FLORIDA HOUSING FINANCE CORPORATION

Credit Underwriting Report

Liberty Village

RFA 2014-107 (2014-398CS/2015-279CS)

Financing of Permanent Supportive Housing with a Priority to Assist Veterans with a Disabling Condition that Lack Permanent and Stable Housing

SAIL Loan, ELI Loan and Competitive 9% Housing Credits

Section A: Report Summary

Section B: SAIL and ELI Loan Closing Special & General Conditions and HC Allocation Recommendation and Contingencies

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Prepared by

AmeriNational Community Services, LLC d/b/a AmeriNat℠ in KY, GA and FL

Final Report

July 21, 2016

LIBERTY VILLAGE

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Report Summary

Recommendation

AmeriNational Community Services, LLC d/b/a AmeriNat℠ in KY, GA and FL ("AmeriNat") recommends a State Apartment Incentive Loan funding ("SAIL") in the amount of $1,100,000, Extremely Low Income GAP funding ("ELI") in the amount of $225,000 and an annual allocation of 9% Housing Credits ("HC") in the amount of $1,310,000 to Osprey Apartments, LLC ("Applicant") for the construction and permanent phase financing of Liberty Village (the proposed "Development").

DEVELOPMENT & SET-ASIDES

Development Name: Liberty Village

Program Numbers: RFA 2014-107 | 2014-398CS | 2015-279CS

Address: 5329 NW 17th Avenue and 1620 NW 54th Street City: Miami Zip Code: 33142

County: Miami-Dade County Size: Large

Development Category: New Construction Development Type: Mid Rise (5-6 stories)

Construction Type: Concrete with a stucco finish.

Demographic Commitment: Elderly: ____ Homeless: X* ELI: 15 Units @ 33% AMI
Farmworker or Commercial Fish Worker: ____ Family: ____ Link: 0 Units

* The RFA requires at least 80% of the total units (48 units) in the proposed Development be set aside for Veterans; at least 50% of the total units (30 units) are for Chronically Homeless individuals; and at least 50% of the units serving Veterans (24 units) must be set aside for Veterans with a Disabling Condition. The Applicant has committed to meet these requirements.

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
0.0	1.0	6	346	33%	$391			$59		$332	$332	$332	$332	$23,904
0.0	1.0	19	346	60%	$711			$59		$652	$566	$652	$652	$148,656
1.0	1.0	9	478	33%	$419			$78		$341	$341	$341	$341	$36,828
1.0	1.0	21	478	60%	$762			$78		$684	$684	$684	$684	$172,368
2.0	2.0	5	800	60%	$915			$99		$816	$816	$816	$816	$48,960
		60	26,990											$430,716

1. The RFA was open to Applicants proposing to construct a minimum of 30 units and a maximum of 60 units for Permanent Supportive Housing for Veterans with a Disabling condition who are Chronically Homeless. The proposed development has a total of 60 units, which satisfies this requirement.

2. The RFA requires at least 80% of the total units to be rented to households with incomes at or below 60% of the Area Medium Income ("AMI"). The Applicant has committed to 100% of the units at 60% AMI or less.

3. The RFA requires a minimum of 20% of the total units be set-aside as ELI units, with a maximum of 25% ELI units. The Applicant committed to set aside 25% of the units (15 units) at 33% of the AMI or

less. After 15 years, the ELI set-aside units above the 20% minimum requirement (3 ELI units) may convert to serve residents at or below 60% AMI.

4. The RFA states the total of the base SAIL Loan (the Applicant's Eligible SAIL Request Amount) plus the ELI Gap Loan amount (the total amount of ELI Gap Funding the Applicant is eligible for) cannot exceed 35% of the Total Development Cost. The SAIL Loan plus the ELI Gap Loan totals $1,325,000 or 8.59% of Total Development Costs, which does not exceed the 35% maximum.

Buildings: Residential - 1 Non-Residential - 0
Parking: Parking Spaces - 33 Accessible Spaces - 2

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
SAIL/ELI	25%	15	33%	50
SAIL	75%	45	60%	50
HC	25%	15	33%	50
HC	75%	45	60%	50

Absorption Rate: 29 units per month for 2 months.

Occupancy Rate at Stabilization: Physical Occupancy 96% Economic Occupancy 95%
Occupancy Comments CMA weighted average occupancy rate is 99%

DDA?: Y QCT?: Y
Site Acreage: 0.55 Density: 109.09 Flood Zone Designation: X
Zoning: T6-8 (Urban Core Transect 6) Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Osprey Apartments, LLC	% Ownership
General Partner 1:	Osprey Apartments Manager, Inc.	0.01%
General Partner 2:	Hudson Housing Capital, LLC or an affiliate	99.99%
Guarantor(s):	Osprey Apartments, LLC	
	Osprey Apartments Manager, Inc.	
	Carrfour Supportive Housing, Inc.	
Developer:	Carrfour Supportive Housing, Inc.	
Principal 1	N/A Non-Profit (Board of Directors)	
General Contractor 1:	Munilla Construction Management, LLC	
Management Company:	Crossroads Management, LLC	
Syndicator:	Hudson Housing Capital, LLC or an affiliate	
Architect:	Bruce Carlson AIA, Inc.	
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	First	Second	Third			
Lender/Grantor	FHFC-SAIL	FHFC-ELI	Developer			
Amount	$657,529	$225,000	$400,000			
All In Interest Rate	1.00%	0.00%	0.00%			
Loan Term	30	30	40			
Amortization	0	0	0			
Market Rate/Market Financing LTV	11.52%	15.46%	22.46%			
Restricted Market Financing LTV	43.84%	58.84%	85.50%			
Loan to Cost	4.26%	1.46%	2.59%			
Debt Service Coverage	14.39	14.39	14.39			
Operating/Deficit Service Reserve	$850,000					
Period of Operating Expenses/Deficit Reserve in Months	30					

Deferred Developer Fee	$0
Land Value	$1,380,000
Market Rent/Market Financing Stabilized Value	$5,710,000
Rent Restricted Market Financing Stablized Value	$1,500,000
Projected Net Operating Income (NOI) - Year 1	$94,602
Projected Net Operating Income (NOI) - 15 Year	$68,455
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit Syndication Price	$1.08
Housing Credit Annual Allocation	$1,310,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	CITI	$9,750,000	$0	$0
First Mortgage - SAIL	FHFC	$1,100,000	$657,529	$10,959
Second Mortgage - ELI GAP	FHFC	$225,000	$225,000	$3,750
Developer Loan	Developer	$400,000	$400,000	$6,667
HC Equity	Hudson Housing Capital	$2,121,988	$14,146,585	$235,776
Deferred ODR	Developer	$244,248	$0	$0
Deferred HC Compliance Fee	Developer	$202,888	$0	$0
Deferred Developer Fee	Developer	$1,384,990	$0	$0
TOTAL		$15,429,114	$15,429,114	$257,152

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. JPMorgan Chase Bank, NA (“JPMorgan”) was the proposed construction lender at the time of Application; JPMorgan has been replaced by Citibank, NA (“Citi”).

   Enterprise Community Investment, Inc. (“ECI”) was the proposed syndicator at the time of Application; ECI has been replaced by Hudson Housing Capital, LLC, its successors or assigns (“HHC”).

   The Applicant provided The Home Depot Foundation Grant Agreement, dated December 8, 2014, between The Home Depot Foundation and the Developer in the amount of $400,000. The Developer will in turn loan the $400,000 to the Applicant, per the letter of intent dated May 31, 2016.

The amount of the SAIL loan requested in the Application was $2,400,000; however, the Applicant will only utilize $1,100,000 due to other available funding sources.

2. Development Costs have increased to $15,429,114 from $14,359,511, for a difference of $1,069,603, since the time of Application due to an increase in Total Construction and Financial Costs.

3. The Applicant requested a waiver of Rule 67-48.004(3)(g) changing the Development Type from High-Rise (7 stories) to Mid-Rise (5-6 stories). The FHFC board members approved this waiver on December 11, 2015.

