FLORIDA HOUSING FINANCE CORPORATION

Credit Underwriting Report

Village on Mercy f/k/a Mercy Project

Housing Credit And SAIL Financing For Homeless Housing Developments Located In Medium And Large Counties

RFA 2016-102 (2016-327CS / 2017-300CS)

Development Viability Loan Funding

RFA 2017-109 (2017-287V)

Section A: Report Summary

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

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Prepared by

AmeriNat®

Final Report

January 11, 2018

VILLAGE ON MERCY

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Report Summary

Recommendation

AmeriNat® ("AmeriNat") recommends the issuance of a Development Viability Loan ("Viability") in the amount of $1,335,205, a State Apartment Incentive Loan ("SAIL") in the amount of $5,000,000, and an annual allocation of 9% Housing Credits ("HC") in the amount of $2,110,000 to Ability Mercy, LLC ("Applicant") for the construction and permanent phase financing of Village on Mercy (the proposed "Development").

DEVELOPMENT & SET-ASIDES

Development Name: Village on Mercy

RFA/Program Numbers: RFA 2016-102 / 2016-327CS / 2017-300CS RFA 2017-109 2017-287V

Address: Mercy Drive and New Hampshire Street

City: Orlando Zip Code: 32808 County: Orange County Size: Large

Development Category: New Construction Development Type: Garden Apts (1-3 Stories)

Construction Type: Wood framing and sheathing with combination of painted stucco and cementious lap siding finish. Roof will consist of asphalt shingles over plywood sheathing.

Demographic Commitment:

Primary: Homeless for 50% of the Units
Secondary: Family for 50% of the Units

Unit Composition:

\# of ELI Units: 25 ELI Units Are Restricted to 40% AMI, or less. Total # of units with PBRA? 0
\# of Link Units: 9 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

The Applicant must commit to provide no less than 50 percent (83 units) of the total units in the proposed Development to Homeless individuals or families as Permanent Supportive Housing and, as reasonably as possible, such units must be proportionately distributed throughout the entire Development.

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	7	416	40%			409	82	327		326	263	263	22,092
0	1.0	18	416	60%			613	82	531		531	531	531	114,696
0	1.0	18	416	60%			613	82	531		531	263	263	56,808
1	1.0	6	517	40%			438	114	324		324	249	249	17,928
1	1.0	18	517	60%			657	114	543		543	543	543	117,288
1	1.0	19	517	60%			657	114	543		543	249	249	56,772
2	1.0	6	836	40%			526	152	374		374	347	347	24,984
2	1.0	16	836	60%			789	152	637		637	637	637	122,304
2	1.0	16	836	60%			789	152	637		637	347	347	66,624
2	2.0	2	905	40%			526	152	374		374	347	347	8,328
2	2.0	5	905	60%			789	152	637		637	637	637	38,220
2	2.0	5	905	60%			789	152	637		637	347	347	20,820
3	2.0	4	1,084	40%			607	197	410		410	410	410	19,680
3	2.0	26	1,084	60%			911	197	714		714	714	714	222,768
		166	115,267											909,312

Buildings: Residential - 4 Non-Residential - 1
Parking: Parking Spaces - 172 Accessible Spaces - 8

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
Housing Credit	15%	25	40%	50
Housing Credit	85%	141	60%	50
SAIL / ELI	15%	25	40%	50
SAIL	85%	141	60%	50

For purposes of RFA 2016-102, the Link Strategy was established to provide access and options for permanent rental housing to Extremely Low Income Persons with special needs who are receiving community-based supportive services. The Applicant must set aside one third of the proposed Development's ELI Set-Aside units (9 units) as Link 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 (Orange County). As outlined in the Carryover Allocation Agreement, the fully executed MOU is due to FHFC by April 30, 2018.

Absorption Rate 30 units per month for 6.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 95.00% Economic Occupancy 94.00%

Occupancy Comments Average occupany in the Development's CMA is 97.8%

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: Yes - 30%

Site Acreage: 13.07 Density: 12.6970 Flood Zone Designation: AE

Zoning: R-3B/W Multi-Family Residential Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Ability Mercy, LLC	% Ownership
General Partner	Ability Mercy MM, LLC	0.01%
Limited Partner	Enterprise Community Investment, Inc., or its assigns	99.99%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Ability Mercy, LLC	
CC Guarantor 2:	Ability Mercy MM, LLC	
CC Guarantor 3:	Ability Housing, Inc.	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Ability Mercy, LLC	
OD Guarantor 2:	Ability Mercy MM, LLC	
OD Guarantor 3:	Ability Housing, Inc.	
Developer:	Ability Housing, Inc.	
General Contractor 1:	Sauer Incorporated	
Management Company:	Royal American Management, Inc.	
Syndicator:	Enterprise Community Investment, Inc.	
Architect:	Ebert Norman Brady Architects, P.A.	
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	Florida Housing - Viability	Florida Housing - SAIL				
Amount	$1,335,205	$5,000,000				
Underwritten Interest Rate	0.00%	1.00%				
All In Interest Rate	0.00%	1.00%				
Loan Term	30	30				
Amortization	n/a	n/a				
Market Rate/Market Financing LTV	13.79%	65.45%				
Restricted Market Financing LTV	51.16%	242.73%				
Loan to Cost - Cumulative	4.87%	23.09%				
Loan to Cost - SAIL Only		18.23%				
Debt Service Coverage	41.57	2.16				
Operating Deficit & Debt Service Reserves	$1,643,176					
# of Months covered by the Reserves	23.8					

Deferred Developer Fee	$1,684,743
As-Is Land Value	$1,360,000
Market Rent/Market Financing Stabilized Value	$9,680,000
Rent Restricted Market Financing Stabilized Value	$2,610,000
Projected Net Operating Income (NOI) - Year 1	$138,767
Projected Net Operating Income (NOI) - 15 Year	$66,268
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Housing Credit (HC) Syndication Price	$0.92009
HC Annual Allocation - Initial Award	$2,110,000
HC Annual Allocation - Qualified in CUR	$2,110,000
HC Annual Allocation - Equity Letter of Interest	$2,110,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	BoA	$14,000,000	$0	$0
Second Mortgage	Florida Housing - Viability	$0	$1,335,205	$8,043
Third Mortgage	Florida Housing - SAIL	$5,000,000	$5,000,000	$30,120
HC Equity	Enterprise	$3,405,275	$19,412,000	$116,940
Deferred Developer Fee	Developer	$3,369,485	$1,684,743	$10,149
Deferred ODR as subset of Developer Fee	Developer	$1,052,964	$0	$0
Deferred ODR	Developer	$590,212	$0	$0
Deferred Compliance Monitoring Fees	Applicant	$14,012	$0	$0
TOTAL		$27,431,948	$27,431,948	$165,253

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?		3
Is the Development in all other material respects the same as presented in the Application?		4, 5

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

1. Since the time of application, a commitment for a Viability Loan from Florida Housing has been added to the financial structure as the permanent first mortgage. The Applicant requested $1,500,000 in the Application; however, the amount was reduced to $1,335,205 during underwriting. Additionally, Bank of America, N.A. has replaced TD Bank, N.A. as the construction mortgage lender and the construction loan increased from $8 million to $14 million. Also, Enterprise Community Investment, Inc. (“Enterprise”) replaced the National Equity Fund (“NEF”) as the syndicator of the Housing Credits.
2. Total Development Costs have increased by $1,334,057 from $26,097,891 to $27,431,948 since the Application due to increases in construction costs, financial costs, land carrying costs, Developer Fee, and the inclusion of an Operating Deficit Reserve (“ODR”).

