



BOARD PACKAGE

Regular Board Meeting

May 18, 2022

REGULAR MEETING

A regular meeting of the Housing Finance Authority of Broward County (the "HFA"), Florida, will be held on Wednesday, May 18, 2022, at 5:30 p.m., in the 2nd Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida. All participants are encouraged to dial-in by phone. Details of the meeting are published in the [Broward County Sunshine Meeting Notices](#) and [Housing Finance Authority of Broward County](#) websites. The call-in information listed below for members of the public.

Call-in number: 1-408-418-9388

Meeting number (access code): 2631 954 8123

Meeting Password #: 56548338

CALLING OF THE ROLL

CONSENT AGENDA (Items 1 through 2)

1. Approval of April 30, 2022, Regular Meeting Minutes

MOTION TO APPROVE the Housing Finance Authority Regular Meeting Minutes on April 30, 2022.

2. Executive Director's (April Operational Report)

MOTION TO APPROVE the Housing Finance Authority Operational Report for April 30, 2022.

MOTION TO APPROVE the Consent Agenda Items 1 through 2



REGULAR AGENDA

PRESENTATION

3. Mr. Anthony Brunson, President/CEO of Anthony Brunson P.A., will present the 2021 Multifamily Housing Revenue Bonds Audited Financial Statements (Results Financial Overview).

MOTION TO APPROVE the HFA, Multifamily Housing Revenue Bonds Audited Financial Statements, for Fiscal Year ended September 30, 2021.

4. Financial Reports Monthly Overview – Ms. Linda Dufresne

MOTION TO APPROVE the Housing Finance Authority monthly financial reports for the month of April 30, 2022.

INFORMATION ITEM

5. The Gallery at FATVillage
6. **MATTERS OF HFA MEMBERS**
7. **MATTERS FROM THE FLOOR**
8. **NEXT BOARD MEETING**
June 15, 2022
9. **ADJOURNMENT**

ITEM 1

MINUTES
REGULAR BOARD MEETING
Wednesday, April 20, 2022

A regular Board Meeting of the Housing Finance Authority (“HFA”) of Broward County was held on Wednesday, April 20, 2022, at 5:30 p.m., in the 2nd Floor Conference Room, located at 110 Northeast 3rd Street, Fort Lauderdale, Florida.

CALLING OF THE ROLL

A Roll Call was taken by Sonia Isme. The meeting was conducted with a total of six (6) board members onsite constituting a quorum. Other participants listed present participated in the meeting via phone conference.

Board Member(s) Present

Daniel D. Reynolds, Chair – John G. Primeau, Vice Chair – Scott Ehrlich, Secretary
Colleen LaPlant, Assistant Secretary – Milette Manos, Member – Donna Jarrett-Mays, Member

Board Member(s) Absent

Ruth T. Cyrus, Member – Jose Lopez, Member

HFA Staff Present

Ralph Stone, Executive Director
Norman Howard, Manager
Sonia Isme, Administration

County Attorney

Annika Ashton, Deputy County Attorney
Alicia Lobeiras, Assistant County Attorney

Teleconference Participants Present

Deborah Zomermaand, Financial Advisory Svc
Linda Dufresne, Dufresne CPA Services, P. A.
Junious Brown, Nabors, Giblin & Nickerson, PA
JoLinda Herring, Bryant Miller Olive, P.A.
Rhonda B. Collins, Bryant Miller Olive, P.A.
Tim Wranovix, Raymond James



CONSENT AGENDA ITEMS (1 through 4)

1. Approval of March 16, 2022, Regular Meeting Minutes

MOTION TO APPROVE the Housing Finance Authority Regular Meeting Minutes on March 16, 2022.

2. Executive Director's (February Operational Report)

MOTION TO APPROVE the Housing Finance Authority Operational Report for March 31, 2022.

3. Zomermaand Financial Advisory Services, LLC

MOTION TO AUTHORIZE a one (1) year option to the Agreement between Zomermaand Financial Advisory Services, LLC and the HFA and provide an effective date, commencing from April 14, 2022, to April 13, 2023, for the HFA financial advisory services.

4. Federation Plaza

MOTION TO ADOPTED Resolution of the Housing Finance Authority of Broward County, Florida (the "Authority") amending Resolution no. 2022-002 adopted on January 19, 2022, to increase the expected maximum principal amount of bonds from \$37,000,000 to \$38,500,000; and providing an effective date for this Resolution.

Motion was made by John G. Primeau and seconded by Donna Jarrett-Mays to approve Consent Agenda Items 1 through 4 of the April 20, 2022, meeting. The motion was carried unanimously.

REGULAR AGENDA

5. The Gallery at FATVillage

Ralph Stone provided a brief overview of the developments progress and referred additional comments to Deborah Zomermaand. Ms. Zomermaand informed the board that the Credit Underwriter Report will be presented at the next meeting and that all bond documentation were substantially in its final form.

Motion was made by John G. Primeau and seconded by Donna Jarrett-Mays approving Resolution of the Housing Finance Authority of Broward County, Florida (the "HFA") authorizing the issuance of its Multifamily Housing Mortgage Revenue Note, Series 2022 (the Gallery at FATVillage) in a principal amount of not to exceed \$42,850,000 (the "Note") for the purpose of financing the construction and equipping of a multifamily housing project known as the Gallery at FATVillage located in Broward County, Florida; approving and

authorizing the execution and delivery of a Land Use Restriction Agreement by and among the HFA, the Bank of New York Mellon Trust Company, N.A., as Fiscal Agent and Related FATVillage, LLC, as Borrower; approving and authorizing the execution and delivery of a Funding Loan Agreement among the HFA, JPMorgan Chase Bank, N.A. and the Fiscal Agent; approving and authorizing the execution and delivery of a Project Loan Agreement among the HFA, the Borrower and the Fiscal Agent; approving and authorizing the execution and delivery of a Placement Agent Agreement for the Note by and among the HFA, Raymond James & Associates, Inc. and RBC Capital Markets, LLC; approving and authorizing the execution and delivery of a Fiscal Agent Fee Agreement by and between the HFA and the Fiscal Agent; approving and authorizing the execution of the assignment of the Multifamily Note; approving and authorizing the execution of the assignment of mortgage and loan documents; approving and authorizing the execution and delivery of certain additional agreements necessary or desirable in connection with the issuance of the Note; waiving the fee for services related to the HFA's annual audit of the Project; authorizing the proper Officers of the HFA to do all things necessary or advisable in connection with the issuance of the Note; and providing an effective date for this Resolution. The motion was carried unanimously.

6. Broward County External Audit Services Agreement

Ms. Colleen LaPlant informed the board that RSM US LLP were clients of Becker and Poliakoff, where she is employed, therefore, she must recuse herself from voting. Ms. LaPlant submitted form 8B – Memorandum of Voting Conflict to be reflected in the minutes.

Mr. Norman Howard explained the item was an agreement between Broward County and RSM US LLP for external audit services, joined by the Broward County Property Appraiser, the Broward County Sheriff, the Broward County Supervisor of Elections, the Broward County Clerk of Court, Housing Finance Authority of Broward County, Florida, and Health Facilities Authority of Broward County, Florida. He stated that the agreement was a five-year term that would not exceed \$850,000, and the HFA cost would be \$45,000 per year.

Mr. Ehrlich asked was there an attachment to the motion specifying the expense for each agency. Mr. Howard responded that an attachment would be included in agenda for the Board of County Commissioners upcoming May 2022 meeting.

Motion was made by John G. Primeau and seconded by Scott Ehrlich to approve Agreement between Broward County and RSM US LLP for External Audit Services, Joined by the Broward County Property Appraiser, the Broward County Sheriff, the Broward County Supervisor of Elections, the Broward County Clerk of Court, Housing Finance Authority of Broward County, Florida, and Health Facilities Authority of Broward County, Florida (RFP # GEN2123625P1), and authorizing the Chair or Vice Chair and Secretary or Assistant Secretary of the Housing Finance Authority of Broward County to execute a joinder to the Agreement. The motion was carried unanimously.

7. Financial Reports Monthly Overview – Ms. Linda Dufresne

Ms. Linda Dufresne provided a brief overview of the financial reports. She stated the profit and loss statements and budgetary comparisons have continued to show expenses below budget; and income items related to operations (*authority fees and application fees*) exceed budget and prior year. The balance sheet remains strong with no unusual items reported. *No discussion, questions, or concerns on this matter.*

Motion was made by Donna Jarrett-Mays and seconded by Colleen LaPlant to approve the Housing Finance Authority monthly financial report for the month of March 31, 2022. The motion was carried unanimously.

9. **MATTERS OF HFA MEMBERS**

Ms. Colleen LaPlant shared with the board an upcoming Affordable Housing Panel discussion being held at the Broward College Central Campus on May 5, 2022, encouraged by Broward County Commissioner, Beam Furr. She stated that it would be a great event to attend.

A discussion ensued amongst the board members and staff related to current housing crises and circumstances due to difficulties with affordable housing.

10. **MATTERS FROM THE FLOOR**

None.

11. **NEXT BOARD MEETING**

May 18, 2022

13. **ADJOURNMENT**

The Chair, Daniel D. Reynolds hearing no further comments, questions or discussions adjourned the meeting at 5:52p.m.

ITEM 2

MEMORANDUM

Date: May 5, 2022
To: Housing Finance Authority Board Members
Through: Ralph Stone, Executive Director *RS*
From: Norman Howard, Manager *NH*
Subject: April Operational Report

SINGLE-FAMILY

Information listed below is the foreclosure/bankruptcy report received from CitiMortgage for the months of February 28, 2022, and March 31, 2022. The report for the month of April 2022 has not been received from CitiMortgage to date.

Bankruptcy – February 2022

Loan Count	Total		1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
0	\$0		0	0	\$0	\$0

Foreclosure (180+ days) – February 2022

Loan Count	Total		1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
3	\$233,370		1	2	\$162,847	\$70,523

Bankruptcy – March 2022

Loan Count	Total	1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
0	\$0	0	0	\$0	\$0

Foreclosure (180+ days) – March 2022

Loan Count	Total		1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
3	\$233,370		1	2	\$162,847	\$70,523

Foreclosure (180+ days) – comparison between March 2021 to March 2022

Comparison Year	Foreclosures	1st Mortgage balance	2nd Mortgage balance	Total
March - 21	7	\$535,789	\$102,500*	\$759,965
March - 22	3	\$162,847	\$70,523**	\$233,370
Difference(+/-)	4	\$372,942	\$31,977	\$526,595

Note: * FY21 contain 7 foreclosures, 3 are second mortgages.

** FY22 contain 3 foreclosures, 2 are second mortgages.

MULTIFAMILY HOUSING BOND TRANSACTIONS

2022 Multifamily Housing Transactions update (*Attachment 1*).

MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM

2021/2022 MCC Program (ended date December 31, 2022)

Currently, the HFA has fifteen (15) lenders participating in the MCC Program. Program totals to date are as follows:

<i>MCC's by Lender</i>	<i>Commitments</i>	<i>Issued</i>	<i>Cancelled</i>
Academy Mortgage Corporation	0	0	0
Bank of America	4	2	0
Christensen Financial Inc	3	2	0
CMG Mortgage, Inc	0	0	0
Everett Financial, Inc (Supreme Lending)	0	0	0
Fairway Independent Mortgage	4	3	0
Florida State Mortgage Group, Inc	1	1	0
Hamilton Home Loans, Inc.	0	0	0
Home Financial Group, LLC	0	0	0
Home Mortgage Alliance Corporation	0	0	0
Loan Depot, LLC	4	1	0
My Mortgage Inc	1	0	0
Paramount Residential Mortgage Group	26	15	0

<i>MCC's by Lender</i>	<i>Commitments</i>	<i>Issued</i>	<i>Cancelled</i>
Point Mortgage Corp.	0	0	0
The Mortgage Firm	0	0	0
Totals	43	24	0
<i>Income to date (Y2021/22):</i> \$4,200			

MULTI-FAMILY COMPLIANCE MONITORING

Multifamily compliance monitoring; reporting for period January 21, 2022, through February 20, 2022.

Monthly Compliance

Review of this month's bond report shows all properties are following their respective Land Use Restriction Agreement (LURAs)

Occupancy Report

The HFA Rental Occupancy Report for period January 21, 2022, through February 20, 2022, is included (*Attachment 2*).

Annual Management Review and Inspections

There were no reviews or inspections completed during the reporting period January 21, 2022, to February 20, 2022.

