection Fees/Construction Admin., AmeriNat estimates the cost of seven construction site inspections (\$500 each) and seven draw reviews including the closing draw (5 hours per draw at \$167 per hour). The fee is calculated as follows:  $(\$500 \times 7) + (7 \times 5 \text{ hrs} \times \$167/\text{hr})$ . Per the RFA, the fees related to up to four draws are eligible for reimbursement from the grant agreement. The remaining inspection and reviews will be paid with Borrower Equity.
9. In accordance with the RFA, the Applicant will pay a Grant Commitment Fee equal to \$2,000, to be paid at closing, and is eligible for reimbursement from the grant funding.
10. The Applicant will lease the property for \$375 per month, according to the Ground Lease dated June 9, 2016 between the Applicant and MacDonald Training Center Properties, Inc.; therefore, no Land Costs exist. The yearly lease payment is shown as an expense on the operating pro forma.
11. Per the RFA, Developer Overhead is limited to 10% of Development Costs; however, the Developer is foregoing this fee.

## Construction Features and Amenities

The Applicant committed to provide certain required and optional construction features and amenities within the RFA as outlined within Exhibit A of this recommendation. According to Scope of Work in the Property Construction Agreement between the Applicant and the General Contractor, the General Contractor shall adhere to the required and optional construction features and amenities of Section G of the RFA which are included in the contract documents. On Solid Ground, LLC (“OSG”) the Construction Inspector engaged by AmeriNat, will verify the required construction features and amenities have been constructed at the Development.

## Third Party Reports

Appraisal:	The land on which the Development will be constructed will be leased by the Applicant, as stipulated in the Ground Lease dated June 9, 2016. Therefore, an appraisal report is not applicable.
Blower Door Test:	N/A New Construction
HVAC Inspection:	N/A New Construction
Home Inspection:	N/A New Construction
Transaction Screen Process:	A Transaction Screen Process Report (“TSP”) dated April 25, 2016 was performed by Creative Environmental Solutions, Inc. (“CES”) in accordance with the scope and limitations of ASTM Practice E 1528-14. Based upon a site inspection performed by CES, there was no evidence of potential environmental concerns in connection with the Development. No further assessment is recommended.
Geotechnical Report:	<p>Test Lab, Inc. (“TLI”) performed a geotechnical exploration report at the Development’s site according to a report dated June 8, 2016. The purpose of the exploration was to evaluate the general subsurface conditions within the proposed building and to provide recommendations for site preparation, earthwork and foundation support. Three standard penetration test borings were performed, approximately 20 feet below the existing ground surface, to explore the subsurface conditions of the proposed structure in general accordance with the methodology outlined in ASTM D-1586. Three auger borings, approximately five feet below the existing ground surface, were performed within the proposed driveway.</p> <p>Material found in the borings drilled generally consisted of loose to medium loose dense clayey sand to clayey silty sand. A shallow layer of high-plasticity soil was present on the site. It is considered an expansive material as it has high shrink-swell potential. TLI recommends a minimum two feet of separation between the bottom of the building footings and slab and the</p>

clayey soil; and a minimum of two feet of separation between the bottom of the pavement base material and the clayey soil. The General Contractor has addressed this recommendation in Exhibit B of the Construction Contract.

Groundwater was encountered at each boring at depths varying from three to four feet below the ground surface. Groundwater levels fluctuate with time due to seasonal moisture changes and local precipitation events. Therefore, future ground water levels may be encountered at depths different from those identified in the report.

The construction consultant, OSG, stated the foundation design recommendations have been provided and appear to comply based on the structural drawings.

Plan & Cost Review:

OSG prepared a Plan and Cost Review (“PCR”), dated June 22, 2016, on the Development. The purpose of this PCR is to determine the coordination and building code compliance of the construction documents and submittals for the referenced project; as well as, to evaluate the appropriateness of the General Contractor’s estimated construction costs and ensure the required and optional construction features and amenities are incorporated into the plans and specifications. This PCR was performed in accordance with industry standards.

