



BOARD PACKAGE

**Regular Board Meeting
November 16, 2022**

REGULAR MEETING

A regular meeting of the Housing Finance Authority of Broward County (the "HFA"), Florida, will be held on Wednesday, November 16, 2022, at 5:30 p.m., in the 2nd Floor Conference Room, located at 110 N.E. 3rd Street, Fort Lauderdale, Florida. 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: 1-415-655-0002

Meeting number (access code): 2439 743 5731

Meeting Password #: 97699855

CALLING OF THE ROLL

CONSENT AGENDA (Items 1 through 2)

1. Approval of October 19, 2022, Regular Meeting Minutes

MOTION TO APPROVE the Housing Finance Authority Regular Meeting Minutes on October 19, 2022.

2. Executive Director's (October Operational Report)

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

MOTION TO APPROVE the Consent Agenda Items 1 through 2

REGULAR AGENDA

3. The Gallery at FATVillage

MOTION TO ADOPT Resolution of the Housing Finance Authority of Broward County, Florida (the "HFA") amending and restating Resolution No. 2022-009 adopted on April 20, 2022 entitled "authorizing the issuance of its Multifamily Housing Mortgage Revenue Note, Series 2022 (the Gallery at Fatvillage) in a principal amount of not to exceed \$62,000,000 (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 Allonge to the Multifamily Note (Project Note); approving and authorizing the execution of the assignment of leasehold mortgage and security documents; approving and authorizing the execution and delivery of the recognition, attornment and assent to leasehold mortgage (Senior Mortgage); 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." 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.

4. Captiva Cove III

MOTION TO ADOPT Resolution of the Housing Finance Authority of Broward County, Florida (the "HFA") authorizing the issuance of its Multifamily Housing Mortgage Revenue Bonds, Series 2023 (Captiva Cove III) in a principal amount of not to exceed \$22,000,000 (the "Bond") for the purpose of financing the construction and equipping of a multifamily housing project known as the Captiva Cove III located in Broward County, Florida; approving and authorizing the execution and delivery of a Trust Indenture by and between the HFA and the Bank of New York Mellon Trust Company, N.A., as Trustee; approving and authorizing the execution and delivery of a Financing Agreement among the HFA, the Borrower and the Trustee; approving and authorizing the execution and delivery of a Land Use Restriction Agreement by and among the HFA, the Trustee and Captiva Cove III Associates, LTD, as Borrower; approving and

authorizing the execution and delivery of a Bond Purchase Agreement for the Bonds by and among the HFA, the Borrower and JPMorgan Chase Bank, N.A., as purchaser; approving and authorizing the execution of the Allonge to Promissory Note; approving and authorizing the execution of the assignment of mortgage and security documents; approving and authorizing the execution and delivery of Placement Agent Agreement for the Note by and among the HFA, RBC Capital Markets, LLC and Raymond James & Associates, Inc.; approving and authorizing the execution and delivery of certain additional agreements necessary or desirable in connection with the issuance of the Bonds; 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 Bonds; and providing an effective date for this Resolution.

5. Financial Reports Monthly Overview – Ms. Linda Dufresne

MOTION TO APPROVE the Housing Finance Authority monthly financial reports for the month of October 31, 2022.

INFORMATIONAL ITEM

6. Douglas Gardens – Senior Living and Health - Credit Underwriting Report

7. **MATTERS OF HFA MEMBERS**

8. **MATTERS FROM THE FLOOR**

9. **NEXT BOARD MEETING**

December 21, 2022

10. **ADJOURNMENT**

MINUTES
REGULAR BOARD MEETING
Wednesday, October 19, 2022

A regular Board Meeting of the Housing Finance Authority (“HFA”) of Broward County was held on Wednesday, October 19, 2022, at 5:30 P.M. in the 2nd Floor Conference Room, located at 110 Northeast 3rd Street, Fort Lauderdale, Florida.

CALL OF THE ROLL

A Roll Call was taken by Andres “Andy” Centeno. The meeting was conducted with a total six (6) board members onsite. Other participants listed present participated in the meeting via phone conference.

<u>Board Member(s) Present</u>	
Daniel D. Reynolds, Chair – Scott Ehrlich, Secretary – Colleen LaPlant, Assistant Secretary – Ruth T. Cyrus, Member – Donna Jarrett-Mays, Member	
<u>Board Members (s) Absent</u>	
John G. Primeau, Vice Chair	
<u>HFA Staff Present</u>	<u>Teleconference Participants Present</u>
Ralph Stone, Executive Director	Linda Dufresne, Dufresne CPA, Services, P.A.
Norman Howard, Manager	Deborah Zomermaand, Financial Advisory Svc.
Andres “Andy” Centeno, Office Support Specialist	Junious Brown, Nabors, Giblin & Nickerson, P.A.
	JoLinda Herring, Bryan Miller Olive, PA
	Ahmed Martin, Sr. Development Manager, McDowell Housing Partners

<u>County Attorney</u>	<u>Public Attendees</u>
Annika Ashton, Deputy County Attorney	Bryan Cunningham, Project Consultant, Turn Two Construction
Christina Blythe, Asst. County Attorney	Alicia Howard, Project Consultant, Turn Two Construction

CONSENT AGENDA ITEM (1through 3)

1. Approval of August 17, 2022, Regular Meeting Minutes

MOTION TO APPROVE the Housing Finance Authority Regular Meeting Minutes on September 21, 2022.

2. Executive Director's (September Operation Report)

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

3. Single Family Mortgage Revenue Bonds – 2022 Carry Forward and 2023 Bond Allocations

MOTION TO ADOPT Resolution of the Housing Finance Authority of Broward County, Florida ("HFA") authorizing staff to Carry Forward 2022 Private Activity Bond Allocation; authorizing staff to request 2023 Private Activity Bond Allocation; approving a plan of finance involving the issuance by the HFA of its Single Family Mortgage Revenue Bonds ("Single Family Bonds") in an aggregate face amount of not to exceed \$250,000,000 in one or more series; approval of the Single Family Bonds as required by section 147(f) of the Internal Revenue Code of 1986; as amended; authorizing staff to publish a notice and hold a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986; approving the use of State awarded allocation for Mortgage Credit Certificate Programs or Multifamily Carry Forward; authorizing the proper officers, the Executive Director and the Employees and Agents of the HFA to do all things necessary in connection with the plan of finance, the issuance of Single Family Bonds and Carry-forward of Allocation; ratifying prior actions regarding same; and providing an effective date for this Resolution.

Motion was made by Ms. Jarrett-Mays and seconded by Mr. Cyrus to Approve Consent Agenda Items 1 through 3 of the October 19, 2022, meeting. The motion was carried unanimously.

4. Mortgage Credit Certificate 2023 Program

Mr. Stone stated the Housing Finance Authority is in the process of updating the Mortgage Credit Certificate Program. Mr. Stone also stated that the recommendation to the HFA Board was to initially approve \$15,000,000 of Single-Family Private Activity Bond Allocation which will amount to \$3,750,000 worth of Mortgage Credit Certificates.

Following Mr. Stone's comments Ms. Zomermaand stated that due to increased demand for the HFA's allocation, the Mortgage Credit Certificate Program, will have a slight difference compared to the prior programs. She stated that the updated program initially requests HFA Board approval to utilize \$15,000,000 of HFA allocation. The BOCC Resolution, will reflect three-year plan of issuance not to exceed \$50,000,000. If the \$15,000,000 is exhausted, additional funding may be authorized by the HFA Board without having to present it to the BOCC.

Mr. Ehrlich asked when will the HFA present the request to the BOCC. Mr. Howard replied that he believed it would be presented at the December 6, 2022, County Commission Meeting.

Ms. Zomermaand stated that the intent is to exchange the allocation the first week of January 2023 and continue the program until December 2025. No Further discussion on this item.

Motion was made by Ms. Jarrett-Mays and seconded by Ms. LaPlant to adopt the Resolution of the Housing Finance Authority of Broward County, Florida ("HFA") the authorizing the a Mortgage Credit Certificate Program; authorizing the exchange of a not to exceed amount of \$15,000,000 of Single Family Private Activity Bond Allocation for not to exceed \$3,750,000 of Mortgage Credit Certificate authority; approving the form and authorizing the execution of the Master Program Administration Guidelines; approving the form of and authorizing the execution and delivery of Participation Agreement between the HFA and Lending Institutions desiring to participate in the MCC Program; authorizing certain Officials of the HFA to take all actions necessary in connection with the implementation of the MCC Program; providing certain other findings and details with respect thereto; and providing and effective date.

5. Douglas Gardens Senior Health and Living

Mr. Stone stated that this is a request to issue \$77,000,000 in bond allocation to Douglas Gardens Senior Health and Living, a 410-unit development in the City of Pembroke Pines. He stated that this project initially consisted of two-phases however,

following a request from a developer, it was consolidated to a single construction. No further discussion on this item.

Motion was made by Mr. Ehrlich and seconded by Ms. Jarrett-Mays to adopt Resolution of the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority") authorizing the issuance of its not exceed \$77,000,000 Multifamily Housing Revenue Note, Series 2022 (Douglass Gardens – Senior Health and Living) (the "Note") for the purpose of financing the acquisition, construction and equipping of Douglas Gardens – Senior Health and Living located in Broward County, Florida (the "Project"); establishing parameters for the award of the sale thereof and establishing criteria for determining the terms thereof, including interest rates, interest payment dates, maturity schedule and other terms of such Note; approving the forms of and authorizing the execution and delivery of (i) a Funding Loan Agreement by and among the Housing Finance Authority, Citibank, N.A., as Funding Lender (the "Funding Lender"), and the Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the "Fiscal Agent"); (ii) a Borrower Loan Agreement by and between the Housing Finance Authority and Douglas Gardens IV, Ltd. (the "Borrower"); (iii) a Land Use Restriction Agreement by and among the Housing Finance Authority, the Fiscal Agent and the Borrower; (iv) an assignment of mortgage and loan documents by the Housing Finance Authority to the Fiscal Agent; (v) a Placement Agent Agreement by and between the Housing Finance Authority and Raymond James & Associates, Inc. and RBC Capital Markets, LLC, as Placement Agents; and (vi) a Fiscal Agent Fee Agreement by and between the Housing Finance Authority and Fiscal Agent approving the Housing Finance Authority to consent to the Borrower placing subordinate financing on the Project and approving the execution of such agreements as may be necessary in connection with such consent; waiving the Housing Finance Authority's prohibition against using subordinate financing to pay off its tax-exempt obligations; waiving the fee for services related to the Housing Finance Authority's annual audit of the project; authorizing the proper Officers of the Housing Finance Authority to do all things necessary or advisable to in connection with the issuance of the Note; and providing an effective date for this Resolution. The motion was carried unanimously.

6. Financial Reports Monthly Overview – Ms. Linda Dufresne

Ms. Linda Dufresne provided a brief overview of the financial report. She stated that major changes and fluctuations to the Financial Report were primarily related to year end entry accruals made in preparation for the upcoming September 30, 2022, audit. Also, other changes pertained to the investment portfolio, changes in market value, changes in maturity, pay down of items and investments that have been held and reduced in principle. She stated that the operations expenses continue to be under

budget, and revenues over budget regarding operational activities. The Trajectories continue in the same path as the previous months.

Ms. LaPlant requested the confirmation of a quarterly payment of \$5,000 for the Mt. Olive Project. Mr. Howard confirmed that the payment was correct.

Motion was made by Ms. Jarrett-Mays and seconded by Ms. LaPlant to approve the Housing Finance Authority monthly financial reports for the month of September 30, 2022. The motion was carried unanimously.

7. Election of New Officers for Year 2023

Mr. Stone stated the election for the fiscal year 2023 HFA Board Officers was open and it was up to the Board's discretion to suggest members for appointment.

Following a requested from the Chair for nominations, it was unanimously decided by the HFA Board to move each member up in position and electing Mr. John G. Primeau as the Chair of the HFA Board.

A question was asked by Ms. Manos as to when Mr. Pimeau's position as chair would be effective. Mr. Stone replied that his position would become effective in January 2023.

Ms. Jarrett-Mays voted to move the Board members up in position, and suggested Ms. Manos as the Assistant Secretary.

Motion was made by Ms. Jarrett-Mays and Seconded by Ms. LaPlant to appoint John G. Primeau as Chair, Scott Ehrlich as Vice Chair, Colleen LaPlant as Secretary, and Milette Manos as Assistant Secretary of the HFA Board. The motion was carried unanimously.

8. Meeting and Conference dates for Calendar Year 2023

Mr. Stone requested a motion to approve the Calendar Year 2023 HFA Board schedule.

Motion was made by Mr. Cyrus and seconded by Mr. Ehrlich to approve the Housing Finance Authority Board meeting dates and conference dates set for Calendar Year 2023. The motion was carried unanimously.

9. The Gallery at FATVillage

Mr. Stone stated that Related FATVillage, LLC has requested a bond allocation increase from \$42,850,000 to \$62,000,000. He stated that they intend to add 77

market-rate units to the project. He also mentioned that in addition to the 77 units, there will be 150 affordable units mainly for lower-income individuals.

Ms. Manos asked if the percentage for Lower Income is 30%. Mr. Stone Replied that the percentage was a combination of 50% and 120% for lower income individuals.

Motion was made by Ms. Jarret-Mays and seconded by Mr. Ehrlich to adopt Resolution of the Housing Finance Authority of Broward County, Florida (the "Authority") declaring its official intent to issue Multifamily Housing Mortgage Revenue Bonds or notes (the "Bonds") of the Authority of finance all or a portion of the cost of the construction and equipping of certain multifamily housing facilities (the Gallery at FATVillage) located within Broward County, Florida and other related purposes; approving the issuance of the bonds, subject to certain further findings and conditions; authorizing the Authority to publish notice of and hold public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA); and providing an effective date for this Resolution. The motion was carried unanimously.

10. St. Joseph Manor II

Mr. Stone stated that this item is to request \$32,000,000 in bond allocations for St. Joseph Manor II, a 150-unit new construction development located at NW 3rd Avenue and NW 12th Street in the City of Pompano Beach.

Motion was made by Mr. Ehrlich and seconded by Ms. Manos to adopt Resolution of the Housing Finance Authority of Broward County, Florida (the "Housing Finance Authority") declaring its official intent to issue Multifamily Housing Revenue Bonds and/or Notes (the "Bonds") of the Housing Finance Authority to finance all or a portion of the costs of the acquisition, construction and equipping of certain multifamily housing facilities (St. Joseph Manor II) located within Broward County, Florida and other related purposes; authorizing the Housing Finance Authority to publish notice of and hold a public hearing pursuant to the Tax Equity and Fiscal Responsibility Act (TEFRA); and providing an effective date. The motion was carried unanimously.

11. MATTERS OF HFA MEMBERS

None.

12. MATTERS FROM THE FLOOR

Mr. Stone stated that due the rise in construction pricing this past year, there were approximately 60 to 70 projects fully funded by the Florida Housing Finance Corporation without the assistance of Broward County. He stated that unfortunately

the projects fell through and in response, the Florida Housing Corporation created a program to provide an additional allocation. Six of the Florida Housing Finance Corporation projects applied for assistance from Broward County however, four projects were still upside down in their construction pricing. Mr. Stone stated that four out of the six projects requested assistance from Broward County which amounted to approximately 500 units. Mr. Stone stated that the HFA Board agreed to make these four deals whole in a non-competitive way so not to lose units and equity which totaled approximately \$11.8 Million.

Following Mr. Stone's comment, there was a detailed conversation between Mr. Reynolds, Mr. Stone, and Ms. Manos regarding Florida Housing Finance Corporation.

13. NEXT BOARD MEETING

November 16, 2022

14. ADJOURNMENT

The Chair, Daniel D. Reynolds hearing no further comments, questions or discussions adjourned the meeting at 6:32 P.M.

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MEMORANDUM

Date: November 8, 2022
To: Housing Finance Authority Board Members
Through: Ralph Stone, Executive Director
From: Norman Howard, Manager
Subject: October Operational Report

SINGLE-FAMILY

Information listed below is the foreclosure/bankruptcy report received from CitiMortgage for the months of August 31, 2022, and September 30, 2022. The report for the month of October 2022 has not been received from CitiMortgage to date.

Bankruptcy – August 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) – August 2022

Loan Count	Total		1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
2	\$70,523		0	2	\$0	\$70,523

Bankruptcy – September 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) – September 2022

Loan Count	Total		1 st Lien	2 nd Lien	1 st Mort./Total	2 nd Mort./Total
3	\$205,874		1	2	\$135,351	\$70,523

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

Comparison Year	Foreclosures	1st Mortgage balance	2nd Mortgage balance	Total
September - 21	5	\$277,492	\$102,104*	\$379,596
September - 22	3	\$135,351	\$70,523**	\$205,874
Difference (+/-)	2	\$142,141	\$31,781	\$173,722

Note: * FY21 contain 5 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	29	18	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	46	27	0
<i>Income to date (Y2021/22):</i> \$4,725			

MULTI-FAMILY COMPLIANCE MONITORING

Multifamily compliance monitoring; reporting for period August 21, 2022, through September 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 August 21, 2022, through September 20, 2022, is included (*Attachment 2*).

