Florida Housing Finance Corporation

Credit Underwriting Report

Caya Place

RFA 2015-106 (2016-016CS)
State Apartment Incentive Loan and Housing Credit Financing for Affordable Housing Developments located in Medium and Small Counties

Section A: Report Summary

Section B: SAIL Loan Special and General Conditions and Housing Credit Allocation Recommendation and Contingencies

Section C: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

October 14, 2016

CAYA PLACE

TABLE OF CONTENTS

Section A

Report Summary	**Page**
➢ Recommendation	A1-A9
➢ Overview	A10-A12
➢ Uses of Funds	A13-A16
➢ Operating Pro forma	A17-A19

Section B

SAIL Loan Special and General Conditions	B1-B5
Housing Credit Allocation Recommendation and Contingencies	B6

Section C

Supporting Information and Schedules	
➢ Additional Development & Third Party Information	C1-C7
➢ Borrower Information	C8-C16
➢ Guarantor Information	C17
➢ Syndicator Information	C18
➢ General Contractor Information	C19-C20
➢ Property Management Information	C21-C22

Exhibits

15 Year Pro forma	1
Description of Features & Amenity Characteristics	2 1-4
Housing Credit Allocation Calculation	3 1-2
Completeness and Issues Checklist	4 1-2

Section A

Report Summary

Recommendation

AmeriNat® recommends the issuance of a State Apartment Incentive Loan ("SAIL") in the amount of $3,500,000 and a $1,000,000 annual allocation of 9% Housing Credits ("HC") to Keys Affordable Development II, LLC ("Applicant") for the construction and permanent financing of Caya Place (the proposed "Development") in response to a Request for Applications 2015-106 Housing Credit Financing for Affordable Housing Developments located in Medium and Small Counties ("RFA").

DEVELOPMENT & SET-ASIDES

Development Name: Caya Place

Program Numbers: RFA 2015-106 2016-016CS

Address: 73rd Street (Ocean), south of the intersection with Overseas Highway and 30663 Overseas Highway City: Marathon and Big Pine Key Zip Code: 33050 & 33043

County: Monroe County Size: Small

Development Category: New Construction Development Type: Garden Apartments

Construction Type: Ground floor is reinforced concrete on slab-on-grade. Second and third floors are reinforced cast-in-place concrete. Roofs will be constructed of plywood over pre-engineered metal roof trusses.

Demographic Commitment: Elderly: ______ Homeless: ______ ELI: 5 Units @ 25% AMI
Farmworker or Commercial Fish Worker: ______ Family: X Link: 3 Units

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1	1	695	25%	$403			$216		$187	$185	$187	$187	$2,244
1	1	5	695	60%	$967			$216		$751	$749	$751	$751	$45,060
2	2	3	936	25%	$483			$248		$235	$235	$235	$235	$8,460
2	2	19	936	60%	$1,161			$248		$913	$913	$913	$913	$208,164
3	2	1	1250	25%	$558			$282		$276	$277	$276	$276	$3,312
3	2	13	1207	60%	$1,340			$282		$1,058	$1,059	$1,058	$1,058	$165,048
		42	41703											$432,288

Buildings: Residential - 2 Non-Residential - 0
Parking: Parking Spaces - 84 Accessible Spaces - 4

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
Housing Credits	10.0%	5	25%	50
Housing Credits	90.0%	37	60%	50
SAIL	10.0%	5	25%	50
SAIL	90.0%	37	60%	50

For purposes of RFA 2015-106, the Applicant must set aside 50% of the proposed Development's ELI Set-Aside units (3 units) for Persons with a Disabling Condition and develop and execute a Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with a Disabling Condition for the county where the proposed Development will be located. As outlined in the Carryover Allocation Agreement, the fully executed MOU is due to FHFC by May 31, 2017.

Absorption Rate: 30 units per month for 2 months.

Occupancy Rate at Stabilization: Physical Occupancy 96% Economic Occupancy 95%

Occupancy Comments: Average occupancy of CMA was 95% per the market study

DDA?: Yes QCT?: No

Site Acreage: 2.34 Density: 17.95 Flood Zone Designation: AE

Zoning: Suburban Commercial - Up to 10 units per acre Residential High - Up to 25 units per acre for affordable Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
		% Ownership
Applicant/Borrower:	Keys Affordable Development II, LLC	
General Partner 1:	Tri-Star Oceanside Villas II, LLC	0.01%
Limited Partner 1:	Alden Capital Partners, LLC or its assigns	99.99%
Guarantor(s):	Keys Affordable Development II, LLC	
	Tri-Star Oceanside Villas II, LLC	
	Tri-Star Affordable Development, LLC	
	WM Holdings Group, LLC	
	FBC Holdings, LLC	
	Bluff Road, LLC	
	Martin C. Flynn, Jr.	
	Shane P. Sarver	
	Horton S. Johnson	
	Cheryl McPhillips	
Developer:	Tri-Star Affordable Development, LLC	
Principal 1	Martin C. Flynn, Jr.	
Principal 2	Shane P. Sarver	
Principal 3	Horton S. Johnson	
Principal 4	Cheryl McPhillips	
General Contractor 1:	Sherwood Construction, Inc.	
Management Company:	AGPM, LLC	
Syndicator:	Alden Capital Partners, LLC or its assigns	
Architect:	John P. Wanskus, RA, NCARB	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2				
Lender/Grantor	FSB	FHFC - SAIL				
Amount	$1,490,000	$3,500,000				
Underwritten Interest Rate	5.00%	1.00%				
All In Interest Rate	5.00%	1.00%				
Loan Term	15	30				
Amortization	30	n/a				
Market Rate/Market Financing LTV	11.64%	38.98%				
Restricted Market Financing LTV	54.38%	182.12%				
Loan to Cost	9.81%	23.04%				
Debt Service Coverage	1.64	1.20				
Operating/Deficit Service Reserve	$200,000					
Period of Operating Expenses/Deficit Reserve in Months	6					

Deferred Developer Fee	$101,877
Land Value	$1,890,000
Market Rent/Market Financing Stabilized Value	$12,800,000
Rent Restricted Market Financing Stablized Value	$2,740,000
Projected Net Operating Income (NOI) - Year 1	$157,748
Projected Net Operating Income (NOI) - 15 Year	$166,840
Year 15 Pro Forma Income Escalation Rate	2%
Year 15 Pro Forma Expense Escalation Rate	3%
Housing Credit Syndication Price	$1.01
Housing Credit Annual Allocation	$1,000,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	FSB	$6,359,000	$1,490,000	$35,476
Second Mortgage	FHFC - SAIL	$3,500,000	$3,500,000	$83,333
HC Equity	ACP	$4,140,586	$10,098,990	$240,452
Deferred Developer Fee	Developer	$1,191,281	$101,877	$2,426
TOTAL		$15,190,867	$15,190,867	$361,687

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. The Application provided construction financing commitment dated October 13, 2015, prepared and executed by Two Rivers Bank & Trust for the terms of a construction loan in an amount up to $4,975,000 and a separate permanent loan commitment in an amount up to $1,490,000. Since the time of application, First State Bank of the Florida Keys, a Florida banking corporation ("FSB"), has since replaced Two Rivers Bank & Trust as the proposed first mortgage lender. The terms and conditions of the new financing are further described in the Construction and Permanent Financing Sources in the Overview.
2. Total Development Costs have increased by $256,875 from $14,933,992 to $15,190,867 since the Application due to increases in general development costs, financial costs, and developer fee.
3. On June 10, 2016, Florida Housing approved the Applicant's request to reduce the number of buildings with dwelling units from 3 buildings to 2 buildings.

