



March 26, 2024

Information Items

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ASSET MANAGEMENT

Information

I. ASSET MANAGEMENT

A. Florida Housing Multifamily Rental Portfolio Compliance Dashboard

1. Background/Present Situation:

- a) Florida Housing's Management Review and Physical Inspection (MRPI) includes a review of records such as application for residency, tenant income certification/recertification and income verification documents, leases, rent rolls and regulatory agreements (Land Use Restriction Agreement and/or Extended Low-Income Housing Agreement). Physical Inspections include the interior/exterior of residential building and common areas, and a review of general site conditions - landscape, sidewalks, and paved areas.
- b) To arrive at the information presented below, data on all reviews conducted from 1/1/2018 through 2/29/2024 was analyzed. It is important to note, that from 4/1/2020 to 9/30/2021, physical inspections were paused pursuant to IRS Notices 2020-53 and 2021-12 and HUD Memos. Only desktop reviews of tenant files were completed during this period.
- c) During the study period, Florida Housing conducted 4,512 MRPI Reports of 1,457 different developments. 91% of all MRPIs conducted during the study period were successfully closed. Of the 420 open reviews from the study period:
 - (1) 43% of developments and 32% of owners have unsatisfactory ratings for examination of records.
 - (2) 45% of developments and 30% of owners have unsatisfactory rating(s) regarding physical condition of the development; and
 - (3) 29% of developments have deficiencies in both the examination of record and physical inspection categories.

FISCAL
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II. FISCAL

A. Operating Budget Analysis for December 31, 2023

1. Background/Present Situation:

- a) The Financial Analysis is attached as [Exhibit A](#).
- b) The Operating Budget for the period ending December 31, 2023 is attached as [Exhibit B](#).

GUARANTEE PROGRAM

Information

III. GUARANTEE PROGRAM

A. Status of the Guarantee Program Portfolio

1. Background:

- a) Since the implementation of the Guarantee Program in 1993, 120 transactions facilitating the construction of over 28,000 units in Florida were guaranteed. In November 1994, the Guarantee Program entered into an agreement with HUD to participate in the Risk-Sharing Program; characterized by a 50/50 sharing of default risk in connection with the mortgage guarantee. As of 2/29/24, one (1) multifamily development remains in the Guarantee Program portfolio.
- b) Between November 2008 and April 2010, eight (8) multifamily claims were filed on the Guarantee Program portfolio, representing the total (and only) multifamily claims incurred in its 30-year history. The Guarantee Program experienced a strong 87% foreclosure recovery rate, compared to the 64% national average at that time.* Currently, there are no foreclosures in inventory and no developments in monetary default in the portfolio.

2. Corpus and Portfolio Risk Exposure:

- a) In response to the 2008 global liquidity crisis, the Guarantee Program restructured its debt, paying off \$89 million and refinancing \$156.2 million in variable rate bonds into a 5-year term loan with Citibank on December 31, 2009. The Citibank loan was successfully paid off in 2012, in less than 3 years, reducing the Guarantee Fund's capitalizing debt to zero (\$0). At the time of the restructuring, the Guarantee Program's total risk exposure was \$754.5 million.
- b) Following the 2009 global liquidity crisis, a prolonged period of relatively low interest rates combined with the Guarantee Program's risk mitigation initiatives, prompted many Developers to refinance their properties. Approximately \$115 million in partial prepayments from SAIL ELI proceeds, funded prior to or at the time of closing, contributed to the refinancing activity. These measures, along with other risk reduction actions by the Guarantee Program, collectively served as the primary driver behind the remarkable 99% reduction in total risk exposure. This highlights the program's adaptability and effective risk management in challenging economic conditions.
- c) At February 29, 2024, the Guarantee Fund corpus contained approximately \$148.3 million in capital invested in the Florida Treasury, Special Purpose Investment Account (SPIA) rated "AA-f" by Standard & Poor's as of September 29, 2023.

* Real Capital Analytics, April 2011.

GUARANTEE PROGRAM

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B. Current Ratings (Insurer Financial Strength)

1. Background:

- a) Standard & Poor's: September 2023 A+ / Stable outlook
 - (1) Cited strengths: "Strong state financial support...Excellent financial strength...fund's highly strategic status in relation to FHFC..."[†]
- b) Fitch: March 2018 A+ / Stable outlook
 - (1) Cited strengths: "Low Risk-to-Capital Ratio...Limited State support...Minimal Multifamily Losses..."[‡]

C. Risk-to-Capital Ratio:

1. Background/Present Situation:

- a) Authorized Maximum Ratio = 5:1. Peaking in 1999 at 4.95:1, subsequent management efforts resulted in a more conservative downward trend to the vastly improved ratio of 0.03:1 as of February 29, 2024. Capital not needed to support the outstanding Guarantees was made available to the SAIL program for use in 2016-2019 competitive solicitations.

D. Guarantee Program Portfolio ([Exhibit A](#))

[†] Standard & Poor's, "Florida Affordable Housing Guarantee Fund", September 26, 2023, www.standardandpoors.com/ratingsdirect. Standard & Poor's.

[‡] Fitch Ratings, "Fitch Affirms Florida Housing Finance Corp's Guarantee Fund at 'A+'; Outlook Stable", March 28, 2018, www.fitchratings.com. Fitch Ratings 2023 surveillance was concluded on May 4, 2023 and resulted in Review-No Action of the rating.

HOUSING CREDITS

Information

IV. HOUSING CREDITS

A. The developments listed below have requested approval to allow one subcontractor to exceed the 20%/31% limitation:

1. Background/Present Situation:

a) On March 12, 2021, the Board delegated authority to staff to approve the 20%/31% subcontractor limitation set forth in Rule Chapters 67-48.0072(17)(g) (2019), and 67-21.026(13)(f) (2020) as stated below:

(17) The General Contractor must meet the following conditions:

(g) Ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or pass-through fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. A subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor) contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Corporation for a specific Development. With regard to said approval, the Corporation shall consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of this paragraph, "Affiliate" has the meaning given in subsection 67-48.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor";

(13) The General Contractor must meet the following conditions:

(f) For Developments with a Development category of new construction, unless otherwise approved by the Board for a specific Development, ensure that not more than 20 percent of the construction cost, not to include the General Contractor fee or passthrough fees paid by the General Contractor, is subcontracted to any one entity or any group of entities that have common ownership or are Affiliates of any other subcontractor, with the exception of a subcontractor (or any group of entities that have common ownership or are Affiliates of any other subcontractor):

1. Contracted to deliver the building shell of a building of less than five (5) stories which may not have more than 25 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development; or

2. Contracted to deliver the building shell of a building of at least five (5) stories which may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a

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specific Development; or

3. Contracted to deliver the building shell of a Development located in the Florida Keys Area may not have more than 31 percent of the construction cost in a subcontract, unless otherwise approved by the Board for a specific Development.

With regard to said approval, the Board shall require an analysis from the Credit Underwriter and consider the facts and circumstances of each Applicant's request, inclusive of construction costs and the General Contractor's fees. For purposes of paragraph (f), "Affiliate" has the meaning given in subsection 67-21.002(5), F.A.C., except that the term "Applicant" therein shall mean "subcontractor"; (g) For Development

- b) Staff, in conjunction with review by the credit underwriters and construction consultants, and receipt of positive recommendations from the credit underwriters, has approved the below requests to allow one subcontractor to exceed the 20%/31% limitation. Because FHFC became aware of the excess through the cost certification review, after the work had been completed, no General Contractor Fee or Developer Fee will be allowed on the subcontract amounts that surpass the maximum contract amount allowed under Rules 67-48.0072(17)(g) and 67-21.026(13)(g), F.A.C. If the General Contractor Fee on this amount has already been paid to the General Contractor, it will be paid out of the Developer's profit and reflected as a subset of the Developer Fee on the Development Final Cost Certification.

Development	Application Number	Dollar Amount of Contract	Percentage of Contract
Cedar Oaks	2020-159C	\$520,084	22.31%
Mosaico	2020-503C	\$11,332,121	33.98%

B. The developments listed below have requested changes to the Extended Use Agreement:

1. Background/Present Situation:

- a) Denton Cove (2020-494C) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Franklin County on July 18, 2023. Subsequently The First Amendment to Low-Income Housing Agreement was recorded in Franklin County on September 14, 2023.
- b) On December 14, 2023, staff received a letter from the Owner requesting a revision to Section 3(a)(i) of the EUA to correct the set-asides.
- c) Staff will amend the EUA as appropriate.

2. Background/Present Situation:

- a) Edgewood Apartments (2009-231C/2010-017CX) is a 9% Housing Credit Development. The Extended Low-Income Housing Agreement (EUA) was recorded in Bay County on January 3, 2011.

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- b) On February 15, 2024, staff received a letter from the Owner requesting a revision to Section C.2. on Exhibit B of the EUA to swap ceramic tile bathroom floors in all units for double compartment kitchen sink in all units and steel exterior entry door frames for all units.
- c) Staff will amend the EUA as appropriate.

LIVE LOCAL

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V. LIVE LOCAL

A. Viability Loan Program

1. Background/Present Situation:

- a) \$100 million dedicated for development viability loans.
- b) Florida Housing added SAIL program income to overall funding, issued a Request for Applications (RFA) in April 2023, and approximately \$121 million was awarded to 30 developments (totaling 3,606 units) invited to enter underwriting in June 2023.

B. Traditional SAIL Funding

1. Background/Present Situation:

- a) \$109 million in SAIL financing distributed under s. 420.5087, F.S.
- b) Successful applicants in RFA 2023-205 have been invited to credit underwriting.
- c) Preliminary funding recommendations for Applications in RFAs 2024-102 (Smaller developments for Persons with Special Needs), 2024-103 (Homeless Households), and 2024-106 (Persons with Disabling Conditions/ Developmental Disabilities) presented in March 2024.

C. Live Local Tax Credit Contribution Program

1. Background/Present Situation:

- a) Florida Department of Revenue (DOR) opened requests for credit allocation on October 2, 2023.
- b) The Florida Housing contribution webpage went live October 2, 2023.
- c) As of March 14, 2024, \$55,316,667, in credit allocation has been requested from DOR. Florida Housing has received \$1,450,000 in contributions.
- d) Florida Housing will begin RFA development for transformative housing developments, as statutorily required with this source of funding, in the second quarter of 2024.

D. Multifamily Middle Market Certification (Component of Missing Middle Tax Exemption)

1. Background/Present Situation:

- a) The Florida Housing portal for certification requests opened October 2, 2023.

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- b) The certification portal closed on December 31, 2023. Florida Housing reopened portal from February 5, 2024 through February 9, 2024.
- c) Florida Housing issued certifications for 120 properties. Owners were required to submit applications for property exemptions with the local property appraisers by March 1, 2024.
- d) Staff is in the process of rule development and intends to schedule a public workshop in the second quarter of 2024.

E. Florida Hometown Heroes

1. Background/Present Situation:

- a) The \$100 million appropriated for the 2023-2024 fiscal year was fully committed on August 22, 2023.
- b) Over 6,400 loans were made, totaling almost \$2 billion in first mortgages paired with the \$100 million of down payment and closing cost assistance.
- c) At the October 27, 2023 meeting, the Board authorized an additional \$36 million to be used for the Hometown Heroes program.
- d) On November 6, 2023, staff re-opened Hometown Heroes reservations to our participating lenders for the additional \$36 million.
- e) Florida Housing continues to monitor any loan reservation fallout and will periodically open reservation requests as appropriate.

F. Additional SAIL – Innovative Multifamily Development Opportunities

1. Background/Present Situation:

- a) Florida Housing was appropriated \$150 million in SAIL financing for innovative developments.
- b) RFA 2023-213 was issued in November, primarily focusing on mixed use and urban infill developments, including additional statutory criteria. 71 applications funding were submitted. One notice of intent to protest was filed, and the administrative hearing is scheduled for April 5, 2024.
- c) An RFA workshop for redevelopment criteria was held on March 20, 2024.
- d) The review committee for RFA 2024-206, for housing in rural areas of opportunity RFA, focusing on Hurricane Idalia impacted areas was held on March 7, 2024. Preliminary funding recommendations are presented in March 2024.
- e) A conceptual workshop for housing near military installations was held on January 18, 2024. As indicated in the workshop, Florida Housing staff is engaging with military installation leadership as well as local governments and regional

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planning councils, to perform increased due diligence on affordable housing needs and priorities relating to the required statutory criteria. Additional workshopping is forthcoming.

MULTIFAMILY BONDS

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VI. MULTIFAMILY BONDS

A. **Brownsville Transit Village V (2024 Series B / RFA 2019-102 / 2020-023BD / 2019-570C) has requested approval to increase the principal amount of their permanent first mortgage:**

1. **Background/Present Situation:**

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.
- b) RFA 2019-102 at Exhibit F, Section 5.(1) states:

After accepting a preliminary commitment, the Applicant or Land Owner shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the CDBG-DR mortgage without prior approval of the Corporation's Board of Directors.
- c) On March 7, 2024, staff received an update to the final credit underwriting report with a positive recommendation to increase the principal amount of the permanent first mortgage ([Exhibit A](#)). Staff has reviewed this report and approved the Borrower's request.

B. **The following Development has requested, and staff approved, changes to the Resident Programs:**

1. **Background/Present Situation**

- a) St. Peter Claver Place Phase I / 2022 Series K / RFA 2020-205/ 2021-222BS / 2020-540C: The Borrower has requested to change Resident Programs from "Afterschool Program for Children" to "Homeownership Opportunity Program".
- b) The scoring of the application will remain unaffected. Staff will amend the Land Use Restriction Agreements and Extended Low-Income Housing Agreement for the Development, as appropriate.

MULTIFAMILY PROGRAMS

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VII. MULTIFAMILY PROGRAMS

A. The following developments have requested, and staff approved, changes to the Construction Features & Amenities and/or Resident Programs.

1. Background/Present Situation

- a) Meridian Apartments / SAIL 2002 Cycle / 2002-110S / 2002-543C: The Borrower has requested to replace "Tight-napped Berber Carpet" with "Luxury Vinyl Planks". The scoring of the Application will remain unaffected.
- b) Staff will amend the SAIL Land Use Restriction Agreement and the Extended Use Agreement for the Development as appropriate.

2. Background/Present Situation

- a) Parkside Residences (f/k/a Royal Poinciana Place, Springbrook Commons) / 1995 Universal Application / 96S-001 / 94L-109: The Borrower has requested to remove the spa requirement as this was not a scored item within the original Application. The scoring of the Application will remain unaffected.
- b) Staff will amend the SAIL Land Use Restriction Agreement and the Extended Use Agreement for the Development as appropriate.

B. Southwick Commons (RFA 2020-205 / 2021-269SN / 2020-543C & RFA 2023-211 / 2023-248V) Request approval to increase permanent first mortgage loan, increase subordinate debt and extend loan terms:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective June 23, 2020) stated:
 - (15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On March 6, 2024, staff received an update to the final credit underwriting report with a positive recommendation for changes to the funding sources ([Exhibit A](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

MULTIFAMILY PROGRAMS

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C. Skyway Lofts II (RFA 2022-205 / 2023-118SN / 2022-536C) Request approval to increase existing first mortgage construction loan:

1. Background/Present Situation:

- a) On April 1, 2022, via a Telephonic Board Meeting, staff recommended, and the Board approved to allow staff to approve changes to the development that occur after the Credit Underwriting Report is finalized that would normally require Board approval (such as increasing the principal amount, refinancing, or altering any terms or conditions of any mortgage superior or inferior to a Corporation mortgage). This action was ratified by the Board at the April 29, 2022, Board Meeting.
- b) Under the Rule in place at the time of the Application, Rule Chapter 67-48.010(15), F.A.C. (effective July 6, 2022) stated:

(15) After accepting a preliminary commitment, the Applicant shall not refinance, increase the principal amount, or alter any terms or conditions of any mortgage superior or inferior to the SAIL mortgage without prior approval of the Corporation's Board of Directors.
- c) On February 5, 2024, staff received an update to the final credit underwriting report with a positive recommendation to increase the existing first mortgage construction loan ([Exhibit B](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

D. Ridge Road (RFA 2021-205 / 2022-190S / 2021-517C / 2022 CHIRP ITP) Request Approval of Applicant and Developer Entity Change:

1. Background/Present Situation:

- a) After loan closing, (i) any material change will require review and approval of the Credit Underwriter, as well as approval of the Board prior to the change, and (ii) any non-material change will require review and approval of the Corporation prior to the change.
- b) Staff received a request for a non-material change from the Borrower for Applicant and Developer changes and approved the request on March 1, 2024 ([Exhibit C](#)). Staff has reviewed this report and finds that it meets all requirements of the RFA.

MULTIFAMILY PROGRAMS - ALLOCATIONS

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VIII. MULTIFAMILY PROGRAMS - ALLOCATIONS

A. Multifamily Programs - Allocations Updates

1. RFA Updates:

- a) RFA 2024-102 SAIL and HOME-ARP Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs was issued on December 7, 2023. The Application Deadline was March 21, 2024.
- b) A workshop regarding RFA 2024-104 SAIL Financing Farmworker and Commercial Fishing Worker Housing was held on March 6, 2024. Staff expects to issue the RFA on April 18, 2024, with an anticipated Application Deadline of May 16, 2024.
- c) A workshop regarding RFA 2024-105 Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities is scheduled for March 27, 2024. Staff expects to issue the RFA on April 23, 2024, with an anticipated Application Deadline of May 15, 2024.

2. Live Local Act Updates

- a) A 3rd workshop regarding RFA 2024-214 Live Local SAIL Financing to be Used for Developing and Reconstructing Affordable Multifamily Housing Developments (Section 420.50871, F.S.) was held on March 20, 2024.
- b) A workshop regarding RFA 2024-215 SAIL Financing for Developments Near Military Installations Pursuant to the Live Local Act Section 420.50871, F.S. is scheduled for April 16, 2024.
- c) A conceptual workshop regarding SAIL Live Local Funding pursuant to Section 420.50872, F.S. (Transformational Developments) is scheduled for April 4, 2024.

3. 2024/2025 RFA Funding Cycle

- a) A workshop regarding the 2024/2025 RFA Funding Cycle was held on January 31, 2024. A draft of the 2024/2025 Tentative Funding Amounts and Timeline is attached as [Exhibit A](#). Staff plans to present the timeline to the Board for approval at the May 10, 2024, Board of Directors meeting.

NATURAL DISASTER UPDATES

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IX. NATURAL DISASTER UPDATES

A. Hurricane Idalia

1. Background/Present Situation:

- a) Florida Housing had 238 developments with 1,459 residential buildings comprised of 22,024 units in our portfolio located in the 16 counties declared by FEMA as a major disaster due to Hurricane Idalia.
- b) Of the 23 developments originally reporting damage levels from extensive to limited, there are six (6) properties with work to be completed as of 2/15/2024. Those same developments have a total of 8 displaced households as of 2/15/2024.
- c) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Idalia and have not completed all repair work is attached as [Exhibit A](#).