Annual Management Review and Inspections

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

ATTACHMENT 1

2022 MULTIFAMILY HOUSING BOND TRANSACTIONS – NOVEMBER 2022 UPDATE

<u>HFA RANKING</u>	1	2	3
<u>PROJECT NAME</u>	<u><i>The Gallery at FATVillage</i></u>	<u><i>Griffin Gardens II</i></u>	<u><i>Douglas Gardens Senior Health & Living (Combined Douglas Gardens IV & VI)</i></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 Pines, 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"> • Lead Underwriter • Bond Counsel • Credit Underwriter (“CU”) 	<ul style="list-style-type: none"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • First Housing • Nabors • First Housing
<u>BOND AMOUNTS</u>	<ul style="list-style-type: none"> • Bond Amount/Original Req. • Revised Request • CU Recommendation 	<ul style="list-style-type: none"> • \$35,900,000 • \$42,850,000/\$62,000,000(Pending) • 	<ul style="list-style-type: none"> • \$21,000,000 • •
<u>TEFRA & Inducement</u>	<ul style="list-style-type: none"> • TEFRA/Inducement Amount • Date of HFA Inducement • Date of TEFRA Hearing • Date HFA Approval/Amend. • Date of BOCC App. TEFRA • BOCC Approval/Amendment 	<ul style="list-style-type: none"> • \$35,900,000/\$62,000,000 • March 24, 2021/January 19, 2022 • March 22, 2022/Nov. 8, 2022 • April 20, 2022/August 17, 2022/Nov. 16, 2022(Pending) • September 20, 2022 • December 6, 2022 (Pending) 	<ul style="list-style-type: none"> • \$77,000,000 • August 17, 2022 • October 17, 2022 • October 19, 2022 • December 6, 2022 (Pending)
<u>ALLOCATION</u>	<ul style="list-style-type: none"> • Allocation Approved by HFA 	HFA - \$35,900,000/\$42,850,000/ \$62,000,000(Pending) County General Funds	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"> • Lead Underwriter • Bond Counsel • Credit Underwriter (“CU”) 	<ul style="list-style-type: none"> • Raymond James • Nabors Giblin • Seltzer 	<ul style="list-style-type: none"> • RBC • BMO • Seltzer
<u>BOND AMOUNTS</u>	<ul style="list-style-type: none"> • Bond Amount/Original Req. • Revised Request • CU Recommendation 	<ul style="list-style-type: none"> • \$22,000,000 • • 	<ul style="list-style-type: none"> • \$26,000,000 • \$27,000,000/\$30,000,000(Pending) •
<u>TEFRA & Inducement</u>	<ul style="list-style-type: none"> • TEFRA/Inducement Amt. • Date of HFA Inducement • Date of TEFRA Hearing • Date of HFA Approval • Date of BOCC App. TEFRA • BOCC Approval 	<ul style="list-style-type: none"> • \$22,000,000 • August 17, 2022 	<ul style="list-style-type: none"> • \$27,000,000/\$30,000,000/\$32,000,000 • 06/15/2022; 09/21/2022; 10/19/2022 • October 17, 2022
<u>ALLOCATION</u>	<ul style="list-style-type: none"> • Allocation Approved by HFA 	HFA \$22,000,000 County General Funds	HFA \$32,000,000. &County General Funds
<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"> • 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"> • \$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 • January 19, 2022/April 20, 2022 • May 24, 2022 • August 17, 2022 • September 20, 2022 • 	<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	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>	<u>Golden Acres Senior Apartments</u>	<u>Sistrunk Apartments</u>	
<u>PROJECT LOCATION</u>	NW 18 th Dr., NE of the intersection of NW 18 th Dr. & NW 12 th Dr., Pompano Beach, FL	1204 NW 6 th Street and 1619 NW 6 th Street, Ft. Lauderdale	
<u>DEVELOPER</u>	AMBAR3, LLC & HAPB Supporting Housing Opportunities, Inc.	Sistrunk Apartments 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"> • TBD • TBD • TBD 	<ul style="list-style-type: none"> • TBD • TBD • Ameri National 	
<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"> • \$14,750,000 • • 	<ul style="list-style-type: none"> • \$18,000,000 • • 	
<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		
<u>TRANSACTION STATUS</u>	<i>See Note #10</i>	<i>See Note #11</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 increased to \$42,850,000. On October 6, 2022, a request was received to increase the bond amount to \$62,000,000 which will allow for 272 total units. The request was subsequently revised to 263 units. A new TEFRA hearing was held on November 8, 2022. The building type is apartments with elevator access. The transaction is expected to close December 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 2023.

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 first quarter of 2023.

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 an initial revision to \$27,000,000 and a subsequent revision to \$30,000,000 submitted to the HFA on September 7, 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 an initial revision to \$19,000,000 and a subsequent revision to \$22,000,000 submitted to the HFA on June 27, 2022. 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 third quarter 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 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.

Note #11:

Application to fund Sistrunk Apartments in the 2022 allocation cycle was submitted to the HFA on April 6, 2022. The financing is expected to fund the new construction of 72 units of affordable housing in Ft. Lauderdale. The requested bond amount is \$18,000,000. The building type is 5 story elevator apartments. The transaction is expected to close by June 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 August	From Mgmt Low Income Units Occupied	% Occupied by Low Income	LURA Low Income Requirement	Certificate of Compliance rec'd September	Vacant Units
Banyan Bay	416	393	94.5	44%	165	42.0	20%	10/5/2022	23
Chaves Lakes	238	237	99.6	79%	188	79.3	40%	9/28/2022	1
Emerald Palms	318	317	99.7	87%	277	87.4	40%	10/13/2022	1
Federation Davie Apartments	80	79	98.8	100%	79	100.0	40%	11/8/2022	1
Federation Sunrise Apartments	123	122	99.2	99%	122	100.0	40%	11/1/2022	1
Golden Villas	120	118	98.3	99%	118	100.0	40%	10/14/2022	2
Heron Pointe	200	198	99.0	100%	198	100.0	40%	9/30/2022	2
Landings at Coconut Creek	268	253	94.4	21%	54	21.3	20%	10/10/2022	15
Lauderhill Point (fka Driftwood Terr)	176	167	94.9	100%	167	100.0	100%	10/10/2022	9
Los Prados	444	410	92.3	36%	142	34.6	20%	9/29/2022	34
Mar Lago Village	216	195	90.3	42%	83	42.6	40%	10/10/2022	21
Marquis	100	98	98.0	99%	97	99.0	40%	9/29/2022	2
Northwest Gardens V	200	189	94.5	100%	189	100.0	40%	10/21/2022	11
Palms of Deerfield	56	56	100.0	100%	56	100.0	100%	10/5/2022	0
Pembroke Park	244	242	99.2	81%	195	80.6	40%	9/29/2022	2
Pinnacle Village	148	147	99.3	99%	145	98.6	40%	10/14/2022	1
Praxis of Deerfield Beach	224	207	92.4	100%	205	99.0	100%	10/13/2022	17
Prospect Park	125	124	99.2	100%	124	100.0	40%	10/7/2022	1
Regency Gardens	94	93	98.9	100%	93	100.0	40%	9/20/2022	1
Residences at Crystal Lake	92	91	98.9	100%	91	100.0	40%	10/11/2022	1
Sailboat Bend	37	37	100.0	87%	32	86.5	100%	10/7/2022	0
Sanctuary Cove	292	290	99.3	99%	286	98.6	40%	10/2/2022	2
Stanley Terrace	96	93	96.9	100%	93	100.0	40%	10/5/2022	3
Summerlake	108	108	100.0	97%	105	97.2	40%	10/5/2022	0
Woodsdale Oaks	172	169	98.3	100%	169	100.0	70%	10/10/2022	3
Totals	4,587	4,433			3,473	78.3%			154
Total % rate of occupancy for all properties		97%							

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 August 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 represent the date the Certificate of Compliance was received by Housing Finance Authority. Dates may vary from the 21st 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.

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**Housing Finance HFA of Broward County
November 16, 2022 – Board Meeting**

Multifamily Bonds/Notes - Action Item (Refer to Agenda for the full proposed Motion language.)

MOTION TO ADOPT a Resolution providing authorization and/or approval to supplement and amend Resolution No. 2022-009 which authorized: the issuance of HFA's Multifamily Housing Mortgage Revenue Note, Series 2022 (The Gallery at FATVillage) (the "Note") in a principal amount of not to exceed \$42,850,000; to acknowledge and consent to subordinate financing and replacement of Exhibit I to Resolution 2022-009.

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 Resolution 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 the City of Fort Lauderdale were provided notice regarding the potential construction of the Development prior to the HFA holding a TEFRA hearing.
4. The HFA adopted Resolution No. 2022-009 authorizing the Note, at its April 20, 2022, meeting, and amended such resolution by adopting Resolution No. 2022-11 on August 17, 2022, to acknowledge and consent to the Borrower's subordinate debt and replacement of the Term Sheets (the "Previous Resolution").

Present Situation

1. The Developer requested an amendment and restatement of the Previous Resolution allowing for an increase in the amount of bond to the maximum principal amount of \$62,000,000.
2. The total units will increase from 195 units to 263 units.
3. A revised Credit Underwriting Report ("CUR") reflecting the updated development will be provided to the HFA at a future meeting. The HFA's acknowledgment of the CUR is administrative and additional revisions may be required in conjunction

with the delivery of the Note. Revisions to the CUR are allowed subject to Section 17 of the HFA Authorizing Resolution.

Recommendation

Request Board:

Adopt a Resolution providing authorization and/or approval to supplement and amend Resolution No. 2022-009 authorizing:

- a. Issuance of the HFA's Multifamily Housing Mortgage Revenue Note, Series 2022 in the principal amount of not to exceed \$62,000,000,
- b. execution and delivery of the documents in substantially the same form as included in Exhibits A-G of Resolution 2022-024,
- c. HFA's execution of certain additional agreements, instruments, certifications, and affidavits in connection with the issuance of the Note,
- d. Waiver of prohibition against utilizing subordinate funds to pay off the Note,
- e. waiver of the annual audit fee,
- f. taking other actions required to issue and deliver the Note, and
- g. 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.

EXHIBITS

HFA Resolution including form of:

(A copy of the Exhibits will be available at the meeting)

- A. Funding Loan Agreement,
- B. Project Loan Agreement,
- C. Land Use Restriction Agreement,
- D. Placement Agent Agreement,
- E. Allonge to Multifamily Note,
- F. Assignment of Leasehold Mortgage and Security Documents,
- G. Fiscal Agent Fee Agreement,
- H. Recognition, Attornment and Assent to Leasehold Mortgage (Senior Mortgage)
- I. Term Sheets

ATTACHMENT 1

RESOLUTION NO. 2022-024

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m.

on November 16, 2022, at 110 Northeast Third Street, Suite 300, Fort Lauderdale, Florida.

Present: _____

Absent: _____

Thereupon, the following resolution was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "HFA") AMENDING AND RESTATING RESOLUTION NO. 2022-009 ADOPTED ON APRIL 20, 2022 ENTITLED "AUTHORIZING THE ISSUANCE OF ITS MULTIFAMILY HOUSING MORTGAGE REVENUE NOTE, SERIES 2022 (THE GALLERY AT FATVILLAGE) IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$62,000,000 (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 ALLONGE TO THE MULTIFAMILY NOTE (PROJECT NOTE); APPROVING AND AUTHORIZING THE EXECUTION OF THE ASSIGNMENT OF LEASEHOLD MORTGAGE AND SECURITY DOCUMENTS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE RECOGNITION, ATTORNMENT AND ASSENT TO LEASEHOLD MORTGAGE (SENIOR MORTGAGE); 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." 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.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "HFA") is empowered under the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the "Act") and Ordinance 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the "Board") on June 20, 1979 (the "Ordinance"), as amended, to issue multi-family housing revenue bonds; and

WHEREAS, the HFA previously adopted Resolution No. 2022-009 on April 20, 2022 authorizing the Note, and amended such resolution by adopting Resolution No. 2022-11 on August 17, 2022 to acknowledge and consent to the Borrower's subordinate debt and replacement of the Term Sheets (the "Previous Resolution"); and

WHEREAS, the HFA desires to amend and restate the Previous Resolution in connection with the Borrower's request to increase the amount of bonds to the maximum principal amount of \$62,000,000; and

WHEREAS, the HFA desires to issue a Multifamily Housing Mortgage Revenue Note, Series 2022 (the "Note") in a principal amount of not to exceed \$62,000,000 for the purpose of financing the construction and equipping of a multi-family residential housing development in Fort Lauderdale, Broward County, Florida (the "County") known as The Gallery at FatVillage (the "Project"); and

WHEREAS, Related FATVillage, LLC, a Florida limited liability company (the "Borrower"), has requested the HFA to issue its Note to provide funds to make a loan to the Borrower (the "Loan") to finance the construction and equipping of the Project; and

WHEREAS, the HFA shall enter into a Funding Loan Agreement (the "Funding Loan Agreement"), among JPMorgan Chase Bank, N.A., (the "Funding Lender"), the HFA and The Bank of New York Mellon Trust Company, N.A. (the "Fiscal Agent") for the purpose of setting forth the terms, conditions and covenants that are necessary to secure the Note and protect the rights of the holders of the Note and to evidence the terms and conditions of the funding loan from the Funding Lender to the HFA, in substantially the form attached hereto as Exhibit "A"; and

WHEREAS, the HFA shall enter into a Project Loan Agreement (the "Project Loan Agreement"), among the HFA, the Borrower and the Fiscal Agent to evidence the terms and conditions of the Loan, in substantially the form attached hereto as Exhibit "B"; and

WHEREAS, the HFA shall enter into a Land Use Restriction Agreement among the HFA, the Borrower and the Fiscal Agent in substantially the form attached hereto as Exhibit "C"; and

WHEREAS, the HFA shall enter into a Placement Agent Agreement among the HFA, Raymond James & Associates, Inc. and RBC Capital Markets, LLC, in substantially the form attached hereto as Exhibit "D"; and

WHEREAS, the HFA shall execute the Allonge to the Multifamily Note (Project Note), in substantially the form attached hereto as Exhibit "E"; and

WHEREAS, the HFA shall execute the Assignment of Leasehold Mortgage and Security Documents, in substantially the form attached hereto as Exhibit "F"; and

WHEREAS, the HFA shall execute the Fiscal Agent Fee Agreement, in substantially the form attached hereto as Exhibit "G"; and

WHEREAS, the HFA shall execute the Recognition, Attornment and Assent to Leasehold Mortgage (Senior Mortgage) in substantially the form attached hereto as Exhibit "H"; and

WHEREAS, within the County there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

WHEREAS, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of

housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a “qualified housing development” under the Act; and

WHEREAS, the HFA is not obligated to pay the Note except from the proceeds derived from the repayment of the Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Funding Loan Agreement. Neither the faith and credit nor the taxing power of the HFA, the County or the State of Florida or any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Note; and

WHEREAS, due to the complexity of the financing, the turmoil in the capital markets and the need to coordinate matters among the HFA, the Borrower and the Funding Lender, or its affiliates, it is in the best interest of the HFA to negotiate the sale of the Note. The disclosure required in Section 218.385, Florida Statutes, as amended, shall be provided to the HFA prior to the sale of the Note; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Note was published in the Sun-Sentinel, a newspaper of general circulation on October 30, 2022, at least 7 days prior to the date of such hearing; and

WHEREAS, on November 8, 2022, a public hearing concerning the issuance of the Note in a face amount of not to exceed \$62,000,000 to finance the Project was held by the HFA; and

WHEREAS, the HFA received from the State of Florida Division of Bond Finance an allocation of 2019, 2020 and 2021 private activity bond volume cap in the amounts of \$97,397,445, \$97,647,789.10 and \$176,327,678.22 respectively, which has been carried forward pursuant to Section 145(f) of the Code and designated for the issuance of bonds for qualified residential rental projects; and

WHEREAS, the Ordinance requires that all contracts of the HFA in connection with the issuance of the Note be approved by the Board.

WHEREAS, the HFA desires to authorize the execution and delivery of the contracts and any other documents of the HFA to be executed in connection with the issuance of the Note.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:

Section 1. Adoption of Representations. The foregoing WHEREAS paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Authorization of the Note. The HFA hereby authorizes, under the authority of the Act and the Ordinance, and subject to the terms as hereinafter set forth, the issuance of the Note to be designated "Housing Finance Authority of Broward County, Florida Multifamily Housing Mortgage Revenue Note, Series 2022 (The Gallery at FATVillage)" in a principal amount of not to exceed \$62,000,000 or such other series or name designation as may be determined by the HFA.

Section 3. Details of the Note. The Note shall be issued under and secured by the Funding Loan Agreement, by which reference is hereby incorporated into this Resolution as if set forth in full herein. The proceeds of the Note, together with any commitment fees, shall be applied as provided in the Funding Loan Agreement, the Note shall mature in the years and in the amounts, bear interest at such rates, be subject to redemption and shall have such other characteristics as shall be provided in the Funding Loan Agreement.

Section 4. Execution of Note. The Chair or Vice Chair and Secretary or Assistant Secretary of the HFA are hereby authorized and directed to execute by manual or facsimile signature, and place

the seal of the HFA, in manual or facsimile form, on the Note. The Note shall be in substantially the form set forth in the Funding Loan Agreement, with such changes, modifications and deletions as the officers executing the Note, with the advice of Bryant Miller Olive P.A. ("Bond Counsel") and the County Attorney, may deem necessary and appropriate and as are not inconsistent with the Funding Loan Agreement and this Resolution. The execution and delivery of the Note by the aforementioned persons shall be conclusive evidence of the HFA's approval and authorization thereof.

Section 5. Authentication and Delivery of Note. Upon execution of the Note in the form and manner set forth in the Funding Loan Agreement, the HFA shall deliver the Note to the Fiscal Agent for authentication, and the Fiscal Agent is hereby authorized and directed to authenticate and deliver said Note to the Funding Lender, subject to the terms for delivery set forth in the Funding Loan Agreement.

Section 6. Approval of Funding Loan Agreement. The form and content of the Funding Loan Agreement by and among the HFA, the Funding Lender and the Fiscal Agent, attached hereto as Exhibit "A", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Funding Loan Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 7. Approval of Project Loan Agreement. The form and content of the Project Loan Agreement among the HFA, the Borrower and the Fiscal Agent, attached hereto as Exhibit "B", is

hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Project Loan Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 8. Approval of the Land Use Restriction Agreement. The form and content of the Land Use Restriction Agreement among the HFA, the Borrower and the Fiscal Agent, attached hereto as Exhibit "C", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Land Use Restriction Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 9. Approval of Placement Agent Agreement. The form and content of the Placement Agent Agreement among the HFA, RBC Capital Markets, LLC and Raymond James and Associates, Inc., attached hereto as Exhibit "D", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Placement Agent Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and

deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 10. Allonge to Multifamily Note (Project Note). The Borrower intends to execute and deliver a multifamily note in favor of the HFA (the "Multifamily Note"). The HFA will assign its interest in the multifamily note to the Fiscal Agent. The execution of the Allonge to Multifamily Note (Project Note), attached hereto as Exhibit "E", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Allonge to Multifamily Note and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 11. Execution of Assignment of Leasehold Mortgage and Security Documents. The form and content of the Assignment of the Leasehold Mortgage and Security Documents made by the HFA in favor of the Fiscal Agent (the "Assignment"), attached hereto as Exhibit "F", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Assignment and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County

Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 12. Appointment of Fiscal Agent, Registrar and Paying Agent. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed Fiscal Agent, Registrar and Paying Agent under the Funding Loan Agreement; and the HFA approves the form and content of the Fiscal Agent Fee Agreement between the HFA and the Fiscal Agent and attached hereto as Exhibit "G". The Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Fiscal Agent Fee Agreement, and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in substantially the form presented at this meeting, with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the HFA.

Section 13. Execution of Recognition, Attornment and Assent to Leasehold Mortgage (Senior Mortgage). The form and content of the Recognition, Attornment and Assent to Leasehold Mortgage (Senior Mortgage) (the "Recognition"), attached hereto as Exhibit "H", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Recognition and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may

deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 14. Sale of Note. The Note is hereby sold and awarded to JPMorgan Chase Bank, N.A., or its affiliates as Construction Lender, at the price of par pursuant to its term sheet (the "Chase Term Sheet"). At the end of the construction phase the Loan will be purchased by Grandbridge Real Estate Capital, LLC, as Freddie Mac/Seller Servicer pursuant to the terms of its term sheet (the "Grandbridge Term Sheet" and together with the Chase Term Sheet, collectively, the "Term Sheets"). The Term Sheets are attached hereto as Exhibit "I". The Executive Director is hereby authorized to accept additional term sheets in connection with the Note upon review and approval from Bond Counsel and County Attorney. The Chair or Vice Chair and the Secretary are authorized to make any and all changes to the form of the Note which shall be necessary to conform the same to the Term Sheets and any subsequently approved term sheets.

Section 15. Certificated Note. It is in the best interest of the HFA and the Borrower that the Note be issued utilizing a certificated form and not utilizing a book-entry system of registration.