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

According to the August 19, 2016 Florida Housing Asset Management Noncompliance Report, the Development Team has no compliance issues.

According to the August 19, 2016 Florida Housing Past Due Report, the Development Team has no past due issues outside of the correction period.

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

Strengths:

1. Per the Market Study completed by Meridian Appraisal Group, Inc. ("Meridian") dated July 1, 2016, strong demand for affordable housing with a family demographic commitment exists within the submarket as evidenced by a capture rate of 10.2% for income-qualified households with the propensity to rent and weighted average occupancy rates of 95.2% for comparable properties.
2. An appraisal, also completed by Meridian, dated June 20, 2016, concludes that the Development has good affordability for the restricted rents compared to the concluded market rents. The units set-aside for tenants with incomes at or below 25% of AMI will have an advantage over achievable market rents of between 851% and 909%. The units set-aside for tenants with incomes at or below 60% of AMI will have an advantage over achievable market rents of between 219% and 226%. The average market rental rates are in excess of 110% of the applicable maximum HC rental rates.
3. Future development in Monroe County is expected to remain very limited due to Monroe County's Rate of Growth Ordinances ("ROGO") and other government restrictions. ROGO was passed in 1992 to slow growth throughout the keys in order to ensure that hurricane evacuation of the Florida Keys doesn't exceed the State of Florida's 25 hour limit. Therefore, the process of receiving building permits in Monroe County is a competitive process and there are only so many allocations per year.

Other Considerations:

None

Issues and Concerns:

1. According to Rule Chapter 67-48 F.A.C., in determining whether or not to provide a positive recommendation in connection with a proposed Development, the Credit Underwriter will consider the prior and recent performance history of the Applicant, Developer, any Financial Beneficiary of the Applicant or Developer, and the General Contractor in connection with any other affordable housing development.

   The Applicant represented Mr. Michael McPhillips as the qualifying agent of the Developer. While the Applicant's organizational structure indicates he has no ownership, Mr. McPhillips is considered a Financial Beneficiary according to Rule Chapter 67-48.002 (50) F.A.C., and as such provided a Statement of Financial Credit Affairs dated June 23, 2016 indicating (1) pending legal actions where there is a material monetary claim whereby he is named as a defendant, (2) unsatisfied judgments naming him as a defendant, (3) a foreclosure, deed in lieu of foreclosure, short sale, loan default or payment moratorium, (4) a principal or interest payment deferred, and/or (5) a loan in arrears for principal, interest, taxes, and insurance premiums due as summarized below.

a. Marina Village (a market-rate waterfront condominium project consisting of 54 units among 4 four-story buildings, with a clubhouse, pool, and a marina with 30 boat slips located at South Banana River Drive, Merritt Island, FL): Mr. McPhillips solely owned Harbor Homes, LLC ("Harbor") and developed the project, and Harbor initially retained several condominium units upon completion among various buildings, with original financing provided by SunTrust Bank ("SunTrust") and private lender Mr. Carlos Triay.

    i. Units 301 and 302 in Building #550: Original financing was provided to Harbor for Unit 301 by Mr. Triay, individually as Trustee, on December 13, 2006, and for Unit 302 financing was provided by One Cat Cube, LLC ("OCC"), an entity owned and controlled by Mr. Triay. On November 30, 2007, the mortgage for Unit 301 was assigned to OCC, to which in turn, the loan documents were then assigned to BANIF Finance Corporation ("BANIF") and pledged as collateral on December 10, 2007 for a $5MM warehouse line of credit provided by BANIF. OCC provided deeds-in-lieu of foreclosure to OCC executed by Harbor on June 21, 2013. OCC is currently in litigation, as BANIF claims rights to the condominiums via subrogation. Mr. and Mrs. McPhillips have been listed in the lawsuit for title clearing purposes.

    ii. Units 101, 102, 103 and 201 in Building #550: Originally financing in the amount of $1.4MM was provided on November 30, 2007 to Harbor, by Two Cat Cube, LLC ("TCC") an entity owned and controlled by Mr. Triay. The Bank of Miami took an assignment dated March 5, 2008, of TCC's loan documents for a separate loan provided to Mr. Triay. TCC surrendered its assignment, via an unconditional assignment dated December 7, 2010 to The Bank of Miami. 1st United Bank as successor to the Bank of Miami provided a release of mortgage for units 101, 102 and 103 on February 29, 2012, and a release for unit 201 on September 27, 2011.

    iii. Unit 103 in Building #590 & Unit 303 in Building #580: Mr. McPhillips as sole owner of Harbor acquired the units on April 17, 2006 and December 7, 2006, respectively, with mortgages provided by SunTrust in the amount of $400M and $432M, respectively. Payment defaults occurred and SunTrust sold the financial instruments associated with Unit 303, to Christiana Trust, a division of Wilmington Savings Fund Society, FSB ("CT") on November 23, 2012 with servicing provided by Carrington Mortgage Servicing, LLC. Harbor's mortgage obligation was satisfied on January 4, 2013 by CT, and Harbor's liability was released for unit 303. SunTrust was awarded a foreclosure judgment for unit 103 on October 15, 2013 in the amount of $556M. A foreclosure sale occurred on January 16, 2014 for unit 103 and SunTrust took title of the property for consideration of $201M.

    iv. Unit 106 in building #540: The unit is jointly held by Mr. McPhillips and his wife, through entity, Seventy-Thirty, LLC. Original financing was provided by Harbor Federal Savings Bank in the amount of $650M. Financial documents were later acquired by National City Corporation, who was acquired by PNC Financial Services Group, Inc. ("PNC"). A foreclosure action was filed by PNC and litigation is pending. Mr. McPhillips represents that a settlement offer has been extended by PNC, whereby a full release of guarantees would be provided if they agree to refinance the loan. Mr. McPhillips expects to reach a settlement in the next six months based on current lower interest rates, recent increases in real estate values and their prior awarded judgment on December 11, 2007 for payment by PNC, of their legal fees; resulting from a dismissed legal case filed prior by the lender.

b. Vacant Land (two parcels of land located at 520 S. Banana River Drive, Merritt Island, FL): Harbor Homes, LLC, solely owned by Mr. McPhillips, acquired two parcels for future phase of condominium development. Original financing was provided by Mr. Triay, to which he assigned loan documents to his controlled entity, Volcano Properties, LLC. Harbor executed a deed-in-lieu of foreclosure on May 11, 2013, and Harbor's liability was released.