The construction contract amount of \$390,890 reflects a total cost of \$129.88 per square foot. By subtracting the site work and special construction costs, the cost per square foot is \$113.48. OSG’s overall opinion is that the costs per square foot for the Development are at the mid-range of similar projects and appear to fall within an acceptable price range for this type of project. The cost per square foot, including site work, for the comparables ranged between \$100.51 and \$108.36. OSG stated the construction schedule of 210 days is appropriate for the project.

OSG stated the Development complies with FHA, Section 504 and ADA accessibility requirements.

Resident Community-  
Based Services  
Coordination Plan:

A Resident Community-Based Services Coordination Plan was reviewed and approved by Bill Aldinger, the Florida Housing Policy Director/Supportive Housing Coordinator, on June 8, 2016.

## Operating Pro Forma

FINANCIAL COSTS:		Year 1	Year 1 Per Bedroom
<b>OPERATING PRO FORMA</b>			
INCOME:	Gross Potential Rental Income	\$39,408	\$6,568
	Rent Subsidy (ODR)	\$3,346	\$558
	Other Income		
	Ancillary Income	\$364,424	\$60,737
	Miscellaneous	\$60,000	\$10,000
	Gross Potential Income	\$467,178	\$77,863
	Less:		
	Physical Vac. Loss      Percentage: 4.50%	\$21,023	\$3,504
<b>Total Effective Gross Income</b>	<b>\$446,155</b>	<b>\$74,359</b>	
EXPENSES:	Fixed:		
	Ground Lease	\$4,500	\$750
	Real Estate Taxes	\$400	\$67
	Insurance	\$4,600	\$767
	Variable:		
	Management Fee      Percentage: 12.50%	\$55,769	\$9,295
	General and Administrative	\$6,440	\$1,073
	Payroll Expenses	\$325,295	\$54,216
	Utilities	\$5,400	\$900
	Maintenance and Repairs/Pest Control	\$7,500	\$1,250
	Grounds Maintenance and Landscaping	\$4,200	\$700
	Resident Programs	\$24,000	\$4,000
	Security	\$1,200	\$200
	Other: Vehicle Expenses	\$3,600	\$600
	Reserve for Replacements	\$2,500	\$417
<b>Total Expenses</b>	<b>\$445,404</b>	<b>\$74,234</b>	
<b>Net Operating Income</b>	<b>\$751</b>	<b>\$125</b>	
<b>Debt Service Payments</b>			
First Mortgage -      FHFC Grant	\$0	\$0	
Total Debt Service Payments	\$0	\$0	
Cash Flow after Debt Service	\$751	\$125	
	<b>Annual</b>		
<b>Debt Service Coverage Ratios</b>			
DSC - First Mortgage	0.00		
DSC - All Mortgages and Fees	0.00		
<b>Financial Ratios</b>			
Operating Expense Ratio	99.83%		
Break-even Economic Occupancy Ratio (all debt)	95.34%		

### Notes to the Operating Pro Forma:

1. Gross Potential Rental Income illustrated above is based on each resident receiving Social Security Administration monthly payments of \$733, less a personal allowance of \$133.58, for a total of \$599 per month. The tenant's income for the two ELI units includes rent subsidies provided by the state's Long Term Residential Care Program for a total Rent Subsidy of \$3,346.
2. Tenants at the Development do not pay any utility costs. As such, a utility allowance chart was not sought.



- Other Income is based upon the estimates by the Applicant from the Residential Habilitation Intensive 1 funding from the Agency for Persons with Disabilities (“APD”) and the Robert Chase Memorial Fund, which appears reasonable. Until such time as the Development is constructed and APD authorizes residents to occupy the units for which the Applicant shall house and provide supportive services, the Applicant’s estimate will be utilized.