Section 16. Subordinate Financing. The HFA hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of (i) a loan from Broward County in the approximate principal amount of not to exceed \$2,500,000 (the "County Loan"), (ii) a loan from the Fort Lauderdale Community Redevelopment Agency in the approximate principal amount of not to exceed \$1,500,000 (the "CRA Loan"), and (iii) a loan from the City of Fort Lauderdale in the principal amount of \$600,000 (the "City Loan", and together with the County Loan and the CRA Loan, the "Subordinate Financing"). Given the need for additional affordable rental units in the County, the high

development costs associated with the Project, and the favorable financing terms of the Subordinate Financing, the HFA hereby determines that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the HFA (i) authorizes the Chair or the Vice Chair of the HFA to consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Trustee to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate.

Section 17. Waiver of Prohibition Against Utilizing Subordinate Debt Funds to Pay Off the Note. The HFA has a strict prohibition against using subordinate debt funds to pay off its tax-exempt bonds. However, with respect to the Note, the HFA hereby waives its prohibition against the Borrower using any of the Subordinate Financing to pay off the Note, if necessary.

Section 18. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by the Borrower for the services of the HFA's auditor to audit the Project and the Note annually. The HFA waives such audit fee in connection with the Project.

Section 19. Further Actions and Ratifications of Prior Actions. The officers, agents and employees of the HFA and the officers, agents and employees of the Fiscal Agent are hereby authorized and directed to do all acts and things required of them by the provisions of the Note, the Funding Loan Agreement, the Project Loan Agreement, the Land Use Restriction Agreement, the

Multifamily Note, the Assignment and this Resolution (collectively, the "HFA Documents") and to execute and deliver any and all additional documents necessary or advisable to effectuate the foregoing. All actions heretofore undertaken by the officers, agents and employees of the HFA with respect to the provisions of the HFA Documents are hereby ratified and approved.

Section 20. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Funding Loan Agreement.

Section 21. Amendment and Restatement. This Resolution specifically amends and restates Resolution No. 2022-09 adopted on April 20, 2022.

Section 22. Repeal. Any prior resolutions in conflict herewith are hereby repealed.

[Remainder of page intentionally left blank]

Section 23. Resolution Effective. This Resolution shall take effect immediately upon its passage.

Upon motion of _____, seconded by _____,

the foregoing Resolution was adopted by the following votes:

AYES: _____

NAYS: _____

Approved on November 8, 2022 as to form and legal sufficiency by:

Bryant Miller Olive P.A., Bond Counsel

STATE OF FLORIDA)
)ss:
COUNTY OF BROWARD)

I, Scott Ehrlich, Secretary of the Housing Finance Authority of Broward County, Florida, DO HEREBY CERTIFY that the foregoing is an accurate copy of the Resolution of the Housing Finance Authority adopted at a meeting held on November 16, 2022, as set forth in the official minutes of the Housing Finance Authority, related to approval of certain actions to be taken in connection with the proposed issuance of Multifamily Housing Mortgage Revenue Note, Series 2022 (The Gallery at FATVillage) of the Housing Finance Authority.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this _____ day of _____, 2022.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Scott Ehrlich, Secretary

(SEAL)

EXHIBIT "A"

FORM OF FUNDING LOAN AGREEMENT

EXHIBIT "B"

FORM OF PROJECT LOAN AGREEMENT

EXHIBIT "C"

FORM OF LAND USE RESTRICTION AGREEMENT

EXHIBIT "D"

FORM OF PLACEMENT AGENT AGREEMENT

EXHIBIT "E"

FORM OF MULTIFAMILY NOTE

EXHIBIT "F"

FORM OF ASSIGNMENT OF LEASEHOLD MORTGAGE AND SECURITY DOCUMENTS

EXHIBIT "G"

FORM OF FISCAL AGENT FEE AGREEMENT

EXHIBIT "H"

**FORM OF RECOGNITION, ATTORNMENT AND ASSENT
TO LEASEHOLD MORTGAGE (SENIOR MORTGAGE)**

EXHIBIT "I"
TERM SHEETS

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**Housing Finance HFA of Broward County
November 16, 2022 – Board Meeting**

Multifamily Bonds/Notes - Action Item (Refer to Agenda for the full proposed Motion language.

1. MOTION TO ACCEPT the Credit Underwriting Report
2. MOTION TO ADOPT a Resolution providing authorization and/or approval: a) to issue the HFA's Multifamily Housing Mortgage Revenue Note, Series 2023 (Captive Cove III) (the "Note") in an principal amount not to exceed \$22,000,000, b) of the form, execution and delivery of the documents included as Exhibits A-I 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.

Background

1. On June 27, 2022, the HFA received a multifamily bond application from Captiva Cove III Associates, Ltd. (the "Owner"), pertaining to a 106-unit new construction development, known as Captiva Cove III (the "Development"). The Development is located at 740 SW 11th St., Pompano Beach, FL 33060. The application requested that the HFA issue Bonds to support the Development in an amount of \$22,000,000.
2. At its August 17, 2022, meeting, the HFA adopted an Inducement Resolution for the Development in the amount not to exceed \$22,000,000.
3. The TEFRA hearing was held on October 11, 2022, and the Mayor and City Manager of Pompano Beach were provided notice regarding the potential construction of the Development prior to the HFA holding a TEFRA hearing.
4. The HFA has tax-exempt carry forward allocation available to fully fund this transaction and all pending transactions.

Present Situation

1. As the multifamily bond/note audit is no longer required per County Ordinance, the Borrower requested a waiver of the HFA's Audit Fees. This waiver only pertains to the audit of funds held with the Fiscal Agent. The waiver of audit fees is included within the HFA Resolution.

2. The Resolution provides for HFA approval of The Bank of New York Mellon Trust Company, N.A. as Trustee, Registrar and Paying Agent under the Trust Indenture.
3. The Borrower intends to secure subordinate financing and requests HFA consent to such subordinate financing.
4. The HFA has a prohibition against using subordinate debt funds to pay off tax-exempt bonds. With respect to the Bonds the Borrower has requested a waiver of this prohibition.
5. HFA acceptance of the Credit Underwriting Report ("CUR") is administrative and additional revisions may be required in conjunction with the delivery of the Bonds. Revisions to the CUR will be subject to Section 19 of the attached Resolution.
6. The closing for the financing of this Development is presently anticipated within the first quarter of 2023.

Recommendations

Motion to Accept:

1. Credit Underwriting Report, and

Motion to Approve:

2. HFA Resolution including authorization and/or approval:
 - a. to issue the HFA's Multifamily Housing Mortgage Revenue Note, Series 2023 (the "Note") in an aggregate amount not to exceed \$22,000,000,
 - b. of the form, execution and delivery of the documents included as Exhibits A-G and I 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. to appoint The Bank of New York Mellon Trust Company, N.A. as Trustee, Registrar and Paying Agent under the Trust Indenture,
 - f. to consent to subordinate financing,
 - g. to allow using subordinate debt funds to pay off tax-exempt bonds,
 - h. to take other actions required to issue and deliver the Note, and
 - i. 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.

EXHIBITS

HFA Resolution including form of:

(A copy of the Exhibits will be available at the meeting)

- A. Trust Indenture
- B. Financing Agreement
- C. Land Use Restriction Agreement
- D. Bond Purchase Agreement
- E. Promissory Note
- F. Assignment of Mortgage and Security Documents
- G. Trustee Fee Agreement
- H. Term Sheet
- I. Placement Agent Agreement

ATTACHMENT 1

Housing Finance Authority of Broward County

Credit Underwriting Report

Captiva Cove III

Tax Exempt Loan Program

Section A Report Summary

Section B Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

October 26, 2022

CAPTIVA COVE III

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Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. (“SMG” or “Seltzer” or “Servicer”) recommends a Housing Finance Authority of Broward County (“HFABC” or “Authority”) fund Multifamily Mortgage Revenue Note (“MMRN”) in the amount of \$19,500,000 to Captiva Cove III for construction and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: Captiva Cove III

RFA/Program Numbers: RFA 2021-205 / 2022-2045 2021-525C

Address: 740 SW 11th Street

City: Pompano Beach Zip Code: 33060 County: Broward County Size: Large

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

Construction Type: Masonry

Demographic Commitment:
 Primary: Family for 100% of the Units

Unit Composition:
 # of ELI Units: 16 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 0
 # of Link Units: 8 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	680	30%			\$510	\$58	\$452		\$452	\$452	\$452	\$27,120
1	1.0	19	680	60%			\$1,020	\$58	\$962		\$962	\$962	\$962	\$219,336
1	1.0	6	680	70%			\$1,190	\$58	\$1,132		\$1,132	\$1,132	\$1,132	\$81,504
2	2.0	11	1,000	30%			\$612	\$71	\$541		\$541	\$541	\$541	\$71,412
2	2.0	31	1,000	60%			\$1,225	\$71	\$1,154		\$1,154	\$1,154	\$1,154	\$429,288
2	2.0	34	1,000	70%			\$1,429	\$71	\$1,358		\$1,358	\$1,358	\$1,358	\$554,064
		106	96,400											\$1,382,724

Persons with Special Needs Set-Aside Commitment: The proposed development must set aside fifty percent (50%) of the ELI Set-Aside units (8 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one Florida Housing designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Broward County). The execution deadline for the MOU is December 1, 2022.

The Applicant selected the Average Income Test; therefore, as required by RFA 2021-205, the Applicant must set-aside at least 15% of the total units (16 units) as ELI set-aside units at 30% AMI. The Persons with Special needs set-aside requirement must be maintained throughout the 50 year Compliance Period.

The Tenant Selection Plan (“TSP”) was approved by Florida Housing on April 21, 2022.

MMRN CREDIT UNDERWRITING REPORT

SMG

Buildings: Residential - 3 Non-Residential - 0
 Parking: Parking Spaces - 163 Accessible Spaces - 9

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB (HFABC)	40.00%	43	60%	50
SAIL/ELI/HC	15.094%	16	30%	50
SAIL/HC	47.170%	50	60%	50
SAIL/HC	37.736%	40	70%	50
Broward County	15.094%	16	30%	30
Broward County	40.566%	43	60%	30
Broward County	44.340%	47	70%	30

Absorption Rate 25 units per month for 4.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 96.00%
 Occupancy Comments _____

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 3.050 Density: 34.7541 Flood Zone Designation: AH
 Zoning: B-3 and RM-45; Gen. Business and Multiple Family Residence Flood Insurance Required?: Yes

DEVELOPMENT TEAM

Applicant/Borrower:	Captiva Cove III Associates, Ltd.	% Ownership
General Partner	Cornerstone Captiva Cove III, LLC	0.0100%
Limited Partner	National Equity Fund, Inc. ("NEF") or its affiliate	99.9900%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Captiva Cove III Associates, Ltd.	
CC Guarantor 2:	Cornerstone Captiva Cove III, LLC	
CC Guarantor 3:	Cornerstone Group Partners, LLC	
CC Guarantor 4:	Jorge Lopez	
CC Guarantor 5:	Mara S. Mades	
CC Guarantor 6:	Leon J. Wolfe	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Captiva Cove III Associates, Ltd.	
OD Guarantor 2:	Cornerstone Captiva Cove III, LLC	
OD Guarantor 3:	Cornerstone Group Partners, LLC	
OD Guarantor 4:	Jorge Lopez	
OD Guarantor 5:	Mara S. Mades	
OD Guarantor 6:	Leon J. Wolfe	
Note Purchaser	JPMorgan Chase Bank, N.A.	
Developer:	Cornerstone Group Partners, LLC	
Principal 1	Jorge and Awilda Lopez	
Principal 2	M3 Acquisitions, LLC	
Principal 3	M.S. Mades Family Limited Partnership	

MMRN CREDIT UNDERWRITING REPORT

SMG

General Contractor 1:	Brookstone Construction, LLC
Management Company:	Cornerstone Residential Management, LLC
Syndicator:	National Equity Fund, Inc. ("NEF") or its affiliate
Note Issuer:	Housing Finance Authority of Broward County
Architect:	Burgos Lanza and Associates (Pablo Burgos)
Market Study Provider:	BBG, Inc.
Appraiser:	BBG, Inc.

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	HFABC / Chase	FHFC SAIL	FHFC SAIL / CHIRP	Broward County	FHFC SAIL ELI	Pompano Beach
Amount	\$6,655,098	\$3,180,000	\$4,300,000	\$5,630,000	\$600,000	\$1,500,000
Underwritten Interest Rate	5.25%	1.00%	1.00%	0.00%	0.00%	1.00%
Loan Term	15.0	15.0	15.0	27.5	15.0	30.5
Amortization	35.0	N/A	N/A	N/A	N/A	N/A
Market Rate/Market Financing LTV	18.9%	27.9%	40.2%	56.2%	57.9%	62.1%
Restricted Market Financing LTV	55.5%	82.0%	117.8%	165%	169.7%	182.2%
Loan to Cost - Cumulative	16.2%	23.9%	34.4%	48.1%	49.6%	53.2%
Loan to Cost - SAIL Only			18.2%			
Debt Service Coverage	1.270	1.057	1.057	1.050	1.020	1.020
Operating Deficit & Debt Service Reserves	\$316,000.00					
# of Months covered by the Reserves	4.5					

Deferred Developer Fee	\$2,286,302
As-Is Land Value	\$6,100,000
Market Rent/Market Financing Stabilized Value	\$35,200,000
Rent Restricted Market Financing Stabilized Value	\$12,000,000
Projected Net Operating Income (NOI) - Year 1	\$547,997
Projected Net Operating Income (NOI) - 15 Year	\$575,385
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	\$0.95
HC Annual Allocation - Qualified in CUR	\$1,773,568
HC Annual Allocation - Equity Letter of Interest	\$1,782,466

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFABC / Chase	\$19,500,000	\$6,655,098	\$62,783.94
FHFC - SAIL	FHFC	\$3,180,000	\$3,180,000	\$30,000.00
FHFC - SAIL	FHFC CHIRP	\$4,300,000	\$4,300,000	\$40,566.04
Local Government Subsidy	Broward County	\$4,504,000	\$5,630,000	\$53,113.21
FHFC - SAIL ELI	FHFC	\$600,000	\$600,000	\$5,660.38
Local Government Subsidy	Pompano Beach	\$1,500,000	\$1,500,000	\$14,150.94
HC Equity	NEF	\$2,851,649	\$16,931,732	\$159,733.32
Deferred Developer Fee	Developer	\$4,647,483	\$2,286,302	\$21,568.89
TOTAL		\$41,083,132	\$41,083,132	\$387,576.72

Financing Structure:

Applicant submitted a Multifamily Mortgage Revenue Bond ("MMRB") Program Application to the Housing Finance Authority of Broward County ("HFABC"). An affiliate of JPMorgan Chase Bank, N.A. ("Chase"), will loan \$19,500,000 to the HFABC through a Tax-Exempt Loan ("TEL") in connection with the construction financing of the Subject Development. Upon conversion to the permanent period, the Chase TEL will be paid down to an amount of \$6,655,098.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?		1
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2

Is the Development feasible using the set-asides committed to in the Application?		3
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?		4

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

1. See the below changes in the source of funds:

- The Application included an Applicant request for HFABC-issued Tax-Exempt Note in the amount of \$18,500,000. The HFABC approved an increase in the amount of Tax-Exempt Note from \$18,500,000 to \$22,000,000, a difference of \$3,500,000, on August 17, 2022, per Resolution No. 2022-013.
- The Application included a LOI for Housing Credit equity from Raymond James Tax Credit Funds, Inc. ("RJTCF") in the amount of \$0.91 per dollar of tax credit allocation and total equity of \$10,227,000. Subsequently, the Applicant provided a LOI from NEF reflecting an amount of \$0.95 per dollar of tax credit allocation and total equity of \$16,931,734. Per a conversation with NEF, the difference is due to rounding on the installment amounts. An updated LOI was not going to be issued, however, it was noted this will be resolved in the Amended and Restated Limited Partnership Agreement prior to closing.
- The Application included a Local Government Contribution – Loan Form from the City of Pompano Beach in the amount of \$640,000. Subsequently, the Applicant provided an approval letter dated July 20, 2022, from the City of Pompano Beach reflecting a total loan amount of \$1,500,000.
- Per an Award Notification letter dated March 17, 2022, the Applicant was advised that Broward County approved a Gap Financing funding award in the amount of \$5,630,000.
Per Broward County, no more than eighty percent (80%) will be disbursed during construction. Once the Development has been constructed, evidence of final Development sources and uses has been provided, stabilized operations have occurred and the stabilization capital contribution has been released, the remaining twenty percent (20%) will be available to fund actual development costs.
- The Applicant applied for additional FHFC Loan funding through FHFC's Invitation to Participate ("ITP") for 2022 SAIL CHIRP. The additional funds will be SAIL Program funds and will be added to the initial Second Mortgage SAIL commitment in the amount of \$3,180,000, and will therefore, have the same rate and terms. Based on the sizing criteria and parameters set forth in the ITP –

2022 CHIRP, the Development will receive additional SAIL funds in the amount of \$4,300,000, for a total Second Mortgage SAIL of \$7,480,000.

2. Total Development Costs (“TDC”) as stated in the application were \$27,532,170. TDC have increased to \$41,083,132, an increase of \$13,550,962 or 49.22%. This increase is primarily due to increases in construction costs, financing costs, general development costs, Developer Fee and the addition of reserves.

3. See the below changes in the set-aside commitments:

- On September 27, 2022, FHFC staff approved the Applicant’s request to change the proposed set-asides. This change has also decreased the Average AMI of the Qualifying Housing Credit Units from 59.91% at Application to 59.25%. The change in set-asides are shown below:

<u>Previous</u>	<u>Current</u>
15.09% (16 units) at or below 30% AMI	15.094% (16 units) at or below 30% AMI
40.57% (43 units) at or below 60% AMI	47.170% (50 units) at or below 60% AMI
44.34% (47 units) at or below 70% AMI	37.736% (40 units) at or below 70% AMI

- Per the Applicant’s American Rescue Plan (“ARP”) funding award letter and email correspondence with Broward County, the Applicant specified a set-aside commitment of 16 units (15.09%) at or below 30% AMI, 43 units (40.57%) at or below 60% AMI and 47 units (44.34%) at or below 70% AMI. These set-aside requirements match the original Application to Florida Housing. Based on the change to the Application above for the set-asides, the commitments fall within the Florida Housing set-asides.

4. See the below additional changes to the application:

- The application included a Development site address of S Dixie Highway, S Dixie Highway and SW 11th St., Pompano Beach, FL. Per documentation from the City of Pompano Beach, the address has been confirmed to be 740 SW 11th St., Pompano Beach, FL.
- On September 27, 2022, FHFC staff approved the Applicant’s request to change the proposed unit mix. The change in unit mix is shown below:

<u>Previous</u>	<u>Current</u>
26 – 1 bedroom / 1 bath	30 – 1 bedroom / 1 bath
80 – 2 bedroom / 2 bath	76 – 2 bedroom / 2 bath

- On June 27, 2022, the Applicant submitted a request to FHFC to replace on of the members of the General Partner, Cornerstone Captiva Cove III, LLC. Mara S. Mades (25%) will be replaced with MSM Interests, LLC (25%). The manager of MSM Interests, LLC, is Mara S. Mades and the members are The Mara S. Mades Revocable Trust with 60% ownership and The Mades Family Trust with 40% ownership. The trustee and beneficiary of the Mara S. Mades Revocable Trust is Mara S. Mades, while she is living, and, upon her death, will pass to her son, Jackson Robert Mades. The trustee of the Mades Family Trust is Jodie Susan Bakes and the beneficiary is Jackson Robert Mades. FHFC staff approved this change on October 6, 2022 (See Waiver Requests/Special Conditions section).