ATTACHMENT 1

2022 MULTIFAMILY HOUSING BOND TRANSACTIONS – MAY 2022 UPDATE

<u>HFA RANKING</u>	1	2	3
<u>PROJECT NAME</u>	<u>The Gallery at FATVillage</u>	<u>Griffin Gardens II</u>	<u>Douglas Gardens IV Senior Health & Living (Combined w/Douglas Gardens VI)</u>
<u>PROJECT LOCATION</u>	600 N. Andrews Avenue Fort Lauderdale, FL 33311	4881 Griffin Rd., Davie, FL 33314	E. side of SW 88 th Ave., NE of the intersection of SW 88 th Ave & SW 89 th Ave., Pembroke Pine, FL
<u>DEVELOPER</u>	Related FATVillage, LLC	Building Better Communities, Inc.	Douglas Gardens IV Developer, LLC
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • RBC • BMO • First Housing 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • TBD • TBD • TBD
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$35,900,000 • \$42,850,000 • 	<ul style="list-style-type: none"> • \$21,000,000 • • 	<ul style="list-style-type: none"> • \$35,000,000 - \$40,000,000 • \$77,000,000 •
<u>TEFRA & Inducement</u>			
<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date HFA Approval/Amend.</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval/Amendment</i> 	<ul style="list-style-type: none"> • \$35,900,000 • March 24, 2021/January19, 2022 • March 22, 2022 • • • 	<ul style="list-style-type: none"> • • • • • 	<ul style="list-style-type: none"> • •
<u>ALLOCATION</u>			
<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> 	\$35,900,000/\$42,850,000	County General Funds	County AHTF Funding 04/2021 & County General Funds
<u>TRANSACTION STATUS</u>	<i>See Note #1</i>	<i>See Note #2</i>	<i>See Note #3</i>

<u>HFA RANKING</u>	4	5	6
<u>PROJECT NAME</u>	<u>Pinnacle 441 Phase 2</u>	<u>St. Joseph Manor II</u>	<u>Captiva Cove III</u>
<u>PROJECT LOCATION</u>	6028 Johnson St. Hollywood, FL 33024	On NW 6 th Ave. west of NW 3rd Ave. & NW 12 th St, to the South of St. Joseph Manor which is located at 1220 NW6th Ave., Pompano Beach FL 33060	S Dixie Highway, S Dixie Highway & SW 11 th St. Pompano Beach, FL
<u>DEVELOPER</u>	Pinnacle Communities, LLC	SHAG St. Joseph Developer, LLC & CHS St. Joseph Manor II Development, LLC	Cornerstone Group Partners, LLC
<u>PROFESSIONAL TEAM</u>	<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • TBD • TBD • TBD
<u>BOND AMOUNTS</u>	<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$22,000,000 • • 	<ul style="list-style-type: none"> • \$26,000,000 • \$27,000,000 •
<u>TEFRA & Inducement</u>	<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval</i> 	<ul style="list-style-type: none"> • • 	<ul style="list-style-type: none"> • •
<u>ALLOCATION</u>	<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> 	County General Funds	County General Funds &SAIL Application/2021-205
<u>TRANSACTION STATUS</u>	<i>See Note #4</i>	<i>See Note #5</i>	<i>See Note #6</i>

<u>HFA RANKING</u>	7	8	9
<u>PROJECT NAME</u>	<u>Federation Plaza</u>	<u>Tallman Pines – Phase I</u>	<u>Casa Lake Village</u>
<u>PROJECT LOCATION</u>	3081 Taft Street Hollywood, FL 33021	601 NE 38 th Ct., Deerfield Beach	NW 21 st St. & NW 37 th Terrace Lauderdale Lakes, Broward 33311
<u>DEVELOPER</u>	Related Affordable, LLC	Tallman Pines Villas, Ltd.	ACRUVA Community Developers, LLC.
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter (“CU”)</i> 	<ul style="list-style-type: none"> • RBC • BMO • Seltzer 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • TBD • TBD • TBD
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$37,000,000 • • 	<ul style="list-style-type: none"> • \$13,200,000 • • 	<ul style="list-style-type: none"> • \$15,900,000 • •
<u>TEFRA & Inducement</u>			
<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • • <i>Date of HFA Inducement</i> • • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval</i> 	<ul style="list-style-type: none"> • \$37,000,000/\$38,500,000 (Pending) • January 19, 2022/April 20, 2022 (Pending) • May 24, 2022/Pending 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • •
<u>ALLOCATION</u>			
<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> 	\$37,000,000/\$38,500,000 Pending	County General Funds	
<u>TRANSACTION STATUS</u>	<i>See Note #7</i>	<i>See Note #8</i>	<i>See Note #9</i>

<u>HFA RANKING</u>	10	11	12
<u>PROJECT NAME</u>	<i><u>(Deleted)</u></i> <i><u>Douglas Gardens VI Senior Health & Living (Combined with Douglas Gardens IV)</u></i>	<i><u>Golden Acres Senior Apartments</u></i>	
<u>PROJECT LOCATION</u>	705 SW 88 th Ave. Pembroke Pine, , FL 33025	NW 18 th Dr., NE of the intersection of NW 18 th Dr. & NW 12 th Dr., Pompano Beach, FL	
<u>DEVELOPER</u>	Douglas Gardens IV Developer, LLC	AMBAR3, LLC& HAPB Supporting Housing Opportunities, Inc.	
<u>PROFESSIONAL TEAM</u>			
<ul style="list-style-type: none"> • <i>Lead Underwriter</i> • <i>Bond Counsel</i> • <i>Credit Underwriter ("CU")</i> 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	
<u>BOND AMOUNTS</u>			
<ul style="list-style-type: none"> • <i>Bond Amount/Original Req.</i> • <i>Revised Request</i> • <i>CU Recommendation</i> 	<ul style="list-style-type: none"> • \$0 • • 	<ul style="list-style-type: none"> • \$14,750,000 • • 	
<u>TEFRA & Inducement</u>			
<ul style="list-style-type: none"> • <i>TEFRA/Inducement Amount</i> • <i>Date of HFA Inducement</i> • <i>Date of TEFRA Hearing</i> • <i>Date of HFA Approval</i> • <i>Date of BOCC App. TEFRA</i> • <i>BOCC Approval</i> 	<ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • • 	
<u>ALLOCATION</u>			
<ul style="list-style-type: none"> • <i>Allocation Approved by HFA</i> 	<i>County General Funds</i>		

Note #1:

Application to fund The Gallery at FATVillage in the 2021 allocation cycle was submitted to the HFA in response to the HFA's MF Notice of Funding Availability. The financing is expected to fund the new construction of 195 units of housing (affordable, workforce and market) and retail space on the ground floor, in Ft. Lauderdale. The requested bond amount was originally \$35,900,000 with a revision to \$42,580,000 submitted to the HFA on November 18, 2021. The inducement and TEFRA amount was increased to \$42,850,000. The building type is apartments with elevator access. The transaction is expected to close June 2022.

Note #2:

Application to fund Griffin Gardens II in the 2021 allocation cycle was submitted to the HFA on May 28, 2021. The financing is expected to fund the new construction of 76 units of affordable senior housing in Davie. The requested bond amount is \$21,000,000. The building type is elevator. The transaction is expected to close in 2022.

Note #3:

Application to fund Douglas Gardens IV Senior Health & Living in the 2021 allocation cycle was submitted to the HFA on June 4, 2021. The financing is expected to fund the new construction of 200 units of affordable senior housing in Pembroke Pines. The requested bond amount is between \$35,000,000 - \$40,000,000. The building type is elevator. The transaction is expected to close late 2022 or first quarter 2023.

Application to fund Douglas Gardens VI Senior Health & Living in the December 2021 RFP for \$29 Million New Construction of Affordable Housing was submitted to the County on December 3, 2021. The financing is expected to fund the new construction of 200 units of affordable senior housing in Pembroke Pines. The requested bond amount is \$37,000,000. The building type is elevator. The transaction is expected to close late 2022 or first quarter 2023.

Application to combine Douglas Gardens IV Senior Health & Living and Douglas Gardens VI Senior Health & Living was submitted to the HFA on March 2, 2022. The combined application is consistent with the two initial applications.

Note #4:

Application to fund Pinnacle 441 Phase 2 in the 2021 allocation cycle was submitted to the HFA on September 22, 2021. The financing is expected to fund the new construction of 100 units of affordable housing in Hollywood. The requested bond amount is \$22,000,000. The building type is elevator. The transaction is expected to close fourth quarter of 2022.

Note #5:

Application to fund St. Joseph Manor II in the 2021 allocation cycle was submitted to the HFA on September 17, 2021. The financing is expected to fund the new construction of 150 units of affordable housing in Pompano Beach. The requested bond amount was originally \$26,000,000 with a revision to \$27,000,000 submitted to the HFA on April 27, 2022. The building type is elevator. The transaction is expected to close fourth quarter 2022 or first quarter of 2023.

Note #6:

Application to fund Captiva Cove III in the 2021 allocation cycle was submitted to the HFA on October 15, 2021. The financing is expected to fund the new construction of 106 units of affordable housing in Pompano Beach. The requested bond amount was \$18,500,000 with a revision to \$19,000,000 submitted to the HFA on November 22, 2021. The building type is elevator. The transaction is expected to close first quarter of 2023.

Note #7:

Application to fund Federation Plaza in the 2021 allocation cycle was submitted to the HFA on November 18, 2021. The financing is expected to fund the acquisition and rehabilitation of 124 units of affordable housing in Hollywood. The requested a bond amount was \$37,000,000 with a requested revision to \$38,500,000 submitted to the HFA in March 2022. The building type is elevator. The transaction is expected to close September or October of 2022.

Note #8:

Application to fund Tallman Pines – Phase I in the 2021 allocation cycle was submitted to the HFA on November 23, 2021. The financing is expected to fund the new construction of 80 units of affordable housing in Deerfield Beach. The requested bond amount is \$13,200,000. The building type is walk-up. The transaction is expected to close first quarter of 2023.

Note #9:

Application to fund Casa Lakes Village in the 2021 allocation cycle was submitted to the HFA on November 30, 2021. The financing is expected to fund the new construction of 80 units of affordable housing in Lauderdale Lakes. The requested bond amount is \$15,900,000. The building type is elevator. The transaction is expected to close end of 2022 or first quarter of 2023.

Note #10: (Application Combined with Douglas Gardens VI Senior Health & Living)

Application to fund Douglas Gardens VI Senior Health & Living in the December 2021 RFP for \$29 Million New Construction of Affordable Housing was submitted to the County on December 3, 2021. The financing is expected to fund the new construction of 200 units of affordable senior housing in Pembroke Pines. The requested bond amount is \$37,000,000. The building type is elevator. The transaction is expected to close late 2022 or first quarter 2023.

Note #11:

Application to fund Golden Acres Senior Apartments in the December 2021 RFP for \$29 Million New Construction of Affordable Housing was submitted to the County on December 3, 2021. The financing is expected to fund the new construction of 100 units of affordable senior housing in Pompano Beach. The requested bond amount is \$14,750,000. The building type is walk-up apartments. The transaction is expected to close late first quarter 2023.

ATTACHMENT 2

Housing Finance Authority of Broward County
Rental Occupancy Report

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Property	Total Number of Units	From Mgmt Number of Units Occupied	% of Units Occupied	Previous month % of Lower Units Occupied February	From Mgmt Low Income Units Occupied	% Occupied by Low Income	LURA Low Income Requirement	Certificate of Compliance rec'd March	Vacant Units
Banyan Bay	416	396	95.2	49%	192	48.5	20%	4/8/2022	20
Chaves Lakes	238	235	98.7	82%	192	81.7	40%	3/31/2022	3
Emerald Palms	318	318	100.0	91%	285	89.6	40%	4/10/2022	0
Golden Villas	120	120	100.0	99%	119	99.2	40%	4/7/2022	0
Harbour Cove	212	209	98.6	88%	184	88.0	40%	3/25/2022	3
Heron Pointe	200	199	99.5	100%	199	100.0	40%	3/25/2022	1
Landings at Coconut Creek	268	263	98.1	21%	54	20.5	20%	4/8/2022	5
Lauderhill Point (fka Driftwood Terr)	176	169	96.0	100%	169	100.0	100%	4/11/2022	7
Los Prados	444	422	95.0	40%	165	39.1	20%	3/28/2022	22
Mar Lago Village	216	211	97.7	42%	88	41.7	40%	4/13/2022	5
Marquis	100	99	99.0	99%	98	99.0	40%	4/1/2022	1
Northwest Gardens V	200	190	95.0	100%	190	100.0	40%	4/10/2022	10
Palms of Deerfield	56	55	98.2	100%	55	100.0	100%	4/8/2022	1
Pembroke Park	244	243	99.6	81%	196	80.7	40%	3/29/2022	1
Pinnacle Village	148	146	98.6	99%	145	99.3	40%	4/7/2022	2
Praxis	224	207	92.4	100%	207	100.0	100%	4/10/2022	17
Prospect Park	125	124	99.2	100%	124	100.0	40%	4/7/2022	1
Regency Gardens	94	93	98.9	100%	93	100.0	40%	3/21/2022	1
Residences at Crystal Lake	92	92	100.0	100%	92	100.0	40%	4/15/2022	0
Sailboat Bend	37	37	100.0	89%	33	89.2	100%	4/20/2022	0
Sanctuary Cove	292	290	99.3	99%	286	98.6	40%	4/8/2022	2
Stanley Terrace	96	95	99.0	100%	95	100.0	40%	4/8/2022	1
Summerlake	108	108	100.0	99%	107	99.1	40%	4/19/2022	0
Woodsdale Oaks	172	170	98.8	100%	170	100.0	70%	4/8/2022	2
Totals	4,596	4,491			3,538	78.8%			105
Total % rate of occupancy for all properties		98%							
Pending Properties									
Federation Sunrise Apartments - closed 4/27/20		123							
Federation Davie Apartments - closed 10/7/20									

MULTI-FAMILY BOND RENTAL OCCUPANCY REPORT KEY

The Rental Occupancy Report was prepared by staff from Certifications of Continuing Compliance reports received from Multi Family property management.

Column B represents the total number of units the property has.

Column C represents the number of units occupied during the reporting period.

Column D represents the percentage of units occupied versus the total number.

Column E represents the percentage of total units that were lower income occupied during the month of February, 2022.

Column F represents the number of lower income units occupied.

Column G represents the percentage of lower income units occupied versus the total number of units available.

Column H represents the lower income requirement per the Land Use Restriction Agreement.

Column I represents the date the Certificate of Compliance was received by Housing Finance Authority. Dates may vary from the 22nd of the previous month to the 15th of the following month since bond reports are submitted according to the time frame set in the LURA.

Column J represents the number of units vacant for each property.

Columns that are blank represent no report was received from property management.