B. Hurricane Nicole

1. Background/Present Situation:

- a) On November 10, 2022, Hurricane Nicole made landfall near Vero Beach. FEMA declared six (6) counties eligible for Individual Assistance (IA). Florida Housing had 176 developments with 848 buildings comprised of 17,814 units in our portfolio located in the 6 FEMA IA declared counties. All restoration work at the seven (7) developments reporting either moderate or limited damage to residential buildings or accessory buildings from Hurricane Nicole, has been completed.
- b) The Florida Legislature appropriated \$90 million to the Rental Recovery Loan Program (RRLP) to provide rental housing in areas of the state hardest hit by Hurricanes Ian and Nicole. Housing Credit and RRLP Request for Applications (RFA) 2023-108 was issued April 11, 2023, and RRLP RFA 2023-304 was issued April 12, 2023. In addition, the Board authorized staff to issue HOME RFA 2022-206 and approved funding for seven (6) developments allocating more than \$36 million of Home Investment Partnerships Program funding.
- c) The current status of Hurricanes Ian and Nicole related RFAs and developments awarded funding through those RFAs is attached as [Exhibit B](#).

C. Hurricane Ian

1. Background/Present Situation:

- a) Florida Housing had 1,056 developments with 6,833 buildings comprised of 132,196 units in our portfolio located in the 26 counties declared a major disaster due to Hurricane Ian.
- b) Of the eighteen (18) developments that reported catastrophic, extensive, or moderate damage, there are five (5) developments with work to be completed. Those developments have a total of nine (9) displaced households as of 2/15/2024.

NATURAL DISASTER UPDATES

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- c) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane Ian and have not completed all repair work is attached as [Exhibit C](#).

D. Hurricane Eta

2. Background/Present Situation:

- a) Damage reports received indicated limited to moderate damage to roofs and windows combined with limited landscape damage. Of the 34 properties that sustained damage, 33 have completed all repair work as of December 31, 2021. Thirty (30) households were displaced due to flooding at Glorieta Gardens in Opa-Locka, Miami-Dade County. As of 2/15/2024, management reported one (1) unit remained out of service.
- b) A summary of the status of developments within Florida Housing's portfolio that sustained damage from Hurricane ETA and have not completed all repair work is attached as [Exhibit D](#).

SINGLE FAMILY HOMEBUYER PROGRAMS

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X. SINGLE FAMILY HOMEBUYER PROGRAMS

A. Single Family Homebuyer Program

1. Background/Present Situation:

- a) Florida Housing's Homebuyer Loan Programs provide assistance to eligible homebuyers by offering competitive, 30-year, fixed-rate mortgages together with down payment and closing cost assistance (DPA). Currently, we have four active first mortgage programs; the Florida First Government Loan Program (Government Loan Program), the Fannie Mae HFA Preferred Conventional Loan Program (HFA Preferred), the Freddie Mac HFA Advantage Conventional Loan Program (HFA Advantage), the Florida Hometown Heroes Housing Loan Program (Hometown Heroes).
- b) The Government Loan Program offers borrowers a 30-year, fixed-rate mortgage using all approved government-insured loan types. These include Federal Housing Administration (FHA) loans, U.S. Department of Veteran Affairs (VA) loans, and U.S. Department of Agriculture-Rural Development (RD) loans. This program is funded through both traditional mortgage revenue bond sales as well as by the sale of Mortgage-Backed Securities (MBS) into the secondary markets.
- c) The HFA Preferred and HFA Advantage programs offer first mortgage loan products developed specifically for state housing finance agencies. These programs are offered both as bond financed products as well as forward delivery "To Be Announced" (TBA) products in conjunction with our TBA Program administrator, Hilltop Securities. Single Family Program Staff sets daily mortgage interest rates for the TBA loans based upon prevailing market rates and predetermined profitability goals. The conventional loans, originated by participating lenders, offer borrowers 30-year, fixed rate mortgages. Borrowers at or below 80% of the area median income (AMI) benefit from lower mortgage interest rates and insurance costs on these loans when compared to other conventional mortgage products, as well as similar government-insured loans such as FHA.
- d) The Live Local Act was signed into law on March 29, 2023, by Governor DeSantis. It provided an additional \$100 million in funding to the HTH Loan Program. The new changes took effect with new reservations made on or after July 3rd, 2023. These changes include that eligible borrowers no longer must work in specific occupations. Instead, they must work for a company or business that has a physical location in Florida and work a minimum of 35 hours per week. Additionally, the assistance amount was increased to a minimum of \$10,000 and a maximum of \$35,000. As of August 22, 2023, the funds were fully committed. At the October 2023 Board Meeting, the Board authorized an additional \$36 million of DPA funding for HTH. The new money was rolled out on November 6, 2023, and these additional funds were fully reserved by December 20, 2023.
- e) As part of SB 328 passed by the Florida Legislature this session, HTH will receive \$100 million effective July 1st, subject to the Governor's approval. In addition, the legislation removes the minimum 35 hour per week requirement and now requires that the borrower work full time.
- f) In addition to HTH, Florida Housing offers qualified homebuyers other DPA products, as well. The Florida Assist loan is a 0% interest, non-amortizing,

SINGLE FAMILY HOMEBUYER PROGRAMS

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deferred payment loan in the amount of \$10,000. This second mortgage program serves homebuyers with an AMI of up to 120%, adjusted for household size. It is repayable in the event the home is sold, refinanced, the deed is transferred, or the home is no longer the borrower's primary residence.

- g) The HFA Preferred PLUS and the HFA Advantage PLUS programs offer 3%, 4% and 5% of the first mortgage loan amounts in DPA as forgivable second mortgage loans. These loans are forgiven 20% annually over a 5-year period unless the home is sold, refinanced, the deed is transferred, or is no longer the borrower's primary residence. If any of these actions occur prior to the 5-year forgiveness period, any unforgiven balance becomes due and payable.
- h) We also offer an amortizing second mortgage product, the Homebuyer Loan Program (HLP) Second Mortgage. This product is offered across all our first mortgage programs and provides up to \$10,000 of assistance at a 3% fixed interest rate and is repaid in monthly payments over 15 years.
- i) Single Family Program Staff offers a three-hour, Department of Business and Professional Regulation (DBPR)-approved continuing education (CE) course for realtors. Realtors who attend these classes receive a general three-hour CE credit while learning about our Homebuyer Loan Programs and other affordable housing programs available to their potential homebuyers. Florida Housing has permanent approval from DBPR to offer the class via webinar (online) format. We have found this format to be highly effective in attracting more realtors to the classes while also eliminating travel costs. Instead of offering individual classes to specific realtor boards, we are now contacting all boards and making them aware that we are offering these classes statewide twice each month. This has been effective in reaching our realtor partners while also freeing up staff time to devote to program support and lender management. Since our last Board Report, we have conducted three classes that were attended by 246 realtors.
- j) Single Family Program Staff periodically conducts telephonic and webinar trainings for lender partners throughout the state. Lender trainings generally consist of program requirements and recent updates, system training with our compliance administrator (eHousingPlus) and first mortgage and servicer requirements and updates with our master servicer, Lakeview. Together, Florida Housing, eHousingPlus and Lakeview will provide lenders with information to better assist with the origination, delivery, and purchase of first and second mortgages originated through our Homebuyer Loan Program. Staff recently partnered with eHousing staff to conduct a Lunch & Learn Webex that reminds lenders of our Bond and TBA loan products as we await the availability of additional Hometown Heroes funding. The training was attended by over 260 loan officers.
- k) Additionally, we partner with other stakeholders such as mortgage insurance (MI) providers and Freddie Mac, to better educate and inform our Participating Lenders of recent industry changes.

SINGLE FAMILY HOMEBUYER PROGRAMS

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2024 HOMEBUYER LOAN PROGRAMS ORIGINATIONS

	2023 HLP Program Totals	2024 HLP Program Totals	2024 HLP Government Loan Programs Totals	2024 HLP Conventional Loan Programs Totals
Average 1st Mortgage Loan Amount	\$289,043	\$287,855	\$293,000	\$279,456
Average Acquisition Price	\$305,121	\$303,249	\$301,698	\$305,781
Average DPA Amount	\$14,271	\$14,451	\$14,495	\$14,380
Average Compliance Income	\$83,256	\$85,153	\$86,289	\$83,298
County Area Median Income %	72%	70%	68%	74%
Total Purchased DPA Amounts	\$189,686,980	\$32,717,259	\$20,350,346	\$12,366,913
Total Purchased 1st Mortgage Loan Amounts	\$3,841,674,166	\$650,850,585	\$410,783,715	\$240,066,869
Total # of Units	13,291	2,264	1,404	860

2024 TOP 10 COUNTIES FOR HOMEBUYER LOAN PROGRAMS ORIGINATIONS

County	Loan Count	Loan Amount	DPA
Broward	185	\$61,703,046.28	\$3,122,049.00
Miami-Dade	150	\$58,946,522.97	\$2,966,181.00
Polk	149	\$38,976,375.99	\$1,950,608.00
Hillsborough	136	\$41,736,721.05	\$2,098,894.00
Duval	131	\$30,325,877.84	\$1,562,644.00
Lee	122	\$36,983,576.25	\$1,773,799.00
Palm Beach	116	\$35,734,732.02	\$1,826,187.00
Orange	111	\$33,015,883.96	\$1,659,949.00
Pasco	94	\$24,735,871.26	\$1,255,505.00
Volusia	91	\$24,759,367.12	\$1,221,748.00

**DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS**

Results of Operations for the twelve months ending December 2023

The budget to actual analysis for the twelve months ending December 2023 shows a net of revenues over expenses in the amount of \$5,671,404. Variances of note compared to the budget are as follows:

REVENUES

Investment Income (Line 1) is over budget by \$3,102,501. The budget was based on prior year average performance and a conservative projection of current year performance. Returns have been greater than expected.

Program Fees (Line 2) are \$1,590,994 under budget primarily due to lower than anticipated earnings from the SF TBA market. The collection of these fees is difficult to forecast and are affected by fluctuations in the market.

Administrative Fees (Line 3) are \$404,964 under budget primarily related to the various federal programs and directly offsets variances in expenses.

Other Income (Line 4) is \$473,329 over budget due to receipts of bond program extension fees greater than anticipated due to MBS activity in conjunction with the Hometown Heroes program.

SALARIES & BENEFITS

Total Salaries & Benefits are favorable to the budget by \$1,269,536 primarily due to a vacancy rate greater than budgeted.

OPERATING EXPENSES

Board Meetings (Line 3) are \$43,949 over budget due to higher costs than anticipated for the January and June board meetings, as well as expenses for the special board meeting in February that were not included in the original budget.

Capital Expenses (Line 5) are under budget by \$255,307 due to less than anticipated purchases of computer software and equipment.

Conferences & Seminars (Line 7) are \$133,674 under budget due to the timing of planned conferences, schedule conflicts, and efforts to control operating expenses.

Legal Fees (Line 10) are \$478,223 under budget due to fewer hearings and less than budgeted use of outside counsel primarily in the Multifamily programs. Legal fees are budgeted conservatively to ensure that sufficient funds are available for potential litigation.

Professional Fees (Line 15) are \$112,768 under budget primarily due to less than anticipated expenses related to Prolink and Onbase development projects.

Program Administration (Line 16) is \$1,208,334 under budget primarily due to the timing of compliance monitoring, credit underwriting and servicer fees in various programs.

Travel Expenses (Line 21-27) are \$255,342 under budget due to efforts to control operating expenses as well as less than anticipated travel.

Total Operating Expenses year-to-date are favorable to the budget by \$2,675,320.

BUDGET TRANSFERS

Total Revenue and Total Expense budgets remain unchanged; however, the following amounts have been reclassified within the budget:

Line 5	Capital Expenses	Decrease	\$ (60,000)
Line 6	Furniture, Equipment & Computer Expenses	Increase	\$ 60,000
Line 9	General and Administrative Expenses	Increase	\$ 2,700
Line 14	Printing and Reproduction	Increase	\$ 1,841
Line 15	Professional Fees	Decrease	\$ (75,000)
Line 16	Program Administration	Increase	\$ 75,000
Line 18	Repairs and Maintenance	Decrease	\$ (4,541)
Line 21	Travel - Board Members	Decrease	\$ (12,000)
Line 22	Travel - Staff to Board Meetings	Increase	\$ 12,000

**FLORIDA HOUSING FINANCE CORPORATION
OPERATING BUDGET TO ACTUAL SUMMARY
PERIOD ENDING December 31, 2023**

	2023 BUDGET YTD	2023 ACTUAL YTD	2023 VARIANCE YTD	2023 APPROVED ANNUAL BUDGET
REVENUES				
1. Investment Income	3,828,000	6,930,501	3,102,501	3,828,000
2. Program Fees	16,799,285	15,208,291	(1,590,994)	16,799,285
3. Administrative Fees	11,950,824	11,545,860	(404,964)	80,000
4. Other Income	80,000	553,329	473,329	11,950,824
TOTAL REVENUES	32,658,109	34,237,981	1,579,872	32,658,109
EXPENSES				
SALARIES & BENEFITS				
1. Salaries & Benefits	18,385,000	17,115,464	1,269,536	18,385,000
TOTAL SALARIES & BENEFITS	18,385,000	17,115,464	1,269,536	18,385,000
OPERATING EXPENSES				
1. Advertising, Marketing & Public Outreach	96,015	57,122	38,893	96,015
2. Bank Charges & Other Fees	52,444	24,530	27,914	52,444
3. Board Meetings	79,140	123,089	(43,949)	79,140
4. Books & Subscriptions	66,334	49,749	16,585	66,334
5. Capital Expenses	265,000	9,693	255,307	325,000
6. Furniture, Equipment & Computer Expenses	1,000,750	933,087	67,663	940,750
7. Conferences & Seminars	198,358	64,684	133,674	198,358
8. Corporate Insurance	307,550	285,292	22,258	307,550
9. General & Administrative Expenses	20,974	11,391	9,583	20,974
10. Legal Fees	695,102	216,879	478,223	695,102
11. Membership Dues	85,434	76,719	8,715	85,434
12. Office Supplies	13,916	6,374	7,542	13,916
13. Postage	23,532	11,070	12,462	23,532
14. Printing & Reproduction	18,066	5,773	12,293	18,066
15. Professional Fees	1,761,904	1,649,136	112,768	1,836,904
16. Program Administration	7,280,192	6,071,858	1,208,334	7,205,192
17. Rent	833,638	833,567	71	833,638
18. Repair & Maintenance	2,609	1,404	1,205	2,609
19. Systems Maintenance, Support and Services	412,630	398,664	13,966	412,630
20. Telephone	91,530	80,409	11,121	91,530
21. Travel - Board Members	51,818	39,061	12,757	63,730
22. Travel - Staff to Board Meetings	61,917	56,186	5,731	50,405
23. Travel - Reviews/Monitoring	31,595	5,425	26,170	31,595
24. Travel - FHFC Workshops	16,589	3,041	13,548	16,589
25. Travel - Staff Development	272,798	128,106	144,692	272,398
26. Travel - Marketing/Public Outreach	52,854	13,062	39,792	52,854
27. Travel - Other	17,494	4,842	12,652	17,494
28. Workshops	316,250	290,900	25,350	316,250
TOTAL OPERATING EXPENSES	14,126,433	11,451,113	2,675,320	14,126,433
TOTAL EXPENSES	32,511,433	28,566,577	3,944,856	32,511,433
REVENUES OVER EXPENSES	146,676	5,671,404	5,524,728	146,676

Guarantee Program Portfolio

(as of February 29, 2024)

Property Name Location	Developer	Issuer Closing Date	Total Units	1st Mortgage		HUD Risk- Share?	GF exposure (\$ share of mtg guarantee	SAIL	SMI	SAIL ELI	Projected refinance closing date	Comments / Refi Status
				Current Bal.	Debt/Unit							
Vista Palms		Lee Cnty										
1) Lehigh Acres	Creative Choice	6/20/2001	229	\$4,739,899	\$20,698	N	\$4,739,899	\$2,000,000	\$392,788	\$3,450,000		July 2013: initiated contact with borrower re: refinancing. Oct 2016: borrower selling property, negotiating contract, advised borrower of requisite FHFC approval for SAIL/SAIL ELI subordination, SMI pay-off, etc. Jan 2017: Borrower meeting with buyer to revise timeline. Aug 2017: appraisal and DSC issues; closing postponed. Dec 2017: closing postponed. October 2018: possibly closing 1st qtr 2019. Borrower hopes to be on the December Lee County HFA meeting to vote on bond issuance for the refinance. November 2018: Credit underwriter has been assigned. Lee County will not have bond allocation until 2019. Operating proformas and letters of interest from lender and syndicators submitted by borrowers are stale. Jan 2019: Underwriters had a status call with borrower 12/11/18 but have not received any due diligence items since that call. 3/6/19 Lee County commissioners postponed approval of the TEFRA Hearing for their bond issuance. May 2019: The borrower submitted a letter of intent for a Key Bank/Fannie Mae financing structure. The Credit Underwriter is reviewing the due diligence items that have been submitted but there remains a great deal of information still outstanding. July 2019: Some of the due diligence items have been submitted. Updated due diligence list was sent to Creative Choice on 10/16. No updated items have been received. June 2020: Borrower anticipates selling or refinancing the development within the next year. September 2020, Received a letter of intent from a potential purchaser for the property. Requested follow up information but have not received. We presume the potential purchaser is no longer interested. February 2021: Special Assets had conference call with potential purchaser, owner representative and bond counsel regarding potential purchase to take place by 3rd quarter of 2021. July 2021: The potential purchaser contacted the county for local bonds for the acquisition of Vista Palms but has not submitted an application. Sept 2021: The potential purchaser communicated that he was still interested in acquiring Vista Palms but has not taken any affirmative steps in that direction. Nov. 2021: The potential purchaser has not taken any affirmative steps towards the purchase of Vista Palms. As of 12/23/2021, the potential purchaser advised they had submitted a tax-exempt bond application to Lee County HFA for the financing of the potential acquisition. As of Feb 2022, the Lee County HFA bond application was received and reviewed. By letter dated 3/8/22, Lee County advised the potential purchaser that they are deferring any further review of the application for bond financing due to the development having matured SAIL and SMI loans, Glorieta Gardens' outstanding physical deficiencies as well as other issues. On 8/2/2022, Lee County, the underwriter and special assets had a call with the proposed purchaser and parties representing the owner. The proposed purchaser will be submitting a revised tax-exempt bond application to Lee County HFA. The potential purchaser informed FHFC that he would not be submitting an application to Lee County but would submit a non-competitive (NC) bond application to Florida Housing for the acquisition/rehabilitation of Vista Palms. A check for the application and TEFRA fees was received 10/12/2022. The NC bond application was received 10/18/2022. Nov 2022: NC bond application was under review. Jan 2023: Program staff informed the applicant of needed corrections to cure the application. Feb 2023: Staff has reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application. Mar 2023: Staff reviewed corrections submitted by the Applicant and relayed comments, however, more corrections are still required to cure the application and that information has been relayed to the applicant. Staff received a 3rd revised application on 4/7/2023 and relayed comments on 4/14/2023 regarding the corrections that are required. May 2023: On 5/15/2023, Staff received responses to the comments provided on 4/14/2023, however, more corrections are required to cure the application and staff relayed outstanding issues to the Applicant on 5/22/2023. After receiving questions from applicant and staff responses, received revised applications on 6/1/2023, 6/14/23 and 6/28/23. Staff anticipates furnishing comments on most recent revision 7/7/2023. The revised application submitted on 6/28/23 was reviewed and deemed final and complete. An invitation to enter credit underwriting was extended on 8/2/23 and accepted by the applicant on 8/8/23. An acknowledgement resolution was approved at the 9/8/23 Board meeting. As of 10/9/23, Applicant has not remitted funds in order for underwriter to engage 3rd party reports (appraisal, capital needs assessment, property condition assessment, etc.). As of 11/29/23, funds were received to engage 3rd party report providers (except for the Plan and Cost Review) on 11/17/23. No other underwriting due diligence has been provided since submission of the application. As of 1/18/24, the CNA has been received and reviewed, market study and appraisal were very recently received but have not yet been reviewed. GC contract has not been received. As of 3/5/24, the underwriter has received the Market Study, Appraisal, and CNA. GC Contract and updated Phase I are still outstanding.
GF Total Commitments:							\$4,739,899					



March 7, 2024

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-3291

Re: Brownsville Transit Village V (“Development”) - Tax-Exempt Multifamily Mortgage Revenue Bonds (“MMRB” or “Bonds”) 2024 Series B and Community Development Block Grant – Disaster Recovery (“CDBG-DR”) Program RFA 2019-102 (2020-023BD) and CDBG-DR Viability Loan / 4% Non-Competitive Housing Credits (“HC”) 2019-570C

Credit Underwriting Report Update Letter 2 (“CUL2”) – Changes to the Final Credit Underwriting Report, dated January 12, 2022 (“Final CUR”), CUR Update Letter (“CUR Update Letter”), dated July 26, 2022, and Credit Underwriting Report Update Letter (“CUL”), dated August 14, 2023

Per the Commitment Letter from Wells Fargo Bank, National Association (“Wells Fargo”), there has been an increase of \$295,000 to the permanent first mortgage loan amount from \$7,380,000 to \$7,675,000. Further, there has been an increase in the annual HC Allocation from \$1,759,688 to \$1,807,462.