   The unit mix has changed since the time of Application from 26 studio units and 29 one-bedroom units to 25 studio units and 30 one-bedroom units. The unit mix for the two-bedroom units remained the same at five units. FHFC staff approved this change.

   The changes have no substantial material impact to the SAIL/ELI Gap/HC recommendation for the Development.

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

According to the FHFC Asset Management Noncompliance Report dated May 11, 2016, no noncompliance issues exist for the Development Team.

According to the FHFC Past Due Report dated May 11, 2016, no past due issues exist for the Development Team.

This recommendation is subject to satisfactory resolution, as determined by Florida Housing, of any outstanding past due items and non-compliance issues applicable to the Development Team prior to closing and the issuance of the annual HC allocation recommended herein.

<u>Strengths:</u>

1. The Development Team has demonstrated the ability to successfully develop and operate an affordable housing development for homeless disabled veterans.

2. A Market Study performed by Meridian Appraisal Group, Inc. ("Meridian") dated March 3, 2016 concludes that the Development should benefit from the rental rate advantage it will have over market rents. Based on the proposed rents, the estimated overall weighted average market rent is 71% greater than the estimated average restricted rent.

3. Properties identified by Meridian as comparable to the Development reflect a 99% average occupancy rate within the Development's Competitive Market Area ("CMA"). The CMA is the like-kind inventory of competitive units in the Occupancy Analysis, consists of six like-kind existing properties with a total of 509 units.

Other Considerations:

None.

Issues and Concerns:

1. On December 2, 2015, The City of Miami's Planning, Zoning and Appeals Board approved the reduction in parking space requirements for the Development. The approval was based upon the Applicant committing to provide 30 of the 60 units as elderly units. The Development will provide a total of 33 parking spaces, including double stacked spaces, which will be maintained by a valet operator.

   Mitigating Factor:

   The Applicant stated the tenants will be required to leave vehicle keys with the check-in desk to facilitate moving cars to access any blocked vehicles. The Applicant maintains that the majority of the occupants will not have vehicles and thus any operational difficulty shall be minimal.

Waiver Requests:

1. The Applicant requested a waiver of Section II.K. of the QAP, as adopted by reference in Rule 67-48.002(92), Fla. Admin. Code (2013), to permit the return of its 2014 Housing Credit Allocation and receive an equivalent allocation of 2015 Housing Credits. The FHFC board members approved this waiver and allocation request on December 11, 2015.

2. The Applicant requested a waiver of Rule 67-48.004(3)(g) changing the Development Type from High Rise (7 stories) to Mid Rise (5-6 stories). The FHFC board members approved this waiver request on December 11, 2015.

3. The Applicant requested a waiver of Rule 67-48.0072(4)(c) to extend the loan closing date from June 19, 2016 to September 30, 2016. The FHFC board members approved this waiver request on May 6, 2016.

Special Conditions:

None.

Additional Information:

1. As a requirement of the RFA, a Total Development Cost ("TDC") Per Unit Base Limitations test was performed. Based on the Application, the Applicant indicated the Development is a new construction, mid-rise concrete development and as such is limited to a TDC of no more than $240,000 per unit. Applying the 1.8% escalation factor allowable for the Development Category of new construction mid-rise concrete, the maximum TDC per unit cost is $244,320. Based on the underwritten TDC, exclusive of land costs and Operating Deficit Reserve ("ODR"), the per unit cost for the Development exceeded the maximum TDC per unit. Therefore, Developer Fee was reduced by $773,962 or 28.1% to $1,976,734 for a TDC per unit of $251,255 . The final TDC of $251,255 exceeds the maximum TDC limitation by 2.84%, which is within the 5.00% maximum allowable TDC

excess per the RFA. The final excess cost of $416,092 is not subject to further adjustment. ODR in the amount of $605,752 is not subject to adjustments.

2. On May 6, 2016, the Board of Directors of Florida Housing approved a $500,000 Predevelopment Loan Program ("PLP") loan for the Applicant. Anticipated closing of the PLP loan is July 2016. Payment in full of the PLP loan is a condition precedent to loan closing and listed in Section B of this report.

3. On June 19, 2015, the Board of Directors of Florida Housing approved a loan closing extension to June 19, 2016, which has since been extended to September 30, 2016.

Recommendation:

AmeriNat recommends a SAIL loan in the amount of $1,100,000, ELI loan in the amount of $225,000 and an annual HC allocation in the amount of $1,310,000 for the construction and permanent phase financing of the Development.

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

Prepared by:	Reviewed by:
Kimberly A Thorne	Mark Fredericks
Kimberly A. Thorne	Mark Fredericks
Credit Underwriter	SVP, Multifamily Services

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
First Mortgage	CITI	$5,750,000	$10,024,775	$9,750,000	3.82%	$207,974
Second Mortgage - SAIL	FHFC	$2,400,000	$490,000	$1,100,000	1.00%	$0
Third Mortgage - ELI GAP	FHFC	$225,000	$225,000	$225,000	0.00%	$0
Developer Loan	Developer	$0	$400,000	$400,000	0.00%	$0
HC Equity	Hudson Capital	$5,763,214	$3,467,974	$2,121,988		
Deferred ODR	Developer	$0	$0	$244,248		
Deferred HC Compliance Fee	Developer	$0	$0	$202,888		
Deferred Developer Fee	Developer	$221,297	$1,036,490	$1,384,990		
	Total :	**$14,359,511**	**$15,644,239**	**$15,429,114**		**$207,974**

<u>Proposed First Mortgage Loan</u>:

A Term Sheet, dated March 30, 2016, between Citibank, NA ("Citi") and the Applicant was provided for a construction loan in an amount up to $9,750,000, or an amount not to exceed 80% of costs budgeted for the construction phase. The construction loan will have a term of 24-months with one, six-month extension. The construction loan will be repaid with principal reductions from equity funded at or subsequent to construction completion and permanent loan conversion. The interest rate will be based upon LIBOR (.47% as of July 6, 2016) plus a 235 basis points ("bp") spread and 100 bp cushion, for an all-in interest rate of 3.82%. Payments on the loan will be interest only during the construction phase. A 1.00% Commitment Fee will be due at construction loan closing.

<u>Proposed Second Mortgage Loan:</u>

The Applicant applied to Florida Housing for a $2,400,000 SAIL Program loan under RFA 2014-107 ("RFA") for the construction financing of the Development. Considering the changes to costs and an increase to the equity being contributed, the SAIL amount has been reduced to $1,100,000. The SAIL loan term will be 30 years, as required by the HC syndicator and permitted by Rule Chapter 67-48 F.A.C. (the "Rule"). The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and interest will be due. Annual payments of all applicable fees will be required. SAIL Program loan proceeds may be amongst the sources of funds utilized to pay down the Borrower Loan during the construction phase. 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.

<u>Proposed Third Mortgage Loan:</u>

The Applicant requested an ELI Gap loan of $225,000 for the construction financing of the Development. The RFA states an Applicant must set aside at least 20% of the total units as ELI set aside units and the

Applicant is eligible for a forgivable ELI Gap loan of $75,000 for each additional ELI set-aside unit (up to a maximum of 5% of the total units above the required 20% minimum ELI set aside), not to exceed a total of $225,000. Therefore, the Applicant is eligible to receive the maximum ELI Gap loan of $225,000 for its three (3) additional ELI set-aside units.

The ELI Gap loan shall be non-amortizing with a 0% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the duration of the Compliance Period of 50-years. It shall have a term of 30 years, as required by the HC syndicator and permitted by the Rule. After 15 years, the ELI Set-Aside units above the 20% minimum requirements (3 ELI units) may convert to serve residents at or below 60% AMI. 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.

Developer Loan:

The Home Depot Foundation Grant Agreement ("Grant Agreement"), dated December 8, 2014, was provided between The Home Depot Foundation and the Developer in the amount of $400,000 for the hard construction costs of the Development. A Grant Amendment #1 was provided extending the Grant Term End Date to November 15, 2017. The Grant Agreement requires 30 units to be set aside for veterans with a disabling condition. There is no repayment requirement for this Grant. Per a letter of intent dated May 31, 2016, the Developer will in turn loan the $400,000 to the Applicant at an annual interest rate of zero percent (0%), for a term of 40 years, non-amortizing, with the repayment of the loan due in full upon maturity.