These changes have no substantial material impact to the SAIL, ELI and HC recommendations for this Development.

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

Florida Housing's Past Due Report dated September 22, 2022, reflects the following past due item(s): None

The data reflected in the latest Asset Management Noncompliance Report (June 9, 2020) is being updated by FHFC staff and the credit underwriter will rely on the updated report for purposes of this analysis/recommendation.

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing and the issuance of the annual HC Allocation Recommendation herein.

Strengths:

1. Per the Market Study, BBG, Inc. ("BBG") states the capture rates are low and indicate there is sufficient demand for the subject units and average occupancy for the comparables within the Subject's Primary Market Area ("PMA") is 98.7%.
2. Although the Borrower and general partner are newly formed, the Developer, General Contractor, and the management company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions:

1. According to the RFA, the Corporation will review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. If the limited partnership agreement or limited liability company operating agreement does not specifically state that the parties will comply with the Corporation's RFA requirements, the Corporation will require an amendment of the agreement and will not issue IRS form(s) 8609 until the amendment is executed and provided to the Corporation.

The RFA includes language restricting the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. The RFA also requires the Corporation to review the limited partnership agreement or limited liability company operating agreement language on reserves for compliance with the RFA requirement. While Florida Housing will continue to require the Applicant to adhere to all requirements in the RFA including the restrictions on the disposition of any funds in an operating deficit reserve account, Florida Housing will not monitor the limited partnership agreement or limited liability company operating agreement language for compliance with these requirements, as this would require analysis of a legal contract. This deviation in process was included as an information item at the April 29, 2022, FHFC Board meeting.

2. On June 27, 2022, the Applicant submitted a request to FHFC to replace one of the members of the General Partner, Cornerstone Captiva Cove III, LLC. Mara S. Mades (25%) will be replaced with MSM

Interests, LLC (25%). The manager of MSM Interests, LLC, is Mara S. Mades and the members are The Mara S. Mades Revocable Trust with 60% ownership and The Mades Family Trust with 40% ownership. The trustee and beneficiary of the Mara S. Mades Revocable Trust is Mara S. Mades, while she is living, and, upon her death, will pass to her son, Jackson Robert Mades. The trustee of the Mades Family Trust is Jodie Susan Bakes and the beneficiary is Jackson Robert Mades. FHFC staff approved this change on October 6, 2022 (See Waiver Requests/Special Conditions section).

Additional Information:

1. The Debt Service Coverage (“DSC”) for the permanent first mortgage and SAIL reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48.0072 (11), the combined permanent first mortgage and SAIL cannot be below 1.10 to 1.00 unless the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum debt service coverage shall be 1.00 for the SAIL, including all superior mortgages. This Development meets the preceding guidelines.

To ensure that the Second Mortgage SAIL meets or exceeds the minimum debt service coverage of 1.00 to 1.00, based on the projection/estimates and loan amounts in this report, the interest rate of the permanent period First Mortgage Loan may not exceed 6.22%. Following the rate lock of the permanent period First Mortgage Loan, the Servicer will review and confirm if the Development is still able to support the proposed First Mortgage Loan amount of \$6,655,098, or if a reduction to the loan amount is necessary. The Servicer’s DSC confirmation is a condition to close.

2. The Borrower has applied to the ITP – 2022 CHIRP and Seltzer has received the application. Based on the sizing criteria and parameters set forth in the ITP CHIRP, the Development will receive \$4,300,000 in additional SAIL funding. It is required that the Borrower defer at least 30% of the Developer Fee which is currently estimated at 41.14%. It is anticipated that this funding will have terms and conditions identical to the SAIL funding applied for through RFA 2021-205. Receipt and satisfactory review of the amount of SAIL CHIRP funding is a condition to close.
3. The Tax-Exempt Note 50% Test is currently estimated at 50.84% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Note Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity. Per Resolution No. 2022-013, the maximum Tax-Exempt Note amount shall be \$22,000,000. The Applicant is currently estimating a Tax-Exempt Note amount of \$19,500,000; therefore, if there was an instance that the 50% Test was not being met there is sufficient Tax-Exempt Note proceeds available to satisfy this requirement.
4. 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 Seltzer in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

Issues and Concerns: None

Mitigating Factors: None

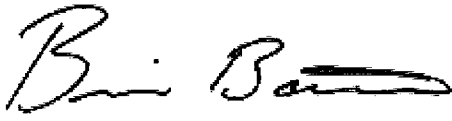
Recommendation:

SMG recommends HFABC issue the MMRB in the amount of \$19,500,000 to Captiva Cove III for construction and permanent financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). The reader is cautioned to refer to these sections for complete information.

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

Prepared by:



Brian Barth
Senior Credit Underwriter

Reviewed by:



Joshua Scribner
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	HFABC / Chase	\$18,500,000	\$19,500,000	\$19,500,000	5.73%	\$1,315,136
Second Mortgage	FHFC SAIL	\$3,180,000	\$3,180,000	\$3,180,000	1.00%	\$37,418
Second Mortgage	FHFC SAIL / CHIRP	\$0	\$4,300,000	\$4,300,000	1.00%	\$50,597
Third Mortgage	Broward County	\$0	\$4,504,000	\$4,504,000	0.00%	\$0
Fourth Mortgage	FHFC SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	\$0
Fifth Mortgage	Pompano Beach	\$640,000	\$1,500,000	\$1,500,000	1.00%	\$17,650
HC Equity	NEF	\$2,045,000	\$2,845,000	\$2,851,649		
Deferred Developer Fee	Developer	\$3,546,000	\$4,550,127	\$4,647,483		
Total		\$28,511,000	\$40,979,127	\$41,083,132		\$1,420,801

Tax Exempt Construction Loan:

Applicant initially applied for \$18,500,000 in a Tax-Exempt Note to be issued by the HFABC for the acquisition and construction of Captiva Cove III. On August 17, 2022, HFABC approved the Applicant's request to increase the MMRN to \$22,000,000.

Applicant provided a term sheet from Chase dated August 8, 2022, for the purchase of \$19,500,000 of a Tax-Exempt Note, the proceeds of which will fund a construction loan to the Applicant. The initial term shall be twenty-four (24) months, subject to an optional six (6) month extension upon receipt of a 25 basis point (0.25%) extension fee. The construction period will require interest only payments based on a variable interest rate. The interest rate will be based upon the One-Month Term Security Overnight Financing Rate ("SOFR"), subject to a SOFR floor of 1.00%, plus 195 basis points (1.95%). As of September 21, 2022, the one-month SOFR was 2.28169%. For any future increases in the one-month SOFR, Seltzer has included an underwriting cushion of 150 basis points (1.50%), resulting in an all in interest rate of 5.73%. The construction debt service calculation above reflects the MMRN funded at an average of 57% during the construction phase. An origination fee of 1.00% of the maximum construction loan amount will be payable at loan closing.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction consist of a SAIL in the amount of \$7,480,000, inclusive of a SAIL of \$3,180,000 and an estimated \$4,300,000 from SAIL CHIRP, a Broward County loan in the amount of \$4,504,000, an ELI loan in the amount of \$600,000, a Pompano Beach loan in the amount of \$1,500,000, Housing Credit equity of \$2,851,649, and deferred Developer Fees in the amount of \$4,647,483. See the Permanent Financing section below for details.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	HFABC / Chase	\$11,000,000	\$6,655,098	\$6,655,098	5.25%	35	15	\$415,872
Second Mortgage	FHFC SAIL	\$3,180,000	\$3,180,000	\$3,180,000	1.00%	N/A	15	\$31,800
Second Mortgage	FHFC SAIL / CHIRP	\$0	\$4,300,000	\$4,300,000	1.00%	N/A	15	\$43,000
Third Mortgage	Broward County	\$0	\$5,630,000	\$5,630,000	0.00%	N/A	27.5	\$0
Fourth Mortgage	FHFC SAIL ELI	\$600,000	\$600,000	\$600,000	0.00%	N/A	15	\$0
Fifth Mortgage	Pompano Beach	\$640,000	\$1,500,000	\$1,500,000	1.00%	N/A	30.5	\$15,000
HC Equity	NEF	\$10,227,000	\$16,936,000	\$16,931,732				
Def. Developer Fee	Developer	\$3,546,000	\$2,178,029	\$2,286,302				
Total		\$29,193,000	\$40,979,127	\$41,083,132				\$505,672

Tax Exempt Permanent Loan:

Per the August 8, 2022, Chase term sheet, the TEL will be reduced to an amount up to \$6,750,000, currently estimated at \$6,655,098. Chase's conversion requirements include: (1) 1.20 to 1.00 debt service coverage ratio; (2) 90% economic and physical occupancy for 90 days; and (3) 10-year pro forma forecast showing annual debt service coverage ratio of 1.20 to 1.00 or greater. The term of the loan shall be 15 years with monthly principal and interest payments due over a 35 year amortization schedule.

Loan interest will be based on a fixed rate equal to the Current Indicative Bond rate plus a cushion of 50 basis points (0.50%) for issuer, trustee and compliance fees. Per email confirmation from Chase, the Current Indicative Bond rate is based on the 10-year SOFR plus a spread 175 bps; Chase also included a 25 bps cushion for future increases in the 10-year SOFR. Chase noted that as of September 21, 2022, the all in interest rate was 5.25% based on a current 10-year SOFR of 3.25%.

The annual HFABC Issuer Fee of 18 basis points (0.18%) and the annual Trustee Fee of \$3,750 are included in the operating pro forma section of this report.

SAIL

Borrower applied to FHFC under RFA 2021-205 for SAIL funds in the amount of \$3,180,000. The Borrower has subsequently applied to SAIL CHIRP for additional funding. Based on the application to FHFC and requirements of the ITP CHIRP, the Borrower has been tentatively awarded \$4,300,000 in additional funding. The Development will receive SAIL funds in the amount of \$7,480,000. The SAIL CHIRP terms will be made under the same terms of the original SAIL. The SAIL and the SAIL CHIRP will be closed as one loan and will have one set of closing documents.

SAIL will have a total term of 17.5 years, of which 2.5 years is for the construction/stabilization period and the SAIL term will be co-terminus with the first mortgage as allowed by the Rule. The SAIL will be non-amortizing and will bear 1.00% simple interest per annum. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$909 per month, subject to a minimum of \$229 per month. The Compliance Monitoring Fee is based on an annual multiple program fee of \$993.

Broward County

Per a March 17, 2022, and correspondence with Broward County, the Broward County Housing Finance Division (“HFD”) will provide a loan in the amount of \$5,630,000 from their General Fund. This loan is made through the Broward County Housing Finance Division. Terms of the loan include a 30 year term, including the construction period and stabilized operations, and no interest shall be paid or accrued on this loan or on the unpaid principal balance of the loan so long as there is no event of default. The entire loan shall be due and payable in full upon the first to occur: (1) upon the 30th anniversary date of the closing date or (2) upon the sale or refinancing unless approved by Broward County. There will be no application fee or origination fee for the loan.

Based on the loan amount of \$5,630,000, no more than eighty percent (80%), as shown in the construction sources above, will be disbursed during construction. The additional twenty percent (20%) remaining will be disbursed once the HFD has been provided evidence of the final development source and use and subject to achievement of stabilized operations and release of the NEF stabilization capital contribution.

ELI Loan

Applicants who submitted an Application under RFA 2021-205 are also eligible for ELI Loan funding for the required ELI set-aside units not to exceed the lesser of (a) \$600,000; or (b) the maximum amount based on the ELI set-aside per unit limits; for 10% of the total units. The ELI Loan is in the form of a forgivable loan in an amount of \$600,000.

The ELI AMI for Broward County is 28%. The Borrower committed to set aside 15% of the units (16 units) at or below 30% of AMI for ELI as required by the Average Income Test. The ELI Loan is non-amortizing at 0.00% simple interest per annum. The principal is forgivable at maturity provided the units for which the ELI Loan amount is awarded are targeted to ELI Households for the first 15 years of the 50 year Compliance Period. The Persons with Special Needs set-aside requirement must be maintained throughout the entire 50 year Compliance Period. The ELI Loan will have a total term of 17.5 years, of which 2.5 years is for the construction/stabilization period and the ELI loan term will be co-terminus with the first mortgage. Annual payments of all applicable fees will be required. The Annual Permanent Loan Servicing Fee is based on 25 bps of the outstanding loan amount with a maximum of \$909 per month, subject to a minimum of \$229 per month and the Compliance Monitoring Fee is based on an annual multiple program fee of \$993.

Pompano Beach

Per a July 20, 2022, Home Investment Partnership program – American Rescue Plan (“HOME-ARP”) approval letter, the City of Pompano Beach will provide a loan in the amount of \$1,500,000. Terms of the loan include a 33 year term, including the 2.5 year construction period and stabilized operations, and a 1% interest rate will be paid over the term of the entire loan. The loan will consist of two portions: a \$1,000,000, non-amortizing loan, and a \$500,000 forgivable loan, subject upon staying affordable for the term of the HOME-ARP loan.

Housing Credits Equity Investment:

The Borrower has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt note financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon an August 16, 2022, Letter of Intent, NEF or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$2,851,649	16.84%	At closing
2nd Installment	\$4,153,933	24.53%	Later of (i) 100% construction completion, (ii) temporary certificates of occupancy, (iii) draft cost certification prepared by Sponsor, (iv) unconditional lien release, and (v) not earlier than June 1, 2024
3rd Installment	\$9,753,083	57.60%	later of (i) 100% qualified occupancy, (ii) funding of the permanent loan, (iii) achievement of stabilized occupancy, (iv) "as built" ALTA survey, (v) final certificates of occupancy, (vi) final cost certification, (vii) recorded extended use agreement, and (viii) not earlier than January 1, 2025
4th Installment	\$173,067	1.02%	Later of (i) first years tax return, (ii) fully executed Form 8609 for all buildings, and (iii) not earlier than January 1, 2025
Total	\$16,931,732	100.00%	

Annual Tax Credits per Syndication Agreement:	\$1,782,466
Total HC Available to Syndicator (10 years):	\$17,822,878
Syndication Percentage (investor member interest):	99.990%
Calculated HC Exchange Rate (per dollar):	\$0.950
Proceeds Available During Construction:	\$2,851,649

At least 15% of the total equity will be provided prior to or simultaneous with the closing of the construction financing.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the RJTCF LOI have been received, the Developer will have to defer \$2,286,302, or 41.14%, of Developer Fees, thus meeting the 30% requirement in the ITP CHIRP.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings	\$205,139			\$0	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units	\$10,745,961	\$17,772,765	\$17,772,765	\$167,668	\$159,664
Off-Site Work	\$95,400			\$0	\$0
Recreational Amenities	\$244,000	\$177,475	\$177,475	\$1,674	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work	\$1,484,000	\$2,940,960	\$2,940,960	\$27,745	\$441,144
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.	\$0			\$0	
Constr. Contr. Costs subject to GC Fee	\$12,774,500	\$20,891,200	\$20,891,200	\$197,087	\$600,808
General Conditions			\$1,252,500	\$11,816	
Overhead			\$417,800	\$3,942	
Profit	\$1,787,500	\$2,923,800	\$1,253,500	\$11,825	
Builder's Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$14,562,000	\$23,815,000	\$23,815,000	\$224,670	\$600,808
Hard Cost Contingency	\$728,100	\$1,190,750	\$1,190,750	\$11,233	
PnP Bond paid outside Constr. Contr.		\$155,000	\$155,000	\$1,462	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.		\$170,000	\$170,000	\$1,604	
Other: FF&E and P&P Bond	\$265,000			\$0	
Other:				\$0	
Total Construction Costs:	\$15,555,100	\$25,330,750	\$25,330,750	\$238,969	\$600,808

Notes to the Construction Costs:

- The Applicant has provided a contractor executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated July 5, 2022, in the amount of \$23,815,000. The contract provides for a date of commencement that shall be the latter of the following: (1) 10 days from the issuance of Notice to Proceed or (2) the date upon which permits for construction are issued for the buildings, site and civil work, in total. The contractor shall achieve substantial completion not later than sixteen (16) calendar months from the date of commencement. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter.

Final payment will be made when (1) the General Contractor has fully performed the contract, (2) the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment, and (3) final certificate for payment has been issued by the Architect. The Owner's final payment to the General Contractor shall be made no later than 30 days after the Architect's final Certificate for Payment.

The construction contract and PCA have been reviewed and they do not list any allowances.

The ineligible portion of new rental units represents the cost of providing income producing washers and dryers in the units at the Development.

2. SMG received the General Contractor's Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapters 67-21 and 67-48 ("Rules"), Florida Administrative Code.
3. General Contractor fees as stated are within the 14% maximum per the RFA and Rules.
4. The hard cost contingency is within the 5.00% allowed by the RFA and Rules and is not included within the GC Contract or schedule of values.
5. Payment and performance bond costs reflected are paid for by the Applicant outside the construction contract.
6. SMG engaged and received a Plan and Cost Analysis ("PCA") from Moran Construction Consultants, LLC ("Moran"). Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Accounting Fees	\$45,000	\$45,000	\$45,000	\$425
Appraisal	\$10,000	\$10,000	\$6,500	\$61	
Architect's and Planning Fees				\$0	
Architect's Fee - Green Initiative				\$0	
Architect's Fee - Landscape				\$0	
Architect's Fee - Site/Building Design	\$281,800	\$250,000	\$250,000	\$2,358	
Architect's Fee - Supervision	\$15,000	\$15,000	\$15,000	\$142	
Building Permits	\$466,400	\$954,000	\$954,000	\$9,000	
Builder's Risk Insurance	\$106,000	\$106,000	\$106,000	\$1,000	
Capital Needs Assessment/Rehab	\$3,000			\$0	
Engineering Fees	\$79,500	\$100,700	\$129,500	\$1,222	
Environmental Report	\$16,800	\$11,500	\$11,500	\$108	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$101,159	\$160,464	\$159,622	\$1,506	\$159,622
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$28	\$3,000
FHFC Credit Underwriting Fee	\$25,000	\$30,000	\$24,905	\$235	\$24,905
FHFC Compliance Fee	\$230,000	\$230,000	\$230,000	\$2,170	\$230,000
FHFC Other Processing Fee(s)				\$0	
Impact Fee	\$491,433	\$315,294	\$315,294	\$2,974	
Lender Inspection Fees / Const Admin	\$35,000	\$50,000	\$50,000	\$472	
Green Building Cert. (LEED, FGBC, NGBS)	\$23,210	\$30,000	\$30,000	\$283	
Home Energy Rating System (HERS)				\$0	
Insurance	\$42,400	\$100,700	\$100,700	\$950	
Legal Fees - Organizational Costs	\$150,000	\$175,000	\$175,000	\$1,651	\$87,500
Local Subsidy Underwriting Fee				\$0	
Market Study	\$5,000	\$5,000	\$6,500	\$61	\$6,500
Marketing and Advertising	\$170,000	\$80,000	\$80,000	\$755	\$80,000
Plan and Cost Review Analysis		\$3,000	\$5,250	\$50	
Property Taxes	\$40,000	\$50,000	\$50,000	\$472	
Soil Test	\$15,000	\$15,000	\$15,000	\$142	
Survey	\$60,000	\$60,000	\$60,000	\$566	\$15,000
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$137,800	\$169,600	\$169,600	\$1,600	\$42,400
Traffic Study				\$0	
Utility Connection Fees	\$212,000	\$212,000	\$212,000	\$2,000	
Soft Cost Contingency	\$150,000	\$174,000	\$174,000	\$1,642	
Other:				\$0	
Total General Development Costs:	\$2,914,502	\$3,355,258	\$3,378,371	\$31,871	\$671,427

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Burgos Lanza and Associates, dated March 14, 2022.
2. Engineering Fees are based on the Contract for Professional Services by and between the Owner and Engineer, Keith and Associates, Inc. dated March 22, 2022.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2021-205. The total FHFC Credit Underwriting Fees are \$24,905, consisting of \$19,909 for UW and \$4,996 for CHIRP.