ITEM 3

**Housing Finance Authority of Broward County
May 18, 2022 – Board Meeting**

Anthony Brunson, P.A. – Presentation

Anthony Brunson, P.A., will present the 2021 Multifamily Mortgage Revenue Bonds Audited Results and Financial Overview for the Housing Finance Authority.

Enclosed

- *Presentation:* Report to those charged with Governance
- Multifamily Mortgage Revenue Bonds Audited Financial Statements for Year Ended September 30, 2021

Due to the large size of the document, the Bond Audit Audited Financial Statements for Year Ended September 30, 2021, (one copy) will be available at the meeting with staff prior to the conference call.

ITEM 4

Housing Finance Authority of Broward County

Dufresne CPA Services, PA – Overview of the April 2022 Financial Reports

The following are items considered to be of note regarding the financial reports for the month of April 2022:

- Balance sheets (Attachments 1 and 2) changes relate primarily to individual cash and investment account activity, including payments to BOCC and cash received on investments. The Artspace loan receivable and corresponding equal amounts recorded as Artspace – Due to BOCC were removed from the HFA balance sheet because the loan was forgiven. This transaction had no effect on the income statement.
- Balance sheet presentation reformatted to include a breakdown of the amounts on deposit in the Indemnification Fund.
- Audit adjustments posted to reverse accruals for items properly reported on audited financial statements and/or end of year closing entries for fiscal 2021
- Profit and Loss (Attachments 3, 4, and 5) – Total income is less than prior year, and as compared to budget, primarily as a result of the change in market value of investment portfolio. Income items directly related to operations such as bond authority fees and application fees exceed budget and prior year as a result of developer applications and other activities that generate fees. Expenses are less than budget.

Cash vs Accrual Basis for P&L Budget to Actual comparison (Attachment 5)

On a monthly basis the process to prepare the financial statements includes:

- a. Budgetary column – Cumulative 1/12 of the budgeted revenues and expenses are reported
- b. Actual column – Significant known revenue and expense items are accrued
 - a. Authority fees receivable are adjusted to correct accrual basis balance
 - b. Cumulative 1/12 of budgeted Personnel and Other Expenses due to BOCC are adjusted to correct accrual basis balance
 - c. Expenses for all invoices submitted to the HFA prior to month end are paid and recorded in the financial statements.
 - d. Bank and account management fees that are reported on the monthly bank statements are recorded as expense in the applicable month.

Index to Attachments

- Attachment 1, Page 2: Balance Sheet (Flux Report – April 2022 comparison to March 2022)
- Attachment 2, Page 3: Balance Sheet (Flux Report – April 2022 comparison to April 2021)
- Attachment 3, Page 4: P&L (Flux Report – April 2022 comparison to March 2022)
- Attachment 4, Page 5: P&L (Flux Report – April 2022 comparison to April 2021)
- Attachment 5, Page 6: P&L (Flux Report – Budget to Actual)
- Attachment 6, Page 7: Aged Receivables Report as of April 30, 2022
- Attachment 7, Page 8: Wells Fargo Bank Reconciliation Report – Operating at April 30, 2022
- Attachment 8, Page 9: Cumulative Net Change in Investment Value as of April 30, 2022

Attachment 1
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Balance Sheet (Flux Report)
4/30/2022

	<u>Apr-22</u>	<u>Mar-22</u>	<u>\$ Difference</u>	<u>% Difference</u>	<u>Explanation</u> <u>(See criteria below)</u>
Assets					
Cash-Wells Fargo	\$ 1,487,187	\$ 1,431,076	56,111	4%	
Cash- LOC	6,397	6,396	1	0.02%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 75,000				
Indemnification Deposits	500,000				
Interest	24,002				
	<u>599,002</u>	<u>598,997</u>	5	0.001%	
Cash-BNY Mellon Custody Account	1,284,482	1,263,106	21,376	2%	
Total Cash	<u>3,377,068</u>	<u>3,299,575</u>			
Investments-BNY Mellon Custody Account	10,661,409	10,851,834	(190,425)	-2%	2,4
Note Receivable-DPA	220,000	220,000	-	NA	
Authority Fees Receivable	142,260	91,302	50,958	56%	1
Interest Receivable	33,678	18,606	15,072	81%	1
Notes Receivable-CDC	163,056	164,028	(972)	-1%	
Notes Receivable - Mt. Olive	151,156	156,156	(5,000)	-3%	
HFA Mortgage Receivables	7,581	7,624	(43)	-1%	
Whole Loan Mortgages Receivable	348,670	348,670	-	NA	
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,104)	-	NA	
Loan Receivable - SE FL CDF	272,626	505,126	(232,500)	-46%	3
Utility Deposit	1,925	1,925	-	NA	
HFA Land	621,704	621,704	-	NA	
HFA Buildings	1,036,000	1,036,000	-	NA	
Equipment	90,258	90,258	-	NA	
Capital Assets BOCC (Tagged)	127,474	127,474	-	NA	
Accumulated Depreciation -BOCC	(127,474)	(127,474)	-	NA	
Accumulated Depreciation, HFA	(763,659)	(763,659)	-	NA	
Total Assets	<u>16,279,627</u>	<u>16,556,044</u>			
Deferred Outflows					
Deferred outflows related to pension	251,761	251,761	-	NA	
Total Assets and Deferred outflows	<u>\$ 16,531,388</u>	<u>\$ 16,807,806</u>			
Liabilities					
Accounts Payable	\$ 16,077	\$ -	16,077	100%	4
Accrued Sick/Vacation, ST	48,000	48,000	-	NA	
Due to BOCC - Exp reimb	269,627	404,440	(134,813)	-33%	5
Good Faith Deposits	75,000	75,000	-	NA	
Net Pension Liability - Pension	314,443	314,443	-	NA	
Net Pension Liability - HIS	140,799	140,799	-	NA	
Accrued Sick/Vacation, LT	45,000	45,000	-	NA	
Total Liabilities	<u>908,946</u>	<u>1,027,682</u>			
Deferred Inflows					
Deferred inflows related to pension	64,637	64,637	-	NA	
Equity					
Beginning of year	16,147,268	16,147,268			
Prior Period Adjustment	(36,802)	(36,802)	-	NA	
Current Year Earnings	(552,662)	(394,979)			
Total Equity	<u>15,557,804</u>	<u>15,715,487</u>			
Total Liabilities, Deferred Inflows and Equity	<u>\$ 16,531,388</u>	<u>\$ 16,807,806</u>			

Criteria to determine if explanations are required:

Cash and investment fluctuation explanations are provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior month

- 1 Timing of receipts/payments and accruals based on budget
- 2 Gain/Loss related to current market conditions
- 3 Partial repayment of principal loaned to SE FL CDF
- 4 GNMA paydowns in Investments-BNY used to buy treasury in Cash-BNY
- 5 Expenses due as of 12/31/21 paid to BOCC in current month
- 6 Deposits to be reversed

Attachment 2
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Balance Sheet (Flux Report)
4/30/2022

	Apr-22	Apr-21	\$ Difference	% Difference	Explanation (See criteria below)
Assets					
Cash-Wells Fargo	\$ 1,487,187	\$ 619,033	868,154	140%	3,5
Cash- LOC	6,397	6,395	2	0.03%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 75,000				
Indemnification Deposits	500,000				
Interest	24,002				
	599,002	628,926	(29,924)	-5%	
Cash-BNY Mellon Custody Account	1,284,482	1,448,775	(164,293)	-11%	2,5
Total Cash	<u>3,377,068</u>	<u>2,703,129</u>			
Investments-BNY Mellon Custody Account	10,661,409	11,834,019	(1,172,610)	-10%	2,8
Note Receivable-DPA	220,000	250,000	(30,000)	-12%	4
Authority Fees Receivable	142,260	92,364	49,896	54%	1
Audit Fees Receivable	18,000	12,000	6,000	50%	1
Interest Receivable	33,678	37,087	(3,409)	-9%	
Notes Receivable-CDC	163,056	174,722	(11,666)	-7%	
Notes Receivable-Mt. Olive	151,156	171,156	(20,000)	-12%	4
HFA Mortgage Receivables	7,581	8,089	(508)	-6%	
Whole Loan Mortgages Receivable	348,670	420,902	(72,232)	-17%	9
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,500)	396	-0.4%	
Loan Receivable - SE FL CDF	272,626	521,232	(248,606)	-48%	4
Due from Artspace	-	609,682	(609,682)	-100%	7
Utility Deposit	1,925	1,925	-		NA
HFA Land	621,704	621,704	-		NA
HFA Buildings	1,036,000	1,036,000	-		NA
Equipment	90,258	90,258	-		NA
Capital Assets BOCC (Tagged)	127,474	127,474	-		NA
Accumulated Depreciation -BOCC	(127,474)	(127,474)	-		NA
Accumulated Depreciation, HFA	(763,659)	(763,659)	-		NA
Total Assets	<u>16,279,627</u>	<u>17,718,109</u>			
Deferred Outflows					
Deferred outflows related to pension	251,761	251,761	-		NA
Total Assets and Deferred outflows	<u>\$ 16,531,388</u>	<u>\$ 17,969,870</u>			
Liabilities					
Accounts Payable	\$ 16,077	\$ -	16,077	100%	11
Accrued Sick/Vacation, ST	48,000	48,000	-		NA
Due to BOCC - Exp reimb	269,627	259,037	10,590	4%	
Due to BOCC - Artspace project	-	428,070	(428,070)	-100%	7
Due to BOCC - Artspace Interest	-	181,612	(181,612)	-100%	7
Good Faith Deposits	75,000	145,000	(70,000)	-48%	10
Net Pension Liability	-	455,242	(455,242)	-100%	6
Net Pension Liability - Pension	314,443	-	314,443	100%	6
Net Pension Liability - HIS	140,799	-	140,799	100%	6
Accrued Sick/Vacation, LT	45,000	45,000	-		NA
Total Liabilities	<u>908,946</u>	<u>1,561,961</u>			
Deferred Inflows					
Deferred inflows related to pension	64,637	64,637	-		NA
Equity					
Beginning of year	16,147,268	16,310,249			
Prior Period Adjustment	(36,802)	40,070	(76,872)	-192%	9
Current Year Earnings	(552,662)	(7,047)			
Total Equity	<u>15,557,804</u>	<u>16,343,272</u>			
Total Liabilities, Deferred Inflows and Equity	<u>\$ 16,531,388</u>	<u>\$ 17,969,870</u>			

Criteria to determine if explanations are required:

Cash and investment fluctuation explanations are provided for >=\$100,000 variance

Remaining items explanations are provided for >=10% and >=\$5,000 variance

NA No change as compared to prior year

- 1** Timing of receipts/payments and accruals based on budget
- 2** GNMA paydowns in Investments-BNY used to buy treasury in Cash-BNY
- 3** Closing fees for new bond issues deposited to WF Checking FY 2022
- 4** Payments received on notes receivable after April 2021
- 5** Loans to SE FL Community Development Fund made in installments from BNY-Custody Cash and partially repaid to Cash-Wells Fargo
- 6** Net Pension Liability split into Pension and HIS for FY 2022
- 7** BOCC discharged the obligation to repay the Artspace advance and accrued interest after April 2021
- 8** Gain/Loss related to current market conditions and changes in the composition of the investment portfolio
- 9** Audit adjustments
- 10** Return of Good Faith Deposits during FY 2022
- 11** Deposits to be reversed

Attachment 3
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report)
4/30/2022

	Apr-22	Mar-22	\$ Difference	% Difference to Prior Month	*Explanation
Income					
Bond Authority Fees	\$ 443,291	\$ 377,012	66,279	18%	1
Inducement Fees	1,500	1,500	-	0%	
Application, TEFRA and Closing Fees	222,919	221,919	1,000	0.5%	
MCC and Lender Program Income	7,779	6,590	1,189	18%	
Interest Income, Mortgages	307	263	44	17%	
Interest Income, BNY Mellon	187,486	162,436	25,050	15%	1
Net Change in Investment Value	(817,331)	(638,308)	(179,023)	28%	2
Interest Income, SFCDF Loan	10,653	9,442	1,211	13%	
Total Income	\$ 56,604	\$ 140,854			
Expenses					
Personnel Services, Broward Co	\$ 356,513	\$ 299,155	57,358	19%	1
Other Expenses, Broward County	93,821	105,285	(11,464)	-11%	1
Professional Fees	94,780	75,670	19,110	25%	1
Bank Management Fees	2,243	2,235	8	0.4%	
Advertising/Marketing	1,262	1,076	186	17%	
Dues and Membership Fees	3,395	3,395	-	0%	
Conference and Travel Expense	10,100	10,100	-	0%	
Building/Land Maintenance	33,119	26,960	6,159	23%	1
Utilities	14,033	11,957	2,076	17%	
Total Expenses	\$ 609,266	\$ 535,833			
Net Profit/(Loss)	\$ (552,662)	\$ (394,979)	(157,683)	40%	2

Explanations provided for >=10% and >= \$5,000 variance

- 1** Timing of receipts/payments and accruals based on budget
- 2** Gain/Loss related to current market conditions

"%Difference to Prior Month" Column Legend

- 100%** - Actual % change or no amount reported in one of the two columns
- 0%** - Current month amount is equal to prior month amount

Attachment 4
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report)
4/30/2022