HC Equity:

A letter of intent, dated March 16, 2016, between Hudson Housing Capital, LLC ("HHC") or an affiliate and the Applicant was provided. HHC will purchase a 99.99% limited partnership interest at $1.08 per Housing Credit, for a total investment of $14,146,585. The letter of intent states that $2,121,988 will be provided at closing, which meets the 15% minimum requirement per the Rule. A total of $2,121,988 will be funded during the construction phase.

Deferred Operating Deficit Reserve:

The letter of intent from HHC requires an Operating Deficit Reserve ("ODR") equal to $850,000, which will be funded upon the third and fourth capital contributions. Five percent of the Developer Fee or $605,752 makes up a portion of the required $850,000 for a difference of $244,248.

Deferred HC Compliance Monitoring Fee:

FHFC's compliance monitoring fee of $202,888 is required and will be funded upon completion of construction with proceeds from equity payable after completion.

Deferred Developer Fee:

The Applicant will be required to defer $1,384,990 or 82.14% of the total developer fee during the construction phase. Per the RFA, up to 100% of the eligible developer fee may be deferred and used as a source without the requirement to show evidence of ability to fund.

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 - SAIL	FHFC	$2,400,000	$490,000	$657,529	1.00%	0	30	$6,575
Second Mortgage - ELI GAP	FHFC	$225,000	$225,000	$225,000	0.00%	0	30	$0
Developer Loan	Developer	$0	$400,000	$400,000	0.00%	0	40	$0
HC Equity	Hudson Capital	$11,526,847	$14,146,585	$14,146,585				
Deferred Developer Fee	Developer	$207,664	$382,654	$0				
	Total :	$14,359,511	$15,644,239	$15,429,114				$6,575

Proposed First Mortgage Loan:

The Applicant applied to Florida Housing for a $2,400,000 SAIL Program loan for the permanent financing of the Development. Considering the changes to costs and an increase to the equity being contributed, the SAIL amount has been reduced to $1,100,000, which will be paid down to $657,529 at permanent loan conversion with HC Equity. The SAIL loan term will be 30 years, as required by the HC syndicator and permitted by the Rule. The SAIL loan shall be non-amortizing with a 1.00% interest rate over the life of the loan with annual payments based upon available cash flow as determined by Florida Housing. Any unpaid interest will be deferred until cash flow is available. However, at maturity of the SAIL loan, all principal and interest will be due.

Annual payments of all applicable fees will be required. Fees include Permanent Loan Servicing Fees of $2,448 (25 bps of the outstanding loan amount up to a maximum of $810 per month, subject to a minimum of $204 per month) and Compliance Monitoring Fees of $4,746 (comprised of a base fee of $158 per month plus an additional fee per set-aside unit of $9.71 per year, subject to a minimum of $248 per month and subject to adjustments annually, which shall not to exceed 3% of the prior year's fee).

Proposed Second Mortgage Loan:

The Applicant requested an ELI Gap loan of $225,000 for the permanent financing of the Development. The ELI Gap loan shall be non-amortizing with a 0% interest rate over the life of the loan with principal forgivable at maturity provided the units are targeted to ELI Households for the duration of the Compliance Period of 50-years. It shall have a term of 30 years, as required by the HC syndicator and permitted by the Rule. After 15 years, the ELI Set-Aside units above the 20% minimum requirements (3 ELI units) may convert to serve residents at or below 60% of AMI. Annual payments of all applicable fees will be required including the Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of $810 per month, subject to a minimum of $204 per month, and Compliance Monitoring Multiple Program Fee of $885.

Developer Loan:

A Grant Agreement was provided in the amount of $400,000 for the hard construction costs of the Development. A Grant Amendment #1 was provided extending the Grant Term End Date to November 15, 2017. The Grant Agreement requires 30 units to be set aside for veterans with a disabling condition. There is no repayment requirement for this Grant. Per a letter of intent dated May 31, 2016, the

Developer will in turn loan the $400,000 to the Applicant at an annual interest rate of zero percent (0%), for a term of 40 years, non-amortizing, with the repayment of the loan due in full upon maturity.

HC Equity:

According to the letter of intent, HHC will acquire a 99.99% limited partnership interest in the Applicant at $1.08 per housing credit for a total investment of $14,146,585 to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	$2,121,988	15.00%	Paid at closing.
2nd Installment	$10,327,007	73.00%	Paid at the later of January 2, 2018; lien free construction completion; issuance of temporary CO's for 100% of the units; and receipt of unaudited cost certification.
3rd Installment	$947,590	6.70%	Paid at the later of December 1, 2018; closing of the permanent first mortgage; receipt of final cost certification and achievement of breakeven for three consecutive months.
4th Installment	$750,000	5.30%	Paid no earlier than December 31, 2021; receipt of Form 8609; receipt of audited financial statement for the year in which breakeven date occurred; and receipt of permanent CO's.
Total:	$14,146,585	100%	

Annual Credits Per Syndication Agreement	$1,310,000
Total Credits Per Syndication Agreement	$13,100,000
Calculated HC Rate:	$1.08
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	$2,121,988

Deferred Developer Fee:

The Applicant will not be required to permanently defer any developer fee after stabilization.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Demolition	$75,000	$0	$30,000	$500	$30,000
New Rental Units	$6,663,938	$8,631,508	$8,070,975	$134,516	$0
Recreational Amenities	$225,000	$0	$0	$0	$0
Site Work	$500,000	$0	$475,338	$7,922	$0
General Conditions	$0	$516,640	$514,890	$8,582	$0
Overhead	$0	$172,360	$169,597	$2,827	$0
Profit	$716,394	$516,640	$515,390	$8,590	$0
Builder's Risk Insurance	$0	$24,758	$24,758	$413	$0
General Liability Insurance	$0	$83,265	$83,265	$1,388	$0
Payment and Performance Bonds	$0	$64,753	$64,753	$1,079	$0
Furniture, Fixture, & Equipment	$0	$0	$60,958	$1,016	$0
Total Construction Contract/Costs	$8,180,332	$10,009,924	$10,009,924	$166,832	$30,000
Hard Cost Contingency	$494,017	$500,496	$500,496	$8,342	$89,402
Total Construction Costs:	**$8,674,349**	**$10,510,420**	**$10,510,420**	**$175,174**	**$119,402**

Notes to Actual Construction Costs:

1. A Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum in the amount $13,344,209 (the “Construction Contract”), dated July 9, 2015, has been provided between the Applicant and Munilla Construction Management, LLC. The Construction Contract shows a substantial construction completion timeline of 365 days (12 months) and provides for retainage of not less than 10% until the work of the contract is 100% complete. A First Amendment to Owner-Contract Agreement, dated March 9, 2016, was provided. The primary amendments were the reduction in the contract amount to $10,009,924. A Second Amendment to Owner-Contractor Agreement, dated March 23, 2016, was provided. The primary amendments were updates to the Schedule of Values, List of Allowance Amounts and Construction Schedule. The overall contract amount remained the same, as well as the timeline.

2. General Contractor’s Fee (consisting of general conditions, overhead, and profit) does not exceed the 14.00% maximum per the RFA, and is calculated excluding Builder’s Risk Insurance, General Liability Insurance, Payment and Performance Bonds, and Furniture, Fixture & Equipment.

3. Hard Cost Contingency, which does not exceed the 5.00% maximum of Total Construction Costs per the RFA, is included in the Applicant’s budget.

4. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract. The cost is included in the Schedule of Values.