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4. Green Building Certification Fee is based on the Florida Green Building Certifying Agreement between Owner and Certifying Agent, Abney + Abney Green Solutions, dated May 5, 2022.
 5. Impact Fees were estimated by the Applicant based on Impact Fee Schedules available from the Planning and Development Management Division of Broward County.
 6. Utility Connection Fees were estimated by the Applicant based on the utility connection fees that were charged on a comparable property they recently started construction on.
 7. Soft cost contingency is within the 5% as allowed per the RFA and Rules.
 8. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Construction Loan Application Fee				\$0
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee	\$185,000	\$195,000	\$195,000	\$1,840	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs				\$0	
Construction Loan Interest	\$555,000	\$1,243,000	\$1,420,801	\$13,404	\$503,116
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$110,000	\$66,551	\$66,551	\$628	\$66,551
Permanent Loan Closing Costs	\$416,568	\$40,000	\$40,000	\$377	\$40,000
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Note Application Fee				\$0	\$0
Local HFA Note Underwriting Fee			\$16,009	\$151	\$16,009
Local HFA Note Subsidy Layering Rev.				\$0	\$0
Local HFA Note Origination Fee				\$0	\$0
Local HFA Note Commitment Fee				\$0	\$0
Local HFA Note Fiscal Agent Fee				\$0	\$0
Local HFA Note Credit Enh. Fee				\$0	\$0
Local HFA Note Rating Fee				\$0	\$0
Local HFA Note Cost of Issuance		\$489,268	\$316,350	\$2,984	\$316,350
Local HFA Note Closing Costs				\$0	\$0
Local HFA Note Interest				\$0	\$0
Local HFA Note Servicing Fee				\$0	\$0
Local HFA Legal - Tax Counsel				\$0	\$0
Local HFA Legal - Borrower's Counsel				\$0	\$0
Local HFA Legal - Issuer's Counsel				\$0	\$0
Local HFA Legal - Lender's Counsel				\$0	\$0
Local HFA Legal - U/W's Counsel				\$0	\$0
SAIL Commitment Fee		\$74,800	\$74,800	\$706	\$74,800
SAIL Closing Costs			\$12,500	\$118	\$12,500
SAIL Interest				\$0	\$0
SAIL Servicing Fee				\$0	\$0
SAIL-ELI Commitment Fee		\$6,000	\$6,000	\$57	\$6,000
SAIL-ELI Closing Costs			\$6,500	\$61	\$6,500
SAIL-ELI Servicing Fee				\$0	\$0
Misc Loan Underwriting Fee			\$5,000	\$47	\$5,000
Placement Agent/Underwriter Fee			\$35,000	\$330	\$35,000
Initial TEFRA Fee			\$1,000	\$9	\$1,000
Other: Syndicator Legal		\$55,000	\$55,000	\$519	\$55,000
Other:				\$0	
Total Financial Costs:	\$1,266,568	\$2,169,619	\$2,250,511	\$21,231	\$1,137,826
Dev. Costs before Acq., Dev. Fee & Reserves	\$19,736,170	\$30,855,627	\$30,959,632	\$292,072	\$2,410,061

Notes to the Financial Costs:

1. Construction Origination Fee is based on 1.00% of the construction loan amount per Chase.

2. Construction Loan Interest is based on the SMG's estimate. Interest is based on the construction completion and absorption estimates included in the construction schedule and Market Study. The estimates assumes an "all in" interest rate of 5.73%, a construction/stabilization period of 21 months, and 57% of the MMRN outstanding (on average) during the construction schedule.
3. Permanent Loan Origination Fee is based on 1.00% of the permanent loan amount per Chase.
4. Local HFA Note Underwriting Fee reflects the HFABC Note Underwriting Fee for Seltzer.
5. Local HFA Note Cost of Issuance includes fees and expenses of the Issuer, Counsel, Trustee Fee, Servicer Fee, Legal, Conversion Fee and other fees.
6. SAIL Commitment Fee consists of a 1% SAIL commitment fee based on the SAIL/CHIRP amount.
7. SAIL-ELI Commitment Fee consists of a 1% ELI commitment fee based on the ELI Loan amount.
8. The SAIL and SAIL-ELI closing costs are \$12,500 and \$6,500, respectively, for FHFC legal counsel fees.
9. Misc Loan Underwriting Fee reflects the Broward County HFD Underwriting Fee for Seltzer.
10. Syndicator fees represent the cost for legal fees and other closing costs associated with the tax credit equity provided by NEF.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building			\$0	\$0	
Building Acquisition Cost				\$0	
Developer Fee on Non-Land Acq. Costs			\$0	\$0	
Other:				\$0	
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs:

1. Since this is a new construction development, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$3,546,000	\$5,557,500	\$5,557,500	\$52,429	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land			\$0	\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Other:				\$0	
Total Other Development Costs:	\$3,546,000	\$5,557,500	\$5,557,500	\$52,429	\$0

Notes to the Other Development Costs:

1. Developer Fee does not exceed 18% of the Development's construction cost, exclusive of land acquisition costs and reserves, as required per the RFA and Rules.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Brokerage Fees - Land			\$0	\$0
Land Acquisition Cost				\$0	\$0
Land	\$4,250,000	\$4,250,000	\$4,250,000	\$40,094	\$4,250,000
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Other:				\$0	\$0
Total Acquisition Costs:	\$4,250,000	\$4,250,000	\$4,250,000	\$40,094	\$4,250,000

Notes to the Land Acquisition Costs:

1. Applicant provided a Warranty Deed dated August 15, 2022, between Aloha Pompano, LLC, as grantor and Captiva Cove III Associates, Ltd., as grantee. Applicant provided a Buyer's and Seller's Combined Closing Statement dated August 15, 2022, reflecting a purchase price of \$4,250,000.

The appraised value of the vacant land is \$6,100,000, which supports the purchase price.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
	Operating Deficit Reserve (FHFC)				\$0
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)		\$316,000	\$316,000	\$2,981	\$316,000
Debt Service Coverage Reserve (FHFC)				\$0	\$0
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Other:				\$0	\$0
Total Reserve Accounts:	\$0	\$316,000	\$316,000	\$2,981	\$316,000

Notes to Reserve Accounts:

1. Reserves – Operating Deficit is the Operating Deficit Reserve (“ODR”) required by the Syndicator (NEF). At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its Legal Counsel.
2. In exchange for receiving funding from the Corporation, the Corporation reserves the authority to restrict the disposition of any funds remaining in any operating deficit reserve(s) after the term of the reserve's original purpose has terminated or is near termination. Authorized disposition uses are limited to payments towards any outstanding loan balances of the Development funded from the Corporation, any outstanding Corporation fees, any unpaid costs incurred in the completion of the Development (i.e., deferred Developer Fee), the Development's capital replacement reserve account

(provided, however, that any operating deficit reserve funds deposited to the replacement reserve account will not replace, negate, or otherwise be considered an advance payment or pre-funding of the Applicant's obligation to periodically fund the replacement reserve account), the reimbursement of any loan(s) provided by a partner, member or guarantor as set forth in the Applicant's organizational agreement (i.e., operating or limited partnership agreement). The actual direction of the disposition is at the Applicant's discretion so long as it is an option permitted by the Corporation. In no event, shall the payment of amounts to the Applicant or the Developer from any operating deficit reserve established for the Development cause the Developer Fee or General Contractor fee to exceed the applicable percentage limitations provided for in this RFA.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$27,532,170	\$40,979,127	\$41,083,132	\$387,577	\$6,976,061

Notes to the Total Development Costs:

- Per RFA 2021-205, Total Development Cost ("TDC") is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of Mid-Rise – ESSC Construction, 5-6 stories for 58 units, which had a maximum allowable per unit cost of \$361,000.00 and Garden Apartments – ESSC Construction for 48 units, which had a maximum allowable per unit cost of \$327,100.00; resulting in a blended maximum allowable cost of \$345,649.00. Based on changes to TDC limits increases as approved at previous FHFC Board meetings, most recently the April 1, 2022, Telephonic FHFC Board meeting, the maximum allowable per unit cost is \$467,856.00 for Mid-Rise – ESSC Construction and \$423,921.60 for Garden Apartments – ESSC Construction; resulting in a blended maximum allowable cost of \$447,961.18. Captiva Cove III's final TDC per unit is \$344,501.25.

Operating Pro Forma

OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income	\$1,382,724	\$13,045
	Other Income:		
	Ancillary Income-Parking	\$0	\$0
	Miscellaneous	\$15,900	\$150
	Washer/Dryer Rentals	\$40,810	\$385
	Cable/Satellite Income	\$0	\$0
	Gross Potential Income	\$1,439,434	\$13,580
	Less:		
	Economic Loss - Percentage: 0.0%	\$0	\$0
	Physical Vacancy Loss - Percentage: 3.0%	(\$43,183)	(\$407)
Collection Loss - Percentage: 1.0%	(\$14,394)	(\$136)	
Total Effective Gross Revenue		\$1,381,857	\$13,036
EXPENSES	Fixed:		
	Real Estate Taxes	\$175,407	\$1,655
	Insurance	\$106,000	\$1,000
	Other	\$0	\$0
	Variable:		
	Management Fee - Percentage: 5.0%	\$69,093	\$652
	General and Administrative	\$40,810	\$385
	Payroll Expenses	\$166,950	\$1,575
	Utilities	\$87,450	\$825
	Marketing and Advertising	\$5,300	\$50
	Maintenance and Repairs	\$37,100	\$350
	Grounds Maintenance and Landscaping	\$0	\$0
	Resident Programs	\$0	\$0
	Contract Services	\$60,950	\$575
	Security	\$53,000	\$500
	Other-Pest Control	\$0	\$0
	Reserve for Replacements	\$31,800	\$300
Total Expenses		\$833,860	\$7,867
Net Operating Income		\$547,997	\$5,170
Debt Service Payments			
DEBT SERVICE	First Mortgage - HFABC / Chase	\$415,872	\$3,923
	Second Mortgage - FHFC SAIL / CHIRP	\$74,800	\$706
	Third Mortgage - Broward County	\$0	\$0
	Fourth Mortgage - FHFC SAIL ELI	\$0	\$0
	Fifth Mortgage - Pompano Beach	\$15,000	\$142
	All Other Mortgages -	\$0	\$0
	First Mortgage Fees - HFABC / Chase	\$15,729	\$148
	Second Mortgage Fees - FHFC SAIL / CHIRP	\$11,901	\$112
	Third Mortgage Fees - Broward County	\$0	\$0
	Fourth Mortgage Fees - FHFC SAIL ELI	\$3,741	\$35
	Fifth Mortgage Fees - Pompano Beach	\$0	\$0
	All Other Mortgages Fees -	\$0	\$0
	Total Debt Service Payments		\$537,043
Cash Flow After Debt Service		\$10,954	\$103

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.270
DSC - Second Mortgage plus Fees	1.057
DSC - Third Mortgage plus Fees	1.057
DSC - Fourth Mortgage plus Fees	1.050
DSC - Fifth Mortgage plus Fees	1.020
DSC - All Mortgages and Fees	1.020

Financial Ratios	
Operating Expense Ratio	60.3%
Break-Even Ratio	95.4%

Notes to the Operating Pro forma and Ratios:

1. The Debt Service Coverage ("DSC") for the permanent first mortgage and SAIL reflects a ratio lower than 1.10 to 1.00. According to Rule 67-48.0072 (11), the combined DSCR cannot be below 1.10 to 1.00 unless the Applicant defers at least 35 percent of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum debt service coverage shall be 1.00 for the SAIL, including all superior mortgages. This Development meets the preceding guidelines.
2. The SAIL will be repaid from available cash flow. The Break-Even Ratio would be 89.6% if the SAIL interest payments were excluded.
3. The development will be utilizing Housing Credits, SAIL and ELI which will impose rent restrictions. Captiva Cove III is projected to achieve 2022 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser's estimate of achievable rents per comparable properties surveyed. The Applicant engaged Enercon Services, Inc. to prepare a UA Energy Consumption Model Estimate. This model was approved by Florida Housing on May 16, 2022. The model reflects the residents paying for electricity and the Applicant paying for water, sewer, pest control, and trash pick-up. No manager/employee units are anticipated at this time.

A rent roll for the Development is illustrated in the following table:

Fort Lauderdale HMFA / Broward County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	680	30%			\$510	\$58	\$452		\$452	\$452	\$452	\$27,120
1	1.0	19	680	60%			\$1,020	\$58	\$962		\$962	\$962	\$962	\$219,336
1	1.0	6	680	70%			\$1,190	\$58	\$1,132		\$1,132	\$1,132	\$1,132	\$81,504
2	2.0	11	1,000	30%			\$612	\$71	\$541		\$541	\$541	\$541	\$71,412
2	2.0	31	1,000	60%			\$1,225	\$71	\$1,154		\$1,154	\$1,154	\$1,154	\$429,288
2	2.0	34	1,000	70%			\$1,429	\$71	\$1,358		\$1,358	\$1,358	\$1,358	\$554,064
		106	96,400											\$1,382,724

4. Miscellaneous income includes NSF payments, pet deposits, application fees, and other miscellaneous fees.

5. Washer/Dryer income was estimated by the Applicant at \$40.00 per months with a capture rate of 80% of the units. The Appraiser has concluded that this estimate is reasonable.
6. The appraiser estimates a stabilized physical vacancy rate of 3.0% and a collection loss of 1.0% for a physical occupancy of 97.0% and an economic occupancy of 96.0%.
7. Real estate tax expense is based on the Appraiser's estimate.
8. Management Fees are based upon the executed Management Agreement provided by the Applicant that reflects a management fee in the amount of 5.0% of the gross collections.
9. The Applicant states that the resident programs will be facilitated through the management company Cornerstone Residential Management, LLC. The estimated cost of resident programs is included in the contract services line item.
10. Other operating expense estimates are based on comparable properties and are supported by the appraisal.
11. Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements. NEF requires the replacement reserve to be increased annually by 3.00%.
12. A 15-year income and expense projection reflects increasing debt service coverage ("DSC"). This projection is attached to this report as Exhibit 1.

SMG

Section B

Supporting Information and Schedules

OCTOBER 26, 2022

Additional Development and Third Party Supplemental Information

Appraised Value: The appraised value is \$35,200,000 as if completed and stabilized, based on market rents and market financing as reported in the full narrative appraisal with an evaluation date of July 25, 2022, and a report date of September 23, 2022, performed by BBG, Inc. (“BBG”). John Cole, MAI, is a State Certified General Appraiser and holds a Florida Certified General Real Estate Appraiser License Number RZ3595. Based on this market value of the property, the loan-to-value (“LTV”) ratio is 18.9% for the permanent first mortgage. The LTV based on the SAIL and permanent first mortgage is 27.9%.

The appraised value is \$12,000,000 as if completed and stabilized and based on restricted rents and market financing. Based on this market value of the property, the LTV ratio is 55.5% for the permanent first mortgage. The LTV based on the SAIL and permanent first mortgage is 82.0%.

BBG concluded the “As Is” land value for the Subject is \$6,100,000, which supports the purchase price.

Market Study: A Market Study was prepared for the Subject Development by BBG dated September 23, 2022. BBG indicates the site is approximately 3.05 acres and according to the FEMA Flood Map Panel is located in flood zone “AH”. Mandatory flood insurance appears to apply.

The Market Study confirms that the subject is located in a Qualified Census Tract (“QCT”). Tract 308.01. BBG confirmed the property is not located in a Difficult Development Area (“DDA”), a Small Area DDA or Geographic Area of Opportunity (“GOA”).

The Subject Development will be located at 740 SW 11th Street, Pompano Beach, Broward County, Florida. The property is zoned B-3 and RM-45; General Business and Multiple-Family Residence, by Broward County. BBG states that the site has good access and is convenient to neighborhood shopping, employment and educational facilities. All necessary utilities and services are available to the site and overall BBG notes that the subject appears to be well suited for apartment development.

The Primary Market Area (“PMA”) is typically considered to be the area within a three-mile radius of the subject. The PMA includes four comparable developments consisting of a total of 536 affordable units. The weighted average occupancy of these comparable developments within the PMA was 98.7% (more than the 92% minimum required by Rule).

BBG analyzed four comparable properties located within the PMA. It is noted that there are no comparable developments under construction or planned within the PMA. The subject's units are considered to have no impact in the short term or the long term on existing affordable housing. The capture rates in within the PMA are relatively low at 2.28% for units at 30% of AMI, 4.22% for units at 60% of AMI and 3.18% for units at 70% of AMI, indicating an overall capture rate of 2.46% for all units. These low capture rates indicate that there is sufficient demand for the subject's units.

The Market Study noted no Guarantee Fund developments located within 10 miles of the Subject Development.

BBG projects that the subject development will obtain maximum allowable 2022 HC rents for all units within the subject development. According to FHFC requirements, market rents are to exceed restricted rents by a minimum of 10%. BBG estimates the overall weighted average market rents are 91% to 94% greater than estimated average restricted rents in the PMA, thus meeting FHFC requirements.

In the rental market analysis, the absorption performance of comparable/competitive apartment rentals was analyzed. The analysis indicated a range of 19 to 24 units per month. Based on this data, BBG determined an absorption rate of 25 units per month based on extremely strong demand for affordable housing in the area. BBG estimates the subject will achieve stabilized occupancy within four months after construction completion. It was also noted that approximately 60 units will be leased upon construction completion as a result of pre-leasing efforts, which would allow for stabilized occupancy within two months instead of four months.

Environmental Report:

LandScience, Inc. ("LandScience") of North Miami, Florida performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-21. The ESA indicates an inspection date of March 18, 2022, and a report issue date of March 22, 2022.