c. Mission Estates (237.88 acres of land located on the north side of Hall Road, east of State Road 3, Merritt Island, FL): Various parcels were held by JRH-One, LLC ("JRH"). Mr. McPhillips had indirect ownership in JRH through JSC, LLC (one of three entities holding ownership in JRH) and provided a personal guarantee for a $2,000,000 loan encumbered by a third lien from a private mortgage holder. In total, the property was encumbered by four private mortgages between 2006 and 2008 with four loans totaling $13,145,998. Principals were unable to sell the unplatted lots and development stopped on the single-family subdivision, leaving some infrastructure in place. While JRH failed to rezone the lots on February 5, 2009, they were successful in subsequently selling a few parcels in October of 2009. The residual land incurred delinquent real estate taxes, and on September 13, 2012 the property was purchased at tax sale for $993,000 by Horizon Title Company, Inc., an entity related to the third mortgage holder, Carlos A. Triay. After a quitclaim deed was signed on June 24, 2014, Mr. McPhillips was released of his personal liability.

d. Vacant land (located at the corner of Old Humble Road and Cedar Pond Drive, Humble, TX): The property is 100% owned by Heritage Rural Housing, Inc. ("HRH") and was originally purchased with the intent of pursuing a future tax credit application. Principals of the entity did not proceed with development or a tax credit application following city council's denial to support an affordable housing development within the high-income area. Following the city's decision, HRH planned to build high-income single-family homes but was unsuccessful. SunAmerica, as mortgage holder, subsequently filed and was awarded a judgment of $282,000 in December of 2007 against all guarantors and HRH. Mr. McPhillips, as a co-guarantor, is in the process of negotiating a settlement and anticipates a release of his personal liability upon completion.

e. Tuckaway Shores Resort (a 32-unit beachside market rate condo-hotel located at 1441 S. Miramar Avenue, Indialantic, FL): Mr. McPhillips owned 50% of Tuckaway Shores Resort Development LLC ("TSRD"), who after completing development retained condominium Unit 200 with original permanent financing provided by SunTrust Bank in the amount of $272,000. Payment default occurred on January 1, 2010 and SunTrust sold the financial instruments to Christiana Trust, a division of Wilmington Savings Fund Society, FSB on November 23, 2012 with servicing provided by Carrington Mortgage Servicing, LLC. TSRD's obligation was satisfied on January 4, 2013 and liability was released.

f. Harbor Club Condominiums (20-luxury market rate units encompassing three parcels located at 4125 West End Road, Cocoa Beach, FL): Mr. McPhillips was a 50% owner of West End Condominiums, LLC who was originally provided financing by SeaCoast National Bank ("Seacoast") in 2005. Harbor Club was also encumbered by a private loan and mortgage from Douglas A. and Julia B. Olds. Both mortgaged loans matured in December of 2007, and Seacoast filed and was awarded a foreclosure judgment in July 2008 in the amount of $8MM, and Messrs. Olds were granted a judgment in June 2009 totaling $2.9MM. SeaCoast sold its interest in the mortgage and note to Silverpoint Hedge Fund and its assigned entity, BMR Funding LLC ("BMR") on September 16, 2008. Owners were unable to find a buyer, and the value of the property at the time exceeded the outstanding obligation, thus BMR took title to the property at foreclosure sale on December 3, 2008. Following improvements in the economy and real estate market, Mr. McPhillips, through his ownership in Harbor View Residences, LLC, repurchased the property on August 8, 2011 for $4.2MM and settled his prior obligation to West End Condominiums LLC inclusive of the property's new $3.4MM mortgage provided by BMR on July 25, 2011. After the repurchase, Mr. McPhillips was released from his prior personal liability to SeaCoast.

Mitigating Factor:

None of the above defaults are related to affordable housing financed developments, which is in agreement with the RFA.

2. Sherwood Construction, Inc., the General Contractor, illustrates limited financial capacity in their 2015 compiled financial statement.

   Mitigating Factor:

   Notwithstanding the General Contractor's limited financial capacity, Horton S. Johnson, as Trustee of the Horton S. Johnson Revocable Trust dated 8/3/12, is a principal and 50% shareholder of the GC, and individually represents liquidity in the low to mid seven figures.

Waiver Requests:

None

Special Conditions:

None

Additional Information:

1. Per the RFA, FHFC limits the Total Development Cost ("TDC") per unit to a figure based on the average cost to deliver new construction units and rehabilitation units. Based on the Application, the Applicant indicated the Development is a new construction, garden-style, concrete development and as such is limited to a TDC of no more than $214,000 per unit. Applying the 1.8% escalation factor allowable for the Development Category of new construction garden-concrete and the TDC multiplier of 65% for the Development's location in the Florida Keys, the maximum TDC per unit cost is $338,120. The TDC per unit exclusive of land costs and operating deficit reserves for the Development is $311,925 as underwritten.

Recommendation:

AmeriNat recommends the issuance of SAIL funds in the amount of $3,500,000 and a $1,000,000 annual allocation of 9% HC to the Applicant for the construction and permanent phase financing of the proposed Development in response to RFA 2015-106.

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 Loan Special and General Conditions and Housing Credit 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:
Kyle Kuenn	Mark Fredericks
Senior Credit Underwriter	Senior Vice President – Multifamily Markets

Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
First Mortgage	FSB	$4,975,000	$6,359,000	$6,359,000	4.25%	$213,888
Second Mortgage	FHFC - SAIL	$3,500,000	$3,500,000	$3,500,000	1.00%	$0
HC Equity	ACP	$4,949,505	$4,152,146	$4,140,586		
Deferred Developer Fee	Developer	$1,509,487	$1,296,383	$1,191,281		
	Total :	**$14,933,992**	**$15,307,529**	**$15,190,867**		**$213,888**

Proposed First Mortgage Loan:

The Applicant provided a letter of interest ("LOI") prepared and executed as of June 29, 2016 by FSB. The LOI outlines the terms and conditions in which FSB will fund a construction loan to the Applicant in an amount not to exceed $6,359,000 ("Construction Loan"). The terms outlined in the letter for the Construction Loan include a 24 month term during which monthly interest payments will be required at a fixed interest rate of 4% per annum on a 360 day basis. AmeriNat added a 25 basis point ("BP") cushion to derive an "all-in" interest rate of 4.25%.

Second Mortgage Loan - SAIL:

The Applicant is requesting SAIL funding in the amount of $3,500,000. Per the RFA, the maximum SAIL request amount for a proposed development in the Florida Keys Area is limited to the lesser of $3,500,000 per Development, 25% of Total Development Cost, or $87,500 per unit. The SAIL loan total term will be 30 years, as required by the HC syndicator and permitted by the Rule. The SAIL loan will be non-amortizing and will bear 1% simple interest per annum over the life of the loan. Payments will be required based upon the Development's cash flow and any unpaid interest will be deferred until cash flow is available. At maturity of the SAIL loan, all principal and unpaid interest will be due. Annual payments of all applicable fees will be required.