5. Varian Associates, PA (“Varian”) performed a Full Cost Analysis-Cost Engineering Report (“FCA”), dated April 1, 2016, on the Development. The FCA estimated the true hard cost to construct the Development is $9,638,648. Based upon the adjusted area of 52,300 square feet (“asf”), the hard cost for the building and site is $184.30 per asf. This can be further divided into $14.95 per asf for site features and $169.34 per asf for building construction. The median cost of the numerous other mid-rise residential projects compiled within Varian’s database is $114.09 per asf. Site development costs average $9.25 per adjusted square foot of building area. Building construction costs average $104.84 per asf for this type of multi-family development. By using an analytic method, Varian can

determine the normal, high and low range for the project and trade costs. For this Development, costs in the multi-family residential category, the normal low end is at $92.61 per asf with a typical high-end of $135.57 per asf. The cost for the Development at $184.30 per asf is well above the normal overall cost range. The construction progress schedule submitted for Varian's review shows a 12 month duration; Varian stated this time is adequate for the construction of the Development; however, may require night and weekend work at premium rates.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$30,000	$20,000	$20,000	$333	$10,000
Appraisal	$10,000	$8,500	$8,500	$142	$0
Architect's and Planning Fees	$298,197	$531,760	$531,760	$8,863	$0
Architect's Fee - Supervision	$35,000	$35,000	$35,000	$583	$0
Building Permits	$171,000	$175,000	$127,961	$2,133	$0
Builder's Risk Insurance	$50,000	$0	$0	$0	$0
Engineering Fees	$65,000	$0	$0	$0	$0
Environmental Report	$125,000	$48,000	$48,000	$800	$0
FF&E paid outside Construction Contract	$0	$125,000	$75,000	$1,250	$0
FHFC Administrative Fees	$65,500	$65,500	$65,500	$1,092	$65,500
FHFC Application Fee	$3,000	$3,000	$3,000	$50	$3,000
FHFC Credit Underwriting Fee	$16,886	$18,383	$22,083	$368	$22,083
FHFC HC Compliance Fee (HC)	$219,586	$202,888	$202,888	$3,381	$202,888
Impact Fee	$126,280	$382,664	$0	$0	$0
Lender Inspection Fees / Const Admin	$269,075	$29,400	$29,400	$490	$29,400
Green Building Cert. (LEED, FGBC, NAHB)	$120,000	$100,000	$100,000	$1,667	$0
Insurance	$100,000	$99,000	$99,000	$1,650	$0
Legal Fees	$265,000	$50,000	$50,000	$833	$50,000
Market Study	$10,000	$8,500	$8,500	$142	$8,500
Marketing and Advertising	$125,000	$0	$0	$0	$0
Plan and Cost Review Analysis	$0	$9,250	$9,250	$154	$0
Property Taxes	$80,000	$37,500	$37,500	$625	$37,500
Soil Test	$25,000	$25,000	$25,000	$417	$0
Survey	$25,000	$15,000	$15,000	$250	$0
Title Insurance and Recording Fees	$71,075	$100,248	$100,248	$1,671	$100,248
Utility Connection Fees	$117,000	$162,910	$162,910	$2,715	$0
Soft Cost Contingency	$0	$130,887	$88,825	$1,480	$0
Other: Zoning Fees	$0	$4,000	$4,000	$67	$0
Total General Development Costs:	**$2,422,599**	**$2,387,390**	**$1,869,325**	**$31,155**	**$529,119**

Notes to the General Development Costs:

1. Architect Fee reflects the actual costs represented in the executed contracts reviewed by the Underwriter.

2. Builder's Risk Insurance is included in the Schedule of Values.

3. The Engineering Fee is included in the Architect Contract.

4. Building Permit Fees are estimates based on the City of Miami's Permit Fee Summary provided by the Developer.

5. The Applicant has committed to providing ICC 700 National Green Building Standard (NGBS) Certification for the Development. The Green Building Certification Fee is an estimate based on $1,667 per unit.

6. FF&E includes interior decorations, office and clubhouse furniture, and clubhouse appliances.

7. Marketing & Advertising has been removed from the budget as the Developer will focus on lease-up utilizing their waiting list of 200 veterans with disabling conditions.

8. AmeriNat reflects actual costs for the FCA and the following FHFC Fees: Administrative, Credit Underwriting and HC Compliance.

9. The FHFC Administrative Fee is based upon the fee paid at the time of Application. The FHFC HC Compliance Fee was derived from the 2016 HC Compliance Monitoring Fee Chart, inclusive of a forward monitoring fee.

10. Impact Fees have been reallocated to Impact Fees (Deferred) as a subset of Developer Fee. See below.

11. Utility Connection Fees are an estimate based on the Miami-Dade County's Fee Schedule of $1,048.50 per unit for a total of $62,910. The remaining $100,000 is the estimated cost for the connection fee to Florida Power & Light electric company.

12. The soft cost contingency has been adjusted to 5.00% of Total General Development Costs and is within the RFA requirements.

13. The remaining General Development Costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Origination Fee	$57,500	$100,248	$97,500	$1,625	$0
Construction Loan Interest	$403,000	$214,656	$207,974	$3,466	$0
SAIL Commitment Fee	$0	$24,000	$11,000	$183	$11,000
SAIL Closing Costs	$0	$15,000	$15,000	$250	$0
SAIL Servicing Fee	$0	$20,372	$20,372	$340	$20,372
HOME Subsidy Layering Review	$0	$5,000	$5,000	$83	$0
Misc Loan Application Fee	$0	$1,200	$1,200	$20	$0
Misc Loan Closing Costs	$0	$5,000	$5,000	$83	$0
Misc Loan Interest	$0	$1,667	$1,667	$28	$0
Misc Loan Servicing Fee	$0	$600	$600	$10	$0
Reserves - Operating Deficit	$225,000	$244,248	$244,248	$4,071	$244,248
Legal Fees - Borrower's Counsel	$0	$250,000	$250,000	$4,167	$250,000
Legal Fees - Lender's Counsel	$0	$35,000	$35,000	$583	$0
Other: SAIL/ELI Extension Fee	$0	$26,250	$26,250	$438	$0
Other: ELI GAP Commitment Fee	$0	$2,250	$2,250	$38	$2,250
Other: Real Estate Counsel	$0	$40,000	$40,000	$667	$40,000
Total Financial Costs:	**$685,500**	**$985,491**	**$963,061**	**$16,051**	**$567,870**

Notes to the Financial Costs

1. Financial Costs were derived from the letters of intent by Citi and HHC, and the RFA. The RFA stipulates a commitment fee of 1% of the loan amount for the SAIL and ELI Gap loans.

2. SAIL Servicing Fee includes both SAIL and ELI loan servicing fees.

3. SAIL Closing Costs consists of both SAIL and ELI closing costs and is an estimate.

4. The interest reserve for the Construction Loan is supported by the construction loan terms illustrated in the letters of intent provided by the Applicant, the construction loan amount necessary based on the conclusions of this report, the duration of construction referenced in the Construction Contract, and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.

5. Miscellaneous Loan Fees are associated with the PLP loan.

6. Operating Deficit Reserve ("ODR") is based on the requirements stated in the letter of intent from HHC, which requires an ODR equal to $850,000, which will be funded upon the third and fourth capital contributions. Developer Fee in the amount of $605,752 makes up a portion of the required $850,000 for a difference of $244,248. At the end of the compliance period, any remaining balance of the ODR will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees, deferred developer fee and partner funding. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. If any balance in the ODR account is remaining after the payments above, the amount should be placed in a Replacement Reserve account for the Development. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

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	$11,782,448	$13,883,301	$13,342,806	$222,380	$1,216,391
Developer Fee	$2,427,063	$1,295,613	$1,080,399	$18,007	$0
Developer Fee to fund Operating Debt	$0	$605,752	$605,752	$10,096	$0
Other: Impact Fees (Deferred)	$0	$0	$290,583	$4,843	$0
Total Other Development Costs:	**$2,427,063**	**$1,901,365**	**$1,976,734**	**$32,946**	**$0**

Notes to the Other Development Costs:

1. Per the RFA, Developer Fee is within 21% of Total Development Costs exclusive of Land Costs and Reserves. A portion of the Developer Fee (an amount equal to the portion of the developer fee that exceeds 16 percent, up to a total of 5 percent) is set-aside as an additional funding source for the ODR. The Developer Fee has been reduced in order to meet the Total Development Cost ("TDC") Per Unit Base Limitation per the RFA. See below for detail.