Based on historical research, LandScience notes that the property appears to have consisted of vacant, undeveloped land since at least 1940 and remains undeveloped to the present day. A review of the surrounding areas notes three residential structures to the north, commercial buildings to the south, an office/warehouse building to the east and an apartment community to the west.

LandScience's assessment revealed no evidence of any Recognized Environmental Conditions ("RECs") or Controlled RECs in connection with the subject property. LandScience recommends no further assessment at this time.

Soil Test Report: Seltzer has reviewed a Geotechnical Exploration completed by Tierra South Florida, Inc. ("Tierra") dated July 12, 2022.

To investigate the subsurface conditions, Tierra performed a total of eleven (11) Standard Penetration Test ("SPT") borings and four (4) borehole permeability tests per South Florida Water Management District standards. Based on the boring locations noted by Tierra and the civil engineered site plan, eight (8) of the SPT borings were performed in the building footprints with the remaining three (3) performed under the pavement sections. The SPT borings were performed to depths of thirty to sixty feet.

Tierra notes that the test borings generally encountered loose to medium dense sand with varying amounts of limestone fragments to the boring termination depth. Soft limestone was typically found at depths of five to fifteen feet with loose and medium dense sands found throughout the boring depths. Groundwater was generally encountered in the borings between two and a half and three feet below the existing grade. Tierra expects that the groundwater to fluctuate within about two feet from where it was encountered.

Tierra states that construction of the proposed mid-rise building could be supported on shallow spread foundations after improving the bearing pressure to 6,000 pounds per square foot; Tierra notes this foundation system does not provide any tension resistance. Alternatively, following proper site preparation procedures, Tierra notes the three-story garden apartments may be supported on shallow spread foundations with a bearing pressure of 3,000 pounds per square foot and employ conventional slab-on-grade foundations. Tierra provided recommendations for suitable fill material and compaction of fill soils, foundation support and compaction, floor slab, as well as typical recommendations for pavement areas. SMG's recommendation is conditioned upon strict adherence to the recommendations within Tierra's geotechnical report.

Pre-Construction Analysis: SMG has reviewed a Plan and Cost Analysis ("PCA") from Moran Construction Consultants, LLC ("Moran") dated August 30, 2022.

The PCA report states that the construction documents, inclusive of the drawings, limited specification and engineering reports do appear to include adequate detail to complete the proposed scope of work. The documents were prepared by licensed Architects and Engineers and do appear to address governing codes and ordinances. The materials, systems and assemblies are considered appropriate with regards to industry standard and project type and are generally of adequate quality.

Moran notes that Florida Housing Administration (“FHA”) and Americans with Disabilities Act (“ADA”) building codes do appear to be included in the design documents and that all buildings/units will be inspected for FHA/ADA compliance prior to receipt of Certificates of Occupancy.

The PCA confirms that the construction drawings include the features and amenities committed to in RFA 2021-205.

Moran reviewed a GMP A102-2017 Agreement between Owner and Contractor, dated July 5, 2022, in the amount of \$23,815,000. The PCA stated the review of the construction cost breakdown provided by the Contractor indicates a cost per square foot of \$197.48 and a cost per unit of \$224,669.80. Moran notes that based on the current itemized schedule of values, the development teams’ experience with the product type, and available contingency, the budget does appear adequate to complete the proposed scope of work. Moran states that the Owner estimated a hard cost contingency of \$1,190,750, or 5.00%, and deems this to be acceptable.

Moran notes that the schedule of values did not include any allowances.

The construction schedule indicates a completion date within 16 calendar months from the date of commencement. It is Moran’s opinion that the construction schedule is adequate to complete the proposed scope of work if the subcontractors are managed well and work is properly sequenced.

Site Inspection:

Inspector

Carrie Staley

Date Inspection Conducted

07/22/22

Description of Site

The site is currently a vacant lot with mature trees and shrubs.

Location of Site

S Dixie Highway and SW 11th St, Pompano Beach, FL (Broward County)

Proximity to Major Highways, Public Transportation, Airports

Interstate 95 is approximately 1.5 miles west of the site. There is one bus stop within a block of the site.

Proximity to Schools, Medical Facilities, Major Business Areas, Retail Outlets, Restaurants, Churches, Parks

Located between I95 and Dixie Highway, a residential neighborhood on the east side, Padulas Auto Repair Shop on the west, Maine Lobster

Seafood Company on the northside and a vacant building on the south side. Two hospitals, including Holy Cross Hospital, as well as several medical care facilities are within 3 miles of the site. Many churches and the Boys and Girls Club are within a 4-mile radius. There are numerous businesses, banks, retail and grocery stores, pharmacies and restaurants within 2 miles of the surrounding area. Two elementary schools are within a 7-mile radius, one middle school is within a 7-mile radius and three high schools are within a 3-mile radius of the site.

Proximity to Other Affordable Housing (Elderly and/or Family)

The following affordable communities: Captiva Cove, Captiva Cove II, Arborview (Elderly), St. Elizabeth Gardens (Elderly), Regency Gardens, are located within an 8-mile radius of the site.

Adverse Conditions

There does not appear to be any apparent adverse conditions that would negatively affect this development nor impair the property's ability to attract tenants.

Borrower Information

Applicant/Borrower Name: Captiva Cove III Associates, Ltd.

Applicant/Borrower Type: Florida Limited Partnership

Contact Information: Mara S. Mades

Telephone (305) 443-8288

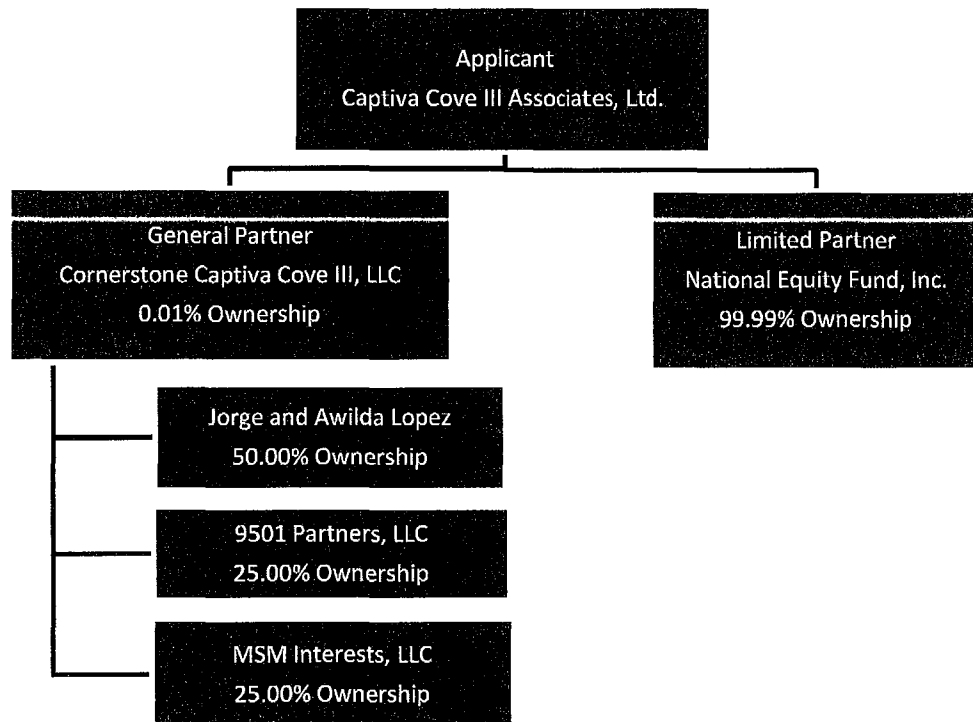
Facsimile (305) 443-9339

E-Mail: mara.mades@cornerstonegrp.com

Address: 2100 Hollywood Blvd.
Hollywood, FL 33020

Federal Employer ID: 87-1588068

Ownership Structure: Captiva Cove III Associates, Ltd. is a Florida Limited Partnership registered with the State of Florida on July 7, 2021. The Agreement of Limited Partnership has been provided and the current Certificate of Status was verified with the Secretary of State. The General Partner, with 0.01% ownership, is Cornerstone Captiva Cove III, LLC ("Captiva GP") and was registered with the State of Florida on July 6, 2021. The Operating Agreement has been provided and the current Certificate of Status was verified with the Secretary of State.



Based upon a HC Equity LOI dated August 16, 2022, NEF or an affiliate will purchase a 99.99% ownership interest concurrent with or prior to the closing of the construction/permanent loan.

The Developer of Captiva Cove III is Cornerstone Group Partners, LLC ("Cornerstone"). Cornerstone is a Florida Limited Liability Company registered with the State of Florida on June 3, 2015. The Amended and Restated Operating Agreement has been provided and the current Certificate of Status was verified with the Secretary of State. The owners of Cornerstone are Jorge and Awilda Lopez with 50.00% ownership, M3 Acquisitions, LLC, with 25.00% ownership and M.S. Mades Family Limited Partnership with 25.00% ownership.

Experience:

The Applicant provided SMG correspondence indicating that the Applicant and Captiva GP are newly formed, single-purpose entities, and therefore, do not have resumes, trade references, previous multifamily ownership, deposit accounts, financial statements, or contingent liabilities.

The Developer of the Subject Development, Cornerstone, is an entity whose philosophy is to create value by developing high quality, rental housing properties for low- and moderate-income households. Cornerstone is an affiliate of The Cornerstone Group which was established in 1993. The Cornerstone Group is a fully integrated residential real estate firm that provides development, construction, and property management services for affordable rental and workforce housing throughout the State of Florida. In the past 25 years The Cornerstone Group has developed over 65 affordable housing properties across the State of Florida consisting of over 15,000 total units. These properties were funded utilizing a combination of Florida Housing funding, local and federal subsidies, and the use of Low Income Housing Tax Credits. It is The Cornerstone Group's goal and objective to remain committed to the Florida markets, providing a wide range of quality residential housing, tenant and management services to its residents. Collectively, its principals have several years experience in the field of real estate development, finance, construction, and management.

Credit Evaluation:

The Applicant and its general partner, Captiva GP, have no meaningful operating or credit history.

A comprehensive credit report for Jorge Lopez dated September 14, 2022, reported a satisfactory credit history with no significant adversities.

A comprehensive credit report for Leon J. Wolfe dated September 14, 2022, reported a satisfactory credit history with no significant adversities.

A comprehensive credit report for Mara S. Mades dated September 14, 2022, reported a satisfactory credit history with no significant adversities.

References: Bank and business/trade references for Cornerstone, Jorge and Awilda Lopez, Leon J. Wolfe and Mara S. Mades are satisfactory.

SMG received bank deposit / investment account statements for Cornerstone, Jorge and Awilda Lopez, Leon J. Wolfe and Mara S. Mades dated July 31, 2022.

Financial Statements: *Cornerstone Group Partners, LLC:*

Cash and Equivalents:	\$627,313
Total Assets:	\$15,879,239
Total Liabilities:	\$365,029
Equity:	\$15,514,210

Financial data is from an Audited financial statement dated December 31, 2021, prepared by Cohn Reznick, LLP. Assets other than cash consist of development fee receivable, due from affiliates and pre-development costs. Liabilities consist of accounts payable and due to affiliates. SMG also reviewed the 2019 and 2020 Form 1065 U.S. Return of Partnership Income as well as the 2021 Extension.

Jorge and Awilda Lopez:

Cash and Equivalents:	\$100,000,000
Total Assets:	\$132,385,089
Total Liabilities:	\$6,254,486
Equity:	\$126,130,603

Financial data is from an internally prepared financial statement dated July 31, 2022, and certified as true and correct by Sonia Rodriguez. Assets other than cash consist of 401(k), partnership interest and personal property. Liabilities consist of a home loan. SMG also reviewed the 2019 and 2020 Form 1040 U.S. Individual Income Tax Returns as well as the 2021 Extension.

Leon J. Wolfe:

Cash and Equivalents:	\$16,852,440
Total Assets:	\$21,098,205
Total Liabilities:	\$15,000
Equity:	\$21,083,205

Financial data is from an internally prepared financial statement dated August 17, 2022, and certified as true and correct by Leon J. Wolfe. Assets other than cash consist of 401(k), securities and personal property. Liabilities consist of credit card balances. SMG also reviewed the 2019 and 2020 Form 1040 U.S. Individual Income Tax Returns as well as the 2021 Extension.

Mara S. Mades:

Cash and Equivalents:	\$2,208,940
Total Assets:	\$4,714,627
Total Liabilities:	\$0
Equity:	\$4,714,627

Financial data is from an internally prepared financial statement dated July 31, 2022, and certified as true and correct by Mara S. Mades. Assets other than cash consist of 401(k), real estate and securities. The financial statement reflects no liabilities. SMG also reviewed the 2019 and 2020 Form 1040 U.S. Individual Income Tax Returns as well as the 2021 Extension.

Contingent Liabilities:

A Statement of Financial/Credit Affairs dated July 29, 2022, was provided for Cornerstone reflecting contingent liabilities, deeds in lieu of foreclosure and loan workouts. A schedule of contingent liabilities as of July 29, 2022, for Cornerstone reflects contingent liabilities on twenty-two developments in the low nine figures.

A Statement of Financial/Credit Affairs dated July 29, 2022, was provided for Jorge and Awilda Lopez reflecting contingent liabilities, deeds in lieu of foreclosure and loan workouts. A schedule of contingent liabilities as of July 29, 2022, for Jorge and Awilda Lopez reflects contingent liabilities on six developments in the low nine figures.

A Statement of Financial/Credit Affairs dated July 29, 2022, was provided for Leon J. Wolfe reflecting contingent liabilities, deeds in lieu of foreclosure and loan workouts. A schedule of contingent liabilities as of July 29, 2022, for Cornerstone reflects contingent liabilities on six developments in the low nine figures.

A Statement of Financial/Credit Affairs dated July 29, 2022, was provided for Mara S. Mades reflecting contingent liabilities, deeds in lieu of foreclosure and loan workouts. A schedule of contingent liabilities as of July 29, 2022, for Mara S. Mades reflects contingent liabilities on six developments in the low nine figures.

Summary:

Based upon the information provided, Cornerstone, Jorge and Awilda Lopez, Leon J. Wolfe and Mara S. Mades, individually and through various corporate and partnership entities, appear to have the experience and financial resources to develop and operate the Subject Development.

Guarantor Information

Guarantor Name: Captiva Cove III Associates, Ltd., Cornerstone Captiva Cove III, LLC, Cornerstone Group Partners, LLC, Jorge Lopez, Leon J. Wolfe and Mara S. Mades, individually

Contact Information: Mara S. Mades
Telephone (305) 443-8288
Facsimile (305) 443-9339
E-Mail: mara.mades@cornerstonegrp.com

Address: 2100 Hollywood Blvd.
Hollywood, FL 33020

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

For the MMRN Loan, Guarantors are to provide the standard HFABC Operating Deficit Guaranty. If requested in writing by Applicant, the Loan Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage ("DSC") Ratio on the MMRN Loan, as determined by the HFABC or its agent and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant ("CPA"). The calculation of the DSC Ratio shall be made by HFABC or the Loan Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy ("C/O").

Financial Statements: Please refer to the Borrower Information section of this Credit Underwriting Report.

Contingent Liabilities: Please refer to the Borrower Information section of this Credit Underwriting Report.

Summary: Based upon the financial information provided, the Guarantors appear to have adequate development experience and financial strength to serve as Guarantors for the Subject Development.

Syndicator Information

Syndicator Name: National Equity Fund, Inc. ("NEF")

Contact Person: Jason Aldridge, Vice President – Originations

Telephone: (972) 741-5150

E-Mail: jaldridge@nefinc.org

Address: 10 South Riverside Plaza, Suite 1700
St. Petersburg, FL 33716

Experience: NEF is a non-profit Chicago based affiliate of the Local Initiatives Support Corporation and one of the nation's largest syndicators of HC. Since its inception in 1987, NEF has played an integral role in creating affordable housing options, revitalizing communities and strengthening local economies. NEF's investments total over \$15 billion across more than 2,600 HC developments across 47 states. These investments have created more than 175,000 affordable homes for low-income families and individuals.

Financial Statements: *National Equity Fund, Inc. and Subsidiaries:*

Cash and Equivalents:	\$57,794,322
Total Assets:	\$239,918,931
Total Liabilities:	\$142,864,019
Equity:	\$97,054,912

Financial data for NEF is from its quarterly period ending June 30, 2022, unaudited, compiled Financial Statement. NEF reports year-to-date Net Income of \$9.28 million on Revenues of \$33.25 million.

Summary: NEF has demonstrated that it has the experience and financial strength to serve as the syndicator for this Development.

General Contractor Information

General Contractor Name: Brookstone Construction, LLC (“Brookstone”)
Type: A Florida Limited Liability Company
Contact Person: Michael Alan Brinegar
Telephone (305) 443-2310
Facsimile (305) 443-0537
E-Mail: mike.brinegar@cornerstonegrp.com
Address: 2100 Hollywood Blvd
Hollywood, Florida 33020
Experience: Brookstone acts as the construction manager and General Contractor for properties developed by its principals, Jorge Lopez, Leon J. Wolfe, and Mara S. Mades. The principals of Brookstone have completed construction of over 15,000 units throughout the State of Florida. Mr. Fernandez-Davila is responsible for overseeing construction operations for multifamily units (condominiums, apartments, and townhomes) throughout the state of Florida. Prior to the formation of Brookstone in April 2013, Mr. Fernandez-Davila was Vice President of CSG Construction.
Brookstone’s Florida Certified General Contractor’s License is held by Mr. Michael Alan Brinegar, License Number CGC1505009, with an expiration date of August 31, 2024.
Credit Evaluation: A comprehensive Business Credit Report for Brookstone, dated September 14, 2022, reflected satisfactory credit history with minor late payment activity. There were two UCC Filings shown.
Banking/Trade References: Banking, trade and business references for Brookstone reported satisfactory working relationships and payment history.
Financial Statements: Brookstone has provided Draft Payment and Performance Bonds in lieu of financial statements.
Surety: Brookstone provided a Draft Payment and Performance Bond dated August 9, 2022, from the surety Western Surety Company (“Western”). Western has an A (Excellent) rating and a Financial Size Category of XIV (\$1.5 billion to \$2 billion) by A.M. Best Company, meeting FHFC Rule.
Summary: SMG recommends that Brookstone be accepted as the General Contractor for Captiva Cove III, subject to the conditions in Section B thereof, if any.

Property Manager Information

Property Manager Name: Cornerstone Residential Management, LLC (“CRM”)

Type: A Florida Limited Liability Company

Contact Information: Nola Castillo, President, Manager

Telephone (305) 443-8288

Facsimile (305) 443-9339

Address: 2100 Hollywood Blvd
Hollywood, Florida 33020

Experience: CRM is a Florida Limited Liability Company registered with the State of Florida February 14, 2002. Since 1997, CRM has provided complete marketing, leasing, administrative and accounting, compliance, and other services for its own properties, as well as for others on a fee basis. The President of CRM, Nola Castillo, heads up all residential management services for CRM and brings over 30 years experience in working with both commercial and multifamily properties.