3. The Application included a letter of interest dated March 7, 2016 from NEF that includes a proposal to purchase the HC at a rate of $1.00 per Housing Credit. The letter of interest from Enterprise dated January 11, 2018 reflects a purchase price of $0.92 per Housing Credit.
4. The Applicant requested approval for a name change for the Development from Mercy Project to Village on Mercy on March 29, 2017. The change was approved by Florida Housing via an email dated May 9, 2017.
5. Since the time of application, Royal American Management, Inc. has replaced CT Services, LLC as the management company.

   The above changes have no substantial material impact to the recommendation for the Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

According to the FHFC Asset Management Noncompliance Report dated November 22, 2017, no noncompliance issues exist for the Development Team.

According to the FHFC Past Due Report dated November 22, 2017, 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 and/or noncompliance issues applicable to the Development Team prior to closing and the issuance of the annual HC allocation recommended herein.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. A market study dated September 27, 2016 was prepared by Meridian Appraisal Group, Inc. (“Meridian”) and it identifies six existing comparable affordable properties located within the Competitive Market Area (“CMA”) with a total of 1,861 units. The report concludes an average weighted occupancy rate for the CMA of 97.8% which satisfies the minimum 92% occupancy rate requirement of Rule Chapter 67-48 F.A.C. (the “Rule”).
3. In the market study, Meridian cites the 2016 HUD Exchange Point in Time (“PIT”) Homeless Report. As per this study, a total of 42,477 people (including 36,771 sheltered and unsheltered individuals from the Continuum of Care counts and 5,706 students per FDOE estimates) living in Florida were homeless on any given day (3,296 persons are in Central Florida) in 2012. Florida has an estimated 15,503 such beds in operation or under development for individuals. Therefore, the state needs an additional 26,973 beds to serve these populations. The study also indicates that Central Florida has 789 beds for transitional housing and 814 permanent supportive housing beds for a total of 1,603 beds. The Housing Needs of Homeless Families and Individuals in Florida calculated a Level of Effort (“LOE”) for the state and each county. A LOE ratio below 1.0 indicates that there are more individuals or families currently homeless than there are permanent supportive housing beds or units. Central Florida has a LOE of 0.25 for housing individuals and 0.01 for housing families. This indicates demand is high in Central Florida for permanent and transitional housing for the homeless.

Other Considerations:

1. The Development exceeds the maximum 1.50x Debt Service Coverage ("DSC") threshold for the SAIL loan in its first year of operation, including all superior mortgages; however, the Development includes deep subsidy and declining cash flow as illustrated in the 15 year pro forma included herein as Exhibit 1, which is permitted by the Rule.

Issues and Concerns:

None

Waiver Requests:

None

Special Conditions:

1. Viability funds shall not be disbursed until a final cost certification is approved by Florida Housing.
2. The Deferred Developer Fee shall equal 50 percent of the total Developer Fee, exclusive of any ODR portion that is a part of a 21 percent Developer Fee (which will be equal to 5 percent of Development Cost). If the Deferred Developer Fee is less than 50 percent of the total Developer Fee, then the Deferred Developer Fee will be adjusted upward to meet the minimum of 50 percent (50%) requirement and the Applicant's Viability Loan shall be reduced.
3. If other additional funding sources are acquired prior to finalization of the cost certification, such other funding will be used to first reduce the Deferred Developer Fee to no less than 50 percent of the total Developer Fee and then to reduce the Viability Loan Funding. After the IRS form(s) 8609 are issued, through the end of the Compliance Period, any additional funding sources acquired will be used to pay down the Deferred Developer Fee and the Viability Loan Funding on a 50/50 basis. If the Deferred Developer Fee is paid off prior to the Viability Loan Funding, then 100 percent of any remaining additional funding sources will be used to reduce or pay off the Viability Loan Funding. Thereafter, a portion of the Development Viability Loan would be reduced in the same manner as prescribed for SAIL in Rule Chapter 67-48.010(15), F.A.C.

Additional Information:

1. Per RFA 2016-102, 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, non-concrete development and as such is limited to a TDC of no more than $178,000 per unit. Applying the 2.7% escalation factor allowable for the Development Category of new construction, garden-style, nonconcrete and the TDC multiplier of 90% for the Development's Homeless Demographic Commitment, the maximum TDC per unit cost is $203,118. Based on the underwritten TDC, exclusive of land costs and Operating Deficit Reserve, the cost per unit for the Development is $153,592.
2. RFA 2017-109 requires a minimum of 50 percent of the Developer Fee to be permanently deferred. Based on the permanent financing sources, the Developer would need to defer $1,684,743 of the maximum Deferred Developer Fee of $3,369,485 (excluding any ODR portion

that is a part of a 21 percent Developer fee) or 50%, which meets the requirements that at least 50 percent of the Developer Fee must be deferred.

Recommendation:

AmeriNat recommends the issuance of a Viability Loan in the amount of $1,335,205, a SAIL Loan in the amount of $5,000,000, and an annual allocation of 9% Housing Credits ("HC") in the amount of $2,110,000 to the Applicant for the construction and permanent phase financing of the proposed Development.

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

Prepared by:	Reviewed by:
Kyle Kuenn	Mark Fredericks
Senior Credit Underwriter	Senior Vice President – 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	BoA	$7,384,262	$14,000,000	$14,000,000	5.21%	$1,054,818
Second Mortgage	Florida Housing - Viability	$0	$0	$0	0.00%	$0
Third Mortgage	Florida Housing - SAIL	$5,000,000	$5,000,000	$5,000,000	1.00%	$0
HC Equity	Enterprise	$13,713,629	$3,403,530	$3,405,275		
Deferred Developer Fee	Developer	$0	$2,115,232	$3,369,485		
Deferred ODR as subset of Developer Fee	Developer	$0	$1,054,111	$1,052,964		
Deferred ODR	Developer	$0	$590,212	$590,212		
Deferred Compliance Monitoring Fees	Applicant	$0	$0	$14,012		
	Total :	**$26,097,891**	**$26,163,085**	**$27,431,948**		**$1,054,818**

Proposed First Mortgage Loan:

The Applicant provided a Letter of Interest from Bank of America, N.A. ("BoA") that illustrates the terms and conditions in which BoA will make a construction loan in an amount up to $14,000,000 ("Construction Loan"). The terms outlined in the letter include a term of 30 months with one conditional 6 month extension available for a fee equal to 0.50% of the loan amount, and an interest rate equal to the one month LIBOR (presently at 1.51%) plus a 3.20% spread adjusted monthly. AmeriNat added 100 basis points for an underwriting cushion to derive the "all-in" interest rate of 5.21% during the construction phase.