Additional Construction Sources of Funds:

The Applicant provided an equity proposal dated April 12, 2016 from Alden Capital Partners, LLC ("ACP") that illustrates the terms in which ACP will make an equity investment in the Applicant. The Applicant will receive a net equity contribution of $10,098,990 from an affiliated entity of ACP for a 99.99% interest in the Applicant in return for a proportionate share of the total HC allocation estimated in the letter to be $10,000,000. The HC allocation will be syndicated at a rate of $1.01 for each $1.00 of tax credits delivered. A total of $1,514,849 (15% of total equity) is to be paid prior to or simultaneously with the closing of the construction financing, which satisfies the equity criteria requirement. An additional $2,625,737 will be funded upon the latest of: (a) achievement of 75% completion construction; (b) April 1, 2017; and (c) satisfaction of all conditions of the first equity installment. Therefore, a total of $4,140,586 of HC equity is estimated to be available during construction.

Deferred Developer Fee:

In order to balance the Sources and Uses, the Applicant will be required to defer $1,191,281 of the total developer fee during the construction phase. Any payment of developer fee must be mutually approved by the general partner and limited partner.

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	FSB	$1,490,000	$1,490,000	$1,490,000	5.00%	30	15	$95,984
Second Mortgage	FHFC - SAIL	$3,500,000	$3,500,000	$3,500,000	1.00%	n/a	30	$35,000
HC Equity	ACP	$9,899,010	$10,148,985	$10,098,990				
Deferred Developer Fee	Developer	$44,982	$168,544	$101,877				
	Total :	**$14,933,992**	**$15,307,529**	**$15,190,867**				**$130,984**

Proposed First Mortgage Loan:

The Applicant provided a LOI prepared and executed as of July 22, 2016 by FSB. The Construction Loan shall be paid down with HC proceeds from $6,359,000 to $1,490,000 (“Permanent Loan”) or such other amount as determined by FSB during its underwriting performed at permanent loan conversion. The permanent financing is subject to satisfactory completion and stabilization and will require final approval from FSB subject to their lending policy. Monthly payments of principal and interest shall be due through the 15-year term with payments based upon a 30-year amortization period and fixed interest rate not to exceed 5.00% per annum.

Second Mortgage Loan – SAIL:

The Applicant is requesting SAIL funding in the amount of $3,500,000. Per the RFA, the maximum SAIL request amount for a proposed development in the Florida Keys Area is limited to the lesser of $3,500,000 per Development, 25% of Total Development Cost, or $87,500 per unit. The SAIL loan total term will be 30 years, as required by the HC syndicator and permitted by the Rule. The SAIL loan will be non-amortizing and will bear 1% simple interest per annum over the life of the loan. Payments will be required based upon the Development’s cash flow and any unpaid interest will be deferred until cash flow is available. At maturity of the SAIL loan, all principal and unpaid interest will be due. Annual payments of all applicable fees will be required. Fees including Permanent Loan Servicing Fees (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 ($885 based upon the multiple program fee according to the current contract between FHFC and its Servicer). These fees have been included in the operating pro forma for the Development.

Additional Permanent Sources of Funds:

According to the equity proposal dated April 12, 2016, ACP will purchase a 99.99% interest in the limited partnership at loan closing. The Applicant will receive a net equity contribution of $10,098,990 from an affiliated entity of ACP in return for a proportionate share of the total HC allocation estimated in the letter to be $10,000,000. The HC allocation will be syndicated at a rate of $1.01 for each $1.00 of tax credits delivered. The HC equity contributions are anticipated to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	$1,514,849	15.00%	Later of: July 1, 2016; Bridge Loan repayment; closing and funding of the Construction loan; receipt of evidence of the availability of LIHTC; issuance of a building permit, and issuance of tax opinion acceptable to the LP.
2nd Installment	$2,625,737	26.00%	Later of: 75% lien free construction completion; April 1, 2017; and satisfaction of all previous conditions.
3rd Installment	$400,000	3.96%	Later of: lien-free completion; issuance of all permanent CO's; Engineer and Architect construction completion certificates; receipt of as-built survey; a date down on the title policy; radon testing; site isnpection, July 1, 2017; and satisfaction of all previous conditions.
4th Installment	$5,508,404	54.54%	Later of: permanent loan conversion; Rental Achievement; receipt of final cost certification from accountant; receipt of Regulatory Agreement; January 1, 2018; and satisfaction of all previous conditions.
5th Installment	$50,000	0.50%	Later of: receipt of all IRS Form 8609s; July 1, 2018; and satisfaction of all previous conditions.
Total:	**$10,098,990**	**100%**	

Annual Credits Per Syndication Agreement	$1,000,000
Total Credits Per Syndication Agreement	$10,000,000
Calculated HC Rate:	$1.01
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	$4,140,586

Deferred Developer Fee:

Any payment of developer fee must be mutually approved by the general partner and limited partner. The Applicant will be required to permanently defer $101,877 of the total developer fee after stabilization subject to the terms outlined in Section B of this report.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	$6,535,200	$6,355,239	$6,283,912	$149,617	
Recreational Amenities	$216,300	$66,125	$46,125	$1,098	
Site Work	$686,000	$1,033,323	$1,124,651	$26,777	
General Conditions	$0	$438,884	$0	$0	
Overhead	$0	$146,295	$0	$0	
Profit	$1,041,250	$438,884	$1,024,062	$24,382	
Total Construction Contract/Costs	$8,478,750	$8,478,750	$8,478,750	$201,875	$0
Hard Cost Contingency	$508,297	$423,938	$423,937	$10,094	
Total Construction Costs:	**$8,987,047**	**$8,902,688**	**$8,902,687**	**$211,969**	**$0**

Notes to Actual Construction Costs:

1. A Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount $8,478,750 (the "Construction Contract") has been provided. The Construction Contract was entered into as of June 21, 2016 and is executed by the Applicant and Sherwood Construction, Inc. (the "General Contractor"). It contains a production schedule indicating completion within 395 days from the date of commencement. The Applicant and General Contractor executed Change Order #1, which amended the terms of the Construction Contract to allow for retainage of ten percent (10%) to be withheld from the General Contractor's application for payment until the Development is 50% complete, at which time, no retainage will be required thereafter. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. The amended language satisfies FHFC retainage requirements from the Rule.

2. A Plan and Cost Review ("PCR") was engaged by AmeriNat and performed by GLE Associates, Inc. ("GLE"). GLE summarized their review of the schedule of values in a revised PCR dated October 14, 2016. The review concludes that the construction budget is within an acceptable range for the scope of work and the individual line items appear appropriate.

   The costs for similar type projects identified in the PCR range from $184,948 per unit to $199,537 per unit. With a projected unit cost of $201,875 per unit, it is GLE's opinion that the cost is within an acceptable range due to the Development's site locations compared to the comparables.

3. A 5% hard cost contingency is supported by the plan and cost review and within the RFA limits.

4. General Contractor's Fee (consisting of general conditions, overhead, and profit) is based upon the schedule of values attached to the Construction Contract and does not exceed 14.00% of allowable hard costs as allowed by the Rule. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapter 67-48.