2. Impact Fees (Deferred) – The Applicant will pay the Impact Fees at loan closing; however, they are applying for the City of Miami's Impact Fee Deferral Program. Once approved, the Impact Fees will be refunded and deferred as long as the Development remains affordable. Therefore, the Impact Fees have been reallocated as a subset of Developer Fee.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	$150,000	$109,574	$109,574	$1,826	$109,574
Total Acquisition Costs:	**$150,000**	**$109,574**	**$109,574**	**$1,826**	**$109,574**
TOTAL DEVELOPMENT COSTS:	**$14,359,511**	**$15,894,240**	**$15,429,114**	**$257,152**	**$1,325,965**

Notes to Land Acquisition and Total Development Costs:

1. According to a U.S. Department of Housing and Urban Development Settlement Statement the Applicant purchased the eastern parcel (vacant lot) for $75,000 (plus $3,426.75 in closing costs) on August 12, 2011. The City of Miami effectively donated the western portion of the Development to the Applicant for $29,854 (plus $1,293.16 in closing costs) according to a Buyer's and Seller's Combined Closing Statement dated May 15, 2015.

2. According to the April 1, 2016 appraisal, prepared by Meridian, the "As Is", as if vacant land, value of the site is $1,380,000. The lesser of the two values has been used for underwriting purposes.

3. As a requirement of the RFA, a Total Development Cost ("TDC") Per Unit Base Limitations test was performed. Based on the Application, the Applicant indicated the Development is a new construction, mid-rise concrete development and as such is limited to a TDC of no more than $240,000 per unit. Applying the 1.8% escalation factor allowable for the Development Category of new construction mid-rise concrete, the maximum TDC per unit cost is $244,320. Based on the underwritten TDC, exclusive of land costs and Operating Deficit Reserve, the per unit cost for the Development exceeded the maximum TDC per unit. Therefore, Developer Fee was reduced by $773,962 or 28.1% to $1,976,734 for a TDC per unit of $251,255 . The final TDC of $251,255 exceeds the maximum TDC limitation by 2.84%, which is within the 5.00% maximum allowable TDC excess per the RFA. The final excess cost of $416,092 is not subject to further adjustment.

4. The combined total of the SAIL loan amount of $1,100,000 and ELI loan amount of $225,000 equates to $1,325,000 or 8.59% of Total Development Costs. This is in accordance with the RFA, which states the combined total of the SAIL loan and the ELI loan shall be in an amount not to exceed 35% of the Total Development Costs.

5. Total Development Costs have increased to $15,429,114 from $14,359,511 for a difference of $1,069,603 since the time of Application primarily due to Total Construction and Financial Costs.

6. PLP principal and interest will be paid in full at closing.

OPERATING PRO FORMA

	FINANCIAL COSTS:			Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			**$430,716**	**$7,179**
	Other Income				
	Ancillary Income			$10,800	**$180**
	Gross Potential Income			**$441,516**	**$7,359**
	Less:				
	Physical Vac. Loss	Percentage:	4.00%	$17,661	**$294**
	Collection Loss	Percentage:	1.00%	$4,415	**$74**
	Total Effective Gross Income			**$419,440**	**$6,991**
EXPENSES:	Fixed:				
	Real Estate Taxes			$28,172	**$470**
	Insurance			$51,000	**$850**
	Variable:				
	Management Fee	Percentage:	6.00%	$25,166	**$419**
	General and Administrative			$39,000	**$650**
	Payroll Expenses			$72,000	**$1,200**
	Utilities			$51,000	**$850**
	Marketing and Advertising			$3,000	**$50**
	Maintenance and Repairs/Pest Control			$24,000	**$400**
	Grounds Maintenance and Landscaping			$4,500	**$75**
	Contract Services			$9,000	**$150**
	Reserve for Replacements			$18,000	**$300**
	Total Expenses			**$324,838**	**$5,414**
	Net Operating Income			**$94,602**	**$1,577**
	Debt Service Payments				
	First Mortgage	SAIL		$6,575	**$110**
	Second Mortgage	ELI GAP		$0	**$0**
	Third Mortgage	Developer Loan		$0	**$0**
	Other Fees - SAIL/ELI Compliance Monitoring			$4,746	**$79**
	Other Fees - SAIL/ELI Permanent Loan Servicing			$2,448	**$41**
	Total Debt Service Payments			**$13,769**	**$229**
	Cash Flow after Debt Service			**$80,832**	**$1,347**
				Annual	Per Unit
	Debt Service Coverage Ratios				
	DSC - First Mortgage	SAIL		**14.39**	
	DSC - Second Mortgage	ELI GAP		**14.39**	
	DSC - Third Mortgage	Developer Loan		**14.39**	
	DSC - All Mortgages and Fees			**6.87**	
	Financial Ratios				
	Operating Expense Ratio			**77.45%**	
	Break-even Economic Occupancy Ratio (all debt)			**76.69%**	

Notes to the Operating Pro Forma and Ratios:

1. The SAIL/ELI programs do not impose any rent restrictions. However, the Development will be utilizing Housing Credits in conjunction with the SAIL/ELI financing which will impose rent restrictions. Gross Potential Rental Revenue is based upon the 2015 LIHTC rents published by FHFC and the estimated utility allowances were based on a 2016 U.S. Department of Housing & Urban Development Utility Allowance Chart for Miami-Dade County, FL. Overall, the rents for the Development are at the maximum allowable rents confirmed by the appraiser and represent a weighted average rental advantage of 71% over the estimated average market rent.

   The Development will have 25% of the total units (15 units) set aside for households earning 33% of the Area Median Income ("AMI") and the remaining units (45 units) set aside for households earning 60% of the AMI or less. The RFA requires at least 80% of the total units (48 units) in the proposed Development be set aside for Veterans; at least 50% of the total units (30 units) are for Chronically Homeless individuals; and at least 50% of the units (24 units) serving Veterans must be set aside for Veterans with a Disabling Condition.

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

   Miami-Dade County MSA (Miami-Miami Beach-Kendall HMFA; Miami-Ft. Lauderdale-Pompano Beach)

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
0.0	1.0	6	346	33%	$391			$59		$332	$332	$332	$332	$23,904
0.0	1.0	19	346	60%	$711			$59		$652	$566	$652	$652	$148,656
1.0	1.0	9	478	33%	$419			$78		$341	$341	$341	$341	$36,828
1.0	1.0	21	478	60%	$762			$78		$684	$684	$684	$684	$172,368
2.0	2.0	5	800	60%	$915			$99		$816	$816	$816	$816	$48,960
		60	26,990											$430,716

2. When calculating an average market rental rate based on the unit mix and income restricted rents, the rent advantage for all of the units at the Development is in excess of 110% of the applicable maximum Housing Credit rental rate as required by the Rule.

3. Ancillary Income is comprised of fees associated with vending income, late charges, pet deposits and forfeited security deposits. The appraiser estimated the ancillary income at $15 per unit per month, which is approximately 2.5% of the potential gross rental income.

4. A 5.0% vacancy and collection loss rate was concluded by the appraiser based on comparables in the market.

5. AmeriNat utilized the appraiser's estimated real estate tax expense of $470 per unit based upon the millage rate for the municipality.

6. AmeriNat utilized an estimate of $850 per unit for insurance based upon the estimate presented by the appraiser. The figure used is consistent with insurance expenses for market rent comparables presented by the appraiser, which ranged from $324 to $867 per unit.

7. The Applicant has submitted a Property Management Agreement executed as of April 22, 2015, between Crossroads Management, LLC ("Crossroads") and the Applicant. The Agreement provides for compensation to Crossroads in an amount equal to 6% of the total gross rental collections. The figure used is supported by comparable properties identified in the appraisal.

8. Replacement Reserves of $300 per unit per year are consistent with FHFC's requirements.

9. Based upon an estimated Net Operating Income ("NOI") of $94,602 for the Development's initial year of stabilized operations; the first mortgage SAIL loan can be supported by operations at a 14.39 to 1.00 Debt Service Coverage ("DSC"). For the first and second mortgages, the DSC is 14.39 to 1.00, which exceeds the minimum DSC of a 1.10 to 1.00 for first and second mortgages with Housing Credits. The DSC for all mortgages and fees is 6.87 to 1.00.