Proposed Second Mortgage Loan:

The Applicant requested a Viability loan in the amount of $1,500,000 under RFA 2017-109; however, AmeriNat estimates the loan amount will be reduced to $1,335,205. The Viability loan shall be non-amortizing and shall have an interest rate of 0 percent, with payment due at maturity. As the Development will serve a Homeless demographic, the total term of the Viability Loan shall be 32 years (30 year permanent term following a 24 month construction completion/stabilization period). Closing of the Viability loan will be simultaneous with the closing of other construction funding; however, Viability loan proceeds shall not be disbursed until a final cost certification is approved by the Corporation.

Proposed Third Mortgage Loan – FHFC SAIL

The Applicant requested a SAIL loan in the amount of $5,000,000 under RFA 2016-102. According to the RFA, the SAIL loan shall be non-amortizing and shall have an interest rate of one percent (1%). Including the construction period, the SAIL Loan will have a total term of 32 years and will be co-terminus with the

Viability loan (30 year permanent term following a 24 month construction completion/stabilization period). In addition and to the extent that Development cash flow is available, annual interest payments at the 1% rate will be required, and any unpaid interest will be deferred until cash flow is available. However, at the 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 a letter of interest dated January 11, 2018 from Enterprise Community Investment, Inc. ("Enterprise") that outlines the terms and conditions of the purchase of the HC. Enterprise, through an affiliated entity, will provide a net equity investment of $19,412,000 in exchange for a 99.99% limited partnership ownership interest and a proportionate share of the total HC allocation estimated by US Bank to be $21,100,000. The HC allocation will be syndicated at a rate of approximately $0.92 per $1.00 of delivered tax credits. An initial HC equity infusion of $2,911,800 will be available at construction loan closing, which satisfies the 15% requirement. An additional HC equity infusion of $175,000 is estimated to be available at 75% construction completion. A third HC equity infusion of $318,475 is available at the later of January 1, 2019 and approval by Enterprise of all prior conditions. A total of $3,405,275 of HC equity will be available during construction.

Deferred Developer Fee:

The Applicant will be required to defer $3,369,485 or 100% of the total Developer Fee that is able to be deferred during the construction phase subject to the terms outlined in Section B of this report. Any payment of Developer Fee must be mutually approved by the general partner and limited partner.

Deferred ODR as subset of Developer Fee:

An amount equal to the difference between the Developer Fee and an amount equal to 16% of Development Cost, estimated by AmeriNat to be $1,053,155, must be placed in an operating subsidy reserve account to be held by the Corporation or its Servicer. It is customary for the ODR to be funded upon lien-free construction completion; as such, it is being shown as a deferred source of funding during the construction period.

Deferred ODR:

As a condition to the purchase of HC, Enterprise requires a separate ODR in the amount of $496,600 and an Expense Coverage Reserve in the amount of $93,612 (the "Reserves") for a total of $590,212. The Reserves shall be funded upon Stabilization or Permanent loan conversion; as such, it is being shown as a deferred source of funding during the construction period.

Deferred Compliance Monitoring Fee:

Compliance Monitoring Fees of $239,810 shall be funded after construction completion but prior to the issuance of IRS forms 8609s. As such, AmeriNat is utilizing $14,012 as a deferred source of funding during the construction period in order to balance the Sources and Uses of Funds.

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	Florida Housing - Viability	$0	$1,500,000	$1,335,205	0.00%	n/a	30	$0
Second Mortgage	Florida Housing - SAIL	$5,000,000	$5,000,000	$5,000,000	1.00%	n/a	30	$50,000
HC Equity	Enterprise	$21,097,891	$19,412,000	$19,412,000				
Deferred Developer Fee	Developer	$0	$1,688,958	$1,684,743				
	Total :	**$26,097,891**	**$27,600,958**	**$27,431,948**				**$50,000**

Proposed First Mortgage Loan:

The Applicant requested a Viability loan in the amount of $1,500,000 under RFA 2017-109; however, AmeriNat estimates the loan amount will be reduced to $1,335,205. The Viability loan shall be non-amortizing and shall have an interest rate of 0 percent, with payment due at maturity. As the Development will serve a Homeless demographic, the total term of the Viability Loan shall be 32 years (30 years following a 24 month construction completion and stabilization period). Closing of the Viability loan will be simultaneous with the closing of other construction funding; however, Viability loan proceeds shall not be disbursed until a final cost certification is approved by the Corporation. The Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of $840 per month, subject to a minimum of $211 per month.

Proposed Second Mortgage Loan:

The Applicant requested a SAIL loan in the amount of $5,000,000 under RFA 2016-102. According to the RFA, the SAIL loan shall be non-amortizing and shall have an interest rate of one percent (1%). Including the construction period, the SAIL loan will have a total term of 32 years and will be co-terminus with the Viability loan (30 year permanent term following a 24 month construction completion/stabilization period). In addition and to the extent that Development cash flow is available, annual interest payments at the 1% rate will be required, and any unpaid interest will be deferred until cash flow is available. However, at the 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 Fee (25 bps of the outstanding loan amount with a maximum of $840 per month, subject to a minimum of $211 per month) and Compliance Monitoring Fee ($918 based upon the annual Multiple Program Compliance Monitoring Fee of the current contract between FHFC and its Servicer).