On behalf of Florida Housing Finance Corporation (“FHFC” or “Florida Housing”), First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of this CUL2. For the purposes of this analysis, First Housing has reviewed the following:

- Final CUR, CUR Update Letter, and CUL.
- Updated Sources and Uses, dated January 24, 2024.
- Commitment Letter from Wells Fargo, dated January 24, 2024.

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PERMANENT FINANCING INFORMATION					
	1st Source	2nd Source	2nd Source	3rd Source	3rd Source
Lien Position	First	Second	Second	Third	Third
Lender/Grantor	Wells Fargo /FHA/HUD	FHFC - CDBG-DR	FHFC - Viability	Miami-Dade County - Surtax	Miami-Dade County - DIAF
Amount	\$7,675,000	\$3,900,000	\$2,250,000	\$4,800,000	\$1,000,000
Underwritten Interest Rate	6.08%	0.00%	0.00%	1.00%	0.00%
Loan Term	40	40	40	40	40
Amortization	40	0	0	0	0
Market Rate/Market Financing LTV	22%	34%	40%	54%	57%
Restricted Market Financing LTV	53%	80%	96%	129%	136%
Loan to Cost - Cumulative	19%	29%	35%	47%	49%
Debt Service Coverage	1.24	1.21	1.21	1.11	1.11
Operating Deficit Reserve	\$358,438				
# of Months covered by the Reserves	5.2				

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Construction/Permanent Financing Sources:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
FHFC - MMRB	FHFC / Wells Fargo / HFA / HUD	\$18,850,000	\$7,675,000	\$63,958
Bridge Loan	Wells Fargo	\$1,725,000	\$0	\$0
FHFC - CDBG-DR	FHFC	\$3,900,000	\$3,900,000	\$32,500
FHFC - Viability	FHFC	\$2,250,000	\$2,250,000	\$18,750
Local Government Subsidy	Miami-Dade County - Surtax	\$4,800,000	\$4,800,000	\$40,000
Local Government Subsidy	Miami-Dade County - DIAF	\$1,000,000	\$1,000,000	\$8,333
HC Equity	Wells Fargo CLI	\$3,544,166	\$17,288,571	\$144,071
Deferred Developer Fee	APC Brownsville Village V Development, LLC	\$3,938,931	\$3,094,526	\$25,788
Affiliate / Principal	APC Brownsville Village V Development, LLC	\$25,000	\$25,000	\$208
TOTAL		\$40,033,097	\$40,033,097	\$333,609
Cash Collateral Source(s):				
Regulated Mortgage	Wells Fargo / FHA / HUD	\$7,675,000		
Bridge Loan	Wells Fargo	\$11,175,000		
GRAND TOTAL		\$58,883,097		

The Total Development Cost (“TDC”) has increased by a total of \$1,049,977 from \$38,983,120 to \$40,033,097 or 2.69% since the CUL. The change is mainly due to an increase in financial costs.

Based on the TDC per unit limitations in effect as of the April 1, 2022 FHFC Telephonic Board Meeting, Florida Housing has set the TDC for RFA 2019-102, exclusive of land costs and Operating Deficit Reserve (“ODR”), to \$529,629.84 per unit for a high-rise, new construction development located in Miami-Dade County. The Development’s TDC, exclusive of land and ODR is \$38,963,165 or \$324,693 per unit, which is within the underwriting parameters.

Since the CUL, the Permanent First Mortgage loan amount has increased by \$295,000. The CUL indicated a maximum Bridge Loan of \$12,900,000, but First Housing estimated only \$12,676,155 being funded. First Housing is now estimating the full \$12,900,000 Bridge Loan will be funded. Based on the Applicant’s updated Sources and Uses, it is anticipated equity will increase; however, since First Housing has not received an updated letter from Wells Fargo CLI, the equity amount has remained unchanged. Equity will be adjusted accordingly upon receipt of

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the Limited Partnership Agreement. Other than the deferred Developer Fee increasing, there have been no further changes to the Sources.

Permanent First Mortgage:

First Housing received a Commitment Letter from Wells Fargo, dated January 24, 2024, for construction and permanent financing of a FHA Section 221(d)(4) mortgage insurance program loan in the amount of \$7,675,000 with an interest rate of 6.08%. During the construction term, the loan will require interest only payments, which is estimated at 30 months. Principal and interest payments will commence following completion for a self-amortizing loan term of 40 years. Based on an email, dated January 25, 2024, the interest rate was locked at 6.08%.

Additional fees included in the Debt Service calculation consist of MIP of 25 bps.

Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer must defer \$3,938,931 or 66.27% of the total Developer Fee of \$5,943,533. To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$3,094,526 or 52.07% of the total Developer Fee of \$5,943,533. As required by the Viability Loan funding, the Applicant will be required to defer at least 40% of the Developer Fee.

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Operating Pro Forma: Brownsville Transit Village V

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$1,518,516	\$12,654
	Other Income				
	Miscellaneous			\$28,500	\$238
	Washer/Dryer Rentals			\$32,400	\$270
	Gross Potential Income			\$1,579,416	\$13,162
	Less:				
	Physical Vac. Loss		Percentage: 5.00%	\$78,971	\$658
	Collection Loss		Percentage: 0.81%	\$12,793	\$107
	Total Effective Gross Income			\$1,487,652	\$12,397
	EXPENSES:	Fixed:			
Real Estate Taxes			\$97,697	\$814	
Insurance			\$156,000	\$1,300	
Variable:					
Management Fee		Percentage: 6.00%	\$89,259	\$744	
General and Administrative			\$66,000	\$550	
Payroll Expenses			\$168,000	\$1,400	
Utilities			\$60,000	\$500	
Marketing and Advertising			\$3,000	\$25	
Maintenance and Repairs/Pest Control			\$63,600	\$530	
Grounds Maintenance and Landscaping			\$16,200	\$135	
Security			\$74,400	\$620	
Reserve for Replacements			\$36,000	\$300	
Total Expenses			\$830,156	\$6,918	
Net Operating Income			\$657,496	\$5,479	
Debt Service Payments					
First Mortgage - Wells Fargo/FHA/HUD			\$511,892	\$4,266	
Second Mortgage - FHFC - CDBG-DR/Viability			\$0	\$0	
Third Mortgage - Miami-Dade County - Surtax & DIAF			\$48,000	\$400	
First Mortgage Fees - MIP			\$19,125	\$159	
Second Mortgage Fees - FHFC - CDBG-DR/Viability			\$12,622	\$105	
Third Mortgage Fees - Miami-Dade County - Surtax & DIAF			\$0	\$0	
Total Debt Service Payments			\$591,639	\$4,930	
Cash Flow after Debt Service			\$65,857	\$549	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees			1.24x		
DSC - Second Mortgage plus Fees			1.21x		
DSC - Third Mortgage plus Fee			1.11x		
DSC - Fourth Mortgage plus Fees			1.11x		
Financial Ratios					
Operating Expense Ratio			55.80%		
Break-even Economic Occupancy Ratio (all debt)			90.37%		

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Notes to the Operating Pro Forma and Ratios:

1. The MMRB program does not impose any rent restrictions. However, in conjunction with the MMRB this Development will be utilizing Housing Credits and CDBG-DR financing which will impose rent restrictions. The Gross HC Rent in the chart below is based on the maximum 2023 LIHTC rents or maximum 2023 CDBG-DR rents published on FHFC's website for Miami-Dade County less the applicable utility allowances.

Miami-Dade County, Miami-Miami Beach-Kendall HMFA

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	2	397	30%			\$542	\$64	\$ 478		\$ 478	\$ 478	\$ 478	\$ 11,472
0	1.0	3	481	30%			\$542	\$64	\$ 478		\$ 478	\$ 478	\$ 478	\$ 17,208
0	1.0	8	403	60%			\$1,084	\$64	\$ 1,020		\$ 1,020	\$ 1,020	\$ 1,020	\$ 97,920
0	1.0	8	435	60%			\$1,084	\$64	\$ 1,020		\$ 1,020	\$ 1,020	\$ 1,020	\$ 97,920
0	1.0	7	402	80%			\$1,445	\$64	\$ 1,381		\$ 1,383	\$ 1,381	\$ 1,381	\$ 116,004
1	1.0	7	562	30%			\$580	\$96	\$ 484		\$ 484	\$ 484	\$ 484	\$ 40,656
1	1.0	2	568	30%			\$580	\$96	\$ 484		\$ 484	\$ 484	\$ 484	\$ 11,616
1	1.0	6	672	30%			\$580	\$96	\$ 484		\$ 484	\$ 484	\$ 484	\$ 34,848
1	1.0	3	688	60%			\$1,161	\$96	\$ 1,065		\$ 1,065	\$ 1,065	\$ 1,065	\$ 38,340
1	1.0	50	560	60%			\$1,161	\$96	\$ 1,065		\$ 1,065	\$ 1,065	\$ 1,065	\$ 639,000
1	1.0	1	560	60%			\$1,161	\$96	\$ 1,065		\$ -	\$ 1,065	\$ 1,065	\$ 12,780
1	1.0	23	560	80%			\$1,548	\$96	\$ 1,452		\$ 1,453	\$ 1,452	\$ 1,452	\$ 400,752
		120	64,361											\$ 1,518,516

2. The annual multiple program Compliance Monitoring Fee for the CDGB-DR is \$1,054. The annual Permanent Loan Servicing Fee is based upon the outstanding loan amount, with a fee of 25 bps of the outstanding loan amount, with a minimum monthly fee of \$243 and a maximum monthly fee of \$964.
3. The Break-Even Economic Occupancy Ratio includes all debt; however, the Surtax/DIAF payments are based on available cash flow. This ratio would improve to 87.33% if this subordinate debt payment was not included in the calculation.
4. Refer to Exhibit 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

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Recommendation

First Housing recommends that FHFC approve the increase to the permanent first mortgage from \$7,380,000 to \$7,675,000. The increase of \$295,000 to the permanent first mortgage and the increase in the annual HC Allocation have no substantial material impact to the CUL. First Housing recommends Tax-Exempt Multifamily Mortgage Revenue Bonds in the amount of \$18,850,000, a CDBG-DR Loan in the amount of \$3,900,000, a CDBG-DR Viability Loan in the amount of \$2,250,000, and an annual 4% HC Allocation of \$1,807,462 for the construction and permanent financing of the Development.

Closing of the transaction is subject to the following conditions:

1. All closing conditions in the Final CUR, CUR Update Letter, and CUL must be met.
2. All other due diligence required by FHFC, its Legal Counsel and Servicer.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

HC Allocation Calculation

Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$40,033,097
Less Land Costs	\$404,494
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$4,869,720
Total Eligible Basis	\$34,758,883
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$45,186,548
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,807,462

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include: washer/dryers, site work, FF&E, Parking License Fee, accounting fees, FHFC Fees, legal fees, market study, title work, financial costs, closing costs, and reserves.
2. The Development has a 100% set-aside; therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the Development is located in a Qualified Census Tract ("QCT"); therefore, the 130% basis credit was applied.
4. For purposes of this recommendation a HC percentage of 4.00% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021. The Development qualifies for the 4% floor rate since the bonds will be closing in 2024.

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GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$40,033,097
Less Mortgages	\$19,650,000
Less Grants	\$0
Equity Gap	\$20,383,097
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9825
HC Required to meet Equity Gap	\$20,748,230
Annual HC Required	\$2,074,823

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from the letter, dated July 13, 2023, from Wells Fargo CLI.
2. Please note, Mortgages also includes the \$25,000 equity.

Summary

HC Per Syndication Agreement	\$1,759,827
HC Per Qualified Basis	\$1,807,462
HC Per GAP Calculation	\$2,074,823
Annual HC Recommended	\$1,807,462
Syndication Proceeds based upon Syndication Agreement	\$17,288,571

1. The estimated annual 4% Housing Credit allocation is limited to the lesser of the qualified basis calculation or the gap calculation. The recommendation is based on the qualified basis.

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50% Test

Tax-Exempt Bond Amount	\$18,850,000
Less: Debt Service Reserve Funded with Tax-Exempt Bond Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$18,850,000
Total Depreciable Cost	\$34,758,883
Plus Land Cost	\$404,494
Aggregate Basis	\$35,163,377
Net Tax-Exempt Bond to Aggregate Basis Ratio	53.61%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

FHDC

15 Year Proforma

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																
Gross Potential Rental Income		\$1,518,516	\$1,548,886	\$1,579,864	\$1,611,461	\$1,643,691	\$1,676,564	\$1,710,096	\$1,744,298	\$1,779,184	\$1,814,767	\$1,851,063	\$1,888,084	\$1,925,845	\$1,964,362	\$2,003,650
Other Income																
Miscellaneous		\$28,500	\$29,070	\$29,651	\$30,244	\$30,849	\$31,466	\$32,096	\$32,738	\$33,392	\$34,060	\$34,741	\$35,436	\$36,145	\$36,868	\$37,605
Washer/Dryer Rentals		\$32,400	\$33,048	\$33,709	\$34,383	\$35,071	\$35,772	\$36,488	\$37,217	\$37,962	\$38,721	\$39,495	\$40,285	\$41,091	\$41,913	\$42,751
Gross Potential Income		\$1,579,416	\$1,611,004	\$1,643,224	\$1,676,089	\$1,709,611	\$1,743,803	\$1,778,679	\$1,814,253	\$1,850,538	\$1,887,548	\$1,925,299	\$1,963,805	\$2,003,081	\$2,043,143	\$2,084,006
Less:																
Physical Vac. Loss	Percentage: 5.00%	\$78,971	\$80,550	\$82,161	\$83,804	\$85,481	\$87,190	\$88,934	\$90,713	\$92,527	\$94,377	\$96,265	\$98,190	\$100,154	\$102,157	\$104,200
Collection Loss	Percentage: 0.81%	\$12,793	\$13,049	\$13,310	\$13,576	\$13,848	\$14,125	\$14,407	\$14,695	\$14,989	\$15,289	\$15,595	\$15,907	\$16,225	\$16,549	\$16,880
Total Effective Gross Income		\$1,487,652	\$1,517,405	\$1,547,753	\$1,578,708	\$1,610,282	\$1,642,488	\$1,675,338	\$1,708,845	\$1,743,022	\$1,777,882	\$1,813,440	\$1,849,708	\$1,886,703	\$1,924,437	\$1,962,925
Fixed:																
Real Estate Taxes		\$97,697	\$100,628	\$103,647	\$106,756	\$109,959	\$113,258	\$116,655	\$120,155	\$123,760	\$127,472	\$131,297	\$135,235	\$139,293	\$143,471	\$147,775
Insurance		\$156,000	\$160,680	\$165,500	\$170,465	\$175,579	\$180,847	\$186,272	\$191,860	\$197,616	\$203,545	\$209,651	\$215,940	\$222,419	\$229,091	\$235,964
Variable:																
Management Fee	Percentage: 6.00%	\$89,259	\$91,044	\$92,865	\$94,722	\$96,617	\$98,549	\$100,520	\$102,531	\$104,581	\$106,673	\$108,806	\$110,983	\$113,202	\$115,466	\$117,776
General and Administrative		\$66,000	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607	\$86,115	\$88,698	\$91,359	\$94,100	\$96,923	\$99,831
Payroll Expenses		\$168,000	\$173,040	\$178,231	\$183,578	\$189,085	\$194,758	\$200,601	\$206,619	\$212,817	\$225,778	\$232,551	\$239,528	\$246,714	\$254,115	
Utilities		\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635	\$83,054	\$85,546	\$88,112	\$90,755
Marketing and Advertising		\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914	\$4,032	\$4,153	\$4,277	\$4,406	\$4,538
Maintenance and Repairs/Pest Control		\$63,600	\$65,508	\$67,473	\$69,497	\$71,582	\$73,730	\$75,942	\$78,220	\$80,567	\$82,984	\$85,473	\$88,037	\$90,678	\$93,399	\$96,201
Grounds Maintenance and Landscaping		\$16,200	\$16,686	\$17,187	\$17,702	\$18,233	\$18,780	\$19,344	\$19,924	\$20,522	\$21,137	\$21,771	\$22,425	\$23,097	\$23,790	\$24,504
Security		\$74,400	\$76,632	\$78,931	\$81,299	\$83,738	\$86,250	\$88,837	\$91,503	\$94,248	\$97,075	\$99,987	\$102,987	\$106,077	\$109,259	\$112,537
Reserve for Replacements		\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,275	\$45,604	\$46,972	\$48,381	\$49,832	\$51,327	\$52,867	\$54,453
Total Expenses		\$830,156	\$854,168	\$878,883	\$904,321	\$930,503	\$957,452	\$985,190	\$1,013,741	\$1,043,127	\$1,073,375	\$1,104,510	\$1,136,557	\$1,169,544	\$1,203,498	\$1,238,449
Net Operating Income		\$657,496	\$663,237	\$668,870	\$674,388	\$679,779	\$685,036	\$690,148	\$695,104	\$699,894	\$704,506	\$708,930	\$713,151	\$717,158	\$720,938	\$724,477
Debt Service Payments																
First Mortgage - Wells Fargo/FHA/HUD		\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892	\$511,892
Second Mortgage - FHFC - CDBG-DR/Viability		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage - Miami-Dade County - Surtax & DIAF		\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
First Mortgage Fees - MIP		\$19,125	\$19,005	\$18,877	\$18,741	\$18,597	\$18,444	\$18,281	\$18,108	\$17,924	\$17,729	\$17,521	\$17,301	\$17,066	\$16,818	\$16,553
Second Mortgage Fees - FHFC - CDBG-DR/Viability		\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622
Third Mortgage Fees - Miami-Dade County - Surtax & DIAF		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$591,639	\$591,519	\$591,391	\$591,256	\$591,111	\$590,958	\$590,795	\$590,622	\$590,439	\$590,243	\$590,036	\$589,815	\$589,581	\$589,332	\$589,067
Cash Flow after Debt Service		\$65,857	\$71,718	\$77,479	\$83,132	\$88,668	\$94,078	\$99,352	\$104,482	\$109,456	\$114,263	\$118,894	\$123,336	\$127,578	\$131,606	\$135,409
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.24	1.25	1.26	1.27	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.36	1.37
DSC - Second Mortgage plus Fees		1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.29	1.30	1.31	1.32	1.32	1.33	1.34
DSC - Third Mortgage plus Fees		1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.19	1.20	1.21	1.22	1.22	1.23
DSC - Fourth Mortgage plus Fee		1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.19	1.20	1.21	1.22	1.22	1.23
Financial Ratios																
Operating Expense Ratio		55.80%	56.29%	56.78%	57.28%	57.79%	58.29%	58.81%	59.32%	59.85%	60.37%	60.91%	61.45%	61.99%	62.54%	63.09%
Break-even Economic Occupancy Ratio (all debt)		90.37%	90.09%	89.82%	89.58%	89.35%	89.14%	88.95%	88.78%	88.62%	88.49%	88.36%	88.26%	88.17%	88.10%	88.04%

According to the letter from Wells Fargo CLI, dated July 13, 2023, replacement reserves will be required at \$300 per unit and increasing at 3% per year.