	Apr-22	Apr-21	\$ Difference	% Difference to Prior Year	*Explanation
Income					
Bond Authority Fees	\$ 443,291	\$ 422,006	21,285	5%	
Inducement Fees	1,500	4,500	(3,000)	-67%	
Compliance Monitoring Fees	-	6,000	(6,000)	-100%	2
Application, TEFRA and Closing Fees	222,919	138,250	84,669	61%	3
MCC and Lender Program Income	7,779	27,619	(19,840)	-72%	2
Interest Income, Mortgages	307	375	(68)	-18%	
Interest Income, BNY Mellon	187,486	277,634	(90,148)	-32%	1
Net Change in Investment Value	(817,331)	(259,202)	(558,129)	215%	1
Interest Income, SFCDF Loan	10,653	2,711	7,942	293%	4
Total Income	<u>\$ 56,604</u>	<u>\$ 619,893</u>			
Expenses					
Personnel Services, Broward Co	\$ 356,513	\$ 349,486	7,027	2%	
Other Expenses, Broward County	93,821	96,959	(3,138)	-3%	
Professional Fees	94,780	123,399	(28,619)	-23%	2
Bank Management Fees	2,243	2,062	181	9%	
Advertising/Marketing	1,262	1,269	(7)	-1%	
Dues and Membership Fees	3,395	3,395	-	0%	
Conference and Travel Expense	10,100	5,000	5,100	102%	2
Building/Land Maintenance	33,119	29,009	4,110	14%	
Utilities	14,033	11,006	3,027	28%	
Capital Outlay Expense	-	5,355	(5,355)	-100%	2
Total Expenses	<u>\$ 609,266</u>	<u>\$ 626,940</u>			
Net Profit/(Loss)	<u>\$ (552,662)</u>	<u>\$ (7,047)</u>	(545,616)	7743%	1

Explanations provided for >=10% and >= \$5,000 variance

- 1 Gain/Loss related to current market conditions and changes in the composition of the investment portfolio**
- 2 Timing of receipts/payments and accruals based on budget**
- 3 More new bond issues in FY2022**
- 4 Fluctuations of SFCDF Loan interest receipts tied to fluctuations in SFCDF Loan balance**

"%Difference to Prior Year" Column Legend

100% - Actual % change or no amount reported in one of the two columns
0% - Current year amount is equal to prior year amount

Attachment 5
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report) Budget to Actual
Year to Date As of April 2022

	Selected Period	Budget for Selected Period	\$ Difference	% Difference to budget	*Explanation	Total Annual Budget Amount
Income						
Bond Authority Fees	\$ 443,291	\$ 311,432	(131,859)	-42%	1	\$ 533,884
Bond redemption & other income	-	118,914	118,914	100%	1	203,852
Application, TEFRA and Closing Fees	222,919	-	(222,919)	NA		-
MCC and Lender Program Income	7,779	10,208	2,429	24%		17,500
Interest Income, Mortgages	307	-	(307)	NA		-
Interest Income, BNY Mellon	187,486	190,167	2,681	1%		326,000
Net Change in Investment Value	(817,331)	-	817,331	NA		-
Interest Income, SFCDF Loan	10,653	-	(10,653)	NA		-
Rent Income	-	70,609	70,609	100%	1	121,044
Total Income	\$ 56,604	\$ 701,330				\$ 1,202,280
Expenses						
Personnel Services, Broward Co	\$ 356,513	\$ 349,014	(7,499)	-2%		\$ 598,310
Other Expenses, Broward County	93,821	122,833	29,012	24%	1	210,570
Professional Fees	94,780	115,500	20,720	18%	1	198,000
Bank Management Fees	2,243	3,267	1,024	31%		5,600
Advertising/Marketing	1,262	2,917	1,655	57%		5,000
Dues and Membership Fees	3,395	3,792	397	10%		6,500
Conference and Travel Expense	10,100	14,583	4,483	31%		25,000
Postage/FedEx	-	117	117	100%		200
Building/Land Maintenance	33,119	47,250	14,131	30%	1	81,000
Utilities	14,033	12,892	(1,141)	-9%		22,100
Capital Outlay Expense	-	29,167	29,167	100%	1	50,000
Total Expenses	\$ 609,266	\$ 701,330				\$ 1,202,280
Net Profit/(Loss)	\$ (552,662)	\$ 0				\$ 0

Budgeted Expenses - Actual Expenses = \$ 92,064 Under Budget

* Explanations provided for >=10% and >= \$5,000 variance

1 Timing of receipts/payments and accruals based on budget

NA - No Budget amount

100% - Actual is zero

Attachment 6
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301

Aged Receivables
4/30/2022

Authority fee receivable	Total Due	0 - 30	31 - 60	61 - 90	90+
1996 Banyan Bay	\$ 22,075	\$ 22,075	\$ -	\$ -	-
1996 Los Prados	26,416	26,416			
2006 Woodsdale	12,356				12,356
2008 Golden Villas	2,511	2,511			
2015 Crystal Lake	5,463	5,463			
2018 Emerald Palms	32,130		32,130		
2018 NW Gardens	11,509			11,509	
2020 Federation Davie Apts	19,000	19,000			
2020 Marquis Apts	10,800	10,800			
Total Authority Fee Receivable	\$ 142,260	\$ 86,265	\$ 32,130	\$ 11,509	\$ 12,356

2877 Broward Housing Finance Authority

110 NE Third Street #300
Fort Lauderdale, FL 33301

Attachment 7

Reconciliation Report

5/4/2022
11:09:33 AM

Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 4/30/2022				
Last Reconciled: 3/31/2022				
Last Reconciled Balance: \$1,431,076.10				
 Cleared Checks				
GJ000955	4/4/2022	WF:Utility debit		\$290.38
GJ000956	4/5/2022	WF:Utility debit		\$94.03
5275	4/11/2022	Sun-Sentinel		\$185.30
5278	4/11/2022	City of Ft Lauderdale		\$200.15
SC043022	4/11/2022	WF:ClientAnlysSrvCChrg Apr2		\$8.41
5282	4/18/2022	Zomermaand Financial Advisor		\$5,600.00
GJ000962	4/28/2022	WF:Utility debits		\$1,692.19
Total:			\$0.00	\$8,070.46

Cleared Deposits

GJ000954	4/4/2022	WF:SE FL CDF Int receipt	\$1,211.37	
CR000191	4/5/2022	Payment; 2008 Driftwood	\$15,321.46	
GJ000957	4/8/2022	"WF:2ndMtgP&I,MtOlivePmt,Br	\$6,059.06	
GJ000958	4/8/2022	WF:SE FL CDF partial Loan re	\$232,499.96	
GJ000959	4/19/2022	WF: Lee County income	\$1,039.23	
GJ000960	4/22/2022	"WF:AppFee,MCC Fees"	\$650.00	
GJ000961	4/26/2022	WF:BankError-UnderInvestigat	\$5,547.69	
GJ000961	4/26/2022	WF:BankError-UnderInvestigat	\$10,529.51	
GJ000963	4/29/2022	WF:AppFee	\$500.00	
Total:			\$273,358.28	\$0.00

Outstanding Checks

5276	4/11/2022	Holmes Lawn Services		\$335.00
5277	4/11/2022	L&B Janitorial Services		\$4,583.60
5279	4/11/2022	Dufresne CPA Services, PA		\$10,010.00
5280	4/11/2022	TECO Peoples Gas		\$47.89
5281	4/18/2022	Anthony Brunson P.A.		\$9,000.00
5283	4/18/2022	Tropic Fence Inc.		\$250.00
5284	4/19/2022	TECO Peoples Gas		\$47.89
5285	4/29/2022	Dufresne CPA Services, PA		\$3,500.00
5286	4/29/2022	Krystal Kleer		\$360.00
5287	4/29/2022	Broward County Board of Coun		\$180,707.18
5288	4/29/2022	Holmes Lawn Services		\$335.00
Total:			\$0.00	\$209,176.56

Reconciliation

AccountEdge Pro Balance on 4/30/2022:	\$1,487,187.36
Add: Outstanding Checks:	\$209,176.56
Subtotal:	\$1,696,363.92
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$1,696,363.92</u>

Attachment 8
Cumulative Net Change in Investment Value
Prior Year-to-Date Comparison to Current Year-to-Date

	<u>4/30/2021</u>	<u>4/30/2022</u>
BNY Mellon Custody Acct	<u>\$ (259,202)</u>	<u>\$ (817,331)</u>
Cumulative Net Change in Investment Value		<u>\$ (558,129)</u>

ITEM 5

Housing Finance HFA of Broward County
May 18, 2022 – Board Meeting

Multifamily Bonds – Information Item - *Draft Credit Underwriting Report for The Gallery at FATVillage.*

Background

1. On February 24, 2021, the HFA received a multifamily bond application from Related FATVillage, LLC (the “Developer”) pertaining to a 195-unit new construction development, known as The Gallery at FATVillage (the “Development”). The Development will be located at 600 N. Andrews Avenue, Fort Lauderdale, FL 33311.
2. At its March 21, 2021, meeting, the HFA adopted an Inducement for the Development in the amount not to exceed \$35,900,000. The Developer subsequently requested that the Note amount be increased to \$42,850,000. At its January 19, 2022, meeting the HFA adopted an amendment to the Inducement Resolution providing for an amount not to exceed \$42,850,000.
3. The TEFRA hearing was held on March 22, 2022, and the Mayor and City Manager of Ft. Lauderdale were provided notice regarding the potential construction of the Development prior to the HFA holding a TEFRA hearing.
4. At its April 20, 2022, meeting the HFA approved a Resolution providing authorization and/or approval: a) to issue the HFA’s Multifamily Housing Mortgage Revenue Note, Series 2022 (The Gallery at FATVillage) (the “Note”) in an principal amount not to exceed \$42,850,000, b) of the form, execution and delivery of the documents included as Exhibits A-H hereto, c) to execute certain additional agreements, instruments, certifications, and affidavits in connection with the issuance of the Note, d) to waive the annual audit fee, e) take other actions required to issue and deliver the Note, and f) for the establishment of an effective date; all the foregoing for the purpose of financing the acquisition, construction, and equipping of a multifamily residential rental development in Broward County, Florida.
5. At the April 20, 2022, meeting, the HFA was advised that the Credit Underwriting Report would be provided as an Informational Item at the May 20,2022 HFA meeting.

Present Situation

1. The Draft Credit Underwriting Report is attached.
2. A final Credit Underwriting Report will be provided prior to closing. The Final Credit Underwriting Report will address all final third party reports, closing conditions and final bond recommendations.

EXHIBIT

1. Draft Credit Underwriting Report

ATTACHMENT 1

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY (“HFABC”)**

Credit Underwriting Review Report

Tax Exempt Multifamily Mortgage Revenue Note (“MMRN” or “Note”)

The Gallery at FATVillage

Section A: Report Summary

Section B: MMRN Loan Conditions

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

Draft Report

May 10, 2022

The Gallery at FATVillage

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Section A
Report Summary

Review

First Housing Development Corporation of Florida (“First Housing”) has reviewed this request, from the Borrower, but at this time has not received enough information to make a recommendation. This Credit Underwriting Review (“CUR”) is for informational purposes only.

DEVELOPMENT & SET-ASIDES																
Development Name:		<u>The Gallery at FATVillage</u>														
Address:		<u>600 North Andrews Avenue</u>														
City:		<u>Fort Lauderdale</u>	Zip Code:		<u>33311</u>	County:		<u>Broward</u>	County Size:							<u>Large</u>
Development Category:				<u>New Construction</u>				Development Type:								<u>High Rise</u>
Construction Type:		<u>Masonry</u>														
Demographic Commitment:		Primary: <u>Family</u> for <u>100%</u> of the Units														

Broward County (Fort Lauderdale 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	7	502	50%			\$793	\$50	\$ 743		\$ 740	\$ 720	\$ 743	\$ 62,412
0	1.0	26	502	120%			\$1,905	\$50	\$ 1,855		\$ 1,850	\$ 1,798	\$ 1,855	\$ 578,760
0	1.0	2	502	MKT							\$ 2,000	\$ 2,000	\$ 2,000	\$ 48,000
1	1.0	21	675	50%			\$850	\$66	\$ 784		\$ 795	\$ 759	\$ 784	\$ 197,568
1	1.0	60	675	120%			\$2,041	\$66	\$ 1,975		\$ 1,985	\$ 1,914	\$ 1,975	\$ 1,422,000
1	1.0	24	675	MKT							\$ 2,600	\$ 2,574	\$ 2,600	\$ 748,800
2	2.0	11	1,074	50%			\$1,021	\$99	\$ 922		\$ 951	\$ 891	\$ 922	\$ 121,704
2	2.0	25	1,074	120%			\$2,451	\$99	\$ 2,352		\$ 2,379	\$ 2,277	\$ 2,352	\$ 705,600
2	2.0	19	1,074	MKT							\$ 3,400	\$ 2,871	\$ 3,400	\$ 775,200
		195	147,515											\$ 4,660,044

- Rents listed in the Appraiser column are 2021 maximum LIHTC rents listed in the Market Study. First Housing has used the 2022 maximum LIHTC rents for the affordable units.

The utility allowances are based on an Energy Consumption Model Estimate for electricity prepared by KN Consultants, LLC (“KN Consultants”) on March 22, 2022. The study was sent to Florida Housing Finance Corporation (“Florida Housing” or “FHFC”) for approval for credit underwriting purposes only. Approval of the utility allowances is a condition of this report.

This CUR is conditioned upon an Appraisal which supports the proposed rents, as well as an updated Market Study.

Buildings: Residential - 1 Non-Residential - 0
Parking: Parking Spaces - 57 Accessible Spaces -

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN	20.0%	39	50%	15
HC	20.0%	39	50%	30

Absorption Rate 40 units per month for 4.9 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
Occupancy Comments N/A New Construction

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: No
Site Acreage: 1.71 Density: 114.0351 Flood Zone Designation: A
Zoning: 1.1708 Flood Insurance Required?: Yes

- The property is located within Zones “A” and “X”. Flood Zone “A” is an area inundated by a 1% annual chance of flooding as no Base Flood Elevation (“BFE’s”) has been determined. Mandatory flood insurance may be required.