Additional Permanent Sources of Funds:

According to the syndication letter dated January 11, 2018, Enterprise will provide a net equity investment of $19,412,000 in exchange for a 99.99% limited partnership ownership interest and a proportionate share of the total HC allocation at a rate of approximately $0.92 per $1.00 of delivered tax credits. The HC equity contributions are to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	$2,911,800	15.00%	Admission
2nd Installment	$175,000	0.90%	75% construction completion
3rd Installment	$318,475	1.64%	Latest of January 1, 2019 or LP approval of all prior conditions
4th Installment	$2,736,800	14.10%	Latest of October 1, 2019, construction completion, receipt of temp. certificates of occupancy, and permanent loan conversion.
5th Installment	$350,000	1.80%	Latest of January 1, 2020, receipt of final permanent certificates of occupancy, mechanic's lien release, final as-built survey, final cost certification, and stabilization.
6th Installment	$743,109	3.83%	January 1, 2020 and all previous requirements
7th Installment	$11,646,604	60.00%	Latest of July 1, 2020 and Loan Conversion
8th Installment	$175,000	0.90%	Latest of July 1, 2020 and receipt of draft IRS Forms 8609
9th Installment	$355,212	1.83%	October 1, 2025
Total:	**$19,412,000**	**100%**	

Annual Credits Per Syndication Agreement	$2,110,000
Total Credits Per Syndication Agreement	$21,100,000
Calculated HC Rate:	$0.920092009
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	$3,405,275

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 $1,684,743, or 50%, 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
Accessory Buildings	$341,000	$419,560	$419,560	$2,527	$0
Demolition	$1,050,000	$0	$0	$0	$0
New Rental Units	$10,345,205	$12,180,547	$12,263,082	$73,874	$0
Recreational Amenities	$125,000	$82,535	$0	$0	$0
Site Work	$2,600,000	$1,579,012	$1,579,012	$9,512	$250,000
Constr. Contr. Costs subject to GC Fee	$14,461,205	$14,261,654	$14,261,654	$85,914	$250,000
Profit	$2,024,569	$1,995,425	$1,995,425	$12,021	$0
Builder's Risk Insurance	$0	$44,610	$44,610	$269	$0
Payment and Performance Bonds	$0	$109,645	$109,645	$661	$0
Contract Costs not subject to GC Fee	$0	$264,320	$264,320	$1,592	$0
Total Construction Contract/Costs	$16,485,774	$16,675,654	$16,675,654	$100,456	$250,000
Hard Cost Contingency	$824,288	$833,783	$833,782	$5,023	$0
FF&E paid outside Constr. Contr.	$200,000	$290,000	$290,000	$1,747	$0
Total Construction Costs:	**$17,510,062**	**$17,799,437**	**$17,799,436**	**$107,226**	**$250,000**

Notes to Actual Construction Costs:

1. A Standard Form of Agreement Between the Owner and Construction Manager where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price ("GMP") in the amount of $16,675,654 (the "Construction Contract") has been provided. The Construction Contract was entered into as of December 1, 2017 and is executed by the Applicant and Sauer Incorporated (the "General Contractor"). It contains a production schedule indicating completion within 543 days from the date of commencement. The Construction Contract indicates retainage of ten percent (10%) will be withheld until 50% completion at which time the amount of retention withheld will be reduced to 5%. Retainage will be released pursuant to the terms of the Construction Loan Agreement.

2. The General Contractor's Fee (consisting of general conditions, overhead, and profit) is within 14.00% of allowable hard costs as allowed by the Rule.

   The General Contractor fee stated herein is for credit underwriting purposes only, and the final General Contractor fee limit will be determined pursuant to the final cost certification process as per the Rule.

3. A Plan and Cost Review was engaged by AmeriNat and performed by GLE Associates, Inc. ("GLE"). GLE summarized their review of the schedule of values in an updated PCR dated December 19, 2017. The review concludes that the construction budget is appropriate and are within an acceptable range for the scope of work.

   The costs for similar type developments identified in the PCR range from $106,239 per unit to $115,189 per unit excluding the costs of site work and special construction. With a projected unit cost of $100,455, the projected costs are slightly less than the comparable developments.

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

5. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract and its cost is inclusive of the Construction Contract's schedule of values.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$16,500	$16,500	$16,500	$99	$16,500
Appraisal	$10,000	$9,000	$9,000	$54	$0
Architect's Fee - Site/Building Design	$750,000	$366,445	$366,416	$2,207	$0
Architect's Fee - Supervision	$50,000	$101,493	$101,493	$611	$0
Building Permits	$83,000	$115,291	$115,291	$695	$0
Engineering Fees	$160,000	$197,250	$197,250	$1,188	$0
Environmental Report	$12,000	$4,250	$4,250	$26	$4,250
FHFC Administrative Fees	$116,050	$116,050	$116,050	$699	$116,050
FHFC Application Fee	$3,000	$3,500	$3,500	$21	$3,500
FHFC Credit Underwriting Fee	$17,156	$23,205	$23,265	$140	$23,265
FHFC Compliance Fee	$489,099	$245,427	$239,810	$1,445	$239,810
Impact Fee	$5,000	$0	$0	$0	$0
Lender Inspection Fees / Const Admin	$25,000	$48,826	$48,826	$294	$0
Green Building Cert. (LEED, FGBC, NAHB)	$29,200	$29,200	$29,200	$176	$0
Insurance	$50,000	$21,993	$21,993	$132	$0
Legal Fees - Organizational Costs	$125,000	$95,000	$95,000	$572	$95,000
Market Study	$5,500	$5,400	$5,400	$33	$0
Marketing and Advertising	$5,000	$5,000	$5,000	$30	$5,000
Plan and Cost Review Analysis	$4,000	$3,025	$3,025	$18	$0
Property Taxes	$42,000	$38,771	$38,771	$234	$0
Soil Test	$10,000	$12,135	$12,135	$73	$0
Survey	$17,700	$30,000	$29,100	$175	$0
Title Insurance and Recording Fees	$100,000	$132,365	$132,865	$800	$132,865
Utility Connection Fees	$45,000	$45,000	$45,000	$271	$0
Soft Cost Contingency	$118,511	$97,756	$82,957	$500	$0
Total General Development Costs:	**$2,288,716**	**$1,762,882**	**$1,742,097**	**$10,495**	**$636,240**

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 Architect Agreement between the Applicant and Ebert Norman Brady Architects, Corporation dated November 22, 2016, which was reviewed by AmeriNat. The Architect Agreement includes Civil Engineering Design to be performed by WBQ Design & Engineering, Inc. and Structural Engineering to be performed by Advanced Structural Design, Inc.
3. FHFC Administrative Fee is based upon a fee of 5.5% of the annual HC allocation recommendation made herein.
4. Lender Inspection Fees/Construction Admin consists of fees associated with estimated lender draw review fees and fees for monthly inspections by construction consultants associated with the development.
5. 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 Rule.
6. 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	$60,000	$140,000	$140,000	$843	$140,000
Construction Loan Closing Costs	$0	$50,000	$50,000	$301	$50,000
Construction Loan Interest	$417,200	$1,054,825	$1,054,818	$6,354	$305,000
Permanent Loan Commitment Fee	$50,000	$0	$0	$0	$0
Permanent Loan Closing Costs	$13,000	$0	$0	$0	$0
SAIL Commitment Fee		$50,000	$50,000	$301	$50,000
SAIL Closing Costs	$62,500	$13,000	$13,000	$78	$13,000
SAIL Servicing Fee	$37,440	$0	$0	$0	$0
Misc Loan Origination Fee	$0	$15,000	$13,353	$80	$13,353
Misc Loan Closing Costs	$0	$13,000	$12,500	$75	$12,500
Other: Enterprise Syndication Fee	$55,000	$50,000	$50,000	$301	$50,000
Other: Windstorm Fee (NEF)	$25,000	$0	$0	$0	$0
Other: SAIL and HC Extension Fees	$0	$90,000	$90,000	$542	$90,000
Other: FHFC Legal Description Revision Fee	$0	$500	$500	$3	$500
Other: Predevelopment Loan Fees	$0	$43,583	$43,583	$263	$43,583
Total Financial Costs:	**$720,140**	**$1,519,908**	**$1,517,754**	**$9,143**	**$767,936**
Dev. Costs before Acq., Dev. Fee & Reserves	**$20,518,918**	**$21,082,226**	**$21,059,287**	**$126,863**	**$1,654,176**