March 6, 2024

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301

RE: Southwick Commons ("Development") – State Apartment Incentive Loan ("SAIL"), Extremely Low-Income ("ELI") Loan and National Housing Trust Fund ("NHTF") Loan RFA 2020-205 (2021-269SN) / 4% Non-Competitive Housing Credits ("HC") (2020-543C) / Construction Inflation Response Viability Funding ("Viability") RFA 2023-211 (2023-248V)

Credit Underwriting Report Update Letter ("CUR Update Letter") – Changes to the Final CUR dated December 1, 2023 ("Final CUR") to approve an increase to the permanent first mortgage loan amount and length of its term, the addition of a \$1,000,000 subordinate construction/permanent American Rescue Plan ("ARP") loan to be provided by Orange County, changes to the loan terms for the \$2,000,000 Affordable Housing Trust Fund ("AHTF") loan to be provided by Orange County, the addition of a \$245,000 construction/permanent Sponsor loan to be provided by Southwick Commons GP, LLC (the "GP"), an increase in the length of the loan terms for the Viability, SAIL, and ELI loans, a reduced HC equity amount to be provided by National Equity Fund, Inc. ("NEF") and a revised recommended Annual HC amount of \$2,911,337 for the Development

Dear Mr. Kennedy:

Florida Housing Finance Corporation ("Florida Housing" or "FHFC") has requested that AmeriNat® ("AmeriNat" or "Servicer") review correspondences from various parties as outlined in this CUR Update Letter requesting approval of the changes above. Specifically, AmeriNat has been requested to provide a recommendation for the above-referenced changes to the Final CUR that was approved at the December 15, 2023 FHFC Board meeting. An analysis of the proposed changes follows below.

AmeriNat reviewed the requests, performed certain due diligence, and formulated a recommendation and closing conditions which are contained at the end of this CUR Update Letter. For purposes of this analysis, AmeriNat reviewed the following due diligence:

1. Final CUR
2. Correspondence from JPMorgan Case Bank, N.A. ("Chase")
3. Correspondence from Southwick Commons, Ltd. (the "Borrower") their counsel, Zimmerman, Kiser & Sutcliffe, P.A. ("ZKS")
4. Term sheet from Chase dated February 5, 2024 for the permanent loan increase and extension of its term
5. A letter from the Orange County Housing Finance Authority ("OCHFA") confirming a 2024 Multifamily Housing Revenue Bond ("MHRB") allocation of \$31,000,000 for the benefit of the Development
6. An Amended and Restated Limited Partnership Agreement ("LPA") dated December 15, 2023 provided by NEF, the HC equity provider in the transaction

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7. A draft Multifamily Affordable Housing Developer’s Agreement (the “Developer’s Agreement”) between Orange County, Southwick Commons, Ltd. (the “Applicant”) and Neighborhood Lending Partners of Florida, Inc. (“NLP”) received February 9, 2024 documenting an additional \$1,000,000 in ARP construction/permanent funding and revised terms for the \$2,000,000 in AHTF funding provided by Orange County
8. Draft loan documents for the AHTF and ARP loans (the “OC Loans”) received February 13, 2024
9. Draft promissory note for the \$245,000 Sponsor Loan to be provided by the GP to the Applicant received February 13, 2024
10. An appraisal completed by Meridian Appraisal Group, Inc. (“Meridian”) dated August 16, 2023
11. FHFC Past Due Report dated January 22, 2024
12. FHFC Noncompliance Report dated October 18, 2023

Background:

The Development will be located approximately 175 feet southeast of the intersection of E 6th St. and Alabama Ave., Apopka, Orange County, FL 32703. The Development will be new construction consisting of three garden-style apartment buildings housing 192 units and serving a family demographic.

On December 4, 2023, the Borrower submitted a request to change the number of residential buildings from two with one maintenance building to three with one maintenance building. The request was approved by FHFC staff on December 19, 2023.

Per a letter dated January 25, 2024 from OCHFA, the Development will receive a 2024 allocation of Multifamily Housing Revenue Bonds (“MHRB”) in an amount not to exceed \$31,000,000. This replaces a \$31,000,000 MHRB allocation made by OCHFA to the Applicant for Fiscal Year 2023.

Per the Final CUR, AmeriNat recommended FHFC fund a Viability Loan in the amount of \$6,310,452, a SAIL Loan in the amount of \$7,000,000, an ELI Loan in the amount of \$600,000, an NHTF loan in the amount of \$1,089,548 and an annual 4% HC allocation in the amount of \$2,839,230 to the Applicant for the construction and permanent phase financing of the Development.

The original construction and permanent funding sources in the Final CUR were as follows:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Chase / OCHFA	\$19,000,000	\$12,650,000	\$65,885
Regulated Mortgage Lender	Chase / OCHFA	\$12,000,000	\$0	\$0
Regulated Mortgage Lender	Chase / OCHFA	\$2,992,775	\$0	\$0
FHFC - Viability	FHFC	\$6,310,452	\$6,310,452	\$32,867
FHFC - SAIL	FHFC	\$7,000,000	\$7,000,000	\$36,458
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$3,125
FHFC - NHTF	FHFC	\$1,089,548	\$1,089,548	\$5,675
Local Government Subsidy	Orange County Trust Funds	\$2,000,000	\$2,000,000	\$10,417
HC Equity	NEF	\$4,491,672	\$29,130,356	\$151,721
Deferred Developer Fee	Developer	\$9,302,533	\$6,006,624	\$31,285
TOTAL		\$64,786,980	\$64,786,980	\$337,432

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The proposed revised construction and permanent funding sources are as follows:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Regulated Mortgage Lender	Chase / OCHFA	\$19,000,000	\$13,000,000	\$67,708
Regulated Mortgage Lender	Chase / OCHFA	\$12,000,000	\$0	\$0
Regulated Mortgage Lender	Chase / OCHFA	\$2,772,980	\$0	\$0
FHFC - Viability	FHFC	\$6,310,452	\$6,310,452	\$32,867
FHFC - SAIL	FHFC	\$7,000,000	\$7,000,000	\$36,458
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$3,125
FHFC - NHTF	FHFC	\$1,089,548	\$1,089,548	\$5,675
Local Government Subsidy	Orange County AHTF / ARP	\$3,000,000	\$3,000,000	\$15,625
Sponsor Loan	General Partner	\$245,000	\$245,000	\$1,276
HC Equity	NEF	\$4,278,561	\$26,779,509	\$139,477
Deferred Developer Fee	Developer	\$8,116,992	\$6,389,024	\$33,276
TOTAL		\$64,413,533	\$64,413,533	\$335,487

Total Development Costs (“TDC”) were reduced by \$373,447 from \$64,786,980 to \$64,413,533 due to a reduction in construction loan interest as requested by Chase. Details of the changes to the construction and permanent sources are outlined below.

Please note that, as the transaction is currently on track to close sometime in the first quarter of 2024, costs remain fluid and are subject to further adjustment prior to closing. At this time, the transaction does not exceed the TDC limitation for its construction type per their FHFC application and therefore is eligible for funding.

First Permanent Mortgage Loan Increase:

An executed term sheet (the “Term Sheet”) issued by Chase dated February 5, 2024, illustrates the proposed terms of construction/permanent loans funded through the purchase of up to \$31,000,000 in MHRB from OCHFA. As in the Final CUR, Chase will provide a two-tranche loan (\$19,000,000 and \$12,000,000) to support that purchase, as well as a taxable tail subordinate loan of up to \$4,000,000 for a total construction period loan of up to \$35,000,000. A taxable tail loan in the amount of \$2,772,980 is needed to balance the Sources and Uses for the transaction, which represents a reduction of \$219,795 from the Final CUR amount of \$2,992,775. Terms for the construction period loans remain unchanged from the Final CUR with the exception of Chase’s spread on the \$19,000,000 tranche, which increased from 150 basis points (“bps”) to 175 bps. AmeriNat has also reduced the underwriting cushion for these loans from 100 bps to 75 bps.

Per the Term Sheet, the permanent loan amount has increased by \$350,000 from \$12,650,000 to a maximum of \$13,000,000. The Term Sheet indicates monthly principal and interest payments will be based upon an interest rate that will be locked at Construction Loan closing. The applicable interest rate will be based on the 10-Year SOFR Swap Rate (3.80%) plus a 165 bps spread for an all-in rate of 5.45%. The forward period will be 36 months, plus one six-month extension. The Borrower must convert to the permanent loan on or before 42 months from Construction Loan closing. This outside conversion date is the construction loan closing date advanced by the sum of (i) the number of months of the initial

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construction loan term and (ii) the maximum number of months available under the extension options. The term of the loan has increased from 15 years to 17 years.

The following conditions must be met in order to convert to permanent financing: a 1.20x debt service coverage ratio (“DSC”) with a 1.15x all-in DSC including all loans requiring debt service payment (to be calculated by Chase); a 90% economic and physical occupancy; and a pro forma forecast showing that in the first 10 years following conversion the annual DSC (based on annual revenue growth of 2% and annual expense growth of 3%) is not less than 1.00x to 1.00.

An annual Trustee Fee of \$5,000 and a 0.30% County Bond Administrative Fee due on the outstanding bond amount are included as part of the Development’s pro forma. See a discussion of the DSC on page 9 of the CUR Update Letter for this loan and the other loans in the transaction, as well as the accompanying Operating Pro Forma on page 10 for further detail.

Viability, SAIL, ELI and NHTF Loans:

Due to the increase in the term length of Chase’s \$13,000,000 first permanent mortgage loan, the Viability, SAIL and ELI loans (the “Loans”) permanent terms will be extended from 15 years to 17 years as the Loans, per the Final CUR, each had total terms of 18.5 years, inclusive of a 42-month construction/stabilization period and a 15-year permanent period. The total term for the Loans will extend to 20.5 years, inclusive of a 42-month construction/stabilization period and a 17-year permanent period. As required by the first mortgage lender and permitted by RFA 2023-211, the Viability, SAIL and ELI loans will be coterminous with the first mortgage. All other terms for these loans will remain as outlined in the Final CUR. The NHTF loan, with a permanent term of 30 years including a 42-month construction/stabilization period for a total term of 33.5 years, is not affected by the requested change.

Additionally, the Viability, SAIL, ELI and NHTF loans are all subject to an increase in fees which are based on FHFC’s 2024 Fee Schedule. Annual payments of all applicable fees will be required. For each of the Viability, SAIL, ELI and NHTF loans, fees include an annual Permanent Loan Servicing Fee of 25 bps on the outstanding loan amount, with a maximum fee of \$964 per month, subject to a minimum fee of \$243 per month, and an annual Compliance Monitoring Multiple Program Fee of \$1,054.

6th Mortgage Loan – AHTF and ARP

The Applicant provided the draft Developer’s Agreement and loan documents illustrating an additional \$1,000,000 in construction/permanent phase ARP financing from Orange County. Per the draft Developer’s Agreement and loan documents, Orange County has designated a total of \$3,000,000 towards the costs of the Development for construction activities, of which \$2,000,000 has been allocated in AHTF funding and \$1,000,000 in ARP funding.

The revised terms of the existing \$2,000,000 AHTF loan are as follows: an interest-only, 24-month construction period (subject to one six-month extension for a total of 30 months) and a permanent loan term of 30 years (previously 20 years) that commences on the same day any permanent loan held by the Applicant commences. The loan will have a simple interest rate of 0.50% per annum (previously 1.00%) on the outstanding principal balance. Annual payments of principal and interest are to commence after the completion of the Development and are based on a 30-year (previously 20-year) amortization

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schedule. Revised terms of the AHTF loan include the entire unpaid principal balance of the loan, together with any accrued and unpaid interest thereon, being due and payable on the maturity date of the loan. Annual payment amounts will be paid from 75% of cash flow as defined by the draft Developer's Agreement.

The terms of the new \$1,000,000 ARP loan are as follows: 0.00% interest, 24-month construction period (subject to one six-month extension for a total of 30 months) and a deferred permanent loan of 30 years with 0.00% interest rate that commences upon the on the same day any permanent loan held by the Applicant commences. No principal payments are required, and the entire loan balance is due and payable at the maturity date of the loan; however, Orange County reserves the option to forgive the deferred permanent loan at maturity.

The OC Loans will flow from Orange County through NLP and then to the Applicant as per the Development Agreement and loan documents. NLP will make the OC Loans to the Applicant and will disburse proceeds of the OC Loans in one or more advances subject to the terms and conditions set forth in the Development Agreement and loan documents. The OC Loans will be evidenced by one mortgage and two separate promissory notes but may, at Orange County's discretion, be secured by the same security instruments and loan documents. Receipt of approval for the \$1,000,000 ARP loan by the Orange County Board of County Commissioners and the executed Developer's Agreement are conditions precedent to loan closing.

Sponsor Loan

Per a draft promissory note provided by NEF and information provided by ZKS, the terms of the \$245,000 construction/permanent phase Sponsor loan to the Applicant include a 4.18% interest rate compounding annually with a 35-year term. The loan will be fully funded by the GP out of the initial installment of Developer Fee payable at closing and the funds will flow through the title company for disbursement. AmeriNat has been advised that the funds are to be used for Development expenses. Interest and principal are payable solely from distributions of cash flow and net cash from sales and refinancings in the order of priority set forth in the LPA. The principal balance, together with any unpaid accrued interest until the payment date, shall be due and payable in full on or before the earlier of (i) the date on which Borrower sells the Development, or (ii) February 2059 with all payments applied first to accrued but unpaid interest and then to principal. The Applicant shall have the right of prepayment either in full or in partial payments without penalty or premium. The GP is prohibited from declaring a default and exercising any remedies without the prior written consent of all senior lenders. The note is unsecured with full recourse to the Applicant.

Deferred Developer Fee:

During the construction phase, Deferred Developer Fee has been reduced by \$1,185,541 from \$9,302,533 to \$8,116,992, or 87.8% of total Developer Fee available. During the permanent phase, the Deferred Developer Fee has been increased by \$382,400 from \$6,006,624 to \$6,389,024 or 69.1% of total Developer Fee available, which meets the minimum 30% requirement per the Viability RFA and the 35% requirement for the 1st mortgage, Viability and SAIL loan with a combined DSC under 1.10x.

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Revised HC Equity Amount

Per a draft of the LPA from NEF dated December 15, 2023, the pay in schedule for the HC equity in the transaction is as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	\$4,278,561	15.98%	Admission of NEF to the Limited Partnership and commencement of construction
2nd Installment	\$4,278,562	15.98%	(i) Substantial completion of 100% of Project construction; (ii) Temporary (or, if available, Final) Certificates of Occupancy; (iii) Architect's certification indicating that all the work has been completed substantially in accordance with plans and specifications; (iv) Owner's title insurance policy in final form; (v) Company Prepared Draft Cost Certification verifying the Tax Credit basis and 50% test; (vi) No-earlier-than payment date of 7/15/25
3rd Installment	\$18,038,790	67.36%	(i) 100% Qualified Occupancy of all Project Tax Credit Units; (ii) Funding of the Project's permanent loan and receipt of executed permanent loan documents in approved form; (iii) Payment of any amounts required by the General Partner's Development Completion Guaranty; (iv) Achievement of Stabilized Occupancy (generally defined as at least 90% occupancy with a Debt Coverage Ratio of 1.15x or better for a three consecutive month period after construction completion); (v) Completion of any outstanding punch list items; (vi) Updated title search as standard in Georgia; (vii) "As-Built" ALTA survey; (viii) Final lien waivers from the General Contractor; (ix) If applicable, receipt (or evidence of filing) of real estate tax abatement; (x) Final Certificates of Occupancy, if not previously provided; (xi) Final Cost Certification verifying the Tax Credit basis; (xii) Funding of Project reserves (or funding with the proceeds of this installment) at the required levels; (xiii) If applicable, satisfaction of radon testing requirements; (xiv) Recorded Extended Use Agreement; and (xv) No-earlier-than payment date of: 4/1/26
4th Installment	\$183,596	0.69%	(i) The first year's tax return and K-1; (ii) Fully executed Form 8609 for all Project buildings; and (iii) Occurrence of the following no-earlier-than payment date: 4/1/26
Total:	\$26,779,509	100%	

Annual Credits Per Syndication Agreement	\$2,927,015
Total Credits Per Syndication Agreement	\$29,270,150
Calculated HC Rate:	\$0.915
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	\$4,278,561

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Please note that the LPA represents a reduction of \$2,350,847 in equity proceeds when compared to the Final CUR:

Capital Contributions	Final CUR	Difference	Revised LPA	Percent of Total
1st Equity Installment	\$4,491,672	-\$213,111	\$4,278,561	15.98%
2nd Equity Installment	\$4,491,672	-\$213,110	\$4,278,562	15.98%
3rd Equity Installment	\$19,404,273	-\$1,365,483	\$18,038,790	67.36%
4th Equity Installment	\$742,739	-\$559,143	\$183,596	0.69%
Total:	\$29,130,356	-\$2,350,847	\$26,779,509	100%

Revised HC Allocation Calculation

Section I – Qualified Basis Calculation

Total Development Cost	\$64,413,533
Less Land Costs	\$3,250,000
Less Other Ineligible Costs	\$5,176,292
Total Eligible Basis	\$55,987,241
Applicable Fraction	100%
DDA/QCT Basis Credit, if applicable	130%
Qualified Basis	\$72,783,414
Housing Credit Percentage (Federal allocation)	4.00%
Annual Housing Credit Allocation	\$2,911,337

Notes to the Eligible Basis Calculation:

1. “Other Ineligible Costs” include, but are not limited to, site work, accounting fees, environmental report, legal fees, market study, Florida Housing compliance, administrative, application, and underwriting fees, title insurance/recording fees, marketing/advertising fees, title insurance and recording fee, survey, various fees associated with the Viability, SAIL, ELI, and NHTF funding, a portion of construction loan interest, permanent loan related costs, Local HFA Bond cost of issuance costs, and reserves.
2. The Development is 100% set-aside; therefore, the applicable fraction is 100%.
3. Per the Application, the Development is located in a QCT (176.00); therefore, a 130% basis credit was applied.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For the purposes of this analysis, an HC percentage of 4.00% has therefore been applied.