DEVELOPMENT TEAM			
Applicant/Borrower:	Related FATVillage, LLC	% Ownership	
Manager	Related FATVillage Manager, LLC		0.0100%
Member	Gallery at FATVillage Investor, LLC		99.9900%
Construction Completion Guarantor(s):			
CC Guarantor 1:	Related FATVillage, LLC		
CC Guarantor 2:	Related FATVillage Manager, LLC		
CC Guarantor 3:	JMPFT Affordable, LLC		
CC Guarantor 4:	PRH Investments, LLC		
CC Guarantor 5:	FAT Village 600, LLC		
CC Guarantor 6:	Nicholas Perez		
CC Guarantor 7:	Related FATVillage Developer, LLC		
Operating Deficit Guarantor(s):			
OD Guarantor 1:	Related FATVillage, LLC		
OD Guarantor 2:	Related FATVillage Manager, LLC		
OD Guarantor 3:	JMPFT Affordable, LLC		
OD Guarantor 4:	PRH Investments, LLC		
OD Guarantor 5:	FAT Village 600, LLC		
OD Guarantor 6:	Nicholas Perez		
OD Guarantor 7:	Related FATVillage Developer, LLC		
Note Purchaser	JPMorgan Chase ("Chase") (Construction)/Grandbridge Real Estate Capital, LLC ("Grandbridge")(Permanent) and Freddie Mac		
Developer:	Related FATVillage Developer, LLC		
General Contractor 1:	Fortune Urban Construction, LLC		
Management Company:	TRG Management Company LLP		
Syndicator:	Gallery at FATVillage Investor, LLC		
Note Issuer:	HFABC		
Architect:	Cohen Freedman Encinosa and Associates		
Market Study Provider:	Meridian Appraisal Group, Inc. ("Meridian")		
Appraiser:	Walter Duke and Associates		

PERMANENT FINANCING INFORMATION

	1st Source
Lien Position	First
Lender/Grantor	Grandbridge/ Freddie Mac/HFABC
Amount	\$39,020,000
Underwritten Interest Rate	5.68%
All In Interest Rate	5.68%
Loan Term	15
Amortization	35
Loan to Cost - Cumulative	70%
Debt Service Coverage	1.13
Operating Deficit & Debt Service Reserves	\$527,508
# of Months covered by the Reserves	1.5

Deferred Developer Fee	\$7,376,036
Projected Net Operating Income (NOI) - Year 1	\$2,979,737
Projected Net Operating Income (NOI) - 15 Year	\$3,662,104
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Private Placement
Housing Credit (HC) Syndication Price	\$0.87
HC Annual Allocation - Equity Letter of Interest	\$421,586

CONSTRUCTION/PERMANENT SOURCES:

Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Note	Chase/HFABC	\$39,020,000	\$39,020,000	\$200,103
Affiliate / Principal	Related FATVillage	\$6,830,849	\$6,002,935	\$30,784
Operating Deficit	N/A	\$777,508	\$0	\$0
HC Equity	Gallery at FATVillage Investor, LLC	\$1,833,716	\$3,667,431	\$18,807
Deferred Developer Fee	Related FATVillage Developer, LLC	\$7,604,329	\$7,376,036	\$37,826
TOTAL		\$56,066,402	\$56,066,402	\$287,520

Strengths:

1. The Principals, and Development Team, as well as the General Contractor, and Management Group are experienced in this field.
2. The Guarantors have sufficient financial resources to develop, construct, and operate the proposed Development.
3. Meridian concluded a capture rate of 1.1% for the 50% Area Median Income (“AMI”) set-aside units and 0.7% for the 120% AMI set aside units.

Other Concerns:

1. None

Mitigating Factors:

1. None.

Additional Information:

1. The Applicant has applied to Grandbridge to provide permanent funding (“Funding Loan”) pursuant to the Freddie Mac Tax-Exempt Loan Program. The Funding Loan is requested pursuant to any Federal, State or Local requirements concerning the proposed tax-exempt private activity allocation and/or Low-Income Housing Tax Credit requirements. The Funding Loan will be originated by Chase on behalf of HFABC (“Government Lender”) for subsequent purchase by and delivery to Freddie Mac, shortly after conversion. The proceeds of the Funding Loan will be used by HFABC to fund a mortgage loan with matching economic terms (“Project Loan”) to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of HFABC secured solely by receipts and revenues from the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the MMRN structure, the Funding Loan replaces the purchase by Freddie Mac of the tax-exempt bonds.

Review:

First Housing Development Corporation of Florida (“First Housing”) has reviewed this request, from the Borrower, but at this time has not received enough information to make a recommendation. This CUR is for informational purposes only.

This Review is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). This review is conditioned upon the following:

1. First Housing recommends that the loan documents be compared to the CUR in order to verify loan terms and equity payments prior to closing.
2. Since the Limited Member is a related party of the Applicant and Developer, First Housing recommends that the housing credit equity needed to complete construction and the Developer equity needed to complete construction be funded in full prior at closing.
3. Receipt of an executed Final Management Agreement with terms consistent with this report.
4. Receipt of an executed Final Construction Contract with terms consistent with this report.
5. Receipt of an Appraisal with terms consistent with this report.
6. Receipt and review of a Final PCA.
7. Receipt and review of an updated Market Study.
8. Receipt and review of Amended and Restated Partnership Agreement with terms reflecting all equity installments coming in at construction.

This review is only valid for six months from the date of the report.

The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus’ impact to the overall economy is unknown. More specifically, it is unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted.

Recommendations made by First Housing in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

The reader is cautioned to refer to these sections for complete information.

Prepared by:

Reviewed by:

Draft

Draft

Eileen Jones-Yarish
Senior Credit Underwriter

Edward Busansky
Senior Vice President

OVERVIEW

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Note	Chase/HFABC	\$41,850,000	\$38,015,000	\$39,020,000	2.69%	\$1,049,638
Affiliate / Principal	Related FATVillage Developer, LLC	\$1,024,054	\$6,830,849	\$6,830,849	N/A	N/A
Operating Deficit Reserve	N/A	\$764,789	\$777,508	\$777,508	N/A	N/A
HC Equity	Gallery at FATVillage Investor, LLC	\$1,692,154	\$2,105,422	\$1,833,716	N/A	N/A
Deferred Developer Fee	Related FATVillage Developer, LLC	\$7,853,829	\$8,287,861	\$7,604,329	N/A	N/A
Total		\$53,184,826	\$56,016,641	\$56,066,402		\$1,049,638

First Mortgage:

First Housing reviewed a term sheet, dated February 24, 2022, from Chase indicating they would provide construction financing in an amount up to \$39,020,000. The loan will have a term of 42 months with one, conditional, six-month extension. The construction loan interest rate will be a floating rate based on One-Month Adjusted Term Secured Overnight Financing Rate (“SOFR”) plus a 2.15% spread. Any one-month Term SOFR less than 0.25% shall be deemed to be 0.25%. The construction loan is based on an SOFR rate of 0.28703%, as of May 2, 2022, plus a 2.15% spread, and a 0.25% underwriting cushion for an all-in rate of 2.69%.

Developer Equity:

The Developer, Related FATVillage Developer, LLC will be contributing \$6,830,849 in equity proceeds to the Development. FHDC recommends that the Developer equity be funded in full at closing.

Housing Credit Equity:

First Housing reviewed a draft Letter of Intent, indicating Gallery at FATVillage Investor, LLC (“Investor”) will acquire 99.99% limited member interest in the Partnership. Based on the letter, the annual HC allocation is estimated to be in the amount of \$421,586. The Investor will make a total Capital Contribution equal to \$0.87 for each \$1.00 of Federal Tax Credits to which it will be entitled as a limited member. The first installment in the amount of \$550,115, or 15% will be available at construction loan closing. This satisfies the FHFC requirement that 15% of the total equity is available at or prior to construction loan closing.

Deferred Operating Reserves (“ODR”)

In order to balance the sources and uses, First Housing is showing the ODR as deferred, based on the estimate provided by the Applicant.

Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer must defer \$7,604,329 or 91.10% of allowable Developer Fee during construction.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Local HFA Note	Grandbridge/Freddie Mac/HFABC	\$41,850,000	\$38,015,000	\$39,020,000	15	35	5.68%	\$2,570,002
Affiliate / Principal	Related FATVillage Developer, LLC	\$96,688	\$6,002,935	\$6,002,935	N/A	N/A	N/A	N/A
HC Equity	Gallery at FATVillage Investor, LLC	\$3,384,309	\$4,210,844	\$3,667,431	N/A	N/A	N/A	N/A
Deferred Developer Fee	Related FATVillage Developer, LLC	\$7,853,829	\$7,787,861	\$7,376,036	N/A	N/A	N/A	N/A
Total		\$53,184,826	\$56,016,641	\$56,066,402				\$2,570,002

First Mortgage:

First Housing has reviewed an application letter from Grandbridge, dated September 17, 2021 to provide a permanent loan through the Freddie Mac Tax-Exempt Loan Program. The Loan amount is up to \$42,580,000 and has a term of 15 years with a 35-year amortization period. The estimated interest rate is based on 255 basis points over the 10-year U.S. Treasury Security. For purposes of the credit underwriting, First Housing has used the 10-year U.S. Treasury Security rate of 2.14%, as of May 2, 2022, plus 255 basis point spread, plus a 25-basis point credit underwriting cushion, for an all-in interest rate of 5.68% during the permanent period. First Housing has included a permanent loan of \$39,020,000.

Annual fees related to the Note will include; an annual Fiscal Agent fee of \$3,750. The Compliance Monitoring Fee is based on \$25 per unit /per year.

Developer Equity:

The Developer, Related FATVillage Developer, LLC will be contributing \$6,002,935 in equity proceeds to the Development. The total equity contribution of \$6,002,935 will be required to be available during construction and will be a condition of closing.

Housing Credit Equity:

First Housing reviewed a draft Letter of Intent, indicating Gallery at FATVillage Investor, LLC will acquire 99.99% limited member interest in the Partnership. Based on a syndication rate of \$0.87 for each \$1.00, Gallery of FATVillage Investor, LLC anticipates a net capital contribution of \$3,667,431 paid in of three (3) installments, as follow; however a closing condition will be to have all equity available during construction.

Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$550,115	15.00%	Paid simultaneous with the closing of construction financing.
2nd Installment	\$1,283,601	35.00%	Paid at 98% construction completion.
3rd Installment	\$1,833,715	50.00%	Paid at stabilization and 8609.
Total	\$3,667,431	100.00%	

Annual Credit Per Syndication Agreement	\$421,586
Calculated HC Exchange Rate	\$0.87
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	\$1,833,716

Deferred Developer Fee:

In order to balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$7,376,036 or approximately 88.36% of the total Developer Fee of \$8,347,642.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Rental Units	\$25,815,125	\$27,943,343	\$27,943,343	\$143,299
Off-Site Work	\$3,920,000	\$3,920,000	\$3,920,000	\$20,103
Constr. Contr. Costs subject to GC Fee	\$29,735,125	\$31,863,343	\$31,863,343	\$163,402
General Conditions	\$1,784,108	\$1,911,801	\$1,911,801	\$9,804
Overhead	\$594,703	\$637,267	\$637,267	\$3,268
Profit	\$1,784,108	\$1,911,801	\$1,911,801	\$9,804
Total Construction Contract/Costs	\$33,898,044	\$36,324,212	\$36,324,211	\$186,278
Hard Cost Contingency	\$1,694,902	\$1,816,211	\$1,816,210	\$9,314
PnP Bond paid outside Constr. Contr.	\$211,244	\$211,244	\$211,244	\$1,083
FF&E paid outside Constr. Contr.	\$250,000	\$250,000	\$250,000	\$1,282
Other: GC Liability Insurance	\$80,000	\$80,000	\$80,000	\$410
Total Construction Costs:	\$36,134,190	\$38,681,667	\$38,681,665	\$198,368

Notes to Construction Costs:

1. Construction costs are based on Developer's budget. Costs will be verified once the construction contract and schedule of values is received.
2. The General Contractor's Fees are 14% of hard costs, which is the maximum allowed.
3. Hard cost contingency is 5% of total construction costs, which is the maximum allowed for new construction developments.
4. The Applicant has budgeted for the cost of a Payment and Performance Bond to secure the construction contract.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	\$50,000	\$50,000	\$50,000	\$256
Appraisal	\$15,000	\$15,000	\$15,000	\$77
Architect's Fee - Site/Building Design	\$682,500	\$682,500	\$682,500	\$3,500
Architect's Fee - Supervision	\$195,000	\$195,000	\$195,000	\$1,000
Building Permits	\$520,365	\$557,609	\$557,609	\$2,860
Builder's Risk Insurance	\$272,508	\$292,013	\$292,013	\$1,498
Engineering Fees	\$100,000	\$100,000	\$100,000	\$513
Environmental Report	\$20,000	\$20,000	\$20,000	\$103
FHFC Administrative Fees	\$35,837	\$37,901	\$37,943	\$195
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$15
FHFC Credit Underwriting Fee	\$0	\$0	\$13,455	\$69
FHFC Compliance Fee	\$107,000	\$107,000	\$122,414	\$628
Impact Fee	\$585,000	\$585,000	\$585,000	\$3,000
Lender Inspection Fees / Const Admin	\$45,000	\$45,000	\$45,000	\$231
Green Building Cert. (LEED, FGBC, NAHB)	\$50,000	\$50,000	\$50,000	\$256
Insurance	\$338,980	\$363,242	\$363,242	\$1,863
Legal Fees - Organizational Costs	\$295,000	\$330,000	\$330,000	\$1,692
Market Study	\$15,000	\$15,000	\$5,500	\$28
Marketing and Advertising	\$250,000	\$250,000	\$250,000	\$1,282
Plan and Cost Review Analysis	\$15,000	\$15,000	\$4,400	\$23
Survey	\$35,000	\$35,000	\$35,000	\$179
Title Insurance and Recording Fees	\$40,925	\$238,975	\$40,925	\$210
Utility Connection Fees	\$390,000	\$390,000	\$390,000	\$2,000
Soft Cost Contingency	\$218,681	\$223,529	\$209,400	\$1,074
Total General Development Costs:	\$4,279,796	\$4,600,769	\$4,397,401	\$22,551