5. It is anticipated that a Letter of Credit ("LOC") will be utilized in order to secure the construction contract between the GC and the Applicant. The LOC shall be in an amount not less than 25% of the construction contract as required by the Rule. The LOC must include "evergreen" language and be in a form satisfactory to the Servicer, Florida Housing, and its Legal Counsel.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$26,000	$26,000	$26,000	$619	
Appraisal	$7,500	$18,000	$18,000	$429	
Architect's Fee - Site/Building Design	$208,500	$202,000	$202,000	$4,810	
Architect's Fee - Supervision	$45,000	$48,000	$48,000	$1,143	
Building Permits	$77,038	$100,000	$100,000	$2,381	
Builder's Risk Insurance	$35,000	$35,000	$35,000	$833	
Engineering Fees	$74,685	$50,000	$30,000	$714	
Environmental Report	$10,000	$28,000	$28,000	$667	
FF&E paid outside Construction Contract	$12,600	$12,600	$12,600	$300	
FHFC Administrative Fees	$90,000	$90,000	$90,000	$2,143	$90,000
FHFC Application Fee	$3,000	$3,000	$3,000	$71	$3,000
FHFC Credit Underwriting Fee	$17,105	$18,977	$18,977	$452	$18,977
FHFC HC Compliance Fee (HC)	$199,924	$108,745	$201,230	$4,791	$201,230
Lender Inspection Fees / Const Admin	$15,000	$55,000	$55,000	$1,310	
Green Building Cert. (LEED, FGBC, NAHB)	$0	$0	$20,000	$476	
Insurance	$50,400	$65,000	$65,000	$1,548	
Legal Fees	$125,000	$175,000	$175,000	$4,167	$125,000
Market Study	$7,500	$6,500	$6,500	$155	$6,500
Marketing and Advertising	$22,500	$22,500	$22,500	$536	$22,500
Plan and Cost Review Analysis	$0	$0	$3,700	$88	
Property Taxes	$42,000	$25,000	$25,000	$595	
Soil Test	$15,000	$9,000	$9,000	$214	
Survey	$40,500	$20,000	$20,000	$476	
Title Insurance and Recording Fees	$83,370	$73,635	$82,635	$1,968	$82,635
Utility Connection Fees	$79,577	$182,559	$182,559	$4,347	
Soft Cost Contingency	$0	$0	$73,985	$1,762	
Other: Development Rights-Rate of Growth	$400,000	$400,000	$400,000	$9,524	
Total General Development Costs:	**$1,687,199**	**$1,774,516**	**$1,953,686**	**$46,516**	**$549,842**

Notes to the General Development Costs:

1. AmeriNat reflects actual costs for the appraisal, market study, and plan and cost review analysis.
2. AmeriNat reflects the costs associated with the Architect's fees as stated in an executed AIA B101 Agreement between Owner and Architect dated June 14, 2016 between the Applicant and John P. Wanskus, RA, NCARB, which was reviewed by the Underwriter.
3. The Administrative Fee is based upon a fee equal to 9% of the annual HC allocation recommendation made herein.
4. The FHFC Credit Underwriting Fee includes the Primary Program Fee for SAIL ($12,995), the Multiple Program Fee for HC ($4,161), the Preliminary Recommendation Letter Fee ($1,521) and Credit Reporting Fee ($300).
5. Lender Inspection Fees/Construction Admin consists of fees associated with lender inspections, estimated fees for monthly inspections by construction consultants associated with the development.
6. A soft cost contingency of 5% has been underwritten, which is consistent with underwriting standards and may be utilized by the Applicant in the event soft costs exceed these estimates as permitted by the Rule.
7. Monroe County imposes fees in order to comply with the Rate of Growth Ordinances ("ROGO") and other government restrictions. ROGO was passed in 1992 to slow growth throughout the keys in order

to ensure that hurricane evacuation of the keys doesn't exceed the State of Florida's 25 hour limit. The fees to accommodate the ordinances are included herein.

8. 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	$49,750	$50,590	$50,590	$1,205	
Construction Loan Interest	$330,000	$387,213	$213,888	$5,093	$67,564
Permanent Loan Origination Fee	$49,900	$40,000	$15,000	$357	$15,000
Permanent Loan Closing Costs	$30,000	$5,000	$5,000	$119	$5,000
SAIL Commitment Fee	$0	$35,000	$35,000	$833	
SAIL Closing Costs	$0	$0	$20,000	$476	
Misc Loan Interest	$0	$0	$38,000	$905	
Reserves - Operating Deficit	$0	$200,000	$200,000	$4,762	$200,000
Other: Alden Torch Third Party Costs	$0	$95,000	$60,000	$1,429	
Total Financial Costs:	**$459,650**	**$812,803**	**$637,478**	**$15,178**	**$287,564**

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the letters of intent for equity and construction and permanent financing and appear reasonable to AmeriNat.
2. An interest reserve for the Construction Loan is supported by the Construction Loan terms illustrated in the LOI provided by FSB, 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.
3. The SAIL commitment fee is equal to 1% of the recommended SAIL loan amount as described in the RFA. The commitment fee is non-refundable and due upon acceptance of the firm commitment.
4. SAIL closing costs is an estimate of the legal fees associated with closing and recording the SAIL loan.
5. Miscellaneous Loan Interest is the interest incurred prior to the closing of the construction financing for predevelopment loans the Applicant received from ACP in the amount of $1,120,000 and FSB in the amount of $1,620,000.
6. The letter provided by ACP outlining the terms and conditions for which they would make an equity investment in the Borrower requires an operating deficit reserve of $200,000 to be funded upon completion of the Development. The ODR represents approximately six months of expenses and debt service. 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. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn, which includes Deferred Developer Fee and reimbursements for authorized member and guarantor loan(s) pursuant to the operating agreement, will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees, 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	$11,133,896	$11,490,007	$11,493,851	$273,663	$837,406
Developer Fee	$1,700,096	$1,700,096	$1,579,590	$37,609	
Excess Land Value	$0	$0	$227,426	$5,415	
Total Other Development Costs:	**$1,700,096**	**$1,700,096**	**$1,807,016**	**$43,024**	**$0**

Notes to the Other Development Costs:

1. Total Developer Fee of $1,807,016, which includes a subset of $227,426 for $210,000 in Excess Land Value and $17,426 in carrying costs, does not exceed 16.00% of the Total Development Costs ("TDC"), less reserves, as allowed by the Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	$2,100,000	$2,100,000	$1,890,000	$45,000	$1,890,000
Land Carrying Costs	$0	$17,426	$0	$0	
Total Acquisition Costs:	**$2,100,000**	**$2,117,426**	**$1,890,000**	**$45,000**	**$1,890,000**

Notes to Land Acquisition Costs:

1. An executed Contract for Purchase and Sale ("P&S") dated October 13, 2015 between the Applicant and Tri-Star Affordable Development, LLC ("Seller") illustrates the terms in which the Seller will sell the land to the Applicant. The Seller will convey the land to the Applicant for $2,100,000. The P&S is not reflective of an arm's length transaction. The Applicant provided a Special Warranty Deed dated June 15, 2016 that illustrates the land has been conveyed to the Applicant by Tri-Star Affordable Development, LLC.

2. An Appraisal performed by Meridian identifies an "as is" value of the land of $1,890,000. Per the Rule, the cost of acquiring the property, including payment for options, deposits, or contracts to purchase properties cannot exceed the appraised value of the real property. As such, the appraised "as-is" value will be recognized as the purchase price.