CRM has overseen the management of sixty-six (66) properties throughout the State of Florida, comprised of over 15,000 units. Currently, CRM oversees the management of sixty-one (61) properties in Florida comprised of 13,599 units.

Management Agreement: Applicant submitted an executed Management Agreement dated April 28, 2022, between Applicant and CRM. The agreement shall be in effect for a period commencing as of the date of the agreement and ending three year thereafter. The term shall be automatically renewed for successive periods of one (1) year each subject to conditions pursuant to Section 27 of the Agreement.

A management fee equal to 5.0% of gross receipts will be paid monthly.

Management Plan: Applicant submitted a Management Plan with CRM that appears satisfactory.

Summary: The Asset Management Department of FHFC will need to approve the selection of CRM for Captiva Cove III prior to the commencement of lease-up activity. Continued approval will be contingent upon ongoing satisfactory performance.

Exhibit 1
Captiva Cove III
15 Year Income and Expense Projection

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	\$1,382,724	\$1,410,378	\$1,438,586	\$1,467,358	\$1,496,705	\$1,526,639	\$1,557,172	\$1,588,315	\$1,620,082	\$1,652,483	\$1,685,533	\$1,719,243	\$1,753,628	\$1,788,701	\$1,824,475
	Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other Income:															
	Ancillary Income-Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Miscellaneous	\$15,900	\$16,218	\$16,542	\$16,873	\$17,211	\$17,555	\$17,906	\$18,264	\$18,629	\$19,002	\$19,382	\$19,770	\$20,165	\$20,568	\$20,980
	Washer/Dryer Rentals	\$40,810	\$41,626	\$42,459	\$43,308	\$44,174	\$45,058	\$45,959	\$46,878	\$47,815	\$48,772	\$49,747	\$50,742	\$51,757	\$52,792	\$53,848
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Potential Income	\$1,439,434	\$1,468,223	\$1,497,587	\$1,527,539	\$1,558,090	\$1,589,251	\$1,621,036	\$1,653,457	\$1,686,526	\$1,720,257	\$1,754,662	\$1,789,755	\$1,825,550	\$1,862,061	\$1,899,303
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 3.0%	(\$43,183)	(\$44,047)	(\$44,928)	(\$45,826)	(\$46,743)	(\$47,678)	(\$48,631)	(\$49,604)	(\$50,596)	(\$51,608)	(\$52,640)	(\$53,693)	(\$54,767)	(\$55,862)	(\$56,979)
Collection Loss - Percentage: 1.0%	(\$14,384)	(\$14,682)	(\$14,976)	(\$15,275)	(\$15,581)	(\$15,893)	(\$16,210)	(\$16,535)	(\$16,865)	(\$17,203)	(\$17,547)	(\$17,898)	(\$18,256)	(\$18,621)	(\$18,993)	
Total Effective Gross Revenue	\$1,381,857	\$1,409,494	\$1,437,684	\$1,466,437	\$1,495,766	\$1,525,881	\$1,556,195	\$1,587,319	\$1,619,065	\$1,651,447	\$1,684,476	\$1,718,165	\$1,752,528	\$1,787,579	\$1,823,330	
EXPENSES	Fixed:															
	Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Real Estate Taxes	\$175,407	\$180,669	\$186,089	\$191,672	\$197,422	\$203,345	\$209,445	\$215,728	\$222,200	\$228,866	\$235,732	\$242,804	\$250,088	\$257,591	\$265,319
	Insurance	\$106,000	\$109,180	\$112,455	\$115,829	\$119,304	\$122,883	\$126,570	\$130,367	\$134,278	\$138,306	\$142,455	\$146,729	\$151,131	\$155,665	\$160,335
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Variable:															
	Management Fee - Percentage: 5.0%	\$69,093	\$70,475	\$71,884	\$73,322	\$74,788	\$76,284	\$77,810	\$79,366	\$80,953	\$82,572	\$84,224	\$85,908	\$87,626	\$89,379	\$91,167
	General and Administrative	\$40,810	\$42,034	\$43,295	\$44,594	\$45,932	\$47,310	\$48,729	\$50,191	\$51,697	\$53,248	\$54,845	\$56,491	\$58,185	\$59,931	\$61,729
	Payroll Expenses	\$166,950	\$171,959	\$177,117	\$182,431	\$187,904	\$193,541	\$199,347	\$205,327	\$211,487	\$217,832	\$224,367	\$231,098	\$238,031	\$245,172	\$252,527
	Utilities	\$87,450	\$90,074	\$92,776	\$95,559	\$98,426	\$101,379	\$104,420	\$107,552	\$110,779	\$114,102	\$117,525	\$121,051	\$124,683	\$128,423	\$132,276
	Marketing and Advertising	\$5,300	\$5,459	\$5,623	\$5,791	\$5,965	\$6,144	\$6,328	\$6,518	\$6,714	\$6,915	\$7,123	\$7,336	\$7,557	\$7,783	\$8,017
	Maintenance and Repairs	\$37,100	\$38,213	\$39,359	\$40,540	\$41,756	\$43,009	\$44,299	\$45,628	\$46,997	\$48,407	\$49,859	\$51,355	\$52,896	\$54,483	\$56,117
	Grounds Maintenance and Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Contract Services	\$60,950	\$62,779	\$64,662	\$66,602	\$68,600	\$70,658	\$72,777	\$74,961	\$77,210	\$79,526	\$81,912	\$84,369	\$86,900	\$89,507	\$92,192
	Security	\$53,000	\$54,590	\$56,228	\$57,915	\$59,652	\$61,442	\$63,285	\$65,183	\$67,139	\$69,153	\$71,228	\$73,364	\$75,565	\$77,832	\$80,167
Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Reserve for Replacements	\$31,800	\$32,754	\$33,737	\$34,749	\$35,791	\$36,865	\$37,971	\$39,110	\$40,283	\$41,492	\$42,737	\$44,019	\$45,339	\$46,699	\$48,100	
Total Expenses	\$833,860	\$858,185	\$883,225	\$909,003	\$935,540	\$962,859	\$990,982	\$1,019,933	\$1,049,737	\$1,080,420	\$1,112,007	\$1,144,525	\$1,178,001	\$1,212,465	\$1,247,945	
Net Operating Income	\$547,997	\$551,309	\$554,458	\$557,434	\$560,226	\$562,823	\$565,213	\$567,386	\$569,328	\$571,027	\$572,469	\$573,640	\$574,527	\$575,114	\$575,385	
Debt Service Payments																
DEBT SERVICE	First Mortgage - HFABC / Chase	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872	\$415,872
	Second Mortgage - FHFC SAIL / CHIRP	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800	\$74,800
	Third Mortgage - Broward County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fourth Mortgage - FHFC SAIL ELI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage - Pompano Beach	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - HFABC / Chase	\$15,729	\$15,607	\$15,477	\$15,341	\$15,198	\$15,047	\$14,887	\$14,720	\$14,543	\$14,356	\$14,160	\$13,953	\$13,735	\$13,505	\$13,263
	Second Mortgage Fees - FHFC SAIL / CHIRP	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901	\$11,901
	Third Mortgage Fees - Broward County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fourth Mortgage Fees - FHFC SAIL ELI	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741	\$3,741
Fifth Mortgage Fees - Pompano Beach	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
All Other Mortgage Fees -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Debt Service Payments	\$537,043	\$536,920	\$536,791	\$536,655	\$536,511	\$536,360	\$536,201	\$536,033	\$535,856	\$535,670	\$535,473	\$535,266	\$535,048	\$534,818	\$534,576	
Cash Flow After Debt Service	\$10,954	\$14,389	\$17,667	\$20,779	\$23,714	\$26,463	\$29,013	\$31,353	\$33,472	\$35,357	\$36,996	\$38,374	\$39,479	\$40,295	\$40,809	
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.270	1.278	1.285	1.293	1.300	1.306	1.312	1.318	1.323	1.327	1.331	1.335	1.337	1.339	1.341	
DSC - Second Mortgage plus Fees	1.057	1.064	1.070	1.076	1.082	1.087	1.092	1.097	1.101	1.105	1.108	1.111	1.113	1.114	1.115	
DSC - Third Mortgage plus Fees	1.057	1.064	1.070	1.076	1.082	1.087	1.092	1.097	1.101	1.105	1.108	1.111	1.113	1.114	1.115	
DSC - Fourth Mortgage plus Fees	1.050	1.056	1.063	1.069	1.074	1.080	1.084	1.089	1.093	1.097	1.100	1.103	1.105	1.106	1.107	
DSC - Fifth Mortgage plus Fees	1.020	1.027	1.033	1.039	1.044	1.049	1.054	1.058	1.062	1.066	1.069	1.072	1.074	1.075	1.076	
DSC - All Mortgages and Fees	1.020	1.027	1.033	1.039	1.044	1.049	1.054	1.058	1.062	1.066	1.069	1.072	1.074	1.075	1.076	
Financial Ratios																
Operating Expense Ratio	60.3%	60.9%	61.4%	62.0%	62.5%	63.1%	63.7%	64.3%	64.8%	65.4%	66.0%	66.6%	67.2%	67.8%	68.4%	
Break-Even Ratio	95.4%	95.2%	95.0%	94.8%	94.7%	94.5%	94.4%	94.3%	94.2%	94.1%	94.1%	94.1%	94.0%	94.0%	94.1%	

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Captiva Cove III

DATE: October 26, 2022

In accordance with applicable Program Rule(s), the Borrower 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 ("Florida Housing" or "FHFC"). The following items must be satisfactorily addressed. "Satisfactorily" means that the Credit Underwriter has received assurances from third parties unrelated to the Borrower that the transaction can close within the allotted time frame. Unsatisfactory items, if any, are noted below and in the "Issues and Concerns" section of the Executive Summary.

CREDIT UNDERWRITING 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.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

11. Resumes and experience of Borrower, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with "not to exceed" costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT'S RESPONSES: None

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$41,083,132
Less Land Cost	(\$4,250,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$2,726,061)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$34,107,071
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$44,339,192
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,773,568

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of site work, accounting fees, legal fees, a portion of construction loan interest, permanent loan origination, FHFC Loan commitment fees, FHFC administrative, application, and underwriting fees, market study, and reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is located in a Qualified Census Tract ("QCT"), Tract 308.01. Therefore, the 130% basis credit has been applied to the Eligible Basis.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a HC percentage of 4.00% has therefore been applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$41,083,132
Less Mortgages	(\$21,865,098)
Less Grants	\$0
Equity Gap	\$19,218,034
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.95
HC Required to Meet Gap	\$20,231,533
Annual HC Required	\$2,023,153

Notes to the Gap Calculation:

1. Mortgages include the Chase first mortgage, FHFC SAIL second mortgage, Broward County third mortgage, FHFC ELI fourth mortgage and Pompano Beach fifth mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the August 16, 2022, LOI from NEF.

Section III: Tax-Exempt Note 50% Test	
Total Depreciable Cost	\$34,107,071
Plus Land Cost	\$4,250,000
Aggregate Basis	\$38,357,071
Tax-Exempt Note Amount	\$19,500,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC Earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$19,500,000
Proceeds Divided by Aggregate Basis	50.84%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRN amount to be 50.84% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Note Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Qualified Basis	\$1,773,568
HC per Gap Calculation	\$2,023,153
Annual HC Recommended	\$1,773,568

Notes to the Summary:

- 1. The Annual HC Recommended is based on the Qualified Basis calculation.

ATTACHMENT 2

RESOLUTION NO. 2022-025

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on November 16, 2022, at 110 Northeast Third Street, Suite 300, Fort Lauderdale, Florida.

Present: _____

Absent: _____

Thereupon, the following resolution was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "HFA") AUTHORIZING THE ISSUANCE OF ITS MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS, SERIES 2023 (CAPTIVE COVE III) IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$22,000,000 (THE "BONDS") FOR THE PURPOSE OF FINANCING THE CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY HOUSING PROJECT KNOWN AS THE CAPTIVA COVE III LOCATED IN BROWARD COUNTY, FLORIDA; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE BY AND BETWEEN THE HFA AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT AMONG THE HFA, THE BORROWER AND THE TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT BY AND AMONG THE HFA, THE TRUSTEE AND CAPTIVE COVE III ASSOCIATES, LTD, AS BORROWER; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE BONDS BY AND AMONG THE HFA, THE BORROWER AND JPMORGAN CHASE BANK, N.A., AS PURCHASER; APPROVING AND AUTHORIZING THE EXECUTION OF THE ALLONGE TO PROMISSORY NOTE; APPROVING AND AUTHORIZING THE EXECUTION OF THE ASSIGNMENT OF MORTGAGE AND SECURITY

DOCUMENTS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PLACEMENT AGENT AGREEMENT FOR THE BONDS BY AND AMONG THE HFA, RBC CAPITAL MARKETS, LLC AND RAYMOND JAMES & ASSOCIATES, INC.; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE BONDS; 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 BONDS; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "HFA") is empowered under the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the "Act") and Ordinance 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the "Board") on June 20, 1979 (the "Ordinance"), as amended, to issue multi-family housing revenue bonds; and

WHEREAS, the HFA desires to issue a Multifamily Housing Mortgage Revenue Bonds, Series 2023 (the "Bonds") in a principal amount of not to exceed \$22,000,000 for the purpose of financing the construction and equipping of a multi-family residential housing development in Pompano Beach, Broward County, Florida (the "County") known as Captiva Cove III (the "Project"); and

WHEREAS, Captiva Cove III Associates, Ltd., a Florida limited partnership (the "Borrower"), has requested the HFA to issue its Bonds to provide funds to make a loan to the Borrower (the "Loan") to finance the construction and equipping of the Project; and

WHEREAS, the HFA shall enter into a Trust Indenture (the "Trust Indenture"), between the HFA and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") for the purpose of

setting forth the terms, conditions and covenants that are necessary to secure the Bonds and protect the rights of the holders of the Bonds, in substantially the form attached hereto as Exhibit "A"; and

WHEREAS, the HFA shall enter into a Financing Agreement (the "Financing Agreement"), among the HFA, the Trustee and the Borrower for the purpose of setting forth the terms, conditions and covenants that are necessary to evidence the terms and conditions of the Loan, in substantially the form attached hereto as Exhibit "B"; and

WHEREAS, the HFA shall enter into a Land Use Restriction Agreement among the HFA, the Borrower and the Trustee in substantially the form attached hereto as Exhibit "C"; and

WHEREAS, the HFA shall enter into a Bond Purchase Agreement among the HFA, the Borrower and JPMorgan Chase Bank, N.A. ("Purchaser"), in substantially the form attached hereto as Exhibit "D"; and

WHEREAS, the HFA shall execute the Allonge to the Promissory Note, in substantially the form attached hereto as Exhibit "E"; and

WHEREAS, the HFA shall execute the Assignment of Mortgage and Security Documents, in substantially the form attached hereto as Exhibit "F"; and

WHEREAS, the HFA shall enter into a Placement Agent Agreement among the HFA, RBC Capital Markets, LLC and Raymond James & Associates, Inc., in substantially the form attached hereto as Exhibit "I"; and

WHEREAS, within the County there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing. This shortage constitutes a threat to the health, safety, morals and welfare of the residents of the

County, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

WHEREAS, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a “qualified housing development” under the Act; and

WHEREAS, the HFA is not obligated to pay the Bonds except from the proceeds derived from the repayment of the Loan and other payments received from the Borrower or from other security pledged therefor pursuant to the Trust Indenture. Neither the faith and credit nor the taxing power of the HFA, the County or the State of Florida or any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds; and

WHEREAS, due to the complexity of the financing, the turmoil in the capital markets and the need to coordinate matters among the HFA, the Borrower and the Purchaser, or its affiliates, it is in the best interest of the HFA to negotiate the sale of the Bonds. The disclosure required in Section 218.385, Florida Statutes, as amended, shall be provided to the HFA prior to the sale of the Bonds; and

WHEREAS, a notice of public hearing inviting written and oral comments and discussions concerning the issuance of the Bonds was published in the Sun-Sentinel, a newspaper of general circulation on September 23, 2022, at least 7 days prior to the date of such hearing; and

WHEREAS, on October 11, 2022, a public hearing concerning the issuance of the Bonds in a face amount of not to exceed \$22,000,000 to finance the Project was held by the HFA; and

WHEREAS, the HFA received from the State of Florida Division of Bond Finance an allocation of 2019, 2020 and 2021 private activity bond volume cap in the amounts of \$97,397,445, \$97,647,789.10 and \$176,327,678.22 respectively, which has been carried forward pursuant to Section 145(f) of the Code and designated for the issuance of bonds for qualified residential rental projects; and

WHEREAS, the Ordinance requires that all contracts of the HFA in connection with the issuance of the Bonds be approved by the Board; and

WHEREAS, the HFA desires to authorize the execution and delivery of the contracts and any other documents of the HFA to be executed in connection with the issuance of the Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:

Section 1. Adoption of Representations. The foregoing WHEREAS paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Authorization of the Bonds. The HFA hereby authorizes, under the authority of the Act and the Ordinance, and subject to the terms as hereinafter set forth, the issuance of the Bonds to be designated "Housing Finance Authority of Broward County, Florida Multifamily Housing Mortgage Revenue Bonds, Series 2023 (Captiva Cove III)" in a principal amount of not to exceed \$22,000,000 or such other series or name designation as may be determined by the HFA.

Section 3. Details of the Bonds. The Bonds shall be issued under and secured by the Trust Indenture, by which reference is hereby incorporated into this Resolution as if set forth in full herein.

The proceeds of the Bonds, together with any commitment fees, shall be applied as provided in the Trust Indenture, the Bonds shall mature in the years and in the amounts, bear interest at such rates, be subject to redemption and shall have such other characteristics as shall be provided in the Trust Indenture.

Section 4. Execution of Bonds. The Chair or Vice Chair and Secretary or Assistant Secretary of the HFA are hereby authorized and directed to execute by manual or facsimile signature, and place the seal of the HFA, in manual or facsimile form, on the Bonds. The Bonds shall be in substantially the form set forth in the Trust Indenture, with such changes, modifications and deletions as the officers executing the Bonds, with the advice of Bryant Miller Olive P.A. ("Bond Counsel") and the County Attorney, may deem necessary and appropriate and as are not inconsistent with the Trust Indenture and this Resolution. The execution and delivery of the Bonds by the aforementioned persons shall be conclusive evidence of the HFA's approval and authorization thereof.

Section 5. Authentication and Delivery of Bonds. Upon execution of the Bonds in the form and manner set forth in the Trust Indenture, the HFA shall deliver the Bonds to the Trustee for authentication, and the Trustee is hereby authorized and directed to authenticate and deliver said Bonds to the Purchaser, subject to the terms for delivery set forth in the Trust Indenture.