Mr. Tim Kennedy
Southwick Commons
March 6, 2024
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Section II - Gap Calculation

Total Development Cost (including land and ineligible costs)	\$64,413,533
Less Mortgages	\$31,245,000
Equity Gap	\$33,168,533
HC Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.915
HC Required to meet Equity Gap	\$36,253,388
Annual HC Required	\$3,625,339

Notes to the Gap Calculation:

1. Mortgages include a first mortgage from Chase, second, third, fourth and fifth mortgages to be provided by FHFC, a sixth mortgage with two notes to be provided by Orange County, and a Sponsor loan.
2. The HC Syndication Pricing and Percentage to the Investment Partnership are based upon a draft of the LPA from NEF dated December 15, 2023. Please note that the actual HC Syndication Pricing is \$0.914999998931398.

Section III - Summary

HC Per Qualified Basis	\$2,911,337
HC Per GAP Calculation	\$3,625,339
Annual HC Recommended	\$2,911,337
HC Proceeds Recommended	\$26,636,070

Notes to the Summary:

1. The Annual HC recommended is based upon the lesser of the Qualified Basis or Gap Calculation; therefore, the Qualified Basis Calculation amount applies.
2. The Annual HC recommended represents an increase of \$72,107 from \$2,839,230 to \$2,911,337 when compared to the Final CUR.

Section IV – Tax Credit 50% Test

Total DEPRECIABLE Cost	\$55,987,241
Plus: Land Cost	\$3,250,000
Equals Aggregate Basis	\$59,237,241
Tax Exempt Bond Amount	\$31,000,000
Tax Exempt Proceeds Used for Building and Land	\$31,000,000
Tax Exempt Proceeds as a Percentage of Aggregate Basis	52.33%

Notes to the Tax Credit 50% Test:

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

Debt Service Coverage:

With the increase to the permanent first mortgage, application of the current interest rate, inclusion of FHFC’s Fee Schedule for 2024, the \$1,000,000 ARP loan, the \$245,000 Sponsor loan and the rate adjustment to the \$2,000,000 AHTF loan, the DSC for the permanent first mortgage improves from 1.21x to 1.25x in the first year of stabilized operations. The DSC for the permanent first mortgage, Viability and SAIL loans improves from 1.03x to 1.06x. The DSC for all mortgages and fees for the Development improves from a 1.00x to 1.04x.

Per FHFC Rule Chapter 67-48, the minimum DSC shall be 1.10x to 1.00 for the SAIL loan and all superior mortgages. However, if the Applicant defers at least 35 percent of Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the SAIL loan, including all superior mortgages. The Applicant will be required to show permanent Deferred Developer Fee of at least 35% as the SAIL Loan DSC is 1.06x.

The One-Year Operating Pro Forma is as follows. Exhibit 1 of this CUR Update Letter illustrates the 15-Year Pro Forma.

Mr. Tim Kennedy
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OPERATING PRO FORMA:

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$2,345,208	\$12,215
	Other Income		
	Miscellaneous	\$134,400	\$700
	Gross Potential Income	\$2,479,608	\$12,915
	Less:		
	Economic Loss Percentage: 5.00%	\$123,980	\$646
Total Effective Gross Income	\$2,355,628	\$12,269	
EXPENSES:	Fixed:		
	Real Estate Taxes	\$211,766	\$1,103
	Insurance	\$182,400	\$950
	Variable:		
	Management Fee Percentage: 5.00%	\$117,781	\$613
	General and Administrative	\$62,400	\$325
	Payroll Expenses	\$263,600	\$1,373
	Utilities	\$182,400	\$950
	Marketing and Advertising	\$9,600	\$50
	Maintenance and Repairs/Pest Control	\$182,400	\$950
	Contract Services	\$19,200	\$100
	Security	\$9,600	\$50
	Reserve for Replacements	\$57,600	\$300
	Total Expenses	\$1,298,747	\$6,764
Net Operating Income	\$1,056,881	\$5,505	
Debt Service Payments			
First Mortgage - Chase / OCHFA	\$799,301	\$4,163	
Second Mortgage - FHFC Viability	\$63,105	\$329	
Third Mortgage - FHFC SAIL	\$70,000	\$365	
Fourth Mortgage - FHFC SAIL / ELI	\$0	\$0	
Fifth Mortgage - FHFC NHTF	\$0	\$0	
Sixth Mortgage - Orange County AHTF / ARP	\$10,000	\$52	
First Mortgage - HFA Admin & Trustee Fees	\$44,000	\$229	
Second Mortgage Fees - Viability PLS	\$11,568	\$60	
Third Mortgage Fees - SAIL PLS & CM	\$12,622	\$66	
Fourth Mortgage Fees - ELI PLS & CM	\$3,970	\$21	
Fifth Mortgage Fees - NHTF PLS & CM	\$3,970	\$21	
Sixth Mortgage Fees - Orange County AHTF / ARP	\$0	\$0	
Total Debt Service Payments	\$1,018,536	\$5,305	
Cash Flow after Debt Service	\$38,345	\$200	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.25x		
DSC - Second Mortgage plus Fees	1.15x		
DSC - Third Mortgage plus Fees	1.06x		
DSC - Fourth Mortgage plus Fee	1.05x		
DSC - Fifth Mortgage plus Fees	1.05x		
DSC - Sixth and All Mortgages and Fees	1.04x		
Financial Ratios			
Operating Expense Ratio	55.13%		
Break-even Economic Occupancy Ratio (all debt)	93.70%		

The Break-even Economic Occupancy Ratio includes all debt; however, payments of interest on the FHFC debt are based on available cash flow. This ratio would improve to 87.04% if these interest and associated servicing payments were not included.

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March 6, 2024
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Recommendation:

AmeriNat's review indicates that the increase in the permanent first mortgage loan amount and term, the addition of a \$1,000,000 ARP loan, revised loan terms for the previously approved \$2,000,000 AHTF loan from Orange County, the addition of a \$245,000 Sponsor loan, the extension of the Viability, SAIL and ELI loan terms, a reduction in HC equity and a revised recommended Annual HC amount does not adversely impact the transaction as previously underwritten. Accordingly, AmeriNat recommends that FHFC consent to and approve these changes to the Final CUR, subject to the following:

1. Receipt of Orange County Board of County Commissioners approval of the \$1,000,000 ARP loan.
2. Receipt of the executed Developer's Agreement.
3. Review and approval of all loan documents consistent with the terms outlined above by the Servicer, Florida Housing and its Legal Counsel.
4. All of the closing conditions in the Final CUR and the CUR Update Letter are to be met.
5. Any other requirement of Florida Housing, its Legal Counsel and Servicer.

Please contact AmeriNat if you have any questions or if we can provide further assistance.

Sincerely,



George J. Repity
Senior Credit Underwriter

Exhibit 1
Southwick Commons
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	\$2,345,208	\$2,392,112	\$2,439,954	\$2,488,753	\$2,538,529	\$2,589,299	\$2,641,085	\$2,693,907	\$2,747,785	\$2,802,741	\$2,858,795	\$2,915,971	\$2,974,291	\$3,033,777	\$3,094,452	
	Other Income																
	Miscellaneous	\$134,400	\$137,088	\$139,830	\$142,626	\$145,479	\$148,388	\$151,356	\$154,383	\$157,471	\$160,620	\$163,833	\$167,110	\$170,452	\$173,861	\$177,338	
	Gross Potential Income	\$2,479,608	\$2,529,200	\$2,579,784	\$2,631,380	\$2,684,007	\$2,737,688	\$2,792,441	\$2,848,290	\$2,905,256	\$2,963,361	\$3,022,628	\$3,083,081	\$3,144,742	\$3,207,637	\$3,271,790	
	Less:																
Economic Loss	Percentage: 5.00%	\$123,980	\$126,460	\$128,989	\$131,569	\$134,200	\$136,884	\$139,622	\$142,414	\$145,262	\$148,168	\$151,131	\$154,154	\$157,237	\$160,381	\$163,589	
Total Effective Gross Income		\$2,355,628	\$2,402,741	\$2,450,795	\$2,499,811	\$2,549,808	\$2,600,804	\$2,652,820	\$2,705,876	\$2,759,994	\$2,815,194	\$2,871,497	\$2,928,927	\$2,987,506	\$3,047,256	\$3,108,201	
EXPENSES:	Fixed:																
	Real Estate Taxes	\$211,766	\$218,119	\$224,663	\$231,402	\$238,344	\$245,495	\$252,860	\$260,445	\$268,259	\$276,307	\$284,596	\$293,134	\$301,928	\$310,986	\$320,315	
	Insurance	\$182,400	\$187,872	\$193,508	\$199,313	\$205,293	\$211,452	\$217,795	\$224,329	\$231,059	\$237,991	\$245,130	\$252,484	\$260,059	\$267,861	\$275,896	
	Variable:																
	Management Fee	Percentage: 5.00%	\$117,781	\$120,137	\$122,539	\$124,990	\$127,490	\$130,040	\$132,641	\$135,293	\$137,999	\$140,759	\$143,574	\$146,446	\$149,375	\$152,362	\$155,410
	General and Administrative	\$62,400	\$64,272	\$66,200	\$68,186	\$70,232	\$72,339	\$74,509	\$76,744	\$79,046	\$81,418	\$83,860	\$86,376	\$88,967	\$91,637	\$94,386	
	Payroll Expenses	\$263,600	\$271,508	\$279,653	\$288,043	\$296,684	\$305,585	\$314,752	\$324,195	\$333,921	\$343,938	\$354,256	\$364,884	\$375,831	\$387,105	\$398,719	
	Utilities	\$182,400	\$187,872	\$193,508	\$199,313	\$205,293	\$211,452	\$217,795	\$224,329	\$231,059	\$237,991	\$245,130	\$252,484	\$260,059	\$267,861	\$275,896	
	Marketing and Advertising	\$9,600	\$9,888	\$10,185	\$10,490	\$10,805	\$11,129	\$11,463	\$11,807	\$12,161	\$12,526	\$12,902	\$13,289	\$13,687	\$14,098	\$14,521	
	Maintenance and Repairs/Pest Control	\$182,400	\$187,872	\$193,508	\$199,313	\$205,293	\$211,452	\$217,795	\$224,329	\$231,059	\$237,991	\$245,130	\$252,484	\$260,059	\$267,861	\$275,896	
	Contract Services	\$19,200	\$19,776	\$20,369	\$20,980	\$21,610	\$22,258	\$22,926	\$23,614	\$24,322	\$25,052	\$25,803	\$26,577	\$27,375	\$28,196	\$29,042	
	Security	\$9,600	\$9,888	\$10,185	\$10,490	\$10,805	\$11,129	\$11,463	\$11,807	\$12,161	\$12,526	\$12,902	\$13,289	\$13,687	\$14,098	\$14,521	
	Reserve for Replacements	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$59,328	\$61,108	\$62,941	\$64,829	\$66,774	
	Total Expenses	\$1,298,747	\$1,334,804	\$1,371,918	\$1,410,122	\$1,449,448	\$1,489,929	\$1,531,598	\$1,574,492	\$1,618,646	\$1,664,097	\$1,712,612	\$1,762,555	\$1,813,967	\$1,866,892	\$1,921,376	
	Net Operating Income	\$1,056,881	\$1,067,937	\$1,078,877	\$1,089,689	\$1,100,359	\$1,110,875	\$1,121,221	\$1,131,384	\$1,141,348	\$1,151,096	\$1,158,885	\$1,166,372	\$1,173,539	\$1,180,364	\$1,186,826	
Debt Service Payments																	
First Mortgage - Chase / OCHFA	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	\$799,301	
Second Mortgage - FHFC Viability	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	\$63,105	
Third Mortgage - FHFC SAIL	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	
Fourth Mortgage - FHFC SAIL / ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage - FHFC NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sixth Mortgage - Orange County AHTF / ARP	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	
First Mortgage - HFA Admin & Trustee Fees	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	
Second Mortgage Fees - Viability PLS	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	\$11,568	
Third Mortgage Fees - SAIL PLS & CM	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	\$12,622	
Fourth Mortgage Fees - ELI PLS & CM	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	
Fifth Mortgage Fees - NHTF PLS & CM	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	
Sixth Mortgage Fees - Orange County AHTF / ARP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	\$1,018,536	
Cash Flow after Debt Service	\$38,345	\$49,401	\$60,341	\$71,153	\$81,823	\$92,339	\$102,686	\$112,848	\$122,812	\$132,561	\$140,349	\$147,837	\$155,003	\$161,828	\$168,290		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.25x	1.27x	1.28x	1.29x	1.30x	1.32x	1.33x	1.34x	1.35x	1.36x	1.37x	1.38x	1.39x	1.40x	1.41x		
DSC - Second Mortgage plus Fees	1.15x	1.16x	1.18x	1.19x	1.20x	1.21x	1.22x	1.23x	1.24x	1.25x	1.26x	1.27x	1.28x	1.29x	1.29x		
DSC - Third Mortgage plus Fees	1.06x	1.07x	1.08x	1.09x	1.10x	1.11x	1.12x	1.13x	1.14x	1.15x	1.16x	1.17x	1.17x	1.18x	1.19x		
DSC - Fourth Mortgage plus Fee	1.05x	1.06x	1.07x	1.08x	1.10x	1.11x	1.12x	1.13x	1.14x	1.15x	1.16x	1.17x	1.17x	1.17x	1.18x		
DSC - Fifth Mortgage plus Fees	1.05x	1.06x	1.07x	1.08x	1.09x	1.10x	1.11x	1.12x	1.13x	1.14x	1.15x	1.16x	1.16x	1.17x	1.18x		
DSC - Sixth and All Mortgages and Fees	1.04x	1.05x	1.06x	1.07x	1.08x	1.09x	1.10x	1.11x	1.12x	1.13x	1.14x	1.15x	1.15x	1.16x	1.17x		
Financial Ratios																	
Operating Expense Ratio	55.13%	55.55%	55.98%	56.41%	56.85%	57.29%	57.73%	58.19%	58.65%	59.11%	59.64%	60.18%	60.72%	61.26%	61.82%		
Break-even Economic Occupancy Ratio (all debt)	93.70%	93.30%	92.91%	92.55%	92.20%	91.88%	91.57%	91.29%	91.02%	90.78%	90.61%	90.45%	90.32%	90.20%	90.11%		



February 5, 2024

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
227 N. Bronough Street, Suite 5000
Tallahassee, Florida 32301-3291

Re: Skyway Lofts II (“Development”) – State Apartment Incentive Loan Program (“SAIL”), National Housing Trust Fund (“NHTF”) RFA 2022-205 (2023-118SN) / 4% Non-Competitive Housing Credits (“HC”) 2022-536C

Credit Underwriting Report Update Letter (“CUR Update Letter”) – Changes to the Final Credit Underwriting Report, dated October 12, 2023 (“Final CUR”)

Per an email, dated January 18, 2024, from Raymond James Bank there has been an increase of \$100,000 to the permanent first loan amount from \$2,100,000 to \$2,200,000. Further, there has been an increase in the annual HC Allocation from \$1,179,529 to \$1,179,578. On November 27, 2023, Blue Pinellas 2, LLC (“Applicant”) submitted a RFA Waiver request for an Applicant entity change and approval of a Developer entity change. At the December 15, 2023 Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) Board meeting, the RFA waiver for the Applicant entity change and the Developer entity change were approved.

On behalf of Florida Housing, First Housing Development Corporation of Florida (“FHDC”, “First Housing”, or “Servicer”) has performed certain due diligence and formulated a recommendation and closing conditions which are contained at the end of the CUR Update Letter. For the purposes of this analysis, First Housing has reviewed the following:

- Final CUR.
- Email, dated January 18, 2024, from Raymond James Bank.
- Letter, dated November 9, 2023, from Raymond James Affordable Housing Investments, Inc. (“RJAHI”).

FHDC

PERMANENT FINANCING INFORMATION					
	1st Source	2nd Source	3rd Source	4th Source	5th Source
Lien Position	First	Second	Third	Fourth	Fifth
Lender/Grantor	Raymond James Bank	FHFC - SAIL	FHFC - NHTF	City of St. Petersburg	Pinellas County
Amount	\$2,200,000	\$750,000	\$1,375,000	\$6,500,000	\$1,400,000
Underwritten Interest Rate	6.64%	1.00%	0.00%	0.00%	0.00%
All In Interest Rate	6.64%	1.00%	0.00%	0.00%	0.00%
Loan Term	15	15	30.0	27.5	27.5
Amortization	35	0	0	0	0
Market Rate/Market Financing LTV	12%	16%	23%	58%	65%
Restricted Market Financing LTV	37%	50%	73%	183%	207%
Loan to Cost - Cumulative	9%	12%	17%	44%	49%
Loan to Cost - SAIL Only	N/A	3%	N/A	N/A	N/A
Debt Service Coverage	1.51	1.41	1.38	1.38	1.38
Operating Deficit & Debt Service Reserves	\$176,827				
# of Months covered by the Reserves	3.2				

FHDC

Construction/Financing Sources:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAPC/TD Bank	\$13,750,000	\$0	\$0
Regulated Mortgage Lender	Raymond James Bank	\$0	\$2,200,000	\$33,333
FHFC - SAIL	FHFC	\$750,000	\$750,000	\$11,364
FHFC - NHTF	FHFC	\$1,375,000	\$1,375,000	\$20,833
Local Government Subsidy	City of St. Petersburg	\$4,435,535	\$6,500,000	\$98,485
Local Government Subsidy	Pinellas County	\$1,400,000	\$1,400,000	\$21,212
HC Equity	RJAH	\$1,673,919	\$11,159,454	\$169,083
Deferred Developer Fee	Blue SWL2 Developer, LLC	\$1,433,804	\$1,433,804	\$21,724
TOTAL		\$24,818,258	\$24,818,258	\$376,034

All the remaining funding sources have not changed with the exception of the following:

Permanent First Mortgage:

First Housing received an email from Raymond James Bank, dated January 18, 2024, indicating a permanent first mortgage loan amount of \$2,200,000. The term of the loan is 15 years with a 35-year amortization period. The interest rate will be equal to the 10-year U.S. Treasury Security plus a spread of 2.50% and will be locked prior to closing of the construction loan. The permanent loan interest is calculated based on the 10-year Treasury rate of 4.14% (as of January 18, 2024) plus a spread of 2.50%, for an all-in rate of 6.64%.