TOTAL DEVELOPMENT COSTS:	**$14,933,992**	**$15,307,529**	**$15,190,867**	**$361,687**	**$2,727,406**

Notes to Total Development Costs:

1. Total Development Costs have increased by $256,875 from $14,933,992 to $15,190,867 since the Application due to increases in general development costs, financial costs, and developer fee.

OPERATING PRO FORMA

	FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA				
INCOME:	Gross Potential Rental Income		**$432,288**	**$10,293**
	Ancillary Income		$5,040	**$120**
	Gross Potential Income		**$437,328**	**$10,413**
	Less:			
	Physical Vac. Loss	Percentage: 4.00%	$17,493	**$417**
	Collection Loss	Percentage: 1.00%	$4,373	**$104**
	Total Effective Gross Income		**$415,462**	**$9,892**
EXPENSES:	Fixed:			
	Real Estate Taxes		$30,091	**$716**
	Insurance		$42,000	**$1,000**
	Variable:			
	Management Fee	Percentage: 5.00%	$20,773	**$495**
	General and Administrative		$25,200	**$600**
	Payroll Expenses		$54,600	**$1,300**
	Utilities		$29,400	**$700**
	Marketing and Advertising		$1,050	**$25**
	Maintenance and Repairs/Pest Control		$27,300	**$650**
	Grounds Maintenance and Landscaping		$10,500	**$250**
	Contract Services		$4,200	**$100**
	Reserve for Replacements		$12,600	**$300**
	Total Expenses		**$257,714**	**$6,136**
	Net Operating Income		**$157,748**	**$3,756**
	Debt Service Payments			
	First Mortgage - FSB		$95,984	**$2,285**
	Second Mortgage - SAIL		$35,000	**$833**
	Other Fees - SAIL PLS and CM Fees		$9,558	**$228**
	Total Debt Service Payments		**$140,542**	**$3,346**
	Cash Flow after Debt Service		**$17,206**	**$410**
			Annual	Per Unit
	Debt Service Coverage Ratios			
	DSC - First Mortgage		**1.64**	**1.64**
	DSC - First and Second Mortgage		**1.20**	**1.20**
	DSC - All Mortgages and Fees		**1.12**	**1.12**
	Financial Ratios			
	Operating Expense Ratio		**62.03%**	
	Break-even Economic Occupancy Ratio (all debt)		**91.07%**	

Notes to the Operating Pro forma and Ratios:

1. The SAIL program does not impose any rent restrictions. However, this development will be utilizing Housing Credits in conjunction with the SAIL financing, which will impose rent restrictions. As restricted by the SAIL and HC programs, 90% of the units (37 units) will be set aside for households earning 60% or less of the Area Median Income ("AMI"), with 10% of the units (5 units) further restricted as ELI units at 25% or less of AMI. Gross potential rental revenue is based upon the maximum gross LIHTC rents per the Florida Housing website for 2016. The utility allowances are $216 for one-bedroom units, $248 for two-bedroom units, and $282 for three-bedroom units based upon a utility allowance schedule from the U.S. Department of Housing and Urban Development effective February 1, 2016. The appraisal confirms the Development's ability to achieve 2016 maximum restricted rents for the 25% and 60% of the AMI units based upon current market conditions. A rent roll for the Development property is illustrated in the following table:

Monroe County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1	1	695	25%	$403			$216		$187	$185	$187	$187	$2,244
1	1	5	695	60%	$967			$216		$751	$749	$751	$751	$45,060
2	2	3	936	25%	$483			$248		$235	$235	$235	$235	$8,460
2	2	19	936	60%	$1,161			$248		$913	$913	$913	$913	$208,164
3	2	1	1250	25%	$558			$282		$276	$277	$276	$276	$3,312
3	2	13	1207	60%	$1,340			$282		$1,058	$1,059	$1,058	$1,058	$165,048
		42	41703											$432,288

2. A 5.0% total economic vacancy rate (4.00% physical and 1.00% collection loss) was concluded by the appraisal and was relied upon by AmeriNat for underwriting purposes.

3. Other Income is comprised of fees associated with vending income, late charges, pet deposits, forteited security deposits, and other income related to multifamily operations.

4. AmeriNat utilized a real estate tax expense of $716 per unit based upon the current millage rate for the municipality and an estimated assessment of $52,000 per unit presented by the appraiser. The estimate also took into account the income restrictions of the Development. Comparable properties indicated a range of assessments from $43,371 to $76,312 per unit.

5. AmeriNat utilized an estimate of $1,000 per unit for insurance, which is consistent with the appraisal. The figure used is consistent with insurance expenses for restricted rent comparables presented by the appraiser, which ranged from $416 to $2,435 per unit. The Development will be located in a flood zone designated "AE", which lies inside the 100-year flood plain and requires flood insurance.

6. The Applicant submitted a Management Agreement dated October 13, 2016 between AGPM, LLC ("Management Company") and the Applicant. The agreement states the initial term will be for 12 months and will be automatically renewed for an additional year unless terminated by either party in accordance with the conditions of the Management Agreement. The Agreement provides for compensation to the Management Company in the amount of $1,500 or 5% of the total gross rental collections, whichever is greater, received during the preceding month. The appraisal concluded a management fee of 5% which is supported by comparable properties in the market; therefore, a management fee of 5% was utilized for underwriting purposes.

7. Replacement Reserves of $300 per unit per year are required per the Rule.

8. Based upon an estimated Net Operating Income ("NOI") of $157,748 for the proposed development's initial year of stabilized operations; the first mortgage loan can be supported by operations at a 1.64 to 1.00 Debt Service Coverage ("DSC"). The combined amount of the First Mortgage and SAIL loan can be supported by operations at a 1.20 to 1.00 DSC, and all debt and fees can be supported by operations at 1.12 to 1.00. By Rule, the minimum 1.10 DSC and maximum 1.50 DSC for the SAIL and superior mortgages has been satisfied. In addition, the Development meets the minimum 1.10x DSC requirement with all first and second mortgages for Housing Credits.

9. The SAIL Permanent Loan Servicing Fee breaks down as follows: 25 basis points of the SAIL loan amount, subject to a minimum monthly fee of $204 and a monthly maximum fee of $810 ($9,720), and SAIL Compliance Monitoring Fee equal to the multiple program fee of $885 for the SAIL loan. The FHFC Compliance Monitoring Fees are subject to adjustment annually, but not decreased, based on the South Region Consumer Price Index for the twelve month period ending each November 30th, which this automatic increase shall not exceed three percent (3%) of the prior year's fee.

10. 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 Loan Closing Special and General Conditions
HC Allocation Recommendation and Contingencies

SAIL 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.

None

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. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by GLE Associates, Inc.

2. The letter provided by ACP outlining the terms and conditions for which they would make an equity investment in the Borrower requires an operating deficit reserve of $200,000 to be funded upon completion of the Development. The ODR represents approximately six months of expenses and debt service. 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. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn, which includes Deferred Developer Fee and reimbursements for authorized member and guarantor loan(s) pursuant to the operating agreement, will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees, 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.