A rent roll for the Development as proposed is as follows:

Bed Rooms	Bath Rooms	Total Number	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	0.5	1	122	40%	\$444			\$0		\$444	\$444		\$444	\$5,328
1.0	0.5	1	122	40%	\$444			\$0		\$444	\$444		\$444	\$5,328
1.0	0.5	1	122	60%	\$666			\$0		\$666	\$599		\$599	\$7,188
1.0	0.5	1	122	60%	\$666			\$0		\$666	\$599		\$599	\$7,188
1.0	0.5	1	122	60%	\$666			\$0		\$666	\$599		\$599	\$7,188
1.0	0.5	1	122	60%	\$666			\$0		\$666	\$599		\$599	\$7,188
		6	732											\$39,408

- A Ground Lease, dated June 9, 2016, was provided between the Applicant and MacDonald Training Center Properties, Inc. The term of the lease is for ten years, commencing on July 1, 2016 and ending on June 30, 2026, with a lease payment of \$375 due monthly.
- The Applicant is exempt from real estate taxes; however, they are not exempt from ad valorem taxes, which are reflected in the pro forma.
- The Applicant estimated operating expenses based on the historical operating expenses at their other community residential homes and they appear reasonable.

## Development Team

### ***Applicant/Developer/ Property Manager Information***

Applicant Name: MacDonald Training Center, Inc. ("MTC")

Applicant Type: A Florida 501(c)(3) not-for-profit corporation

Ownership Structure: Formed in 1955, the Applicant is a Florida 501(c)(3) not-for-profit corporation with an 18-member Board of Directors.

Contact Person: James M. Freyvogel, President and CEO  
[jfreyvogel@macdonalcenter.org](mailto:jfreyvogel@macdonalcenter.org)  
Telephone: (813) 870-1300  
Facsimile: (813) 872-6010

Applicant Address: 5420 W. Cypress Street  
Tampa, FL 33607

Federal Employer ID: 59-0777827

Experience: MTC was founded by J. Clifford MacDonald and a group of parents of individuals with developmental disabilities. MTC's primary areas of service include educational, vocational and residential support for persons with disabilities. MTC's day services include vocational skills training and life enrichment activities from computer lab and fine arts instruction to recreational outreaches for people with developmental disabilities. Additionally, MTC provides supported employment counseling and placement services for people with a wide variety of disabilities.

Financial Statements: AmeriNat received and reviewed the following financial statement:

#### **MacDonald Training Center, Inc. and Affiliates**

<u>FYE September 30, 2015</u>		<u>(Audited)</u>
Cash and Cash Equivalents	\$	
Total Assets	\$	
Total Liabilities	\$	
Total Equity	\$	

The financial information is based upon an audited financial statement prepared by Mayer, Hoffman, McCann, PC on February 4, 2016, for the period ending September 30, 2015. Assets primarily consist of Cash, Investments and Property & Equipment. Liabilities primarily consist of Accounts Payable, Deposit Liability and Long Term Debt. AmeriNat satisfactorily reviewed MTC's FYE September 30<sup>th</sup> 2014 and 2015 U.S. Income Tax Returns.

- Banking References:** AmeriNat received several bank statements dated September 30, 2015 reflecting deposits in the high six-figures.
- Credit Evaluation:** A Dun & Bradstreet Business Information Report (“D&B”) was performed on MTC on May 24, 2016. The D&B report indicates a “low” risk of late payments, and payments have been made within terms based upon 18 payment experiences. No derogatory information was reflected in the report.
- Real Estate Owned and Contingent Liabilities:** The Applicant provided a June 1, 2016 report reflecting four commercial properties and one residential property with an estimated value of \$4,002,121 and outstanding debt totaling \$13,119. Contingent Liabilities include a maximum obligation amount of \$961,293 with outstanding debt totaling \$506,467. Contingent Liabilities consists of two lines of credit, two loans and two capital leases.
- Statement of Financial and Credit Affairs:** The Applicant provided an executed Statement of Financial and Credit Affairs effective as of May 20, 2016 that illustrates the Applicant has one pending lawsuit for an automobile accident involving an employee. The case is currently in the discovery process and a specific dollar amount has not been presented. The Applicant has a \$1MM insurance policy limit; the Applicant stated the policy limit should more than cover any settlement or judgement costs involved with this case. The State of Financial and Credit Affairs reflects no unsatisfied judgments, bankruptcies, foreclosures, deferred principal or interest payments, or instances of loan restructuring due to situations of negative cash flow.
- Summary:** The Applicant has considerable relevant experience and sufficient financial capacity to construct, operate and manage the Development.