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the LOI 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 BoA, 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 percent of the SAIL loan amount as illustrated in the RFA.
4. The SAIL Closing Costs is an approximate costs for Florida Housing attorneys and their fees related to the SAIL loan closing.
5. The Misc. Loan Origination Fee is the Viability Loan Commitment Fee which is equal to 1 percent of the Viability loan amount as illustrated in the RFA.
6. The Misc. Loan Closing Costs is an approximate costs for Florida Housing attorneys and their fees related to the Viability loan closing.

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	$4,308,973	$3,373,156	$3,369,485	$20,298	$0
DF to fund Operating Debt Reserve	$0	$1,054,111	$1,052,964	$6,343	$0
Total Other Development Costs:	**$4,308,973**	**$4,427,268**	**$4,422,449**	**$26,641**	**$0**

Notes to Developer Fee on Non-Acquisition Costs:

1. A subset of the Developer Fee in an amount of $1,052,964 is equal to the difference between the Developer Fee and an amount equal to 16% of Development Cost, which in accordance with the RFA must be placed in an operating subsidy reserve account to be held by the Corporation or its Servicer. Any disbursements from said operating subsidy reserve account shall be reviewed and approved by the Corporation or its Servicer. 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/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan 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. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. 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. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

2. Total Developer Fee of $4,422,449 does not exceed 21% of the TDC less ODR.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	$1,270,000	$1,360,000	$1,360,000	$8,193	$1,360,000
Total Acquisition Costs:	**$1,270,000**	**$1,360,000**	**$1,360,000**	**$8,193**	**$1,360,000**

Notes to Land Acquisition Costs:

1. An executed Purchase and Sale Agreement ("P&S") dated February 29, 2016 between the Applicant and the City of Orlando ("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 $1,270,000. The P&S is reflective of an arm's length transaction. The Applicant has provided five amendments to the P&S that extends the closing date to February 5, 2018.
2. An Appraisal performed by Meridian identifies an "as is" value of the land of $1,360,000, which supports the purchase price illustrated in the Purchase Agreement. The lesser of the two values was used for underwriting purposes.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Syndicator)	$0	$496,600	$496,600	$2,992	$496,600
Other: Expense Coverage Reserve (Syndicator)		$93,612	$93,612	$564	
Total Reserve Accounts:	**$0**	**$590,212**	**$590,212**	**$3,555**	**$496,600**

Notes to Reserve Accounts:

1. The letter provided by Enterprise outlining the terms and conditions for which they would make an equity investment in the Borrower requires a separate operating deficit reserve of $496,600 and an Expense Coverage Reserve in the amount of $93,612 that will be funded upon stabilization.

   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/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan 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. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. 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. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	$26,097,891	$27,459,706	$27,431,948	$165,253	$3,510,776

Notes to Total Development Costs:

1. Total Development Costs have increased by $1,334,057 from $26,097,891 to $27,431,948 since the Application due to increases in construction costs, financial costs, land carrying costs, Developer Fee, and the inclusion of an ODR.

OPERATING PRO FORMA

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			$909,312	$5,478
	Other Income				$0
	Ancillary Income			$49,800	$300
	Gross Potential Income			$959,112	$5,778
	Less:				
	Physical Vac. Loss	Percentage:	5.00%	$47,956	$289
	Collection Loss	Percentage:	1.00%	$9,591	$58
Total Effective Gross Income				$901,565	$5,431
EXPENSES:	Fixed:				
	Real Estate Taxes			$50,400	$304
	Insurance			$56,440	$340
	Variable:				
	Management Fee	Percentage:	5.55%	$50,058	$302
	General and Administrative			$45,650	$275
	Payroll Expenses			$199,200	$1,200
	Utilities			$154,380	$930
	Marketing and Advertising			$8,300	$50
	Maintenance and Repairs/Pest Control			$83,000	$500
	Grounds Maintenance and Landscaping			$45,650	$275
	Security			$19,920	$120
	Reserve for Replacements			$49,800	$300
Total Expenses				$762,798	$4,595
Net Operating Income				$138,767	$836
Debt Service Payments					
	First Mortgage - FHFC Viability			$0	$0
	Second Mortgage - SAIL			$50,000	$301
	First Mortgage Fees - Viability			$3,338	$20
	Second Mortgage Fees - SAIL			$10,998	$66
Total Debt Service Payments				$64,336	$388
Cash Flow after Debt Service				$74,431	$448
Debt Service Coverage Ratios					
	DSC - First Mortgage plus Fees			41.57x	
	DSC - Second Mortgage plus Fees			2.16x	
	DSC - All Mortgages and Fees			2.16x	
Financial Ratios					
	Operating Expense Ratio			84.61%	
	Break-even Economic Occupancy Ratio (all debt)			86.57%	

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 Viability and SAIL funding, which will impose rent restrictions. Gross Potential Rental Revenue is based upon the maximum gross LIHTC rents per the Florida Housing Finance Corporation website for 2017. The utility allowances are $82 for efficiency units, $114 for one-bedroom units, $152 for two-bedroom units, and $197 for three-bedroom units based on a utility allowance schedule from the U.S. Department of Housing and Urban Development effective January 1, 2017, which is the most recent available through the Orlando Housing Authority.
   A rent roll for the Development property is illustrated in the following table:

   MSA (County): Orlando-Kissimmee-Sanford MSA (Orange)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	7	416	40%			409	82	327		326	263	263	22,092
0	1.0	18	416	60%			613	82	531		531	531	531	114,696
0	1.0	18	416	60%			613	82	531		531	263	263	56,808
1	1.0	6	517	40%			438	114	324		324	249	249	17,928
1	1.0	18	517	60%			657	114	543		543	543	543	117,288
1	1.0	19	517	60%			657	114	543		543	249	249	56,772
2	1.0	6	836	40%			526	152	374		374	347	347	24,984
2	1.0	16	836	60%			789	152	637		637	637	637	122,304
2	1.0	16	836	60%			789	152	637		637	347	347	66,624
2	2.0	2	905	40%			526	152	374		374	347	347	8,328
2	2.0	5	905	60%			789	152	637		637	637	637	38,220
2	2.0	5	905	60%			789	152	637		637	347	347	20,820
3	2.0	4	1,084	40%			607	197	410		410	410	410	19,680
3	2.0	26	1,084	60%			911	197	714		714	714	714	222,768
		166	115,267											909,312

2. A 6.00% total economic vacancy rate (5.00% physical and 1.00% collection loss) was concluded by the appraisal and was relied upon by AmeriNat for underwriting purposes.