Notes to the General Development Costs:

1. General Development Costs are the Applicant's anticipated costs, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Credit Underwriting, Market Study, and Plan and Cost Review ("PCR").
3. The FHFC Compliance Fee of \$122,414 is based on the compliance fee calculator spread sheet provided by FHFC.
4. The FHFC Administrative Fee is based on 9% of the expected annual housing credit allocation.
5. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the soft cost contingency.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
	Construction Loan Origination Fee	\$313,875	\$285,113	\$195,100
Construction Loan Interest	\$1,506,600	\$1,368,540	\$2,057,290	\$10,550
Permanent Loan Application Fee	\$41,850	\$38,015	\$0	\$0
Permanent Loan Commitment Fee	\$242,610	\$380,150	\$0	\$0
Permanent Loan Origination Fee	\$390,200	\$190,075	\$390,200	\$2,001
Local HFA Note Application Fee	\$500	\$500	\$500	\$3
Local HFA Note Underwriting Fee	\$30,000	\$30,000	\$16,009	\$82
Local HFA Note Origination Fee	\$418,500	\$0	\$76,644	\$393
Local HFA Note Fiscal Agent Fee	\$0	\$30,000	\$10,000	\$51
Local HFA Note Cost of Issuance	\$298,412	\$428,480	\$75,500	\$387
Local HFA Legal - Issuer's Counsel	\$120,000	\$120,000	\$237,900	\$1,220
Local HFA Legal - Lender's Counsel	\$122,500	\$122,500	\$122,500	\$628
Placement Agent/Underwriter Fee	\$30,000	\$30,000	\$17,500	\$90
Other: Local HFA Financial Advisor	\$30,000	\$30,000	\$47,580	\$244
Other: Syndicator Due Diligence	\$50,000	\$50,000	\$50,000	\$256
Total Financial Costs:	\$3,595,047	\$3,103,373	\$3,296,723	\$16,906
Dev. Costs before Acq., Dev. Fee & Reserves	\$44,009,033	\$46,385,809	\$46,375,789	\$237,825

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is based on 0.50% of the construction loan amount according to the Chase term sheet, dated February 24, 2022.
2. First Housing's estimated Construction Loan Interest is based on an interest rate of 2.69%, a 3.5-year term, and an average outstanding loan balance of 56%, for a total of \$2,057,290.
3. Permanent Loan Application Fee is based on 0.1% of the loan amount according to the mortgage loan application from Grandbridge, dated September 17, 2021.
4. Permanent Loan Origination Fee is based on the 1.0% of the Loan amount as outlined in the letter from Grandbridge, dated September, 17, 2021.
5. Local HFA Note Origination Fee includes an Annual Fee of the Issuer fee of 0.18% of the total note amount and is payable at closing.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
	Total Non-Land Acquisition Costs:	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. The Development is new construction, non-land acquisition costs do not apply.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$7,853,829	\$8,287,861	\$8,347,642	\$42,808
Total Other Development Costs:	\$7,853,829	\$8,287,861	\$8,347,642	\$42,808

Notes to the Other Development Costs:

1. The recommended Developer's Fee is equal to the maximum 18% of total development cost before developer fee, operating reserves and land costs.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land Lease Payment	\$300,000	\$300,000	\$300,000	\$1,538
Total Acquisition Costs:	\$300,000	\$300,000	\$300,000	\$1,538

Notes to the Land Acquisition Costs:

1. First Housing reviewed a Ground Lease, dated December 12, 2017 between Broward County, ("Landlord") and Related FATVillage, LLC ("Tenant"). A non-refundable \$25,000 plus an additional \$275,000 shall be required as an initial capital lease payment. The Ground Lease will be for a period of 60 years commencing on the lease date. Tenant shall make an Annual Base Rent payment of \$25,000. Upon rent stabilization, Tenant shall pay to the Landlord, on an annual basis throughout the term of the lease, Annual Base Rent in the amount equal to 25% of the Cash Flow, before payment of any deferred developer fees; provided, however, that the minimum amount of such annual Base Rent payment shall be \$100,000 ("Minimum Rent Obligation"), increasing each year thereafter by 3%. To the extent there is insufficient Cash Flow for Tenant to pay the entire Minimum Rent Obligation, Tenant shall be entitled to defer up to \$75,000 of the Minimum Rent Obligation ("Deferred Amount") to the following year, at which point Tenant is required to pay the entirety of the Deferred Amount. A First Amendment to Ground Lease Agreement was reviewed, dated February 11, 2020 extending the terms of the lease from 60 years to 75 years. A Second Amendment to Ground Lease Agreement was reviewed, dated December 29, 2020 extending the deadline for the Commencement Date until March 31, 2021. A Third Amendment to Ground Lease Agreement was reviewed, dated October 13, 2021 extending the deadline for the Commencement Date until June 30, 2022.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
	Operating Deficit Reserve (Syndicator)	\$514,789	\$527,508	\$527,508
Replacement Reserves (Syndicator)	\$58,500	\$58,500	\$58,500	\$300
Reserves - Working Capital	\$250,000	\$250,000	\$250,000	\$1,282
Other: Tax and Insurance Escrow	\$198,675	\$206,963	\$206,963	\$1,061
Total Reserve Accounts:	\$1,021,964	\$1,042,971	\$1,042,971	\$5,349

Notes to Reserve Accounts:

- Per the Applicant, Gallery at FATVillage Investor, LLC will require \$527,508 or greater if required by any Project lender, to be funded upon Permanent Loan Conversion into a dual control Operating Reserve account to be used for potential operating deficits and subsidy shortfalls. These funds may be used to fund operating deficits during the three year Operating Deficit Guaranty period, but will be required to be replenished prior to release of the Operating Deficit Guaranty. At the end of the Compliance Period, any remaining balance of the Operating Reserve less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay HFABC debt; if there is no HFABC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding HFABC fees. If any balance is remaining in the Operating Reserve after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Accounts cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the Operating Reserve must be acceptable to HFABC, its Servicer and its legal counsel.
- A lease up reserve was budgeted by the Developer to cover operating cash flow shortfalls during lease-up.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
	TOTAL DEVELOPMENT COSTS:	\$53,184,826	\$56,016,641	\$56,066,402

Notes to Total Development Costs:

- Total Development Costs have increased a total of \$2,881,576 from \$53,184,826 to \$56,066,402 or 5.4% since the Application. This change is mainly due to an increase construction costs and financial costs.

Operating Pro Forma - The Gallery at FATVillage

FINANCIAL COSTS:		Year 1	Year 1 Per Unit
OPERATING PRO FORMA			
INCOME:	Gross Potential Rental Income	\$4,660,044	\$23,898
	Other Income		
	Ancillary Income	\$50,000	\$256
	Miscellaneous	\$205,350	\$1,053
	Gross Potential Income	\$4,915,394	\$25,207
	Less:		
	Physical Vac. Loss Percentage: 4.00%	\$196,616	\$1,008
	Collection Loss Percentage: 1.00%	\$49,154	\$252
	Total Effective Gross Income	\$4,669,624	\$23,947
	EXPENSES:	Fixed:	
Ground Lease		\$100,000	\$513
Real Estate Taxes		\$496,352	\$2,545
Insurance		\$165,750	\$850
Variable:			
Management Fee Percentage: 4.00%		\$186,785	\$958
General and Administrative		\$68,250	\$350
Payroll Expenses		\$273,000	\$1,400
Utilities		\$78,000	\$400
Marketing and Advertising		\$97,500	\$500
Maintenance and Repairs/Pest Control		\$68,250	\$350
Contract Services		\$97,500	\$500
Reserve for Replacements		\$58,500	\$300
Total Expenses		\$1,689,887	\$8,666
Net Operating Income	\$2,979,737	\$15,281	
Debt Service Payments			
First Mortgage - Grandbridge/Freddie Mac/HFABC	\$2,570,002	\$13,179	
First Mortgage Fees -Grandbridge/Freddie Mac/HFABC	\$78,510	\$403	
Total Debt Service Payments	\$2,648,512	\$13,582	
Cash Flow after Debt Service	\$331,226	\$1,699	
Debt Service Coverage Ratios			
DSC - First Mortgage plus Fees	1.13x		
DSC - All Mortgages and Fees	1.13x		
Financial Ratios			
Operating Expense Ratio	36.19%		
Break-even Economic Occupancy Ratio (all debt)	88.46%		

Notes to the Operating Pro Forma and Ratios:

1. The Gross Potential Rental Revenue chart reflects the anticipated rents for each unit. Below is the rent roll for the Development. The rent levels are based on the 2022 maximum LIHTC rents published on FHFC's website for Broward County less the applicable utility allowances. Rents are conditioned upon an Appraisal supporting the

rents and the utility allowances are subject to FHFC approval. Below is the rent roll for the Development:

Broward County (Fort Lauderdale 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	7	502	50%			\$793	\$50	\$ 743		\$ 740	\$ 720	\$ 743	\$ 62,412
0	1.0	26	502	120%			\$1,905	\$50	\$ 1,855		\$ 1,850	\$ 1,798	\$ 1,855	\$ 578,760
0	1.0	2	502	MKT							\$ 2,000	\$ 2,000	\$ 2,000	\$ 48,000
1	1.0	21	675	50%			\$850	\$66	\$ 784		\$ 795	\$ 759	\$ 784	\$ 197,568
1	1.0	60	675	120%			\$2,041	\$66	\$ 1,975		\$ 1,985	\$ 1,914	\$ 1,975	\$ 1,422,000
1	1.0	24	675	MKT							\$ 2,600	\$ 2,574	\$ 2,600	\$ 748,800
2	2.0	11	1,074	50%			\$1,021	\$99	\$ 922		\$ 951	\$ 891	\$ 922	\$ 121,704
2	2.0	25	1,074	120%			\$2,451	\$99	\$ 2,352		\$ 2,379	\$ 2,277	\$ 2,352	\$ 705,600
2	2.0	19	1,074	MKT							\$ 3,400	\$ 2,871	\$ 3,400	\$ 775,200
		195	147,515											\$ 4,660,044

2. First Housing has included vacancy and collection loss at a total of 5.00%.
3. The Ancillary Income category includes Retail Income of 2,500 square feet at \$20 totaling \$50,000, per the Developer’s projections. Miscellaneous income includes Parking of \$117,600 (98 spaces at \$100 per month) and other sources such as telephone, late fees, damage income, cancellation fees, preparation fees, bad debt recoveries, pet fees, and NSF fees.
4. Based upon operating data from comparable properties, third-party reports (Market Study) and the Credit Underwriter's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
5. Per the Developer, the Management Fee shall be payable at four percent (4.0%) of the gross income actually collected during the month.
6. The Owner will be responsible for common area electric, water, sewer and trash collection, with tenants responsible for in-unit electric and cable.
7. Replacement Reserves of \$300 per unit per year are recommended.
8. First Mortgage Fees include the HFA Compliance Monitoring Fee of \$25 per unit per year and Fiscal Agent Fee of \$3,750.

9. First Housing has reviewed a draft Ground Lease between Broward County and the Applicant. The Ground Lease indicates Annual Base Rent of \$100,000 increasing each year by 3%.

10. Refer to Exhibit 1, 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%.

Section B

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Site Inspection: First Housing completed a site inspection on April 29, 2022. North of the Development is apartments. South of the Development is apartments. East of the Development is apartments and West of the Development is apartments. The Development is located on the east side of North Andrews Avenue, the north side of NE 6th Street, and the west side of NE 1st Avenue. The Development is located within close proximity to the downtown Fort Lauderdale with access to roads and commercial services.

Appraisal: Pending receipt and review of report.

Market Study: Meridian prepared a Market Study for The Gallery at FATVillage, dated March 30, 2022. Upon completion, the Development will offer one hundred and ninety-five (195) apartment units within one 12 story apartment building with garage parking. The proposed Development will be on a 1.171-acre site. Unit amenities will include full appliance package with stainless steel appliances, balconies and high-speed internet. Common area amenities will include swimming pool, gym, sun deck, gathering room, elevators, and leasing offices. Development will consist of a 12-story tower with parking garage. The unit mix is typical of other recently constructed affordable high rise towers. The development will offer a competitive mix of project and unit amenities and should be well received in the market. The unit mix is typical of other recently constructed affordable high rise towers. The Development will offer a competitive mix of project and unit amenities and should be well received in the market.

The Development is located at 600 North Andrews Avenue, Fort Lauderdale, Broward County, Florida. The Development has access from one point along the north side of NE 6th Street. The Development has frontage along the east side of North Andrews Avenue and the north side of NE 6th Street and the west side of NE 1st Avenue. The layout of the site and improvements provide for good access and visibility and is well suited for multi-family development.

The Development's site is located in the Central Fort Lauderdale

submarket. This region is defined to contain Miami-Miami Beach-Kendall Apartment Market, which includes Miami-Dade County. The PMA has a total population of 149,417 people, 67,599 total households and has an average household size of 2.16 people. As of December 2021 the unemployment rate was 4.3% for the nation, 2.6% in Florida, and 2.6% in Broward County.