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 loan proceeds shall be disbursed during the construction phase in an amount per draw that does not exceed the individual ratio of the SAIL loan to the Total Development Cost, unless approved by the Credit Underwriter. The closing draw shall include appropriate backup and ACH or 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. 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 Articles of Organization ("AOO") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The AOO 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 <u>at least two weeks prior to real estate loan closing</u>. 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 loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the SAIL loan 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. 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.

7. Evidence of compliance with local concurrency laws, if applicable.
8. UCC Searches for the Borrower, its partnerships, as requested by counsel.
9. 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).
10. 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 and 420.5087, Florida Statutes, Rule Chapter 67-53, F.A.C., Rule Chapter 67-48, F.A.C., Rule Chapter 67-60, F.A.C., RFA 2015-106, 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 loan 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 combined permanent first mortgage and 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 mortgage loan simultaneous with or prior to closing of the SAIL loan.
9. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the SAIL loan 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. Development and execution by the Borrower of the required Memorandum of Understanding ("MOU") with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with a Disabling Condition for the county where the proposed Development will be located. As outlined in the Carryover Allocation Agreement, the fully executed MOU is due to FHFC by May 31, 2017.
11. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, 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.
12. 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.
13. GLE Associates, Inc. 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.
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 $1,000,000 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 first mortgage simultaneously with or prior to closing of the SAIL loan.
3. Receipt of executed FHFC Fair Housing, Section 504 and ADA as-built certification forms 122, 127, and 129.
4. GLE Associates, Inc. will act as Florida Housing's inspector during the construction period.
5. Satisfactory resolution of any outstanding past due and non-compliance issues.
6. Any other reasonable requirements of Florida Housing or its Servicer.

Exhibit 1
Caya Place
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	**$432,288**	**$440,934**	**$449,752**	**$458,747**	**$467,922**	**$477,281**	**$486,826**	**$496,563**	**$506,494**	**$516,624**	**$526,957**	**$537,496**	**$548,246**	**$559,211**	**$570,395**
Other Income															
Ancillary Income	$5,040	$5,141	$5,244	$5,348	$5,455	$5,565	$5,676	$5,789	$5,905	$6,023	$6,144	$6,267	$6,392	$6,520	$6,650
Gross Potential Income	**$437,328**	**$446,075**	**$454,996**	**$464,096**	**$473,378**	**$482,845**	**$492,502**	**$502,352**	**$512,399**	**$522,647**	**$533,100**	**$543,762**	**$554,638**	**$565,730**	**$577,045**
Less:															
Physical Vac. Loss Percentage: 4.00%	$17,493	$17,843	$18,200	$18,564	$18,935	$19,314	$19,700	$20,094	$20,496	$20,906	$21,324	$21,750	$22,186	$22,629	$23,082
Collection Loss Percentage: 1.00%	$4,373	$4,461	$4,550	$4,641	$4,734	$4,828	$4,925	$5,024	$5,124	$5,226	$5,331	$5,438	$5,546	$5,657	$5,770
Total Effective Gross Income	**$415,462**	**$423,771**	**$432,246**	**$440,891**	**$449,709**	**$458,703**	**$467,877**	**$477,235**	**$486,779**	**$496,515**	**$506,445**	**$516,574**	**$526,906**	**$537,444**	**$548,193**
EXPENSES: Fixed:															
Real Estate Taxes	$30,091	$30,994	$31,924	$32,881	$33,868	$34,884	$35,930	$37,008	$38,118	$39,262	$40,440	$41,653	$42,903	$44,190	$45,515
Insurance	$42,000	$43,260	$44,558	$45,895	$47,271	$48,690	$50,150	$51,655	$53,204	$54,800	$56,444	$58,138	$59,882	$61,678	$63,529
Variable:															
Management Fee Percentage: 5.00%	$20,773	$21,189	$21,612	$22,045	$22,485	$22,935	$23,394	$23,862	$24,339	$24,826	$25,322	$25,829	$26,345	$26,872	$27,410
General and Administrative	$25,200	$25,956	$26,735	$27,537	$28,363	$29,214	$30,090	$30,993	$31,923	$32,880	$33,867	$34,883	$35,929	$37,007	$38,117
Payroll Expenses	$54,600	$56,238	$57,925	$59,663	$61,453	$63,296	$65,195	$67,151	$69,166	$71,241	$73,378	$75,579	$77,847	$80,182	$82,587
Utilities	$29,400	$30,282	$31,190	$32,126	$33,090	$34,083	$35,105	$36,158	$37,243	$38,360	$39,511	$40,696	$41,917	$43,175	$44,470
Marketing and Advertising	$1,050	$1,082	$1,114	$1,147	$1,182	$1,217	$1,254	$1,291	$1,330	$1,370	$1,411	$1,453	$1,497	$1,542	$1,588
Maintenance and Repairs/Pest Control	$27,300	$28,119	$28,963	$29,831	$30,726	$31,648	$32,598	$33,576	$34,583	$35,620	$36,689	$37,790	$38,923	$40,091	$41,294
Grounds Maintenance and Landscaping	$10,500	$10,815	$11,139	$11,474	$11,818	$12,172	$12,538	$12,914	$13,301	$13,700	$14,111	$14,534	$14,970	$15,420	$15,882
Contract Services	$4,200	$4,326	$4,456	$4,589	$4,727	$4,869	$5,015	$5,165	$5,320	$5,480	$5,644	$5,814	$5,988	$6,168	$6,353
Reserve for Replacements	$12,600	$12,600	$12,600	$12,600	$12,600	$12,600	$12,600	$12,600	$12,600	$12,600	$12,978	$13,367	$13,768	$14,181	$14,607
Total Expenses	**$257,714**	**$264,860**	**$272,216**	**$279,788**	**$287,583**	**$295,608**	**$303,869**	**$312,373**	**$321,127**	**$330,140**	**$339,796**	**$349,736**	**$359,970**	**$370,506**	**$381,352**
Net Operating Income	**$157,748**	**$158,911**	**$160,031**	**$161,103**	**$162,126**	**$163,095**	**$164,008**	**$164,862**	**$165,652**	**$166,375**	**$166,650**	**$166,838**	**$166,935**	**$166,938**	**$166,840**
Debt Service Payments															
First Mortgage - FSB	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984	$95,984
Second Mortgage - FHFC SAIL	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000
Other Fees - Compliance Monitoring/Servicing	$9,558	$9,582	$9,607	$9,633	$9,659	$9,687	$9,715	$9,744	$9,774	$9,804	$9,836	$9,868	$9,902	$9,937	$9,972
Total Debt Service Payments	**$140,542**	**$140,566**	**$140,591**	**$140,617**	**$140,643**	**$140,670**	**$140,699**	**$140,727**	**$140,757**	**$140,788**	**$140,820**	**$140,852**	**$140,886**	**$140,920**	**$140,956**
Cash Flow after Debt Service	**$17,206**	**$18,345**	**$19,440**	**$20,487**	**$21,483**	**$22,425**	**$23,310**	**$24,134**	**$24,895**	**$25,587**	**$25,830**	**$25,986**	**$26,050**	**$26,018**	**$25,884**
Debt Service Coverage Ratios															
DSC - First Mortgage	**1.64**	**1.66**	**1.67**	**1.68**	**1.69**	**1.70**	**1.71**	**1.72**	**1.73**	**1.73**	**1.74**	**1.74**	**1.74**	**1.74**	**1.74**
DSC - First and Second Mortgage	**1.20**	**1.21**	**1.22**	**1.23**	**1.24**	**1.25**	**1.25**	**1.26**	**1.26**	**1.27**	**1.27**	**1.27**	**1.27**	**1.27**	**1.27**
DSC - All Mortgages and Fees	**1.12**	**1.13**	**1.14**	**1.15**	**1.15**	**1.16**	**1.17**	**1.17**	**1.18**	**1.18**	**1.18**	**1.18**	**1.18**	**1.18**	**1.18**
Financial Ratios															
Operating Expense Ratio	**62.03%**	**62.50%**	**62.98%**	**63.46%**	**63.95%**	**64.44%**	**64.95%**	**65.45%**	**65.97%**	**66.49%**	**67.09%**	**67.70%**	**68.32%**	**68.94%**	**69.57%**
Break-even Economic Occupancy Ratio (all debt)	**91.07%**	**90.89%**	**90.73%**	**90.59%**	**90.46%**	**90.36%**	**90.27%**	**90.20%**	**90.14%**	**90.10%**	**90.15%**	**90.22%**	**90.30%**	**90.40%**	**90.51%**