3. Ancillary Income is comprised of income related to multifamily operations in the form of vending income, late charges, forfeited security deposits, etc.

4. AmeriNat utilized a real estate tax expense of $304 per unit based upon the current millage rate for the municipality and an estimated assessment of $12,500 per unit presented by the appraiser. The estimate also took into account the income and homeless demographic restrictions of the Development. Comparable properties indicated a range of assessments from $21,556 to $39,488 per unit.

5. AmeriNat utilized an estimate of $340 per unit for insurance, which is consistent with the appraisal. The figure is consistent with insurance expenses for restricted rent comparables presented by the appraiser, which ranged from $175 to $389 per unit. The Development will be located in a flood zone designated “AE” and “X”, which appears to partially lie inside of the 100-year flood plain and does require flood insurance.

6. The Applicant submitted an executed Property Management Agreement between Royal American Management, Inc. (“RAM”) and the Applicant. The agreement states the initial term will be for two years and be automatically renewed in one year increments thereafter unless either party elects not to extend the agreement in writing at least sixty calendar days in advance. The agreed compensation

to RAM is 5% of the total gross rental collections received. Additionally, RAM will receive compliance fees equal to $2.50 per unit per month. The appraisal concludes a property management fee of 5% of the gross rental collections due to the projected income level. The more conservative of the two fees was utilized for underwriting purposes.

7. Replacement Reserves of $300 per unit per year are required by Enterprise and meets the minimum requirement per the Rule.

8. Based upon an estimated Net Operating Income (“NOI”) of $138,767 for the proposed development’s initial year of stabilized operations; the first mortgage loan can be supported by operations at a 41.57x to 1.00 Debt Service Coverage (“DSC”). The combined amount of the Viability Mortgage and SAIL Loan can be supported by operations at a 2.16x to 1.00 DSC. By Rule, in extenuating circumstances, such as when the Development has deep or short term subsidy, the debt service coverage may exceed 1.50x if the Credit Underwriter’s favorable recommendation is supported by the projected cash flow analysis. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects projected cash flow declining severely throughout the fifteen year period with rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

   In addition, the Development meets the minimum 1.10x DSC requirement with all first and second mortgages for SAIL and Housing Credits.

9. The Viability Permanent Loan Servicing Fee is equal to 25 bps of the outstanding loan amount ($3,338).

10. The SAIL Servicing Fees ($10,998 annually) breaks down as follows: Permanent Loan Servicing Fee equal to the maximum monthly fee of 840 ($10,080) plus an annual Multiple Program Compliance Monitoring Fee of $918. 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.

Section B

Viability loan and SAIL loan Special and General Conditions and HC Allocation Recommendation and Contingencies

Special Conditions

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

1. Viability funds shall not be disbursed until a final cost certification is approved by Florida Housing.

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 Viability loan and SAIL loan closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the Note pricing date. For competitive Note sales, these items must be reviewed and approved prior to issuance of the Notice of Note Sale.

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

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

3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

4. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The final sources and uses of funds schedule will be attached to the Loan Agreements as the approved Development budget.

5. 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 wiring instructions.

6. During construction, the Developer shall only be allowed to draw a maximum of fifty percent (50%) of the total Developer Fee, until the IRS Form 8609s for all buildings are issued by Florida Housing. In

no event shall the Developer Fee exceed the applicable percentage limitation set forth in Rule Chapter 67-48.0072(16), F.A.C.

If other Additional Funding Sources (as defined below) are acquired prior to approval of the final Cost Certification by Florida Housing, such other funding will be used to first reduce the Deferred Developer Fee to no less than 50 percent (50%) of the total Developer Fee and then to reduce the amount of Viability loan funding. After IRS form(s) 8609 are issued, through the end of the Compliance Period, any Additional Funding Sources acquired will be used to pay down the Deferred Developer Fee and the Viability Loan on a 50/50 pro rata basis. If the Deferred Developer Fee is paid to the Developer prior to the funding of the Viability Loan, then 100 percent (100%) of any remaining additional Funding Sources shall be used to reduce the amount of the Viability Loan. Thereafter, a portion of the Viability loan shall be reduced in the same manner as prescribed for the Florida Housing SAIL Program in Rule Chapter 67-48.010(15), F.A.C.

Additional Funding Sources for the purpose of this requirement, shall mean any Housing Credit equity upward adjusters, including but not limited to those tied to a change in the assumed tax credit rate or the maintenance of the Investor Limited Partner's internal rate of return (or any similarly structured adjuster), but does not include the Development's net cash flow from operations, after debt service.

7. 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.

8. Evidence of insurance coverage pursuant to the Request for Application ("RFA") governing this proposed transaction and, as applicable, the FHFC Insurance Guide.

9. 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.

10. 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.

11. 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.

12. 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 Rule Chapter 67-48.0075 (5) F.A.C., of an Applicant or a Developer).

13. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications.

14. Satisfactory resolution of any outstanding past due and/or noncompliance notices issues by closing of the loan(s).

15. An ODR in the collective amount of approximately six months of operating expenses 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. 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/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan 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. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. 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. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

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

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/managers(s) of the Borrower, the guarantors, and any limited partners of the Borrower.

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 Viability/SAIL closings, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower is to comply with any and all recommendations noted in the updated Environmental Audit Report(s) and all other environmental reports related to the property, as deemed appropriate by Florida Housing in its sole discretion.

4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Viability/SAIL loans 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 Viability and SAIL loans have been satisfied.

6. Evidence of insurance coverage pursuant to the RFA governing this proposed transaction and, as applicable, the FHFC Insurance Guide.

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. 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 Viability and SAIL loans.

10. UCC Searches for the Borrower, its partnerships, as requested by counsel.

11. Any other reasonable conditions established by Florida Housing and its Legal Counsel.

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all applicable provisions of 420.507 and 420.5087, Florida Statute, Rule Chapter 67-48 F.A.C., Rule Chapter 67-53, F.A.C., Rule Chapter 67-60, F.A.C., Section 42 I.R.C., RFA 2016-102, RFA 2017-109, and any other applicable State and Federal requirements.

2. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability/SAIL loans 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) and Final Cost Certificate.

3. Development and execution by the Applicant of the required 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 (Orange County). As outlined in the Carryover Allocation Agreement, the fully executed MOU is due to FHFC by April 30, 2018.