The Region is served by three international airports, the Miami International Airport located in Miami/Dade County, the Palm Beach County and the Fort Lauderdale/Hollywood International Airport in Broward County and Miami International Airport located in Palm Beach County. The region also has three ports including the Port of Miami, the Port of Palm Beach and Port Everglades next to the Fort Lauderdale/Hollywood International Airport.

The Fort Lauderdale multi-family vacancy rate has trended lower over the past few quarters, as demand has surged throughout the region. The Central Fort Lauderdale apartment submarket has improved dramatically over the past few quarters.

The Development is located in downtown Fort Lauderdale with an excellent network of roads and commercial services. Employment centers are nearby, and significant development has been recently completed, under construction and proposed within the neighborhood. Throughout the neighborhood is Interstate 95 a 10 lane divided highway with interchanges at Interstate 595, Sterling Road, Sheridan Street, Hollywood Pines Boulevard and Pembroke Road. Surrounding development including multifamily uses, primarily low-income housing for senior and family residents.

The Primary Market Area (“PMA”) is defined as a 3-mile radius surrounding the Development. The Market Analyst surveyed and analyzed both family LIHTC developments and market rate developments.

Within a 3-mile ring of the site, the estimated total households are 67,599 and this number is projected to increase by 13.2% in the next five years. The average household size is 2.63 persons. The average household income is \$109,152, while the median household income

is \$62,362.

The Development's CMA, or sub-market, for the purpose of determining a like-kind inventory of competitive units in the Occupancy Analysis, consists of six like-kind existing properties with a total of 836 units. These properties are Progresso Point, Wisdom Village Crossing, Eclipse West, Dixie Court, Northwest Gardens III and Venice Cove. Meridian is of the opinion that due to the current occupancy rates and shadow market supply from condo and single family rentals that demand in Broward County apartment market is limited to sub-markets with high occupancy rates. Occupancy rates in the like kind properties in the CMA ranged from 97% - 100%. The Development will offer a competitive mix of unit and project amenities and should be well received in the market.

The Development's Capture Rates ("CR") within a 3-mile radius for the 50% AMI income band is 1.1% and for the 120% AMI is 0.70%. The Development's 3-mile Capture Rates suggests the size of the Development is appropriate relative to the number of income-qualified renter households.

The Market Analyst anticipates an approximate 4.9-month absorption period for the Development, which equates to an average absorption rate of 40 units per month.

Meridian performed a search for Guarantee Funded developments. As of the effective date of the Market Study, there are no Guarantee Fund projects located within the PMA or CMA.

The weighted average occupancy within the Development's Competitive Market Area is 98.6%, which meets the FHFC requirement that the submarket must have an average physical occupancy rate of 92% or greater.

Based on FHDC's calculations, the Development's average market rents (according to the market study) will have a rent averaging 255% when compared to the Development's gross 60% AMI LIHTC rents. As required by FHFC, the average market rental rate in the submarket based on unit mix and annualized rent concessions is 110% or greater

of the applicable maximum housing credit rental rate. The Development meets this rent threshold requirement.

Environmental Report: Global Realty Services Group (“GRS”) prepared a Phase I Environmental Site Assessment (“ESA”) dated December 9, 2021. The Phase I ESA was completed in conformance with the scope and limitations of ASTM Practice E 1527-13. If the loan does not close by June 1, 2021 an update to the Phase I will be required.

The ESA revealed no evidence of recognized environmental conditions in connection with the site. GRS did identify three monitoring wells in the southwest portion of the property. The wells appear to be temporary groundwater monitoring wells. GRS recommends that these wells be abandoned.

Soil Test Report: Pending receipt and review of report.

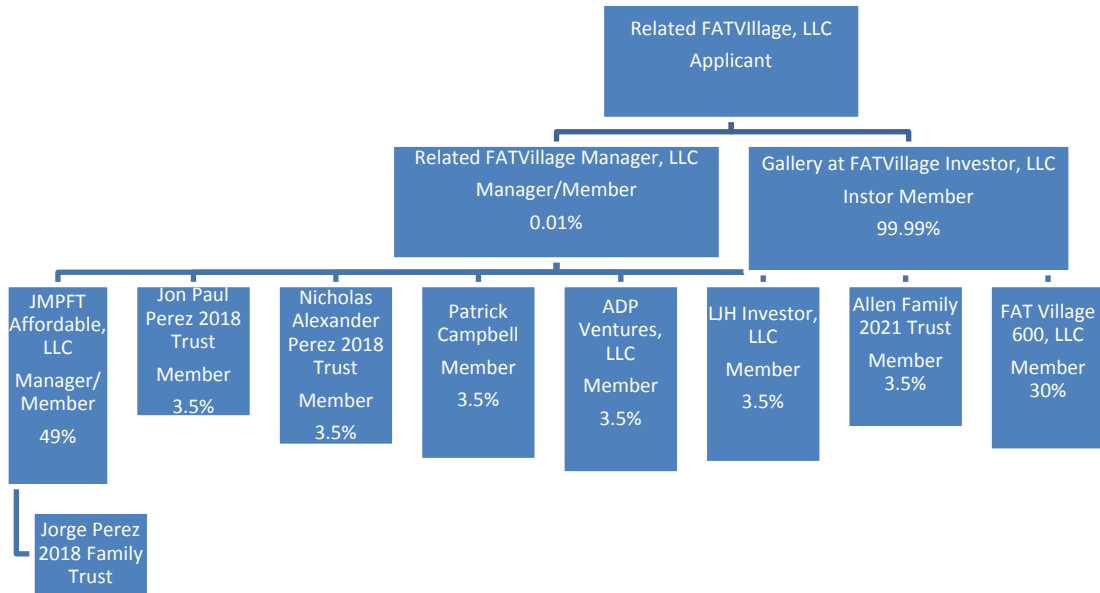
Plan and Cost Review: Pending receipt and review of report

ADA Accessibility Review: Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128, certifying that the plans for the Development comply with these requirements have been received.

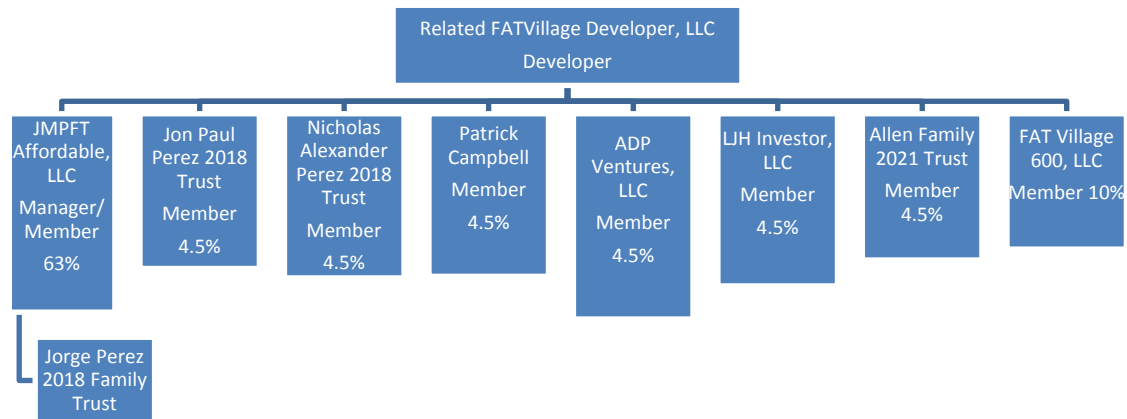
Applicant Information

Applicant: Related FATVillage, LLC
Type: A Florida Limited Liability Company
FEI#: 84-3129329

Ownership Structure:



Developer
Structure:



The Applicant was formed on July 20, 2016, to construct, own and operate the Development. The Manager, with 0.01% interest in the Applicant, is The Gallery at FATVillage Manager, LLC, which was formed on October 19, 2021. First Housing verified that the Applicant and Manager have active status in Sunbiz. The Developer is The Gallery at FATVillage Developer, LLC.

Contact Person:

Tony Del Pozzo
The Related Group
2850 Tigertail Avenue Suite 800
Miami, Florida 33133
(305) 460-9900 Telephone
amilo@relatedgroup.com

Experience:

The Applicant, Manager, and Developer were created to construct, own, and operate the Development, but have no development experience. The development experience lies within the principals of the Applicant/Developer.

PRH Investments LLC is the parent operating company and the entity that most of the corporate activity rolls into. The Related Group (“Related”) is one of the country’s premier multifamily real estate development firms. For more than 30 years, Related has created innovative residential developments that have dramatically changed Florida’s urban landscape. While The Related Group is best known

for its luxury high-rise developments and visionary mixed-use urban centers, the company has been at the forefront of affordable housing development and the revitalization of urban communities since its inception. Making his mark initially in the rehabilitation of multifamily properties in Little Havana and the HUD Section 8 programs, Mr. Perez and The Related Group went on to become one of the nation's leading developers of low income rental properties with financing attained through tax exempt bonds and low income housing tax credits. His attention to detail and commitment to creating quality living environments distinguished him within the marketplace. Through his ownership in Related Affordable Housing, The Related Companies of Florida and The Related Group of Florida, Mr. Perez has developed rehabilitated and managed over 15,000 affordable housing units in his illustrious career. Though he has been a successful developer of mixed-use and condominium developments, Mr. Perez never lost his passion to provide high quality affordable housing.

Prior to joining Related, Nicholas Perez lived in New York and spent eight years establishing his career in real estate development. From 2013-2017 he has been involved with the Related Companies where he focused on rental and condominium development across a wide spectrum of properties in the New York area including 261 Hudson and 15 Hudson Yards. Nicholas has been involved in all facets of the firm, including the condominium, international development, market-rate rental and affordable housing divisions. His responsibilities include overseeing the day-to-day operations of various marquee rental and condominium developments throughout South Florida, as well as working alongside senior executives to identify new business opportunities, partnerships, development techniques and more. In addition, Nicholas sits on the Executive Committee and takes part in its monthly board meetings at which various heads discuss all aspects of the company, including the 70+ projects currently under development worldwide.

Credit
Evaluation:

First Housing reviewed satisfactory credit reports for PRH Investments, LLC, and JMPFT Affordable, LLC, dated March 10, 2022. First Housing also reviewed satisfactory credit reports for Related FATVillage, LLC, Related FATVillage Developer, LLC and Related FATVillage Manager, LLC, dated May 4, 2022.

A satisfactory credit report for FATVillage 600,LLC and Nicholas Perez are a condition of this report.

Bank/Trade
References:

First Housing received statements indicating bank and trade references were not available for the Applicant, Manager, Developer, and JMPFT Affordable, LLC.

First Housing has received and reviewed satisfactory bank statements for PRH Investments, LLC.

First Housing has sent out trade reference forms to the contacts provided but no responses have been received at this time.

Financial Statements
and Contingent
Liabilities:

The Applicant, Manager, Developer and JMPFT Affordable, LLC are all single purpose newly formed entities; therefore, tax returns and financials were not available. First Housing received reviewed the following satisfactory financial statements:

PRH Investments, LLC and Subsidiaries Consolidated Statements of Financial Position Unaudited September 30, 2021	
Cash & Cash Equivalents	\$330,798,000
Total Assets	\$2,633,822,000
Total Liabilities	\$1,556,485,000
Total Equity	\$1,077,337,000

First Housing also received a statement, dated January 10, 2022, confirming that there has been no material change in the financial condition and that the financials above are the most recent available. Based on a schedule, dated as of June 2021, PRH Investments, LLC has outstanding first mortgage debt of \$1,385,032,572 on properties in its portfolio. Those same properties have an estimated market value of \$5,545,191,645.

Nicholas Perez Unaudited Statement of Financial Condition December 31, 2021	
Cash	\$1,660,000
Total Assets	\$3,814,000
Total Liabilities	\$1,080,000
Total Equity	\$2,734,000

First Housing received 2019 and 2020 tax returns for Nicholas Perez.

Summary:

Based upon its review of the Financial Statements, Schedule of Contingent Liabilities, and provided Real Estate Owned Schedules, First Housing concludes that the principals of the Applicant and Developer have the requisite financial strength to construct and operate the Development.

Guarantor Information

Guarantor Name: Related FATVillage, LLC, Related FATVillage Manager, LLC, JMPFT Affordable, LLC, PRH Investments, LLC, FAT Village 600, LLC, Nicholas Perez, and Related FATVillage Developer, LLC.

Nature of the Guarantees: The Guarantors will sign standard Construction Completion, Operating Deficit Guaranty, Environmental Indemnity, and Recourse Obligation guarantees. The Construction Completion Guarantee will be released upon 100% lien free completion as approved by the Servicer.

For the Note, Guarantors are to provide the standard Operating Deficit Guarantee to be released when the Development achieves a 1.15x debt service coverage ratio on the MMRN Loan and 90 percent occupancy and 90 percent of the gross potential rental income, all for 12 consecutive months as certified by an independent Certified Public Accountant and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by the Corporation or its agent. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.

Financial Statements: Financial Statements for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Contingent Liabilities: Contingent Liabilities for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Summary: Based upon review of the financial statements and contingent liabilities, First Housing concludes that the above referenced Guarantors have sufficient net worth for the purpose of collateralizing the Guarantees.

Syndication Information

Syndicator Name: Gallery at FATVillage Investor, LLC

Contact Person: Tony DelPozzo
 Vice President of Finance
 2850 Tigertail Avenue Suite 800
 Miami, FL 33133
 (305) 533-0049 Telephone
 Tony@relatedgroup.com

Experience: Gallery at FATVillage Investor, LLC is a newly formed entity and does not have financials. The majority member will be JMPFT Affordable, LLC, whose experience lies with Jorge Perez whose experience has been discussed in the Applicant section.