NHTF:

The total loan term of 30 years, of which 2.5 years is for the construction/stabilization period and 27.5 years is for the permanent period has changed. The loan will have a total term of 32.5 years, of which 2.5 years is for the construction/stabilization period and 30 years is for the permanent period.

City of St. Petersburg:

First Housing anticipates the City of St. Petersburg loan will be \$4,435,535 during construction.

FHDC

Housing Credit Equity:

The Applicant has applied to FHFC to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax-exempt financing. Based on a letter, dated November 9, 2023, RJAHI will provide HC equity as follows:

Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$1,673,919	15.00%	Closing
2nd Installment	\$1,673,918	15.00%	Construction Completion or May 1, 2025
3rd Installment	\$7,711,617	69.10%	Stabilized Operations or November 1, 2025
4th Installment	\$100,000	0.90%	Receipt of 8609s and Extended Use Agreement
Total	\$11,159,454	100.00%	

Annual Credit Per Syndication Agreement	\$1,216,411
Calculated HC Exchange Rate	\$0.9175
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$1,673,919

Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer must defer \$1,433,804 or 38.18% of the total Developer Fee of \$3,755,048. To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$1,433,804 or 38.18% of the total Developer Fee of \$3,755,048.

FHDC

Operating Pro Forma: Skyway Lofts II

FINANCIAL COSTS:			Year 1	Year 1 Per Unit	
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income		\$744,480	\$11,280	
	Other Income				
	Ancillary Income		\$22,334	\$338	
	Washer/Dryer Rentals		\$23,760	\$360	
	Gross Potential Income		\$790,574	\$11,978	
	Less:				
	Physical Vac. Loss Percentage: 3.00%		\$23,717	\$359	
	Collection Loss Percentage: 2.00%		\$15,811	\$240	
	Total Effective Gross Income			\$751,045	\$11,379
	EXPENSES:	Fixed:			
Ground Lease		\$20,202	\$306		
Real Estate Taxes		\$57,500	\$871		
Insurance		\$99,000	\$1,500		
Variable:					
Management Fee Percentage: 6.00%		\$45,063	\$683		
General and Administrative		\$33,000	\$500		
Payroll Expenses		\$108,900	\$1,650		
Utilities		\$66,000	\$1,000		
Marketing and Advertising		\$1,980	\$30		
Maintenance and Repairs/Pest Control		\$35,310	\$535		
Grounds Maintenance and Landscaping		\$11,550	\$175		
Reserve for Replacements		\$19,800	\$300		
Total Expenses			\$498,305	\$7,550	
Net Operating Income			\$252,741	\$3,829	
Debt Service Payments					
First Mortgage - Raymond James Bank		\$162,043	\$2,455		
Second Mortgage - FHFC - SAIL		\$7,500	\$114		
Third Mortgage - FHFC - NHTF		\$0	\$0		
Fourth Mortgage - City of St. Petersburg		\$0	\$0		
Fifth Mortgage - Pinellas County		\$0	\$0		
First Mortgage Fees - HFAPC		\$5,500	\$83		
Second Mortgage Fees - FHFC - SAIL		\$3,970	\$60		
Third Mortgage Fees - FHFC - NHTF		\$4,492	\$68		
Fourth Mortgage Fees - City of St. Petersburg		\$0	\$0		
Fifth Mortgage Fees - Pinellas County		\$0	\$0		
Total Debt Service Payments			\$183,504	\$2,780	
Cash Flow after Debt Service			\$69,236	\$1,049	
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees		1.51x			
DSC - Second Mortgage plus Fees		1.41x			
DSC - Third Mortgage plus Fees		1.38x			
DSC - Fourth Mortgage plus Fee		1.38x			
DSC - Fifth Mortgage plus Fees		1.38x			
Financial Ratios					
Operating Expense Ratio		66.35%			
Break-even Economic Occupancy Ratio (all debt)		86.54%			

FHDC

Notes to the Operating Pro Forma and Ratios:

- The Development will be utilizing Housing Credits in conjunction with SAIL and NHTF, which will impose rent restrictions. The rent levels are based on the 2023 maximum LIHTC rents published on FHFC’s website for Pinellas County less the applicable utility allowance. Below is the rent roll for the Development:

Pinellas County, Tampa-St. Petersburg-Clearwater MSA

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
1	1.0	3	709	22%			\$358	\$77	\$ 281		\$ 281	\$ 281	\$ 281	\$ 10,116
1	1.0	5	642	30%			\$489	\$77	\$ 412		\$ 412	\$ 412	\$ 412	\$ 24,720
1	1.0	18	666	60%			\$978	\$77	\$ 901		\$ 901	\$ 901	\$ 901	\$ 194,616
1	1.0	2	642	60%			\$978	\$77	\$ 901		\$ 901	\$ 901	\$ 901	\$ 21,624
1	1.0	5	642	80%			\$1,305	\$77	\$ 1,228		\$ 1,228	\$ 1,228	\$ 1,228	\$ 73,680
2	2.0	2	917	22%			\$430	\$93	\$ 337		\$ 337	\$ 337	\$ 337	\$ 8,088
2	2.0	4	917	30%			\$587	\$93	\$ 494		\$ 494	\$ 494	\$ 494	\$ 23,712
2	2.0	15	917	60%			\$1,174	\$93	\$ 1,081		\$ 1,081	\$ 1,081	\$ 1,081	\$ 194,580
2	2.0	3	917	80%			\$1,566	\$93	\$ 1,473		\$ 1,473	\$ 1,473	\$ 1,473	\$ 53,028
2	2.0	3	928	80%			\$1,566	\$93	\$ 1,473		\$ 1,473	\$ 1,473	\$ 1,473	\$ 53,028
3	2.0	1	1,142	30%			\$678	\$106	\$ 572		\$ 572	\$ 572	\$ 572	\$ 6,864
3	2.0	4	1,142	60%			\$1,356	\$106	\$ 1,250		\$ 1,250	\$ 1,250	\$ 1,250	\$ 60,000
3	2.0	1	1,142	80%			\$1,808	\$106	\$ 1,702		\$ 1,702	\$ 1,702	\$ 1,702	\$ 20,424
		66	53,463											\$ 744,480

- Replacement Reserves of \$300 per unit per year are required. Based on the letter, dated September 13, 2023, from RJAHI the replacement reserve deposits will be required to increase by 3% each year.
- For each of the SAIL and NHTF loans, fees include an annual multiple program Compliance Monitoring Fee of \$1,054 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$964 per month, subject to a minimum of \$243 per month.
- Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.
- The Break-even Economic Occupancy Ratio includes all debt; however, only the first mortgage and all fees are required payments. This ratio would improve to 87.49% if only the first mortgage and all fees are required.

FHDC

Recommendation

First Housing recommends that FHFC approve the increase to the permanent first mortgage from \$2,100,000 to \$2,200,000. The increase of \$100,000 to the permanent first mortgage, the increase in the annual HC Allocation, and the RFA Waiver request for the Applicant entity change and Developer entity change have no substantial material impact to the Final CUR. First Housing recommends SAIL Loan in the amount of \$750,000, a NHTF Loan in the amount of \$1,375,000, and an annual HC Allocation of \$1,179,578 for the construction and permanent financing of the Development.

Closing of the transaction is subject to the following conditions:

1. All closing conditions in the Final CUR must be met.
2. All other due diligence required by FHFC, its Legal Counsel and Servicer.

Prepared by:



Stephanie Petty
Senior Credit Underwriter

Reviewed by:



Ed Busansky
Senior Vice President

HC Allocation Calculation

Qualified Basis Calculation

Total Development Costs(including land and ineligible Costs)	\$24,818,258
Less Land Costs	\$0
Less Federal Grants and Loans	\$0
Less Other Ineligible Costs	\$2,134,060
Total Eligible Basis	\$22,684,198
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	\$29,489,457
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,179,578

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include washers/dryers, site work, accounting fees, FHFC Fees, insurance, legal fees, market study, advertising/marketing fees, property taxes, title work, financial costs, and reserves.
2. The Development has a 100% set-aside. Therefore, the Applicable Fraction is 100%.
3. For purposes of this analysis, the Development is located in a Small Area Difficult Development Area ("SADDA"); therefore, the 130% basis boost was applied.
4. For purposes of this recommendation a HC percentage of 4.00% was applied based on the 4% floor rate, which was established through the Consolidated Appropriations Act of 2021.

FHDC

GAP Calculation

Total Development Costs(including land and ineligible Costs)	\$24,818,258
Less Mortgages	\$12,225,000
Less Grants	\$0
Equity Gap	\$12,593,258
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.9175
HC Required to meet Equity Gap	\$13,726,995
Annual HC Required	\$1,372,699

Notes to the Gap Calculation:

1. The pricing and syndication percentage was taken from letter from RJAHI, dated November 9, 2023.

Summary

HC Per Syndication Agreement	\$1,216,411
HC Per Qualified Basis	\$1,179,578
HC Per GAP Calculation	\$1,372,699
Annual HC Recommended	\$1,179,578
Syndication Proceeds based upon Syndication Agreement	\$11,159,454

1. The estimated annual 4% Housing Credit allocation is limited to the lesser of the qualified basis calculation or the gap calculation. The recommendation is based on the qualified basis.

FHDC

50% Test

Tax-Exempt Bond Amount	\$13,750,000
Less: Debt Service Reserve Funded with Tax-Exempt Bond Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$13,750,000
Total Depreciable Cost	\$22,684,198
Plus Land Cost	\$0
Aggregate Basis	\$22,684,198
Net Tax-Exempt Bond to Aggregate Basis Ratio	60.61%

1. Based on the budget, the Development appears to meet the 50% test for 4% Housing Credits.

FHDC

15 Year Proforma

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	\$744,480	\$759,370	\$774,557	\$790,048	\$805,849	\$821,966	\$838,405	\$855,174	\$872,277	\$889,723	\$907,517	\$925,667	\$944,181	\$963,064	\$982,326	
	Other Income																
	Ancillary Income	\$22,334	\$22,781	\$23,236	\$23,701	\$24,175	\$24,659	\$25,152	\$25,655	\$26,168	\$26,691	\$27,225	\$27,770	\$28,325	\$28,891	\$29,469	
	Washer/Dryer Rentals	\$23,760	\$24,235	\$24,720	\$25,214	\$25,719	\$26,233	\$26,758	\$27,293	\$27,839	\$28,395	\$28,963	\$29,543	\$30,133	\$30,736	\$31,351	
	Gross Potential Income	\$790,574	\$806,385	\$822,513	\$838,963	\$855,743	\$872,858	\$890,315	\$908,121	\$926,283	\$944,809	\$963,705	\$982,979	\$1,002,639	\$1,022,692	\$1,043,146	
	Less:																
	Physical Vac. Loss Percentage: 3.00%	\$23,717	\$24,192	\$24,675	\$25,169	\$25,672	\$26,186	\$26,709	\$27,244	\$27,789	\$28,344	\$28,911	\$29,489	\$29,889	\$30,079	\$30,681	\$31,294
	Collection Loss Percentage: 2.00%	\$15,811	\$16,128	\$16,450	\$16,779	\$17,115	\$17,457	\$17,806	\$18,162	\$18,526	\$18,896	\$19,274	\$19,660	\$20,053	\$20,454	\$20,863	\$21,283
	Total Effective Gross Income	\$751,045	\$766,066	\$781,388	\$797,015	\$812,956	\$829,215	\$845,799	\$862,715	\$879,969	\$897,569	\$915,520	\$933,830	\$952,507	\$971,557	\$990,988	
	EXPENSES:	Fixed:															
Ground Lease		\$20,202	\$20,202	\$20,202	\$20,202	\$20,202	\$20,202	\$20,202	\$21,233	\$21,233	\$21,233	\$21,233	\$21,233	\$21,233	\$22,316	\$22,316	\$22,316
Real Estate Taxes		\$57,500	\$59,225	\$61,002	\$62,832	\$64,717	\$66,658	\$68,658	\$70,718	\$72,839	\$75,024	\$77,275	\$79,593	\$81,981	\$84,441	\$86,974	\$89,574
Insurance		\$99,000	\$101,970	\$105,029	\$108,180	\$111,425	\$114,768	\$118,211	\$121,758	\$125,410	\$129,173	\$133,048	\$137,039	\$141,150	\$145,385	\$149,746	\$154,233
Variable:																	
Management Fee Percentage: 6.00%		\$45,063	\$45,964	\$46,883	\$47,821	\$48,777	\$49,753	\$50,748	\$51,763	\$52,798	\$53,854	\$54,931	\$56,030	\$57,150	\$58,293	\$59,459	\$60,649
General and Administrative		\$33,000	\$33,990	\$35,010	\$36,060	\$37,142	\$38,256	\$39,404	\$40,586	\$41,803	\$43,058	\$44,349	\$45,680	\$47,050	\$48,462	\$49,915	\$51,409
Payroll Expenses		\$108,900	\$112,167	\$115,532	\$118,998	\$122,568	\$126,245	\$130,032	\$133,933	\$137,951	\$142,090	\$146,352	\$150,743	\$155,265	\$159,923	\$164,721	\$169,655
Utilities		\$66,000	\$67,980	\$70,019	\$72,120	\$74,284	\$76,512	\$78,807	\$81,172	\$83,607	\$86,115	\$88,698	\$91,359	\$94,100	\$96,923	\$99,831	\$102,823
Marketing and Advertising		\$1,980	\$2,039	\$2,101	\$2,164	\$2,229	\$2,295	\$2,364	\$2,435	\$2,508	\$2,583	\$2,661	\$2,741	\$2,823	\$2,908	\$2,995	\$3,085
Maintenance and Repairs/Pest Control		\$35,310	\$36,369	\$37,460	\$38,584	\$39,742	\$40,934	\$42,162	\$43,427	\$44,731	\$46,072	\$47,454	\$48,877	\$50,344	\$51,854	\$53,409	\$55,011
Grounds Maintenance and Landscaping		\$11,550	\$11,897	\$12,253	\$12,621	\$13,000	\$13,390	\$13,791	\$14,205	\$14,631	\$15,070	\$15,522	\$15,988	\$16,468	\$16,962	\$17,470	\$17,993
Reserve for Replacements		\$19,800	\$20,394	\$21,006	\$21,636	\$22,285	\$22,954	\$23,642	\$24,352	\$25,082	\$25,835	\$26,610	\$27,408	\$28,230	\$29,077	\$29,949	\$30,846
Total Expenses		\$498,305	\$512,197	\$526,497	\$541,217	\$556,370	\$571,967	\$588,022	\$605,580	\$622,593	\$640,106	\$658,133	\$676,691	\$695,788	\$715,433	\$735,633	\$756,401
Net Operating Income		\$252,741	\$253,869	\$254,890	\$255,798	\$256,586	\$257,248	\$257,777	\$257,135	\$257,376	\$257,463	\$257,387	\$257,139	\$255,630	\$253,014	\$250,284	\$247,527
Debt Service Payments																	
First Mortgage - Raymond James Bank	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	\$162,043	
Second Mortgage - FHFC - SAIL	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	
Third Mortgage - FHFC - NHTF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fourth Mortgage - City of St. Petersburg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage - Pinellas County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
First Mortgage Fees - HFAPC	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	
Second Mortgage Fees - FHFC - SAIL	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	\$3,970	
Third Mortgage Fees - FHFC - NHTF	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	\$4,492	
Fourth Mortgage Fees - City of St. Petersburg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Mortgage Fees - Pinellas County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	\$183,504	
Cash Flow after Debt Service	\$69,236	\$70,365	\$71,386	\$72,293	\$73,082	\$73,743	\$74,272	\$73,631	\$73,872	\$73,959	\$73,882	\$73,635	\$72,125	\$71,510	\$70,697	\$69,584	
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.51	1.52	1.52	1.53	1.53	1.54	1.54	1.54	1.53	1.54	1.54	1.53	1.53	1.53	1.52	1.52	
DSC - Second Mortgage plus Fees	1.41	1.42	1.42	1.43	1.43	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.43	1.42	1.42	
DSC - Third Mortgage plus Fees	1.38	1.38	1.39	1.39	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.39	1.39	1.39	
DSC - Fourth Mortgage plus Fee	1.38	1.38	1.39	1.39	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.39	1.39	1.39	
DSC - Fifth Mortgage plus Fees	1.38	1.38	1.39	1.39	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.39	1.39	1.39	
Financial Ratios																	
Operating Expense Ratio	66.35%	66.86%	67.38%	67.91%	68.44%	68.98%	69.52%	70.19%	70.75%	71.32%	71.89%	72.46%	73.16%	73.75%	74.35%	74.95%	
Break-even Economic Occupancy Ratio (all debt)	86.54%	86.57%	86.62%	86.68%	86.76%	86.85%	86.96%	87.19%	87.32%	87.47%	87.63%	87.81%	88.11%	88.31%	88.52%	88.74%	

Based on the letter, dated November 9, 2023, from RJAHI the replacement reserve deposits will be required to increase by 3% each year.



March 11, 2024

Mr. Tim Kennedy
Multifamily Loans & Bonds Director
Florida Housing Finance Corporation
City Centre Building
227 North Bronough Street, Suite 5000
Tallahassee, Florida 32301-1329

Re: Ridge Road - State Apartment Incentive Loan Program (“SAIL”) and Invitation to Participate (“ITP”) 2022 SAIL Construction Housing Inflation Response Program (“CHIRP”) RFA 2021-205 (2022-190S) 4% Non-Competitive Housing Credits (“HC”) 2021-517C

Credit Underwriting Report Update Letter (“CUL”) – Changes to the final Credit Underwriting Report, dated November 29, 2022 (“CUR”) and CUR Update Letter, dated March 7, 2023 (“CUR Update Letter”) to include the Transfer of General Partner Interests and Developer Entity Structure Change

Dear Mr. Kennedy:

First Housing Development Corporation of Florida (“FHDC”, “First Housing” or “Servicer”) has reviewed a letter, dated January 16, 2024, from C. Hunter Nelson, the Managing Member for ECG Ridge Road GP, LLC (“General Partner”) of ECG Ridge Road, LP (“Borrower”), requesting that Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) approve the transfer of general partner interests and Developer entity structure change of Ridge Road (“Development”).

On behalf of FHFC, First Housing has reviewed the request, performed certain due diligence, and formulated recommendations and conditions which are contained at the end of this report. For the purposes of this analysis, First Housing has reviewed the following:

- Rule 67-21 & 67-48.
- CUR and CUR Update Letter.

- Housing Finance Authority of Leon County, Florida (“HFALC”) Multifamily Mortgage Revenue Note (“MMRN”) Land Use Restriction Agreement (“LURA”), dated March 1, 2023.
- SAIL LURA, dated March 8, 2023.
- Proposed Organizational Charts.
- FHFC staff approved the transfer of general partner interests and Developer entity structure change on March 1, 2024.
- FHFC Past Due Report, dated February 15, 2024.
- FHFC Noncompliance Report, dated October 18, 2023.