4. For the Viability Loan - 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 permanent First Mortgage, 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 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. For the SAIL Loan - 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 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.

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

7. Guarantors to provide the standard Florida Housing Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.

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

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

10. Closing of all funding sources simultaneous with or prior to closing of the Viability and SAIL loans.

11. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the Viability/SAIL loans 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.

12. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the Fiscal Agent 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.

13. Replacement Reserves funds in the amount of $300 per unit per year are required to be deposited on a monthly basis into a designated escrow account to be maintained by the First Mortgagee/Credit Enhancer, the Fiscal Agent, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per the RFA and Rule, in the amount of $49,800 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of $300 per unit per year for Years 1 and 2, followed by $300 per unit per year thereafter. 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 capital needs assessment ("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.

14. GLE Associates, Inc. will act as Florida Housing's inspector during the construction period.

15. 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.

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

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

Housing Credit Allocation Recommendation

AmeriNat recommends an annual $2,110,000 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 all funding sources simultaneous with or prior to closing of the Viability and SAIL loans.

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

4. GLE Associates, Inc. is to act as construction phase inspector for Florida Housing.

5. Satisfactory resolution of any outstanding past due and/or noncompliance issues.

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

Exhibit 1
Village on Mercy
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	$909,312	$927,498	$946,048	$964,969	$984,269	$1,003,954	$1,024,033	$1,044,514	$1,065,404	$1,086,712	$1,108,446	$1,130,615	$1,153,227	$1,176,292	$1,199,818
	Rent Subsidy (ODR)														$5,011	$15,542
	Other Income															
	Ancillary Income	$49,800	$50,796	$51,812	$52,848	$53,905	$54,983	$56,083	$57,205	$58,349	$59,516	$60,706	$61,920	$63,158	$64,422	$65,710
	Gross Potential Income	$959,112	$978,294	$997,860	$1,017,817	$1,038,174	$1,058,937	$1,080,116	$1,101,718	$1,123,753	$1,146,228	$1,169,152	$1,192,535	$1,216,386	$1,245,725	$1,281,070
	Less:															
	Physical Vac. Loss Percentage: 5.00%	$47,956	$48,915	$49,893	$50,891	$51,909	$52,947	$54,006	$55,086	$56,188	$57,312	$58,458	$59,627	$60,820	$62,287	$64,054
	Collection Loss Percentage: 1.00%	$9,591	$9,783	$9,978	$10,178	$10,382	$10,589	$10,801	$11,017	$11,237	$11,462	$11,691	$11,925	$12,164	$12,457	$12,811
	Total Effective Gross Income	$901,565	$919,596	$937,988	$956,748	$975,883	$995,401	$1,015,309	$1,035,615	$1,056,327	$1,077,454	$1,099,003	$1,120,983	$1,143,402	$1,170,981	$1,204,206
EXPENSES:	Fixed:															
	Real Estate Taxes	$50,400	$51,912	$53,469	$55,073	$56,726	$58,427	$60,180	$61,986	$63,845	$65,761	$67,733	$69,765	$71,858	$74,014	$76,235
	Insurance	$56,440	$58,133	$59,877	$61,674	$63,524	$65,429	$67,392	$69,414	$71,497	$73,641	$75,851	$78,126	$80,470	$82,884	$85,371
	Variable:															
	Management Fee Percentage: 6.00%	$50,058	$51,560	$53,107	$54,700	$56,341	$58,031	$59,772	$61,565	$63,412	$65,314	$67,274	$69,292	$71,371	$73,512	$75,717
	General and Administrative	$45,650	$47,020	$48,430	$49,883	$51,379	$52,921	$54,508	$56,144	$57,828	$59,563	$61,350	$63,190	$65,086	$67,039	$69,050
	Payroll Expenses	$199,200	$205,176	$211,331	$217,671	$224,201	$230,927	$237,855	$244,991	$252,341	$259,911	$267,708	$275,739	$284,012	$292,532	$301,308
	Utilities	$154,380	$159,011	$163,782	$168,695	$173,756	$178,969	$184,338	$189,868	$195,564	$201,431	$207,474	$213,698	$220,109	$226,712	$233,514
	Marketing and Advertising	$8,300	$8,549	$8,805	$9,070	$9,342	$9,622	$9,911	$10,208	$10,514	$10,830	$11,155	$11,489	$11,834	$12,189	$12,554
	Maintenance and Repairs/Pest Control	$83,000	$85,490	$88,055	$90,696	$93,417	$96,220	$99,106	$102,080	$105,142	$108,296	$111,545	$114,891	$118,338	$121,888	$125,545
	Grounds Maintenance and Landscaping	$45,650	$47,020	$48,430	$49,883	$51,379	$52,921	$54,508	$56,144	$57,828	$59,563	$61,350	$63,190	$65,086	$67,039	$69,050
	Security	$19,920	$20,518	$21,133	$21,767	$22,420	$23,093	$23,786	$24,499	$25,234	$25,991	$26,771	$27,574	$28,401	$29,253	$30,131
	Reserve for Replacements	$49,800	$49,800	$49,800	$49,800	$49,800	$49,800	$49,800	$49,800	$49,800	$51,294	$52,833	$54,418	$56,050	$57,732	$59,464
	Total Expenses	$762,798	$784,188	$806,220	$828,912	$852,286	$876,360	$901,157	$926,698	$953,005	$981,595	$1,011,043	$1,041,374	$1,072,615	$1,104,793	$1,137,937
	Net Operating Income	$138,767	$135,408	$131,769	$127,836	$123,597	$119,041	$114,152	$108,917	$103,323	$95,859	$87,960	$79,609	$70,787	$66,187	$66,268
	Debt Service Payments															
	First Mortgage - FHFC Viability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Second Mortgage - SAIL	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
	Third Mortgage -	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	First Mortgage Fees - Viability	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338	$3,338
	Second Mortgage Fees - SAIL	$10,998	$11,029	$11,057	$11,086	$11,117	$11,148	$11,180	$11,213	$11,247	$11,282	$11,318	$11,355	$11,393	$11,433	$11,473
	Third Mortgage Fees -															
	Total Debt Service Payments	$64,336	$64,367	$64,395	$64,424	$64,455	$64,486	$64,518	$64,551	$64,585	$64,620	$64,656	$64,693	$64,731	$64,771	$64,811
	Cash Flow after Debt Service	$74,431	$71,042	$67,374	$63,411	$59,143	$54,555	$49,634	$44,366	$38,738	$31,239	$23,304	$14,916	$6,056	$1,417	$1,457
	Debt Service Coverage Ratios															
	DSC - First Mortgage plus Fees	41.57x	40.57x	39.48x	38.30x	37.03x	35.66x	34.20x	32.63x	30.95x	28.72x	26.35x	23.85x	21.21x	19.83x	19.85x
	DSC - Second Mortgage plus Fees	2.16x	2.10x	2.05x	1.98x	1.92x	1.85x	1.77x	1.69x	1.60x	1.48x	1.36x	1.23x	1.09x	1.02x	1.02x
	DSC - All Mortgages and Fees	2.16x	2.10x	2.05x	1.98x	1.92x	1.85x	1.77x	1.69x	1.60x	1.48x	1.36x	1.23x	1.09x	1.02x	1.02x
	Financial Ratios															
	Operating Expense Ratio	84.61%	85.28%	85.95%	86.64%	87.33%	88.04%	88.76%	89.48%	90.22%	91.10%	92.00%	92.90%	93.81%	94.35%	94.50%
	Break-even Economic Occupancy Ratio (all debt)	87.02%	87.47%	87.93%	88.40%	88.88%	89.37%	89.87%	90.38%	90.91%	91.58%	92.25%	92.94%	93.63%	93.99%	93.98%