Exhibit 2
Caya Place
RFA 2015-106 (2016-016CS)
Description of Features and Amenities

A. The Development will consist of:

42 garden apartment units located in 2 residential buildings

Unit Mix:

Six (6) one bedroom/one bath units containing a minimum of 695 square feet of heated and cooled living area;

Twenty-two (22) two bedroom/two bath units containing a minimum of 936 square feet of heated and cooled living area; and

Fourteen (14) three bedroom/two bath units containing a minimum of 1,207 square feet of heated and cooled living area;

42 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.

Two percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

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 and Accessibility, Universal Design and Visitability Features in all units:

1. Termite prevention;
2. Pest control;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
5. Full-size range and oven in all units;
6. At least two full bathrooms in all 3 bedroom or larger new construction units;
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units; and

8. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development consists of an on-site laundry facility, there must be a minimum of one (1) Energy Star qualified washer and one (1) dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number.

C. All new construction units that are located on an accessible route will provide the following 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. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

D. All new construction units must include the following General Features, Required Green Building Features and Additional Green Building Features:

1. All Family Demographic Developments will provide reinforced walls for future installation of grab bars that meet or exceed 2010 ADA Standards for Accessible Design around each tub/shower unit in each dwelling unit. At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.
2. Green Building Features in all Family and Elderly Demographic Developments:
   a) 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).
   b) Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
      i. Faucets: 1.5 gallons/minute or less,
      ii. Showerheads: 2.0 gallons/minute or less;
   c) Energy Star qualified refrigerator;
   d) Energy Star qualified dishwasher;
   e) Energy Star qualified ventilation fan in all bathrooms;
   f) Energy Star qualified water heater;
   g) Energy Star qualified ceiling fans with lighting fixtures in bedroom;
   h) Air Conditioning minimum efficiency specifications (choose in-unit or commercial):
      i. In-unit air conditioning: minimum 15 SEER; or **SELECTED**
      ii. Packaged units are allowed in studio/efficiency units and one-bedroom units: minimum 13.8 EER; or
      iii. Central chiller AC system – based on size:

1. 0-65 KBtuh: Energy Star certified; or
2. >65-135 KBtuh: 11.9 EER; or
3. >135-240 KBtuh: 12.3 EER; or
4. >240 KBtuh: 12.2 EER;

E. This New Construction Development commits to provide the following Green Building Certification program:

_______ Leadership in Energy and Environmental Design (LEED); or

___X___ Florida Green Building Coalition (FGBC); or

_______ ICC 700 National Green Building Standard (NGBS).

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

1. Literacy Training - Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

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

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

   If the Development consists of Scattered Sites and the training is provided on site, it must be provided on the Scattered Site with the most units. If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.

3. Family Support Coordinator – The Applicant must provide a Family Support Coordinator at no cost to the resident. The Family Support Coordinator shall assist residents in assessing needs and obtaining services, with the goal of promoting successful tenancies and helping residents achieve and maintain maximum independence and self-sufficiency. Responsibilities shall include linking residents with public and private resources in the community to provide needed assistance, develop and oversee on-site programs and activities based on the needs and interests of residents in organizing group activities to build community and to address and solve problems such as crime and drug activity. The duties of the Family Support Coordinator shall not be performed by property management staff. The Coordinator shall be on-site and available to residents at least 20 hours per week, within the hours of 9 a.m. and 8 p.m. The Coordinator may be an employee

of the Development or, through an agreement, an employee of a third party agency or organization that provides these services.

HC Allocation Calculation

Section I – Qualified Basis Calculation

Total Development Cost	$15,190,867
Less Land Costs	$2,100,000
Less Other Ineligible Costs	$837,406
Total Eligible Basis	$12,253,461
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	$15,929,499
Housing Credit Percentage (Federal allocation)	9.00%
Annual Housing Credit Allocation	$1,433,655

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" primarily consist of origination/closing fees and interest costs related to the construction and permanent loans, FHFC underwriting, administrative and application fees, market study, a portion of Legal Fees, title insurance/recording fees, and an operating deficit reserve.
2. The Development has a 100% set-aside; therefore, the applicable fraction is 100%.
3. The Development is located in a Difficult Development Area ("DDA") based upon the information provided by the Applicant as per RFA 2015-106. Therefore, it is eligible to use the 130% multiplier for DDA/QCT Basis Credit.
4. Per the FY 2016 Omnibus Spending and Tax Bill passed by Congress as of December 18, 2015, a permanent 9% minimum HC rate was established. For purposes of this report, a total HC percentage of 9.00% has therefore been applied.

Section II - GAP Calculation

Total Development Cost (including land and ineligible costs)	$15,190,867
Less Mortgages	$4,990,000
Equity Gap	$10,200,867
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$1.01
HC Required to meet Equity Gap	$10,100,878
Annual HC Required	$1,010,088

Notes to the GAP Calculation:

1. Mortgages include a first mortgage to be provided by FSB and the SAIL Loan from Florida Housing.
2. The HC Syndication Pricing of $1.01 per dollar and the HC Percentage to the Investor Member is based upon APC's LOI dated April 12, 2016.

Summary

HC Per Applicant's Request	$1,000,000
HC Per Qualified Basis	$1,433,655
HC Per GAP Calculation	$1,010,088
Annual HC Recommended	$1,000,000
HC Proceeds Recommended	$10,098,990

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: Caya Place
DATE: October 14, 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 HFAPBC. 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	**STATUS**	**NOTE**
REQUIRED ITEMS:	**Satis. / Unsatis.**	
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors, and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor, and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	

COMPLETENESS AND ISSUES CHECKLIST

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

NOTES AND DEVELOPER RESPONSES:

None