Background:

Ridge Road is approximately 33% complete with construction as of an inspection report, dated January 11, 2024. Upon completion, the Development will be a 250-unit affordable multifamily development consisting of seven (7) garden style buildings, located at Ridge Road, WSW of the intersection of Ridge Road and Ridge Haven Road, Tallahassee, Leon County, Florida 32305. The Development will consist of seventy-nine (79) one-bedroom/one-bathroom units, eighty-four (84) two-bedroom/two-bathroom units, sixty (60) three-bedroom/two-bathroom units, and twenty-seven (27) four-bedroom/two-bathroom units.

The Development was financed with MMRN, issued by the HFALC in the amount of \$51,000,000, a SAIL/SAIL CHIRP Loan in the amount of \$9,800,000, a HFALC Loan in the amount of \$37,500, and a Self-Sourced Loan in the amount of \$2,750,000. The Development also received an allocation of 4% Housing Credits.

Operation of the Development is restricted by terms and conditions detailed in various loan documents, including but not limited to the HFALC MMRN LURA, SAIL LURA and the anticipated HC ELIHA.

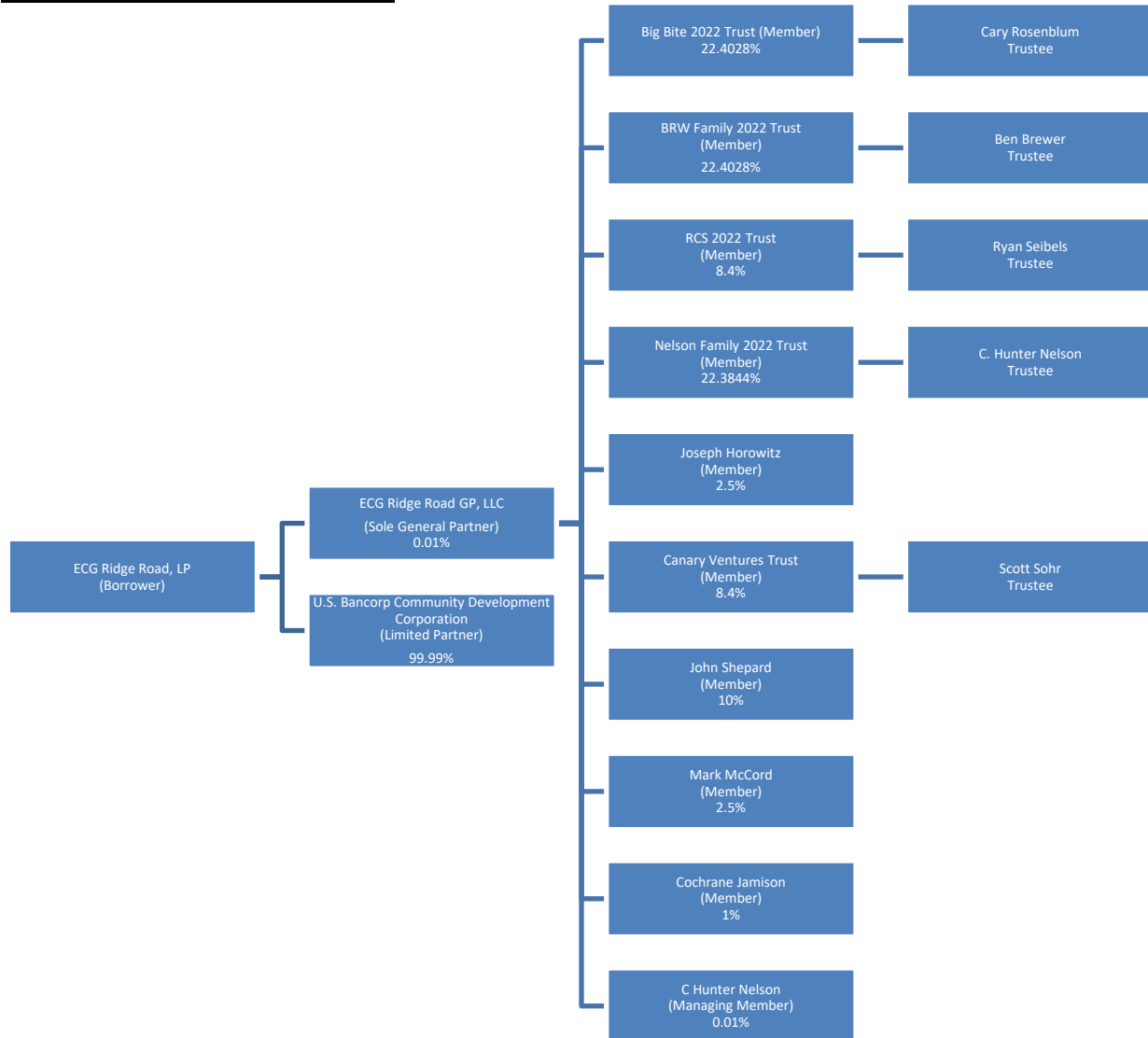
The HFALC MMRN LURA, SAIL LURA, and ELIHA require the following set-asides for a period of fifty (50) years:

- 16.4% of the units (41 units) set aside at or below 30% of the Area Median Income (“AMI”)
- 34.4% of the units (86 units) set aside at or below 60% of the AMI
- 49.2% of the units (123 units) set aside at or below 70% of the AMI

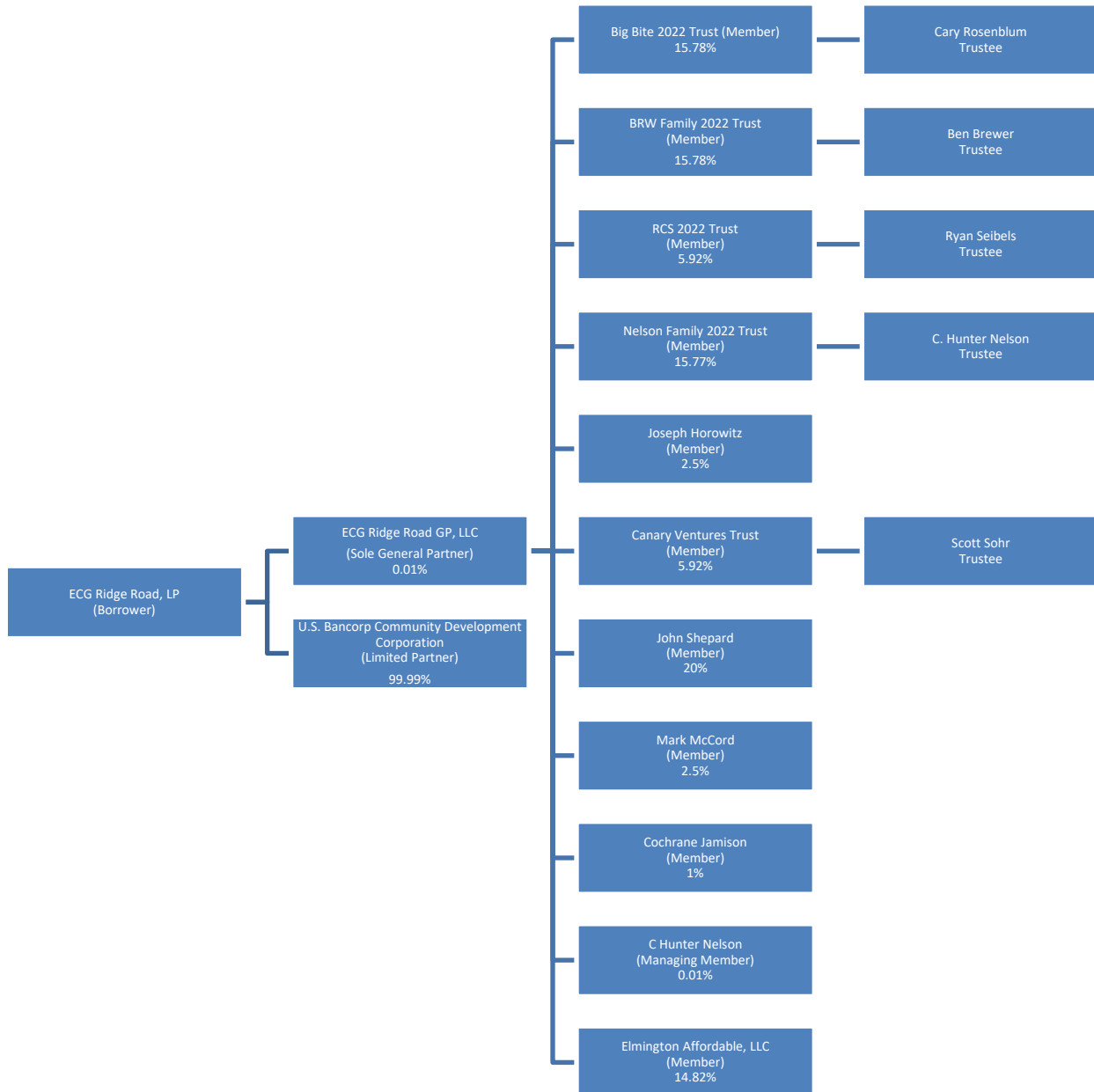
Status of Development Noncompliance/Past Due:

The Development Team was not reported on Florida Housing’s February 15, 2024 Past Due Report. The Development Team was not reported on Florida Housing’s October 18, 2023 Noncompliance Report.

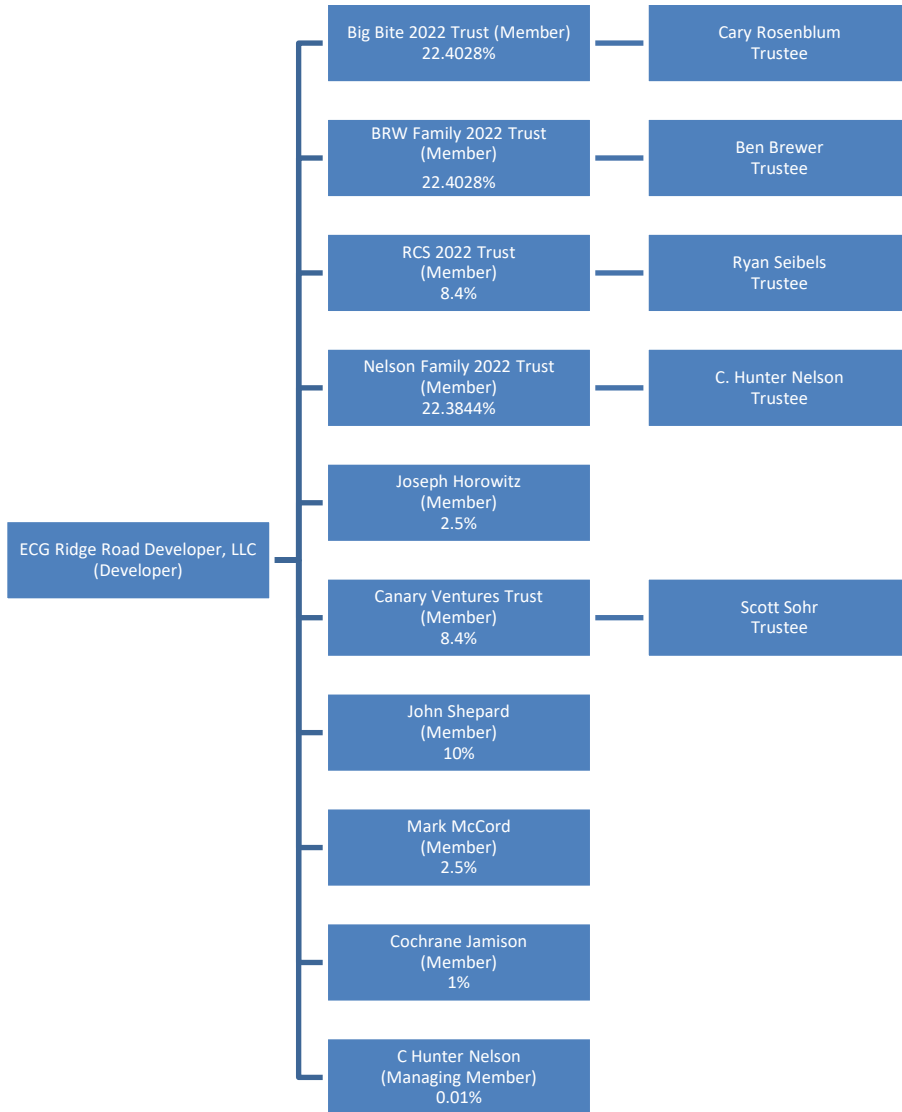
Current Ownership Structure:



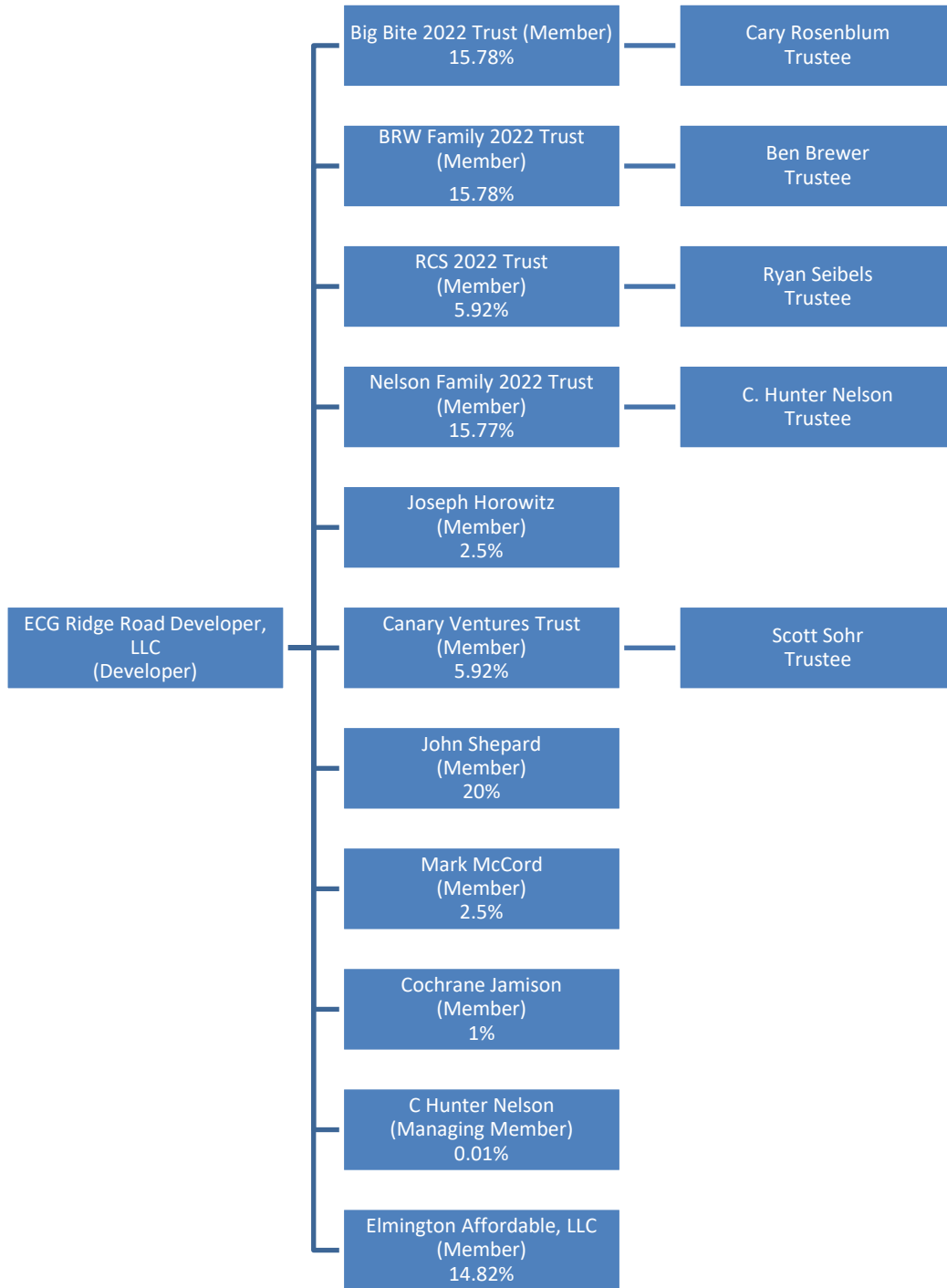
Proposed Ownership Structure:



Current Developer Structure:



Proposed Developer Structure:



Experience and Financial Information of the Proposed Ownership Entities:

The proposed General Partnership ownership changes include increasing John Shepard from 10% to 20% and adding Elmington Affordable, LLC as a 14.82% Member. In order to increase these ownership percentages, existing members will decrease their ownership percentages.

As part of the CUR, First Housing collected due diligence for Elmington Affordable, LLC and recommended the entity as a guarantor. Therefore, the addition of this entity would not affect the CUR or guarantors.

Given that John Shepard's interest increased from 10% to 20%, First Housing collected a Statement of Financial Affairs, dated January 23, 2024, and reviewed a credit report, dated January 29, 2024. The increase in John Shepard's ownership interest would not affect the CUR or the guarantors.

Recommendations:

First Housing's review indicates that the transfer of General Partnership interests and the Developer entity structure change would not negatively affect the Development. First Housing recommends approval of the transfer of general partner ownership interests and the modification of any other documents as required to effectuate the transaction subject to the following conditions:

1. The Borrower and General Partner and its entities and principals (if applicable) to execute any and all assignment and assumption documents and any other loan documents FHFC and its Legal Counsel deemed necessary to effectuate the transaction.
2. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) and 67-48.0075(5) F.A.C., of an Applicant or a Developer).
3. Satisfactory resolution of any outstanding noncompliance and/or past due items.
4. Verification that all Insurance Certificates are current and acceptable to Servicer and FHFC.
5. Confirmation of approval of the transfer of General Partner interests by all other lenders and the tax credit syndicator, if applicable.

6. Review and approval of all loan documents consistent with the terms outlined above by FHFC, its Legal Counsel and Servicer.
7. Retention of existing tax, insurance, replacement reserve and operating reserve escrow accounts or establishment of new accounts in like or greater amounts satisfactory to FHFC prior to closing, if applicable.
8. Payment of all costs and fees to Florida Housing, its Legal Counsel and Servicer, as applicable.
9. All other requirements by FHFC, its Legal Counsel and Servicer.