**Building Contractor Information**

Building Contractor: Palmwood Construction, LLC (“Palmwood”)

Type: A Florida limited liability company

Contact Person: Stuart R. Glover  
[stu@palmwoodconstruction.com](mailto:stu@palmwoodconstruction.com)  
 Telephone: (352) 597-2100  
 Facsimile: (352) 597-4487

Address: 8245 River Country Drive  
 Springhill, FL 34607

Experience: Palmwood was founded by Ralph S. Glover in 1957. During the 1960’s and 70’s, Palmwood established Palm Terrace Estates in Port Richey, which contained approximately 1,200 homes and River Country Estates with approximately 500 estate and commercial lots near Weeki Wachee River. In the 1980’s, Palmwood established Executive Woods and developed 120 single family homes. In the early 2000’s, Palmwood was a featured builder in the champion-class golf communities of Lake Jovita and Hernando Oaks and provided the final development of Orchard Park, a neighborhood of 243 half-acre lots in Spring Hill, Florida. In the mid 2000’s, Palmwood expanded their services to include room additions and remodeling. Stuart R. Glover, who joined Palmwood in 1976, is a Florida Certified Building Contractor (License No. CBCA22129), with a license valid through August 31, 2016.

Credit Evaluation: No information was available on Palmwood from the Dun & Bradstreet Business Information Report (“D&B”) performed on May 24, 2016.

Financial Statements: AmeriNat received a financial statement for Palmwood, which is summarized as follows:

<b>Palmwood Construction, LLC</b>	
<u>December 31, 2015</u>	<u>(Compiled)</u>
Cash and Cash Equivalents	\$ [REDACTED]
Total Assets	\$ [REDACTED]
Total Liabilities	\$ [REDACTED]
Total Equity	\$ [REDACTED]

The financial information is based upon a financial statement compiled by Kierzynski & Associates, CPA PA on June 14, 2016. Assets primarily consist of Work in Process and Other Assets. Liabilities primarily consist of Draws & Deposits. Palmwood’s source of revenue is derived from Sales and Rental Income of \$2,337,584 through December 31, 2015 providing for a net income of (\$204,453) over the same period. Although the financial statement reflects

a net loss for fiscal year end 2015, Palmwood has over \$2.6MM in Inventory/Work in Process and sufficient cash on hand.

Summary:

Palmwood has extensive experience in the single-family construction industry and has sufficient financial capacity to construct the Development.

## Recommendation

AmeriNat recommends the issuance of a grant of \$392,000 to the Applicant for the renovation financing of the Development subject to the following conditions:

1. Review and approval of all grant documentation by Florida Housing and its legal counsel.
2. Payment of all costs and fees payable to Florida Housing, its legal counsel, and AmeriNat.
3. Payment of the Grant Commitment Fee to FHFC at closing.
4. Prepayment of the required Compliance Monitoring Fees at closing.
5. Satisfactory resolution of any outstanding past due and non-compliance items, if applicable.
6. Payment of any outstanding arrearages to FHFC, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer).
7. Evidence the Applicant executed a Construction Completion Guaranty to be released at 100% lien free completion of construction.
8. On Solid Ground, LLC ("OSG") shall serve as Florida Housing inspector during the construction phase and verify that the construction features and amenities committed to by the Applicant have been constructed, as well as any additional RFA requirements, where applicable.
9. Receipt of executed FHFC Fair Housing and ADA Design certifications by the General Contractor, Architect and Applicant.
10. Receipt of building permits and any other necessary approvals. An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions). If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
11. Evidence that each condition of Grant Funding as outlined in Part III Program Procedures and Requirements for Grant Funding of the RFA has been provided to the satisfaction of Florida Housing, its legal counsel, and its servicer.
12. Receipt of evidence of adequate insurance on the Development as determined by Florida Housing, or AmeriNat, but which shall, in any case, include fire, hazard and other insurance sufficient to meet the standards established in Part IIIB, Chapter 9, Section 911 of the Fannie Mae Multifamily Delegated Underwriting and Servicing (DUS) Guide, effective April 29, 2011.
13. Any other due diligence required by FHFC, its legal counsel or its servicer.