   Per Rule Chapter 67-48 F.A.C., the maximum debt service coverage shall be 1.50 to 1.00 for the SAIL loan, including all superior mortgages. Per the Rule, when the Development has deep subsidy the DSC may exceed 1.50 if supported by the cash flow analysis. Based on the deep subsidy of 15 units at or below 33% of the AMI, the DSC of 14.39 to 1.00 appears reasonable. Furthermore, the 15-year Operating Pro Forma attached hereto illustrates a DSC that declines annually.

10. The SAIL + ELI Permanent Loan Servicing and Compliance Monitoring Fees are based on the contract between FHFC and the Servicer and subject to annual increases, not to exceed 3% of the prior year's fee.

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 Loan Closing Special and General Conditions
HC Allocation Recommendation and Contingencies

SAIL & ELI Recommendations

Special Conditions

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

1. Satisfactory receipt of documentation representing full payoff of the $500,000 Predevelopment Loan Program loan provided by Florida Housing to the Applicant.

General Conditions

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

1. At the end of the Compliance Period, any remaining balance will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees, deferred developer fee and partner funding. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. If any balance in the ODR account is remaining after the payments above, the amount should be placed in a Replacement Reserve account for the Development. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

2. Borrower is to comply with any and all recommendations noted in the Full Cost Analysis-Cost Engineering Report prepared by Varian Associates, PA.

3. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

4. 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.

5. The final "as permitted" (signed and sealed) site plans, building plans, and specifications showing all of the Features & Amenities committed to in the Application. The Geotechnical Report must be bound within the final plans and specifications.

6. 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.

7. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. SAIL and ELI Gap loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the individual ratios of the SAIL and ELI Gap loans, respectively, to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH wiring instructions.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. Satisfactory resolution of any outstanding past due and non-compliance issues by closing of the loan(s).

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

15. During construction, the Developer is only allowed to draw a maximum of 50% of the total developer fee during construction, 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 will be allowed to be disbursed at closing. The remainder of the "developer's overhead" will be disbursed during construction on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed 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.

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

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the 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 the SAIL and ELI loan closings, 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 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;
   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.

Additional Conditions

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all applicable provisions of Sections 420.507, 420.5087 and 420.509, Florida Statutes, Rule Chapter 67-53, F.A.C., Rule Chapter 67-48, F.A.C., Rule Chapter 67-60, F.A.C., RFA 2014-107, Section 42 I.R.C. and any other State and Federal requirements.

2. Acceptance by the Borrower and execution of all documents evidencing and securing the SAIL and ELI 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. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.

4. Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met including achievement of a 1.15 Debt Service Coverage on the SAIL loan, 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"). The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guarantee shall not terminate earlier than three years following the final certificate of occupancy.

5. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

6. Guarantors are to provide the standard Florida Housing Environmental Indemnity Guaranty.

7. Guarantors are to provide the standard Florida Housing Guaranty of Recourse Obligations.

8. Closing of the first construction mortgage loan simultaneous with or prior to closing of the SAIL and ELI loans.

9. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the SAIL and ELI 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, 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 or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The initial Replacement Reserve will have limitations on the ability to be drawn. The amount established as a Replacement Reserve shall be adjusted based on a CNA to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.

12. An Operating Deficit Reserve ("ODR") of up to $850,000 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. In no event shall the payment of amounts to the Borrower or the Developer from any Operating Deficit Reserve established for the Development

(including the Replacement Reserve) cause the Developer Fee or Contractor Fee to exceed the applicable percentage limitations provided for in the Rule.

13. Varian Associates, PA will act as Florida Housing's inspector during the construction period.

14. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. The GC Contract indicates a 10% retainage holdback through substantial completion, which exceeds the requirements of FHFC.

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

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

Housing Credit Allocation Recommendation

AmeriNat recommends an annual $1,310,000 HC Allocation. Please refer to Exhibit 3 - HC Allocation Calculation for further detail.

Contingencies

1. Purchase of the HC by the Syndicator or its assigns under the terms consistent with assumptions of this report.

2. Closing of the SAIL and ELI loans consistent with the assumptions of this credit underwriting report.

3. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.