Prepared by:



Taylor Arruda
Senior Credit Underwriter

Reviewed By:



Ed Busansky
Senior Vice President

FLORIDA HOUSING FINANCE CORPORATION - Tentative RFA 2024-2025 Funding Amounts/Time Lines
(All Information Subject to Change)

DRAFT

Assigned RFA Number	Subject of RFA	2024-2025 Program Funding and <u>ESTIMATED</u> Funding Amount Available	Board Approval for funding designation	RFA Workshop	RFA Issue Date	RFA Due Date	Review Committee (make recommendations to Board)	Request Board Approval of Recommendations (at scheduled Board Meeting - all dates are tentative)
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2024

2024-201	Housing Credit Financing for Affordable Housing Developments Located in Small and Medium Counties	\$1,628,560 - 9% HC - (Estimated) Small County \$21,406,630 - 9% HC (Estimated) - Medium County	03/26/2024	5/21/2024	6/18/2024	7/10/2024	8/7/2024	8/23/2024
2024-202	Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties	\$24,555,000 - 9% HC - (Estimated)	03/26/2024	5/21/2024	6/18/2024	7/18/2024	8/8/2024	8/23/2024
2024-203	Housing Credit Financing for Affordable Housing Developments Located in Miami-Dade County	\$9,672,310 - 9% HC - (Estimated)	03/26/2024	5/21/2024	6/18/2024	7/11/2024	8/7/2024	8/23/2024
2024-204	SAIL Financing for the Preservation of Elderly Developments	\$TBD SAIL *In conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits		October 2024	November 2024	December 2024	January 2025	Spring 2025
2024-205	SAIL Financing of Affordable Multifamily Housing Developments	\$TBD- Elderly \$TBD SAIL - Family \$TBD M - NHTF or HOME-ARP *In conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits		7/24/2024	8/20/2024	9/12/2024	10/3/2024	10/22/2024
2024-208	SAIL and Housing Credit Financing for the Construction of Workforce Housing in Monroe County	\$TBD - 9% HC (comprised of 5% High Priority HC funding) \$TBD - SAIL		TBD	TBD	TBD	TBD	TBD
2024-213	SAIL Funding for Live Local Mixed Income, Mixed-Use, and Urban Infill Developments	\$TBD - SAIL *in conjunction with Tax-Exempt Bonds and Non-Competitive Housing Credits		November 2024	November 2024	December 2024	January 2025	Spring 2025

2025

2025-102	SAIL Financing for Smaller Permanent Supportive Housing Developments for Persons with Special Needs	\$TBD SAIL \$TBD HOME-ARP		November 2024	December 2024	March 2025	April 2025	Spring 2025
2025-103	Housing Credit and SAIL Financing to Develop Housing for Homeless Persons	\$TBD SAIL \$TBD HC -Medium county \$TBD HC - Large county \$TBD - NHTF		October 2024	November 2024	February 2024	March 2025	Spring 2025

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2025-104	SAIL Financing Farmworker and Commercial Fishing Worker Housing	\$TBD - SAIL		March 2025	April 2025	May 2025	June 2025	Summer 2025
2025-105	Financing to Build Smaller Permanent Supportive Housing Properties for Persons with Developmental Disabilities	\$TBD - DD Grant funding		TBD	TBD	TBD	TBD	TBD
2025-106	Financing to Develop Housing for Persons with Disabling Conditions / Developmental Disabilities	\$TBD 9% HC \$TBD SAIL for Disabling Conditions \$TBD Grant funding for Developmental Disabilities \$TBD NHTF		October 2024	November 2024	February 2024	March 2025	Spring 2025
2025-206	HOME Financing to be used for Rental Developments in Rural Areas	\$TBD - HOME		TBD	TBD	TBD	TBD	TBD
2025-215	SAIL Funding for development near Military Installations pursuant to The Live Local Act; 420.50871, F.S.	TBD		TBD	TBD	TBD	TBD	TBD
2025-305	Community Development Block Grant-Disaster Recovery (CDBG-DR) Financing for Affordable Housing Developments	\$TBD		TBD	TBD	TBD	TBD	TBD
20XX-TBD	SAIL Funding for Transformational Housing Developments pursuant to Section 34 of SB 102, The Live Local Act; 420.50872, F.S., Live Local Program	up to \$25 M - SAIL Provided through eligible contributions through DOR by Florida Corporations.		TBD	TBD	TBD	TBD	TBD

Exhibit A
Hurricane Idalia - Progress Report on Reconstruction and Re-housing of Displaced Households
as of 2/15/2024

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 2/15/2024	Households Displaced as of 2/15/24
1630	Yes	Arbours at Madison	Madison	Madison	72	9	9	2	0	LIMITED	Initial reports of limited roof shingle damage to residential and non-residential buildings (clubhouse, mail kiosk and covered picnic facility). As of 10/31/2023, the insurance adjuster had determined the scope on the roofs and exterior siding. Anticipated completion date was TBD once the adjuster settles the claim. All work should be completed 90 days from the proof of loss date. As of 12/31/2023, all breezeway lights have been replaced. Roof and exterior siding repair work on hold until insurance claim is settled. The development is currently under contract for sale. The new owner will complete the needed repairs. The property was sold on 1/30/2024. As of 2/15/2024, new owner confirms remainder of the work will be completed, but had no anticipated completion date.	0
3128	Yes	Hilltop	Madison	Madison	72	15	2	3	0	MODERATE	Initial reports of moderate roof damage to two (2) residential buildings with three (3) Units in the building damaged. One household was required to move out. As of 10/31/2023, all fallen trees had been removed from the roofs and grounds of the development. Roofs have been tarped to prevent any further damage. Bids have been received by several vendors. Work will begin once the insurance claim is settled. As of 12/31/2023, roof work is complete. Interior work is scheduled for completion on 2/15/2024. As of 2/15/24, all roofs have been repaired and debris has been removed from each unit in preparation for interior work. Anticipated completion date is 4/10/2024.	0
2464	Yes	Live Oak - Meadows	Live Oak	Suwannee	87	18	1		1	MODERATE	Initial Report of extensive damage to non-residential buildings and amenities; moderate roof damage to residential buildings. As of 10/31/2023, owner was waiting on receipt of architect/engineer plans. Everything needed for permitting should be received no later than 11/30/2023. Roof work is scheduled to begin 1/16/2024 with an anticipated completion date of 3/15/2024. As of 2/15/2024, anticipated completion date extended to 4/15/2024.	0

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as of 2/15/2024

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 2/15/2024	Households Displaced as of 2/15/24
1020	No	Mission Pointe	Jacksonville	Duval	388	18	3	0	0	LIMITED	Initial reports of limited roof damage to three (3) residential buildings. As of 10/31/2023, owner had received bids for roof repairs. As of 12/31/2023, Roof/soffit repair was underway and planned for completion on 1/31/2024. As of 2/15/2024, all work was completed.	0
2909	Yes	Perrytown	Perry	Taylor	100	11	3	3	3	EXTENSIVE	As of 9/30/2023, owner reported extensive roof damage to two (2) residential buildings resulting in three (3) households being displaced. As of 10/31/2023, owner was negotiating claim with the insurance adjuster. All roofs had been tarped and units dried. No anticipated completion date at that time. As of 12/31/2023, no work had commenced. Owner continued to negotiate with insurer. As of 2/15/24, roof repairs are complete. Unit Interior work has no anticipated start/completion date.	3
3068	Yes	Southern Villas of Perry	Perry	Taylor	36	6	4		3	EXTENSIVE	Initial report of extensive roof damage to four (4) residential buildings and one (1) non-residential building. Three (3) households reported as displaced. As of 9/30/2023, owner was soliciting bids from contractors and coordinating with claims adjusters. As of 10/31/2023, architect/engineer plans were received. All Interior demolition had been completed. One of the displaced households was transferred to another unit on site. All documentation required for permitting was expected by 11/30/2023. As of 12/31/2023, all roof and exterior repairs were complete. Interior work was complete on one (1) of three (3) units. As of 2/15/2024, interior drywall has been installed and inspections scheduled. Target completion date is 3/31/2024.	2

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as of 2/15/2024

HFA#	FEMA IA County	Development Name	City	County	Total Units	Total Bldgs.	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Progress as of 2/15/2024	Households Displaced as of 2/15/24
3023	Yes	Springhill	Madison	Madison	76	8	2	4	4	MODERATE	Initial report of moderate roof damage to two (2) residential buildings with four (4) households displaced as a result. As of 9/30/2023, all damaged roofs were tarped and owner was soliciting bids from contractors. As of 10/31/2023, owner continued to negotiate claim with insurance adjuster. As of 12/31/2023, owner continued to seek bids from contractors. No anticipated completion date at that time. As of 2/15/2024, roof repairs have been completed. Interior work is still pending with no anticipated start/completion date at this time.	3
3209	Yes	Timbers	Cross City	Dixie	32		8	1	0	MODERATE	Initial report of moderate damage to one (1) residential building with one (1) unit damaged. As of 10/31/2023, all affected buildings had been secured while the Owner continued to negotiate a claim with the insurance company. Construction period was estimated to be within 90 days of contract execution. A notice of commencement was issued on 12/26/2023. Anticipated completion date of all work was 3/31/2024. As of 2/15/2024, all work was completed.	0
Displaced Households- Total											8	

RFA	Application Number	Name of Development	Funding Amount	Name of Applicant	Name of Developers	County	Total Units	Dem. Commitment	Current Status	Assigned Credit Underwriter	Credit Underwriting Status, if applicable
2023-304 (RRLP)	2023-201R	Lofts on Lemon Phase II	\$10,657,100.00	Lofts on Lemon II, LLC	Lofts II Fortis Developer, LLC; SHA Affordable Development, LLC	Sarasota	93	F	Invited into credit underwriting on August 23, 2023.	First Housing	
2023-304 (RRLP)	2023-216BR	Palms Landing	\$8,096,200.00	SP Palms LLC	Southport Development, Inc.	Lee	88	F	Invited into credit underwriting on August 23, 2023.	First Housing	
2023-304 (RRLP)	2023-220BR	Legacy Park II	\$8,950,600.00	HTG Legacy II, Ltd.	HTG Legacy II Developer, LLC	Lee	80	E, Non-ALF	Invited into credit underwriting on August 23, 2023.	AmeriNat	
2023-304 (RRLP)	2023-226BR	New York Avenue Apartents	\$9,353,500.00	Blue Ian, LLC	Blue Ian Developer, LLC	Volusia	84	F	Invited into credit underwriting on August 23, 2023.	AmeriNat	
2023-304 (RRLP)	2023-196BR	Town Oaks Apartments	\$5,340,600.00	ECG Town Oaks, LP	ECG Town Oaks Developer, LLC	Orange	60	F	Invited into credit underwriting on August 23, 2023.	Seltzer	
2023-304 (RRLP)	2023-206BR	Lakewood Senior Housing	\$5,394,400.00	Lakewood Senior Housing, LLLP	ACRUVA Community Developers, LLC; Neighborhood Renaissance, Inc.	Volusia	56	E, Non-ALF	Invited into credit underwriting on August 23, 2023.	Seltzer	
2023-304 (RRLP)	2023-202BR	Oak Park	\$10,721,600.00	CORE Oak Park LLLP	CORE Oak Park Developer LLC	Lee	144	E, Non-ALF	Invited into credit underwriting on November 1, 2023.	First Housing	
2023-304 (RRLP)	2023-197BR	Princeton Oaks	\$9,227,900.00	Archway Princeton Oaks, LLC	Archway Princeton Oaks Developer, LLC	Orange	90	F	Invited into credit underwriting on November 1, 2023.	AmeriNat	
2023-304 (RRLP)	2023-211R	Amaryllis Park Place III	\$11,059,100.00	Amaryllis Park Place III, LLC	Amaryllis III Fortis Developer, LLC; SHA Affordable Development, LLC	Sarasota	108	F	Invited into credit underwriting on November 1, 2023.	Seltzer	
2023-108 (HC and RRLP)	2023-190CRA	Blue Coral Apartments	\$2,040,000 HC \$4,200,000 RRLP	Blue CASL Coral, LLC	Blue BC Developer, LLC; CASL Developer, LLC	Lee	72	H	Invited into credit underwriting on June 20, 2023. Carryover Allocation Agreement executed October 4, 2023.	First Housing	
2023-108 (HC and RRLP)	2023-192CRA	Fox Pointe	\$2,040,000 HC \$4,200,000 RRLP	HFH Fox Pointe, LLC	HTG Fox Pointe Developer, LLC; HFH Fox Pointe Developer, LLC	Volusia	70	H	Invited into credit underwriting on June 20, 2023. Carryover Allocation Agreement executed October 2, 2023.	Seltzer	
2022-206 (HOME)	2023-162H	Parc East	\$6,600,000.00	Parc East, LLC	Rural Neighborhoods, Incorporated	Okeechobee	28	F	Invited into credit underwriting on June 12, 2023.	AmeriNat	
2022-206 (HOME)	2023-163H	Wauchula Place	\$5,700,000.00	NDA Wauchula, LLC	NDA Developer, LLC	Hardee	22	F	Invited into credit underwriting on May 24, 2023. CUR approved by the Board at the December 15, 2023 meeting. Closing on or before April 30, 2024.	First Housing	
2022-206 (HOME)	2023-164H	Phoenix Crossings	\$6,250,000.00	Phoenix Crossings, LLC	Rural Neighborhoods, Incorporated	Flagler	28	F	Invited into credit underwriting on May 24, 2023.	AmeriNat	
2022-206 (HOME)	2023-165BH	Sovereign at Harbor West	\$6,173,749.00	Sovereign at Harbor West, LLC	Strategic Sovereign Developers, LLC; N Vision Communities, Inc.	Charlotte	32	F	Invited into credit underwriting on May 24, 2023.	Seltzer	
2022-206 (HOME)	2023-166BH	Sovereign at Parkside East	\$5,653,571.00	Sovereign at Parkside East, LLC	Strategic Sovereign Developers, LLC; N Vision Communities, Inc.	Charlotte	32	E, Non-ALF	Invited into credit underwriting on May 24, 2023.	Seltzer	
2022-206 (HOME)	2023-168H	Holy Child	\$6,994,000.00	Holy Child Housing, Inc.	NDA Developer, LLC; Holy Child Developer, Inc.	Hardee	25	F	Invited into credit underwriting on June 12, 2023. CUR approved by Board at October 27, 2023 meeting. Closing on or before March 29, 2024.	First Housing	

Exhibit C
Hurricane Ian - Progress Report on Reconstruction and Re-housing of Displaced Households
as of 2/15/2024

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 2/15/2024	Households Displaced at 2/15/2024
2278	Hurricane Ian	Yes	Renaissance Phase II	Ft. Myers	Lee	96	15	18	6	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement has been executed. Work is estimated to begin no later than May 1, 2024, and should be completed by year end.	0
2466	Hurricane Ian	Yes	Renaissance Phase III	Ft. Myers	Lee	88	8	11	4	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement has been executed. Work is estimated to begin no later than May 1, 2024, and should be completed by year end.	0

Exhibit C
Hurricane Ian - Progress Report on Reconstruction and Re-housing of Displaced Households
as of 2/15/2024

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 2/15/2024	Households Displaced at 2/15/2024
2710	Hurricane Ian	Yes	Renaissance Phase IV	Ft. Myers	Lee	88	8	11	3	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement has been executed. Work is estimated to begin no later than May 1, 2024, and should be completed by year end.	0

Exhibit C
Hurricane Ian - Progress Report on Reconstruction and Re-housing of Displaced Households
as of 2/15/2024

Displaced HHs with Catastrophic, Extensive, or Moderate Damage

HFA#	Event	FEMA IA County	Property-HDR	City	County	Ttl Units HDR	Buildings Damaged	Units Damaged	Households Displaced	Estimated Damage	Construction Progress as of 2/15/2024	Households Displaced at 2/15/2024
2010	Hurricane Ian	Yes	Renaissance Senior	Ft. Myers	Lee	120	1	8	0	EXTENSIVE	All tenants were relocated to other properties operated by the Housing Authority of the City of Ft. Myers (HACFM). As of 3/31/2023, HACFM was waiting on insurance funds and/or FEMA funding to begin roof replacement. All roofs were tarped. Anticipated completion date was 2024. As of 6/15/2023, owner was still waiting on funds from FEMA and/or insurance carrier to commence work. As of 9/30/2023, the owner continued to negotiate the claim with the insurer. Contract for roof work was anticipated no earlier than December 2023. Anticipated completion date for all work was during the first quarter of 2024. As of 2/15/2024, a contract for roof repairs/replacement has been executed. Work is estimated to begin no later than May 1, 2024, and should be completed by year end.	0
1608	Hurricane Ian	Yes	Valencia Gardens	Wauchula	DeSoto	104	1	16	16	CATASTROPHIC	Sixteen (16) units destroyed by fire due to the Hurricane. No anticipated completion date. Seven (7) households were re-housed at Valencia Gardens. As of 3/31/2023, debris removal had started. Bids for reconstruction of the building were being reviewed. A contract was anticipated to be finalized by 4/30/2023. As of 5/15/2023, the building site was cleared of all debris. As of 6/15/2023, owner and insurance carrier were working to finalize contracts for reconstruction. As of 7/31/2023, environmental and geotechnical site studies were being conducted along with draft architectural plans and preliminary cost estimates. As of 9/30/2023, full set of construction plans were complete and being reviewed by claims adjuster. Contractor would then provide updated price based on adjuster's review. As of 10/31/2023, plans were submitted to the local governments for permit review. As of 12/31/2023, a contract was executed and building permits were expected by 1/31/2024. As of 2/15/2024, owner is finalizing its building permit request to Hardee County. Permits expected to be issued by 3/31/2024.	9
Total											9	

Exhibit D
Hurricane Eta (FEMA-3551_FL) Damage Assessment
as of 2/15/2024

Development	City	County	Demographic	# Units	Damage reported	Current Status	# Displaced Households
Glorieta Gardens	Opa Locka	Miami-Dade	Family	330	Flood damage to first floor units of two (2) buildings	<p>According to management, the Local government agreed to issue permits to begin demolition work. However, commencement of work was dependent on a damaged storm drain line that extends from the property to a city-owned canal. As of 2/15/2021, management reported building permits were secured and all households had been relocated. Owners anticipated having the units back online by 4/30/2021. As of 4/9/2021, management reported the households had all been relocated to either a hotel or another unit at the development. As of 5/15/2021, management reported the completion had been extended to 7/31/2021 and there were 28 households displaced. As of 6/30/2021, management reported there were 26 households displaced. As of 7/31/2021, management reported there were 19 households displaced and anticipated completion date was October 31, 2021. As of 9/30/2021, management reported there were 43 units out of service and 15 households displaced. According to management, no work was completed due to a shortage in supplies/materials. Contractors had placed material and supply orders directly through the manufacturers to expedite delivery. Anticipated completion date was March 31, 2022. As of 2/15/2022, management reported 13 households displaced and the anticipated completion date was 3/31/2022. As of 3/31/2022, management reported 13 households were in hotels. Seven (7) units were ready for move-in on 3/31/2022. However, inspection backlogs within the City of Opa Locka Building Dept. delayed receipt of Certificates of Occupancy. As of 5/31/2022, management reported 24 units out of service and 8 households displaced. However, by Thursday, 6/2 only one tenant was anticipated to remain in a hotel. Pending additional site work, the new anticipated completion date was June 30, 2022. As of 8/31/2022, management reported 16 units out of service with 1 household displaced. As of 3/31/2023, management reported only one (1) unit remained out-of-service from flooding caused by Hurricane Eta and no households were displaced. As of 5/15/2023, management reported one (1) unit remained out-of-service while awaiting air quality testing and final inspection. As of 6/15/2023, management reported the unit had been fully inspected and a new tenant had a scheduled move-in date of June 28th. As of 2/15/2024, management reported the final unit remains unoccupied.</p>	1