This recommendation is valid for six months from the date of this report. Please contact me with any questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly A. Thorne".

Kimberly A. Thorne  
Credit Underwriter

Enclosure

**A.** The Development will consist of **six** bedrooms and **three and ½** bathrooms. (The half bathroom is for guests, family and staff).

1. Each resident shall have a private Bedroom with a locking door and non-exclusive access to shared living facilities, consisting of a kitchen and a living/dining area.
2. For every two residents, there must be at least one full bathroom with a locking door;
3. Community Residential Homes must have no more than six (6) Residents per Unit.

**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.

**C.** The Development must provide the following General and Green Building Features:

1. Termite prevention and pest control throughout the entire affordability period; and
2. A full-size range and oven in all Units.
3. 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);
4. 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;
5. Energy Star qualified refrigerator;
6. Energy Star qualified dishwasher;
7. Energy Star qualified washing machine, if provided;
8. Energy Star qualified exhaust fans in all bathrooms; and
9. Minimum SEER of 15 for air conditioners.
10. **Recommended to Applicants during Construction:** To ensure that that construction is carried out to take the greatest advantage of energy efficiency options, the Corporation recommends minimizing bends in all exhaust ductwork to be less than 90 degrees to provide less restriction on air movement.

**D.** The Development must provide all of the accessibility, adaptability, universal design and Visitability features listed below:

1. 50 percent of the Bedrooms and a minimum of one (1) bathroom must be fully accessible in accordance with the 2010 ADA Standards for Accessible Design. These fully accessible bedrooms shall provide mobility features that comply with the residential dwelling Units provision of the 2010 ADA Standards for Accessible Design.
2. The Community Residential shall be accessible to persons with visual and hearing impairments in accordance with the 2010 ADA Standards for Accessible Design and shall



- comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.
3. The Development must provide an accessible route that meets the 2010 ADA Standards for Accessible Design. A continuous, unobstructed path throughout the site and the building that connects all the accessible features, elements, and spaces shall be provided. This shall include the back yard and all amenities of the Development;
  4. Primary entrance door shall have a threshold with no more than a ½-inch rise;
  5. Thresholds at doorways of exterior sliding doors shall not exceed 1/2-inch in height;
  6. When a secondary exterior door exits onto decks, patios, or balcony surfaces constructed of impervious materials, such as concrete or asphalt, the accessible route may be interrupted. In this case, the outside landing surface may be dropped a maximum of 4 inches below the floor level of the interior of the dwelling unit to prevent water infiltration at door sills, as allowed in the Fair Housing Act Guidelines;
  7. If the exterior surface is constructed of pervious material, such as a wood deck that will drain adequately, that surface must be maintained to within ½-inch of the interior floor level;
  8. All secondary exterior doors at dwelling units that open onto private decks, balconies, and patios shall provide a clear opening of not less than 32 inches;
  9. Sliding glass doors that are used as secondary exterior doors must have a 32-inch clear opening. The door assembly for a standard 6-foot sliding glass door must yield a 32-inch clear opening. French doors or other double-leaf doors must provide a 32-inch clear opening;
  10. All door handles on primary entrance door and interior doors must have lever handles;
  11. Interior doorways shall provide a clear opening of not less than 32 inches;
  12. All interior doorways must have flush thresholds;
  13. Hall widths must be at least 36 inches wide to allow a person in a wheelchair to make a 90 degree turn into or out of a 32" door opening;
  14. Lever handles on all bathroom faucets and kitchen sink faucets;
  15. Toilets must be 17 inches to 19 inches in height as measured from the finished floor to the top of the toilet seat; and
  16. Mid-point on light switches and thermostats shall not be more than 48 inches above the finished floor level.