4. Varian Associates, PA is to act as construction phase inspector for Florida Housing.

5. Receipt and satisfactory resolution of any outstanding past due items and non-compliance issues.

6. Any other reasonable requirements of Florida Housing or its Servicer.

Exhibit 1
Liberty Village
15 Year Operating Pro Forma

	FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	OPERATING PRO FORMA															
INCOME:	Gross Potential Rental Income	**$430,716**	**$439,330**	**$448,117**	**$457,079**	**$466,221**	**$475,545**	**$485,056**	**$494,757**	**$504,652**	**$514,745**	**$525,040**	**$535,541**	**$546,252**	**$557,177**	**$568,321**
	Other Income															
	Ancillary Income	$10,800	$11,016	$11,236	$11,461	$11,690	$11,924	$12,163	$12,406	$12,654	$12,907	$13,165	$13,428	$13,697	$13,971	$14,250
	Gross Potential Income	**$441,516**	**$450,346**	**$459,353**	**$468,540**	**$477,911**	**$487,469**	**$497,219**	**$507,163**	**$517,306**	**$527,652**	**$538,206**	**$548,970**	**$559,949**	**$571,148**	**$582,571**
	Less:															
	Physical Vac. Loss Percentage: 4.00%	$17,661	$18,014	$18,374	$18,742	$19,116	$19,499	$19,889	$20,287	$20,692	$21,106	$21,528	$21,959	$22,398	$22,846	$23,303
	Collection Loss Percentage: 1.00%	$4,415	$4,503	$4,594	$4,685	$4,779	$4,875	$4,972	$5,072	$5,173	$5,277	$5,382	$5,490	$5,599	$5,711	$5,826
	Total Effective Gross Income	**$419,440**	**$427,829**	**$436,386**	**$445,113**	**$454,016**	**$463,096**	**$472,358**	**$481,805**	**$491,441**	**$501,270**	**$511,295**	**$521,521**	**$531,952**	**$542,591**	**$553,442**
EXPENSES:	Fixed:															
	Real Estate Taxes	$28,172	$29,017	$29,888	$30,784	$31,708	$32,659	$33,639	$34,648	$35,687	$36,758	$37,861	$38,997	$40,167	$41,372	$42,613
	Insurance	$51,000	$52,530	$54,106	$55,729	$57,401	$59,123	$60,897	$62,724	$64,605	$66,543	$68,540	$70,596	$72,714	$74,895	$77,142
	Variable:															
	Management Fee Percentage: 6.00%	$25,166	$25,921	$26,699	$27,500	$28,325	$29,175	$30,050	$30,952	$31,880	$32,836	$33,822	$34,836	$35,881	$36,958	$38,066
	General and Administrative	$39,000	$40,170	$41,375	$42,616	$43,895	$45,212	$46,568	$47,965	$49,404	$50,886	$52,413	$53,985	$55,605	$57,273	$58,991
	Payroll Expenses	$72,000	$74,160	$76,385	$78,676	$81,037	$83,468	$85,972	$88,551	$91,207	$93,944	$96,762	$99,665	$102,655	$105,734	$108,906
	Utilities	$51,000	$52,530	$54,106	$55,729	$57,401	$59,123	$60,897	$62,724	$64,605	$66,543	$68,540	$70,596	$72,714	$74,895	$77,142
	Marketing and Advertising	$3,000	$3,090	$3,183	$3,278	$3,377	$3,478	$3,582	$3,690	$3,800	$3,914	$4,032	$4,153	$4,277	$4,406	$4,538
	Maintenance and Repairs/Pest Control	$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
	Grounds Maintenance and Landscaping	$4,500	$4,635	$4,774	$4,917	$5,065	$5,217	$5,373	$5,534	$5,700	$5,871	$6,048	$6,229	$6,416	$6,608	$6,807
	Contract Services	$9,000	$9,270	$9,548	$9,835	$10,130	$10,433	$10,746	$11,069	$11,401	$11,743	$12,095	$12,458	$12,832	$13,217	$13,613
	Reserve for Replacements	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,540	$19,096	$19,669	$20,259	$20,867
	Total Expenses	**$324,838**	**$334,044**	**$343,525**	**$353,291**	**$363,349**	**$373,710**	**$384,381**	**$395,373**	**$406,694**	**$418,355**	**$430,905**	**$443,832**	**$457,147**	**$470,862**	**$484,988**
	Net Operating Income	**$94,602**	**$93,785**	**$92,861**	**$91,823**	**$90,666**	**$89,386**	**$87,977**	**$86,432**	**$84,747**	**$82,915**	**$80,390**	**$77,689**	**$74,804**	**$71,729**	**$68,455**
	Debt Service Payments															
	First Mortgage - SAIL	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575	$6,575
	Second Mortgage - ELI GAP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Third Mortgage - Developer Loan	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other Fees -SAIL/ELI Compliance Monitoring Fee	$4,746	$4,888	$5,035	$5,186	$5,342	$5,502	$5,667	$5,837	$6,012	$6,192	$6,378	$6,570	$6,767	$6,970	$7,179
	Other Fees -SAIL/ELI Permanent Loan Servicing Fee	$2,448	$2,521	$2,597	$2,675	$2,755	$2,838	$2,923	$3,011	$3,101	$3,194	$3,290	$3,389	$3,490	$3,595	$3,703
	Total Debt Service Payments	**$13,769**	**$13,985**	**$14,207**	**$14,436**	**$14,672**	**$14,915**	**$15,165**	**$15,423**	**$15,688**	**$15,962**	**$16,243**	**$16,533**	**$16,832**	**$17,140**	**$17,457**
	Cash Flow after Debt Service	**$80,832**	**$79,800**	**$78,653**	**$77,386**	**$75,994**	**$74,471**	**$72,811**	**$71,009**	**$69,059**	**$66,954**	**$64,147**	**$61,155**	**$57,972**	**$54,589**	**$50,998**
	Debt Service Coverage Ratios															
	DSC - First Mortgage - SAIL	**14.39**	**14.26**	**14.12**	**13.96**	**13.79**	**13.59**	**13.38**	**13.15**	**12.89**	**12.61**	**12.23**	**11.82**	**11.38**	**10.91**	**10.41**
	DSC - Second Mortgage - ELI GAP	**14.39**	**14.26**	**14.12**	**13.96**	**13.79**	**13.59**	**13.38**	**13.15**	**12.89**	**12.61**	**12.23**	**11.82**	**11.38**	**10.91**	**10.41**
	DSC - Third Mortgage - Developer Loan	**14.39**	**14.26**	**14.12**	**13.96**	**13.79**	**13.59**	**13.38**	**13.15**	**12.89**	**12.61**	**12.23**	**11.82**	**11.38**	**10.91**	**10.41**
	DSC - All Mortgages and Fees	**6.87**	**6.71**	**6.54**	**6.36**	**6.18**	**5.99**	**5.80**	**5.60**	**5.40**	**5.19**	**4.95**	**4.70**	**4.44**	**4.18**	**3.92**
	Financial Ratios															
	Operating Expense Ratio	**77.45%**	**78.08%**	**78.72%**	**79.37%**	**80.03%**	**80.70%**	**81.37%**	**82.06%**	**82.76%**	**83.46%**	**84.28%**	**85.10%**	**85.94%**	**86.78%**	**87.63%**
	Break-even Economic Occupancy Ratio (all debt)	**76.69%**	**77.28%**	**77.88%**	**78.48%**	**79.10%**	**79.72%**	**80.36%**	**81.00%**	**81.65%**	**82.31%**	**83.08%**	**83.86%**	**84.65%**	**85.44%**	**86.25%**

Liberty Village
RFA 2014-107 (2014-398CS/2015-279CS)
Miami-Dade County
<u>Description of Features and Amenities</u>

A. The Development will consist of:

60 Mid-rise Apartment Units located in 1 residential building

Unit Mix:

Twenty-five (25) Studio/one bath units containing a minimum of 340 square feet of heated and cooled living area; and

Thirty (30) one bedroom/one bath units containing a minimum of 470 square feet of heated and cooled living area; and

Five (5) two bedroom/two bath units containing a minimum of 700 square feet of heated and cooled living area; and

60 Total Units

The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, the 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes, Federal Fair Housing Act as implemented by 24 CFR 100, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules, as applicable.

The Applicant commits to locate each feature and amenity that is non unit-specific on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.

B. The Development will provide the following General Features in all units:

1. Termite prevention
2. Pest control
3. Window covering for each window and glass door inside each unit; and
4. On-site laundry facility with a minimum of 1 Energy Star qualified washer for every 20 units and 1 dryer for every 20 units (if washers and dryers are not provided in all units).

C. All units must include the following Green Building features:

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);

2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:
   a. Toilets: 1.6 gallons/flush or less,
   b. Faucets: 1.5 gallons/minute or less,
   c. Showerheads: 2.2 gallons/minute or less;
3. Energy Star qualified refrigerator;
4. Energy Star qualified dishwasher (this feature is not required for Efficiency Units); and
5. Minimum SEER of 14 for unit air conditioners (excluding buildings with a central chiller system).

D. All units will provide the following Optional Green Building/Energy Efficiency items as proposed in the response to the RFA:

1. National Green Building Standard certification
2. Commercial grade metal frames, doors and hardware
3. Tankless water heaters
4. Eco-friendly cabinets
5. Motion sensors on all common area lighting
6. Daylight sensors on all exterior lighting
7. Insulation that exceeds the 2004 International Energy Conservation Code R-value requirements by 5% and meets the National Home Energy Rating Standards Grade I specifications
8. Exterior walls insulated with 2” thermally efficient polyisocyanurate rigid foam core currently R-13 rated
9. Roof shall have minimum R-19 insulation
10. Ductwork shall have R-10 insulation with advanced air sealing techniques endorsed by Energy Star and ResNet.
11. All windows will have a maximum SHGC of 0.27
12. Energy Star rated programmable thermostats which incorporate humidity control
13. Florida Yards and Neighborhood certification
14. Single ply Thermoplastic PolyOlefin (TPO) roofing
15. Water Sense certified dual flush toilets or high efficiency toilets with average flush rate of 1.28 gpf
16. Lavatory faucets with a flow rate to average 1.0 gpm. Flow rate of showers 1.5 gpm
17. Low VOC paints, adhesives and sealants
18. Eco-friendly flooring – Carpet and Rug Institute Green Label certified carpet and pad, bamboo, cork, 100% recycled content tile, and/or natural linoleum
19. Photovoltaic panels used to produce renewable electricity
20. Energy Star light fixtures and compact fluorescent light bulbs or high efficiency LED fixtures in all common areas
21. Energy Star ceiling fans in all units
22. Air conditioning with minimum 15 SEER
23. Building operation manuals for tenants, property managers and owners to provide education about sustainable features and encourage ongoing operations and maintenance programs which will support the sustainable initiatives incorporated in the project. If requested, manuals must be made available in large print, audio format or braille.
24. On-site recycling made available to residents
25. Shower heads with a flow rate of 1.5 gpm
26. A small outside smoking area

27. Urban community garden using a combination of hydroponic towers and raised planters using soil-based organic methods that are accessible to residents in wheelchairs.

E. All units will provide the following Accessibility, Universal Design and Visitability features:

1. Primary entrance door shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets
4. Toilet must be 17 inches to 19 inches in height as measured from the finished floor to the top of the toilet seat;
5. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level;
6. Ten percent of the total units shall be fully accessible in accordance with the 2010 ADA Standards for Accessible Design. The fully accessible units shall provide mobility features that comply with the Residential Dwelling Units provision of the 2010 ADA Standards for Accessible Design; and
7. Four percent of the total units shall also be accessible to persons with visual and hearing impairments and shall comply with the communication features described for Residential Dwelling Units with Communication Features in the 2010 ADA Standards for Accessible Design.