Financial Statements: As previously stated Gallery at FATVillage Investor, LLC is a newly formed entity and does not have any financial history. The equity funds will be coming from the Jorge M. Perez 2018 Family Trust.

Jorge M. Perez 2018 Family Trust Unaudited Statement of Financial Condition March 31, 2022	
Cash and Cash Equivalents	\$205,690,000
Total Assets	\$751,589,000
Total Liabilities	\$213,972,000
Equity	\$537,617,000

Summary: The principals of Gallery at FATVillage Investor, LLC have the experience and financial strength to serve as the syndicator for this Development.

General Contractor Information

General Contractor: Fortune Construction Company, LLP

Type: A Florida Limited Liability Partnership

Contact: George Lage
(Florida Certified General Contractor
License Number CGC1527323, valid through August 31, 2022)
2850 Tigertail Avenue
Miami, Florida 33133
(305) 460-9900
George.lage@relatedgroup.com

Experience: Fortune Urban is a general contracting and construction management company that specializes in multifamily residential and mixed-use projects. Fortune Urban was founded in 2013. Fortune Construction Company is Fortune Urban's principal owner and managing partner. Fortune Construction Company was established in December 1992 and has been involved with the development of more than 5,000 units throughout the State of Florida.

Credit Evaluation: A satisfactory credit report is a condition of this credit review report.

Bank and Trade
References: Satisfactory bank and trade references are a condition of this credit review report.

Financial
Statements: First Housing has received and reviewed unaudited financial statements as summarized below:

Fortune Construction Company LLP and Subsidiary Consolidated Balance Sheets September 30, 2021	
Cash and Cash Equivalents	\$7,666,901
Total Assets	\$47,375,281
Total Liabilities	\$38,138,704
Total Equity	\$9,236,577

Summary:

FHDC recommends that Fortune Urban Construction, LLC be accepted as the General Contractor for the construction of this Development based on its experience and financial strength. Additionally, a 100% Payment and Performance Bond will be provided.

Property Manager Information

Management Company:	TRG Management Company LLP
FEI:	65-0740253
Contact:	Marilyn Pascual Division President 2200 North Commerce Parkway, Suite 100 Weston, FL 33326 (305) 442-8628 Telephone Mpascual@relatedgroup.com
Experience:	<p>TRG was formed in 1984 to primarily manage various forms of multi-family housing. Since its inception, the company has been identified as a leader in the real estate management business in Florida having managed more than 70,000 units.</p> <p>Currently, TRG Management has more than 80 properties in the company's portfolio and has become a fully integrated organization. Efficient operational systems and a decentralized organizational structure allow for fast and efficient decision making with maximum upper management control. TRG's innovative management programs and effective support system have made the firm a recognized industry leader.</p>
Management Agreement:	Per the Developer a fee of 4% per month will be collected. A final Management Agreement is required prior to closing.
Management Plan:	A final Management Plan is required prior to closing.
Summary:	TRG Management has an acceptable amount of experience in the management of affordable multifamily housing.

15 Year Pro Forma – The Gallery at FATVillage

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	\$4,660,044	\$4,753,245	\$4,848,310	\$4,945,276	\$5,044,181	\$5,145,065	\$5,247,966	\$5,352,926	\$5,459,984	\$5,569,184	\$5,680,568	\$5,794,179	\$5,910,063	\$6,028,264	\$6,148,829	
	Other Income																
	Ancillary Income	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204	\$56,308	\$57,434	\$58,583	\$59,755	\$60,950	\$62,169	\$63,412	\$64,680	\$65,974	
	Miscellaneous	\$205,350	\$209,457	\$213,646	\$217,919	\$222,277	\$226,723	\$231,257	\$235,883	\$240,600	\$245,412	\$250,321	\$255,327	\$260,433	\$265,642	\$270,955	
	Gross Potential Income	\$4,915,394	\$5,013,702	\$5,113,976	\$5,216,255	\$5,320,581	\$5,426,992	\$5,535,532	\$5,646,243	\$5,759,167	\$5,874,351	\$5,991,838	\$6,111,675	\$6,233,908	\$6,358,586	\$6,485,758	
	Less:																
	Physical Vac. Loss Percentage: 4.00%	\$196,616	\$200,548	\$204,559	\$208,650	\$212,823	\$217,080	\$221,421	\$225,850	\$230,367	\$234,974	\$239,674	\$244,467	\$249,356	\$254,343	\$259,430	
	Collection Loss Percentage: 1.00%	\$49,154	\$50,137	\$51,140	\$52,163	\$53,206	\$54,270	\$55,355	\$56,462	\$57,592	\$58,744	\$59,918	\$61,117	\$62,339	\$63,586	\$64,858	
	Total Effective Gross Income	\$4,669,624	\$4,763,017	\$4,858,277	\$4,955,443	\$5,054,552	\$5,155,643	\$5,258,755	\$5,363,930	\$5,471,209	\$5,580,633	\$5,692,246	\$5,806,091	\$5,922,213	\$6,040,657	\$6,161,470	
	EXPENSES:	Fixed:															
Ground Lease		\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392	\$138,423	\$142,576	\$146,853	\$151,259	
Real Estate Taxes		\$496,352	\$511,243	\$526,580	\$542,377	\$558,649	\$575,408	\$592,670	\$610,450	\$628,764	\$647,627	\$667,056	\$687,067	\$707,679	\$728,910	\$750,777	
Insurance		\$165,750	\$170,723	\$175,844	\$181,120	\$186,553	\$192,150	\$197,914	\$203,852	\$209,967	\$216,266	\$222,754	\$229,437	\$236,320	\$243,409	\$250,712	
Variable:																	
Management Fee Percentage: 4.00%		\$186,785	\$190,521	\$194,331	\$198,218	\$202,182	\$206,226	\$210,350	\$214,557	\$218,848	\$223,225	\$227,690	\$232,244	\$236,889	\$241,626	\$246,459	
General and Administrative		\$68,250	\$70,298	\$72,406	\$74,579	\$76,816	\$79,120	\$81,494	\$83,939	\$86,457	\$89,051	\$91,722	\$94,474	\$97,308	\$100,227	\$103,234	
Payroll Expenses		\$273,000	\$281,190	\$289,626	\$298,314	\$307,264	\$316,482	\$325,976	\$335,756	\$345,828	\$356,203	\$366,889	\$377,896	\$389,233	\$400,910	\$412,937	
Utilities		\$78,000	\$80,340	\$82,750	\$85,233	\$87,790	\$90,423	\$93,136	\$95,930	\$98,808	\$101,772	\$104,825	\$107,970	\$111,209	\$114,546	\$117,982	
Marketing and Advertising		\$97,500	\$100,425	\$103,438	\$106,541	\$109,737	\$113,029	\$116,420	\$119,913	\$123,510	\$127,215	\$131,032	\$134,963	\$139,012	\$143,182	\$147,477	
Maintenance and Repairs/Pest Control		\$68,250	\$70,298	\$72,406	\$74,579	\$76,816	\$79,120	\$81,494	\$83,939	\$86,457	\$89,051	\$91,722	\$94,474	\$97,308	\$100,227	\$103,234	
Contract Services		\$97,500	\$100,425	\$103,438	\$106,541	\$109,737	\$113,029	\$116,420	\$119,913	\$123,510	\$127,215	\$131,032	\$134,963	\$139,012	\$143,182	\$147,477	
Reserve for Replacements		\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$58,500	\$60,255	\$62,063	\$63,925	\$65,842	\$67,818	
Total Expenses	\$1,689,887	\$1,736,961	\$1,785,409	\$1,835,273	\$1,886,594	\$1,939,415	\$1,993,781	\$2,049,735	\$2,107,327	\$2,166,603	\$2,229,369	\$2,293,973	\$2,360,470	\$2,428,915	\$2,499,366		
Net Operating Income	\$2,979,737	\$3,026,056	\$3,072,868	\$3,120,169	\$3,167,957	\$3,216,227	\$3,264,975	\$3,314,195	\$3,363,882	\$3,414,030	\$3,462,877	\$3,512,118	\$3,561,743	\$3,611,742	\$3,662,104		
Debt Service Payments																	
First Mortgage - Grandbridge/Freddie Mac/HFABC	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	\$2,570,002	
First Mortgage Fees - Grandbridge/Freddie Mac/HFABC	\$78,510	\$77,836	\$77,123	\$76,368	\$75,570	\$74,724	\$73,830	\$72,883	\$71,881	\$70,820	\$69,698	\$68,511	\$67,254	\$65,923	\$64,516		
Total Debt Service Payments	\$2,648,512	\$2,647,838	\$2,647,125	\$2,646,370	\$2,645,571	\$2,644,726	\$2,643,831	\$2,642,884	\$2,641,882	\$2,640,822	\$2,639,700	\$2,638,512	\$2,637,255	\$2,635,925	\$2,634,517		
Cash Flow after Debt Service	\$331,226	\$378,218	\$425,743	\$473,799	\$522,386	\$571,501	\$621,144	\$671,311	\$722,000	\$773,208	\$823,177	\$873,605	\$924,487	\$975,817	\$1,027,586		
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees	1.13	1.14	1.16	1.18	1.20	1.22	1.23	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.39		
DSC - All Mortgages and Fees	1.13	1.14	1.16	1.18	1.20	1.22	1.23	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.39		
Financial Ratios																	
Operating Expense Ratio	36.19%	36.47%	36.75%	37.04%	37.32%	37.62%	37.91%	38.21%	38.52%	38.82%	39.17%	39.51%	39.86%	40.21%	40.56%		
Break-even Economic Occupancy Ratio (all debt)	88.46%	87.66%	86.87%	86.12%	85.38%	84.67%	83.98%	83.31%	82.66%	82.04%	81.46%	80.91%	80.37%	79.85%	79.36%		

50% Test

Tax-Exempt Note Amount	\$39,020,000
Less: Debt Service Reserve Funded with Tax-Exempt Note Proceeds	\$0
Other:	\$0
Other:	\$0
Equals Net Tax-Exempt Note Amount	\$39,020,000
Total Depreciable Cost	\$52,595,851
Plus Land Cost	\$300,000
Aggregate Basis	\$52,895,851
Net Tax-Exempt Note to Aggregate Basis Ratio	73.77%

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

DEVELOPMENT

NAME: The Gallery at FATVillage

DATE: May 10, 2022

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

FINAL REVIEW REQUIRED ITEMS:	STATUS	NOTE
	Satis. / Unsatis.	
1. The development’s final “as submitted for permitting” plans and specifications. Note: Final “signed, sealed, and approved for construction” plans and specifications will be required thirty days before closing.	UnSatis.	1.
2. Final site plan and/or status of site plan approval.	UnSatis.	2.
3. Permit Status.	UnSatis.	3.
4. Pre-construction analysis (“PCA”). a. No construction costs exceeding 20% is subcontracted to any one entity with the exception of a subcontractor contracted to deliver the building shell of a building of at least 5 stories which may not have more than 31% of the construction cost in a subcontract. b. No construction costs is subcontracted to any entity that has common ownership or is an affiliate of the general contractor of the developer.	UnSatis. UnSatis.	4.
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	UnSatis	5.
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	UnSatis.	6.
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	UnSatis.	7.
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	UnSatis.	8.
11. Resumes and experience of applicant, general contractor and management agent. Confirmed active status on Sunbiz for Applicant, Developer, and GC entities.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	UnSatis.	9.
13. Management Agreement and Management Plan.	UnSatis.	10.
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	N/A	

15. Firm commitment letter from the syndicator, if any.	UnSatis.	11.
16. Firm commitment letter(s) for any other financing sources.	UnSatis.	12.
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	N/A	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	UnSatis.	13.
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	
23. Receipt of executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128.	UnSatis.	14.
24. If the owner has a HAP Contract or ACC with HUD, then receipt of HUD approval for an owner-adopted preference or limited preference specifically for individuals or families who are referred by a designated Referral Agency serving the county where the Development is located.	N/A	
25. Receipt of Tenant Eligibility and Selection Plan	N/A	
26. Receipt of GC Certification	UnSatis.	15.
27. Reliance for FHDC as agent for FHFC is include in all applicable third party reports: Appraisal, Market Study, PCA, CNA, and Phase I.	UnSatis.	16.

NOTES AND DEVELOPER RESPONSES:

Notes:

1. Closing is conditioned upon final as submitted plans and specifications.
2. Closing is conditioned upon receipt of final plans and specifications.
3. Acceptable permits or a permit ready letter is a condition to close.
4. Receipt and review of a final Plan and Cost review is a condition to close.
5. Receipt and review of a Soils report and Reliance Letter.
6. Receipt and review of Appraisal.
7. Update to Phase I report if closing does not occur by June 9, 2022.
8. Receipt and review of updated financials for Nicholas Perez and PRH Investments, LLC.
9. Credit Authorization for Nicholas Perez and FAT Village 600, LLC. Receipt of deposit verification and trade references for Nicholas Perez. Receipt and review of credit authorization for Fortune Construction Company, LLP.
10. Receipt and review of final Management Agreement with terms consistent to those used in this report. Receipt and review of final Management Plan.
11. Closing is conditioned upon receipt of an Amended and Restated Operating Agreement.

12. Closing is conditioned upon receipt of a firm commitment for construction financing from Chase and permanent financing from Grandbridge as well as a commitment from the Developer to contribute funds to the project.
13. Closing is conditioned on receipt and review of an executed construction contract with an amount consistent to what was assumed in this report.
14. Receipt of all Section 504 ADA Design Certification Forms 121, 126 and 128.
15. Receipt of GC Certification.
16. Receipt of all final third party reports with FHFC, FHDC and HFABC included in reliance language.