Village on Mercy
RFA 2016-102 (2016-327CS / 2017-300CS) and RFA 2017-109 (2017-287V)
Orange County
Description of Features and Amenities

A. The Development will consist of:

166 garden apartment units located in 4 residential buildings

Unit Mix:

Forty-three (43) studio/one bath units containing a minimum of 416 square feet of heated and cooled living area;

Forty-three (43) one bedroom/one bath units containing a minimum of 517 square feet of heated and cooled living area;

Thirty-eight (38) two bedroom/one bath units containing a minimum of 836 square feet of heated and cooled living area;

Twelve (12) two bedroom/two bathroom units containing a minimum of 905 square feet of heated and cooled living area; and

Thirty (30) three bedroom/two bath units containing a minimum of 1,084 square feet of heated and cooled living area.

166 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.

All units must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An addition 2 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 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 and Green Building Features:

1. General Features:
   a. 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 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 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; and

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.

   *Applicants who select higher efficiency HVAC as Green Building Features at question 8.a.(1) of Exhibit A of the RFA must meet or exceed those standards, which exceed these minimum requirements.

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 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. Training must be held between the hours of 9:00 a.m. and 9:00 p.m. and 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 – The 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 be offered

between the hours of 9:00 a.m. and 9:00 p.m. and must include, but no be limited to, the following:

- Evaluation of current job skills;
- Assistance in setting job goals;
- Assistance in development of and regular review/update of an individualized plan for each participating resident;
- Resume assistance;
- Interview preparation; and
- 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, transposition at no cost to the resident must be provided. Electronic media, if used must be used in conjunction with live instruction.

3. Health and Wellness Services – This program requires the Applicant or its Management Company to provide on-site health and wellness services. Such services may include co-location of services, such as space for services to be delivered, including offices for a service coordinator, nurse and other health or social services providers, and space for group health education and exercise programs. The services should also provide clinical health care needs (e.g., education, blood pressure monitoring, and nutrition). The Applicant must provide this program by partnering with community health care providers.

   The program should include a strong health promotion and disease prevention focus, with an emphasis on health education and self-care management. Applicants are expected to have a formal agreement with the health provider to provide space at the property for health care visits/clinics and/or office space and to share information and work together to assist and support residents. Such agreements must be demonstrated during the credit underwriting process. These services are expected to be carried out by partner health care providers and may not be managed by the Applicant.

4. On-Site Food Program – The Applicant or its Management Company must provide on-site food programs. Examples of this would be sponsoring a local Food Bank Mobile Pantry monthly, or weekly on-site hot lunch program provided by a non-profit sponsor.

5. Case Management – All Applicants selecting and qualifying for the Homeless Demographic Commitment in this Application will be required to provide a Case Management Program whereby the Applicant or its Management Company must provide, at no cost to the resident, a Case Manager (at least one for every 25 Homeless or formerly Homeless resident families) whose activities are aimed at assessing resident needs, planning services, linking the service system to a resident, coordinating the various system components, monitoring service delivery, and evaluating the effect of service delivery. Case Managers must possess at least a bachelor's degree in human services or a related field and at least one (1) years' experience performing case management duties or must possess at least an associate's degree in human services or a related field and at least three (3) years' experience performing case management duties.

6. Daily Activities – Applicant or its Management Company must provide on-site supervised, structured activities, at no cost to the resident at least 5 days per week which must be offered between the hours of 9:00 a.m. and 9:00 p.m. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

HOUSE CREDIT ALLOCATION CALCULATION

Qualified Basis Calculation

Total Development Cost	$27,431,948
Less Land Costs	$1,360,000
Less Other Ineligible Costs	$2,150,776
Total Eligible Basis	$23,921,172
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	$31,097,523
Housing Credit Percentage (Federal allocation)	9.00%
Annual Housing Credit Allocation	$2,798,777

Notes to the Qualified Basis Calculation:

1. "Other Ineligible Costs" include a portion of new rental units, accounting fees, environmental reports, FHFC compliance, underwriting, application and administrative fees, legal fees, marketing and advertising, title insurance and recording fees, construction loan origination fees, construction loan interest, SAIL loan Commitment Fee and Closing Costs, Viability Loan Commitment Fee, and an Operating Deficit Reserve.

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

3. The Development is not located in a Difficult to Develop Area ("DDA") or a Qualified Census Tract ("QCT"). However, FHFC's Qualified Allocation Plan states FHFC will retain the authority to designate Developments as a high-cost area through the authority given to FHFC by the Housing and Economic Recovery Act of 2008, enacted July 30, 2008. The criteria for such designation will be that any Person with Special Needs Development or Homeless Development awarded in a competitive solicitation process will be eligible for up to the 30% boost if that Development is not located in a HUD-designated DDA or a QCT. Therefore, the 130% multiplier was utilized for the Annual Housing Credit Allocation.

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.

GAP Calculation

Total Development Cost (including land and ineligible costs)	$27,431,948
Less Mortgages	$6,335,205
Equity Gap	$21,096,743
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.92
HC Required to meet Equity Gap	$22,931,242
Annual HC Required	$2,293,124

Notes to the GAP Calculation:

1. Mortgages include the Viability and SAIL loan provided by Florida Housing.

2. According to Rule Chapter 67-48 F.A.C., the Development exceeds the minimum qualifying first mortgage amount, which is the actual amount committed to the Development.

3. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon the LOI dated January 11, 2018. Syndication pricing of $0.920092009 per dollar has been applied in the GAP Calculation.

Summary

HC Per Applicants Request	$2,110,000
HC Per Qualified Basis	$2,798,777
HC Per GAP Calculation	$2,293,124
Annual HC Recommended	$2,110,000
HC Proceeds Recommended	$19,412,000

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: Village on Mercy
DATE: January 11, 2018

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**
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