F. All units will provide the following Optional Accessibility and Universal Design features as proposed in the response to the RFA:

1. Keyless unit entry doors
2. All hallways within the living units shall be a minimum 40” wide
3. All interior doorways will be in excess of the minimum 32” clear opening
4. Smooth transitions from street to sidewalks and sidewalk to property utilizing curb cuts, ramps and low profile thresholds
5. Broom finish or similar non-slip surface treatments in exterior spaces
6. Tread surfaces shall be a minimum of 12” to allow full foot placement when utilizing stairs
7. Small or mosaic tiles on the shower floors to increase traction provided by grout lines to increase slip resistance
8. Covered bike racks within the parking garage
9. Minimum 40” wide work surface in kitchen at 34” high
10. Power assisted opening devices for public entrances
11. Two peepholes on all entry doors, one at 60” above finished floor and one between 36” and 42” above finished floor
12. Counter space of 34” in laundry
13. Building will contain 2 elevators that will be stretcher compliant and have a 3,500 pound capacity
14. Roll-in showers in 10% of units
15. Showers will have hand held, adjustable shower heads, grab bars and shower seats
16. Telephone entry system
17. Contrasting colors and/or textures to mark transitions on countertops, cabinet faces, walls, floors, etc. Contrasting colors for wall light switches and power outlets.
18. Reinforced ceilings to allow future installation of lifts or devices with 600 pound capacity in master bedroom
19. 30% of the units will have the following features:

a. 5' turning radius in bathrooms and kitchens
b. Open bathroom with open roll-in shower
c. Hand-held bidet
d. Angled reflective surface behind range
e. Under cabinet lighting

G. The Development will provide the following Resident Services:

1. Resident Community-Based Services Coordination – The Applicant shall use existing staff and/or partner with an external organization to provide resident service coordination. The primary service coordination provider must have a minimum of three (3) years' experience in administering and providing supportive services including outreach, information and referral services, benefits counseling, community-based services planning and coordination, and/or other related supportive services. Such experience must demonstrate that the above supportive services have been oriented to the needs and preferences of each resident of a focus household in assisting them to access services related to health care, independent activities of daily living, employment, income and housing. If provided by an external organization, the primary services coordination provider shall provide information demonstrating its mission, qualifications, experience, agreements and/or contracts with state and federal supportive services programs, professional staffing, and Persons with Special Needs households served. Resident Services Coordination shall be offered and made available to Special Needs Household residents initially and regularly. Resident use of or participation in resident services is voluntary and shall not be a requirement for new or continued residency.

   The housing application and screening process for Liberty Village will be fully accessible to people with disabilities and appropriate accommodations and necessary supports will be provided during the process.

   The housing application process will be separate from any assessment for services.

   The Applicant shall commit to submit a service coordination plan at credit underwriting. The service coordination plan shall adhere to guidelines developed by the Corporation, in conjunction with State Agencies, or their designee(s) that administer publicly funded supportive services for the focus households.

   The Applicant shall commit to provide an annual service coordination status report to the Corporation providing information and data regarding the provision of service coordination pursuant to the service coordination plan.

   Property management and services coordination or provision should not be the responsibility of the same staff persons; the functions should be entirely separate.

2. Staff On-Site 24 Hours Per Day – Applicant shall provide staff on the Development's premises at all times who will be available and accessible to the residents 24 hours per day, seven days per week. The on-site staff shall be available at all times to receive calls from residents and help determine the approach to address a resident's issue. The Development's owner or designated manager shall develop and implement policies and procedures for staff receiving a resident call and how staff shall assess and handle the call based on a resident's request and/or need. At a

minimum, residents shall be informed, at move-in and via a written notice(s) clearly displayed in the Development's common or public areas, that staff are on-site to receive resident calls at all times.

All Liberty Village staff including, but not limited to, service coordinators, property management, housekeeping and maintenance will receive PAIRS training.

Private transportation will be provided hourly from 8:00 a.m. to 6:00 p.m. at no cost to the residents.

H. The Development will provide the following Optional Resident Programs as proposed in the response to the RFA:

1. Individualized, ongoing in-house Supported Employment Services: including assessment and planning, soft skills acquisition, job placement, retention/follow-up services, and job development
2. No fees will be charged for application or background check and no credit check will be required of Liberty Village applicants
3. Individual case managers assigned to each resident upon move-in to coordinate the provision of services as requested or required by the resident. Services may include, but are not limited to:
    a. The development of an individualized Housing Stability Plan;
    b. Intensive case management;
    c. Coordination of VA services;
    d. Coordination of community services;
    e. Life skills training;
    f. Community integration;
    g. Disability advocacy;
    h. Employment/training services;
    i. Peer recovery support;
    j. Access to entitlement benefits such as food stamps, Medicaid, and VA benefits
    k. On-site credit repair and regular financial fitness training sessions;
    l. Client-centered counseling with directive psychological methods such as Motivational Interviewing and Motivational Enhancement Therapy;
    m. Trauma Informed Care
    n. Client-centered, recovery-oriented mental health service delivery such as Assertive Community Treatment;
    o. Transportation method planning; and
    p. Access to food and clothing distribution, employment and training services, ESOL classes, elderly services, immigration services and emergency financial assistance.
4. On-site, experiential, curriculum-driven, group classes for improving interpersonal communication, emotional understanding and expression and constructive conflict resolution such as the PAIRS program.
5. Training to lead or assist in weekly life-skill/character development classes, tutoring, field trips, sports activities and/or you-mentor retreats to serve as positive role models for youth referred to the Empowered Youth Program through the court system.
6. The creation of a tenant council which is fully run by Liberty Village residents.
7. At least one or more supportive housing residents on the Carrfour Board of Directors.

HOUSE CREDIT ALLOCATION CALCULATION

Qualified Basis Calculation

Total Development Cost	$15,429,114
Less Land Costs	$109,574
Less Other Ineligible Costs	$1,216,391
Total Eligible Basis	$14,103,149
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	$18,334,094
Housing Credit Percentage (Federal allocation)	9.00%
Annual Housing Credit Allocation	$1,650,068

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include Florida Housing compliance, administrative, application, and underwriting fees, legal fees, closing fees, title/recording fees, and operating deficit reserves.

2. The Development is 100% set-aside; therefore, the Applicable Fraction is 100%.

3. All Applicants requesting funding under this RFA are eligible for the 30 percent basis boost as outlined in the 2014 QAP, regardless of whether the proposed Development qualifies as a HUD-designated DDA or QCT.

4. The Applicant returned its 2014 HC allocation and obtained an immediate allocation of 2015 HCs. Therefore, FY 2016 Omnibus Spending and Tax Extender Legislation provides for a minimum rate of 9% to be applied to the qualified basis for HC allocations; therefore, the minimum rate of 9% has been applied herein.

GAP Calculation

Total Development Cost (including land and ineligible costs)	$15,429,114
Less Mortgages	$1,282,529
Equity Gap	$14,146,585
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$1.08
HC Required to meet Equity Gap	$13,100,000
Annual HC Required	$1,310,000

Notes to the GAP Calculation:

1. Mortgages include a first mortgage provided by Florida Housing (SAIL), second mortgage by Florida Housing (ELI), and third mortgage by the Developer.

2. The Development meets the minimum qualifying first mortgage amount of $657,529.00, as required by Rule Chapter 67-48 F.A.C.

3. The HC Syndication Pricing of $1.07999998473 per dollar and HC Percentage to Investment Partnership are based upon Hudson Housing Capital's letter of interest dated March 16, 2016.

Summary

HC Per Applicant's Request	$1,310,000
HC Per Qualified Basis	$1,650,068
HC Per GAP Calculation	$1,310,000
Annual HC Recommended	$1,310,000
HC Proceeds Recommended	$14,146,585

Notes to Summary:

1. The Annual HC Recommended is equal to the lesser of the Applicant's Request, the Qualified Basis or the GAP Calculation. Therefore, the Applicant's Request was utilized.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Liberty Village
DATE: July 21, 2016

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

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

COMPLETENESS AND ISSUES CHECKLIST

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

NOTES AND DEVELOPER RESPONSES:

None.