Section 6. Approval of Trust Indenture. The form and content of the Trust Indenture by and among the HFA and the Trustee, attached hereto as Exhibit "A", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Trust Indenture and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes,

modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 7. Approval of Financing Agreement. The form and content of the Financing Agreement by and among the HFA, the Trustee and the Borrower, attached hereto as Exhibit "B", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Financing Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 8. Approval of the Land Use Restriction Agreement. The form and content of the Land Use Restriction Agreement among the HFA, the Borrower and the Trustee, attached hereto as Exhibit "C", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Land Use Restriction Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 9. Approval of Bond Purchase Agreement. The form and content of the Bond Purchase Agreement among the HFA, the Borrower and the Purchaser, attached hereto as Exhibit "D", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Bond Purchase Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 10. Allonge to Promissory Note. The Borrower intends to execute and deliver a promissory note in favor of the HFA (the "Promissory Note"). The HFA will assign its interest in the Promissory Note to the Trustee. The execution of the Allonge to Promissory Note, attached hereto as Exhibit "E", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Allonge to Promissory Note and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 11. Execution of Assignment of Mortgage and Security Documents. The form and content of the Assignment of the Mortgage and Security Documents made by the HFA in favor of the Trustee (the "Assignment"), attached hereto as Exhibit "F", is hereby authorized and approved by the

HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Assignment and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 12. Appointment of Trustee, Registrar and Paying Agent. The Bank of New York Mellon Trust Company, N.A., having its designated corporate trust office in Jacksonville, Florida, is hereby appointed Trustee, Registrar and Paying Agent under the Trust Indenture; and the HFA approves the form and content of the Trustee Fee Agreement between the HFA and the Trustee and attached hereto as Exhibit "G". The Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Trustee Fee Agreement, and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and attest thereto, in substantially the form presented at this meeting, with such changes, modifications, deletions and insertions as the Chair or Vice Chair, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the HFA.

Section 13. Approval of Placement Agent Agreement. The form and content of the Placement Agent Agreement among the HFA, RBC Capital Markets, LLC and Raymond James and Associates, Inc., attached hereto as Exhibit "I", is hereby authorized and approved by the HFA, and the Chair or Vice Chair of the HFA is hereby authorized to execute and deliver the Placement Agent Agreement and the Secretary or Assistant Secretary is authorized to place the HFA's seal thereon and

attest thereto, in the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of Bond Counsel and the County Attorney, may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the HFA.

Section 14. Sale of Bonds. The Bonds are hereby sold and awarded to JPMorgan Chase Bank, N.A., or its affiliates as the Purchaser, at the price of par pursuant to its term sheet (the "Chase Term Sheet"). The Term Sheet is attached hereto as Exhibit "H". The Executive Director is hereby authorized to accept additional term sheets in connection with the Bonds upon review and approval from Bond Counsel and County Attorney. The Chair or Vice Chair and the Secretary are authorized to make any and all changes to the form of the Bonds which shall be necessary to conform the same to the Term Sheet and any subsequently approved term sheets.

Section 15. Certificated Bonds. It is in the best interest of the HFA and the Borrower that the Bonds be issued utilizing a certificated form and not utilizing a book-entry system of registration.

Section 16. Subordinate Financing. The HFA hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of (i) a loan from Broward County in the approximate principal amount of not to exceed \$5,630,000 (the "County Loan"), (ii) a loan from the City of Pompano Beach in the approximate principal amount of not to exceed \$1,500,000 (the "City Loan"), (iii) a loan from Florida Housing Finance Corporation in the approximate principal amount of \$3,180,000 (the "SAIL Loan"), (iv) a loan from Florida Housing Finance Corporation in the principal amount of \$600,000 (the "ELI Loan"), and (v) a loan from Florida Housing Finance Corporation in the principal amount of \$4,300,000 ("CHIRP Loan", and together with the County Loan, The City Loan,

the SAIL Loan , the ELI Loan and the CHIRP Loan, collectively, the “Subordinate Financing”). Given the need for additional affordable rental units in the County, the high development costs associated with the Project, and the favorable financing terms of the Subordinate Financing, the HFA hereby determines that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the HFA (i) authorizes the Chair or the Vice Chair of the HFA to consent to such Subordinate Financing, approve such other principal amounts of Subordinate Financing that may be necessary to complete the financing, and to execute and deliver any agreements that may be necessary in connection with such consent, including, but not limited to, certain subordination agreements, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Trustee to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate.

Section 17. Waiver of Prohibition Against Utilizing Subordinate Debt Funds to Pay Off the Bonds. The HFA has a strict prohibition against using subordinate debt funds to pay off its tax-exempt bonds. However, with respect to the Bonds, the HFA hereby waives its prohibition against the Borrower using any of the Subordinate Financing to pay off the Bonds, if necessary.

Section 18. Waiver of Audit Fee. The Ordinance no longer requires an audit of multifamily developments. Accordingly, the Borrower has requested a waiver of the fee required to be paid by the Borrower for the services of the HFA’s auditor to audit the Project and the Bonds annually. The HFA waives such audit fee in connection with the Project.

Section 19. Further Actions and Ratifications of Prior Actions. The officers, agents and employees of the HFA and the officers, agents and employees of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Bonds, the Trust Indenture, the Financing Agreement, the Land Use Restriction Agreement, the Promissory Note, the Assignment and this Resolution (collectively, the "HFA Documents") and to execute and deliver any and all additional documents necessary or advisable to effectuate the foregoing. All actions heretofore undertaken by the officers, agents and employees of the HFA with respect to the provisions of the HFA Documents are hereby ratified and approved.

Section 20. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Trust Indenture.

[Remainder of page intentionally left blank]

Section 21. Resolution Effective. This Resolution shall take effect immediately upon its passage.

Upon motion of _____, seconded by _____

the foregoing Resolution was adopted by the following votes:

AYES: _____

NAYS: _____

Approved on November 9, 2022 as to form and legal sufficiency by:

Bryant Miller Olive P.A., Bond Counsel

STATE OF FLORIDA)
)ss:
COUNTY OF BROWARD)

I, Scott Ehrlich, Secretary of the Housing Finance Authority of Broward County, Florida, DO HEREBY CERTIFY that the foregoing is an accurate copy of the Resolution of the Housing Finance Authority adopted at a meeting held on November 16, 2022, as set forth in the official minutes of the Housing Finance Authority, related to approval of certain actions to be taken in connection with the proposed issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2023 (Captiva Cove III) of the Housing Finance Authority.

I DO HEREBY FURTHER CERTIFY that said meeting was duly called and held in accordance with Chapter 286, Florida Statutes.

WITNESS my hand and the corporate seal of said Housing Finance Authority, this _____ day of _____, 2022.

**HOUSING FINANCE AUTHORITY OF
BROWARD COUNTY, FLORIDA**

By: _____
Scott Ehrlich, Secretary

(SEAL)

EXHIBIT "A"

FORM OF TRUST INDENTURE

EXHIBIT "B"

FORM OF FINANCING AGREEMENT

EXHIBIT "C"

FORM OF LAND USE RESTRICTION AGREEMENT

EXHIBIT "D"

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT "E"

FORM OF PROMISSORY NOTE

EXHIBIT "F"

FORM OF ASSIGNMENT OF MORTGAGE AND SECURITY DOCUMENTS

EXHIBIT "G"

FORM OF TRUSTEE FEE AGREEMENT

EXHIBIT "H"

TERM SHEET

EXHIBIT "I"

FORM OF PLACEMENT AGENT AGREEMENT

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Housing Finance Authority of Broward County

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

The following are items considered to be of note regarding the financial reports for the month of October 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.
- 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 – October 2022 comparison to September 2022)
- Attachment 2, Page 3: Balance Sheet (Flux Report – October 2022 comparison to October 2021)
- Attachment 3, Page 4: P&L (Flux Report – October 2022 comparison to September 2022)
- Attachment 4, Page 5: P&L (Flux Report – October 2022 comparison to October 2021)
- Attachment 5, Page 6: P&L (Flux Report – Budget to Actual)
- Attachment 6, Page 7: Aged Receivables Report as of October 31, 2022
- Attachment 7, Page 8: Wells Fargo Bank Reconciliation Report – Operating at October 31, 2022
- Attachment 8, Page 9: Cumulative Net Change in Investment Value as of October 31, 2022

Attachment 1
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Balance Sheet (Flux Report)
10/31/2022

	Oct-22	Sep-22	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 735,517	\$ 1,346,721	(611,204)	-45%	2
Cash-LOC	6,456	6,440	16	0.2%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 300,000				
Indemnification Deposits	500,000				
Interest	27,800				
	827,800	826,351	1,449	0.2%	
Cash-BNY Mellon Custody Account	2,965,355	2,287,436	677,919	30%	2,5
Total Cash	4,535,128	4,466,948			
Investments-BNY Mellon Custody Account	9,085,154	9,213,052	(127,898)	-1%	4,5
Note Receivable-DPA	200,000	210,000	(10,000)	-5%	
Authority Fees Receivable	85,139	-	85,139	100%	1
Interest Receivable	29,693	16,322	13,371	82%	1
Notes Receivable-CDC	157,222	158,195	(973)	-1%	
Notes Receivable - Mt. Olive	141,156	141,156	-	NA	
HFA Mortgage Receivables	7,313	7,358	(45)	-1%	
Whole Loan Mortgages Receivable	253,526	253,526	-	NA	
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,104)	-	NA	
Loan Receivable - SE FL CDF	473,983	473,983	-	NA	
Interest Receivable - SE FL CDF	1,925	-	1,925	100%	
Utility Deposit	-	1,925	(1,925)	-100%	
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	(789,559)	(789,559)	-	NA	
Total Assets	15,826,538	15,798,763			
Deferred Outflows					
Deferred outflows related to pension	149,338	149,338	-	NA	
Total Assets and Deferred outflows	\$ 15,975,877	\$ 15,948,102			
Liabilities					
Accounts Payable	\$ -	\$ 12,581	(12,581)	-100%	3
Accrued Sick/Vacation, ST	39,000	39,000	-	NA	
Due to BOCC - Exp reimb	283,960	206,860	77,100	37%	1
Good Faith Deposits	300,000	300,000	-	NA	
Net Pension Liability - Pension	136,813	136,813	-	NA	
Net Pension Liability - HIS	182,602	182,602	-	NA	
Accrued Sick/Vacation, LT	77,000	77,000	-	NA	
Total Liabilities	1,019,375	954,856			
Deferred Inflows					
Deferred inflows related to pension	315,521	315,521	-	NA	
Equity					
Beginning of year	14,682,364	15,854,087			
Prior Period Adjustment	(4,640)	(4,640)	-	NA	
Current Year Earnings	(36,744)	(1,171,722)			
Total Equity	14,640,981	14,677,725			
Total Liabilities, Deferred Inflows and Equity	\$ 15,975,877	\$ 15,948,102			

***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 Funds transferred from Cash-Wells Fargo to Cash-BNY Custody
- 3 Accrued expenses paid in current month
- 4 Gain/Loss related to current market conditions and changes in the composition of the investment portfolio
- 5 Investment sales/paydowns in Investments-BNY used to buy treasury in Cash-BNY

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

Balance Sheet (Flux Report)
10/31/2022

	Oct-22	Oct-21	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 735,517	\$ 454,156	281,361	62%	3
Cash-LOC	6,456	6,395	61	1%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 300,000				
Indemnification Deposits	500,000				
Interest	27,800				
	827,800	628,960	198,840	32%	5
Cash-BNY Mellon Custody Account	2,965,355	2,515,045	450,310	18%	2
Total Cash	4,535,128	3,604,556			
Investments-BNY Mellon Custody Account	9,085,154	10,298,171	(1,213,017)	-12%	2,8
Note Receivable-DPA	200,000	230,000	(30,000)	-13%	4
Authority Fees Receivable	85,139	115,191	(30,052)	-26%	1
Interest Receivable	29,693	33,770	(4,077)	-12%	
Notes Receivable-CDC	157,222	167,917	(10,695)	-6%	
Notes Receivable-Mt. Olive	141,156	161,156	(20,000)	-12%	4
HFA Mortgage Receivables	7,313	7,839	(526)	-7%	
Whole Loan Mortgages Receivable	253,526	420,902	(167,376)	-40%	6,7
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,104)	-	NA	
Loan Receivable - SE FL CDF	473,983	1,000,000	(526,017)	-53%	4
Interest Receivable - SE FL CDF	1,925	-	1,925	100%	
Utility Deposit	-	1,925	(1,925)	-100%	
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	(789,559)	(763,659)	(25,900)	3%	
Total Assets	15,826,538	16,923,625			
Deferred Outflows					
Deferred outflows related to pension	149,338	251,761	(102,423)	-41%	6
Total Assets and Deferred outflows	\$ 15,975,877	\$ 17,175,387			
Liabilities					
Accrued Sick/Vacation, ST	\$ 39,000	\$ 48,000	(9,000)	-19%	6
Due to BOCC - Exp reimb	283,960	261,684	22,276	9%	
Good Faith Deposits	300,000	145,000	155,000	107%	5
Net Pension Liability - Pension	136,813	314,443	(177,630)	-56%	6
Net Pension Liability - HIS	182,602	140,799	41,803	30%	6
Accrued Sick/Vacation, LT	77,000	45,000	32,000	71%	6
Total Liabilities	1,019,375	954,926			
Deferred Inflows					
Deferred inflows related to pension	315,521	64,637	250,884	388%	6
Equity					
Beginning of year	14,682,364	16,147,268			
Prior Period Adjustment	(4,640)	40,070	(44,710)	-112%	6
Current Year Earnings	(36,744)	(31,514)			
Total Equity	14,640,980	16,155,824			
Total Liabilities, Deferred Inflows and Equity	\$ 15,975,877	\$ 17,175,387			

***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 Investment sales/paydowns in Investments-BNY used to buy treasury in Cash-BNY
- 3 Loans to SE FL Community Development Fund made in installments from BNY-Custody Cash and partially repaid to Cash-Wells Fargo
- 4 Payments received on notes receivable after October 2021
- 5 Receipts of good faith deposits after October 2021
- 6 Audit adjustments
- 7 Changes in Whole Loan Mortgage values as reported by Cenlar
- 8 Gain/Loss related to current market conditions and changes in the composition of the investment portfolio

Attachment 3
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Profit & Loss (Flux Report)
10/31/2022

	Oct-22	Sep-22	\$ Difference	% Difference to Prior Month	*Explanation
Income					
Bond Authority Fees	\$ 85,139	\$ 562,180	(477,041)	-85%	1
Inducement Fees	-	7,500	(7,500)	100%	1
Compliance Monitoring Fees	-	500	(500)	100%	
Application, TEFRA and Closing Fees	-	245,419	(245,419)	100%	1
MCC and Lender Program Income	-	8,204	(8,204)	100%	1
Interest Income, Mortgages	42	519	(477)	-92%	
Interest Income, BNY Mellon	27,915	228,510	(200,595)	-88%	1
Interest Income, LOC	16	45	(29)	-64%	
Net Change in Investment Value	(63,073)	(1,210,978)	1,147,905	-95%	1
Interest Income, SFDCF Loan	1,166	15,273	(14,107)	-92%	1
Rent Income	-	121,044	(121,044)	100%	1
Total Income	\$ 51,205	\$ (21,784)			
Expenses					
Personnel Services, Broward Co	\$ 60,861	\$ 634,495	(573,634)	-90%	1
Other Expenses, Broward County	16,239	200,811	(184,572)	-92%	1
Professional Fees	6,100	151,950	(145,850)	-96%	1
Bank Management Fees	-	3,867	(3,867)	100%	
Advertising/Marketing	1,777	1,433	344	24%	
Dues and Membership Fees	175	4,620	(4,445)	-96%	
Conference and Travel Expense	-	18,026	(18,026)	100%	1
Building/Land Maintenance	383	66,166	(65,783)	-99%	1
Utilities	2,414	27,073	(24,659)	-91%	1
Capital Outlay Expense	-	41,497	(41,497)	100%	1
Total Expenses	\$ 87,949	\$ 1,149,938			
Net Profit/(Loss)	\$ (36,744)	\$ (1,171,722)	1,134,978	-97%	1

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

1 One month in new FY compared to full prior FY

"%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)
10/31/2022

	Oct-22	Oct-21	\$ Difference	% Difference to Prior Year	*Explanation
Income					
Bond Authority Fees	\$ 85,139	\$ 72,915	12,224	17%	1
Application, TEFRA and Closing Fees	-	1,000	(1,000)	100%	
MCC and Lender Program Income	-	175	(175)	100%	
Interest Income, Mortgages	42	45	(3)	-7%	
Interest Income, BNY Mellon	27,915	25,396	2,519	10%	
Net Change in Investment Value	(63,073)	(62,188)	(885)	1%	
Interest Income, FHLB LOC	16	-	16	100%	
Interest Income, SFCDF Loan	1,166	2,160	(994)	-46%	
Total Income	<u>\$ 51,205</u>	<u>\$ 39,503</u>			
Expenses					
Personnel Services, Broward Co	\$ 60,861	\$ 49,859	11,002	22%	1
Other Expenses, Broward County	16,239	17,548	(1,309)	-7%	
Professional Fees	6,100	-	6,100	100%	1
Bank Management Fees	-	114	(114)	100%	
Advertising/Marketing	1,777	-	1,777	100%	
Dues and Membership Fees	175	1,175	(1,000)	-85%	
Building/Land Maintenance	383	104	279	268%	
Utilities	2,414	2,217	197	9%	
Total Expenses	<u>\$ 87,949</u>	<u>\$ 71,017</u>			
Net Profit/(Loss)	\$ (36,744)	\$ (31,514)	(5,231)	17%	1

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

1 Timing of receipts/payments and accruals based on budget

"%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 October 2022

	Selected Period	Budget for Selected Period	\$ Difference	% Difference to budget	*Explanation	Total Annual Budget Amount
Income						
Bond Authority Fees	\$ 85,139	\$ 43,750	(41,389)	-95%	1	\$ 525,000
Bond redemption & other income	-	32,863	32,863	100%	1	394,354
MCC and Lender Program Income	-	350	350	100%		4,200
Interest Income, Mortgages	42	-	(42)	NA		-
Interest Income, BNY Mellon	27,915	25,000	(2,915)	-12%		300,000
Net Change in Investment Value	(63,073)	-	63,073	NA		-
Interest Income, FHLB LOC	16	-	(16)	NA		-
Interest Income, SFCDF Loan	1,166	-	(1,166)	NA		-
Rent Income	-	10,087	10,087	100%	1	121,044
Total Income	\$ 51,205	\$ 112,050				\$ 1,344,598
Expenses						
Personnel Services, Broward Co	\$ 60,861	\$ 60,861	0	0%		\$ 730,328
Other Expenses, Broward County	16,239	16,239	0	0%		194,870
Professional Fees	6,100	18,417	12,317	67%	1	221,000
Bank Management Fees	-	467	467	100%		5,600
Advertising/Marketing	1,777	417	(1,360)	-326%		5,000
Dues and Membership Fees	175	542	367	68%		6,500
Conference and Travel Expense	-	2,083	2,083	100%		25,000
Postage/FedEx	-	17	17	100%		200
Building/Land Maintenance	383	6,917	6,534	94%	1	83,000
Utilities	2,414	1,925	(489)	-25%		23,100
Capital Outlay Expense	-	4,167	4,167	100%	1	50,000
Total Expenses	\$ 87,949	\$ 112,050				\$ 1,344,598
Net Profit/(Loss)	\$ (36,744)	\$ (0)				\$ 0

Budgeted Expenses - Actual Expenses = \$ 24,101 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
10/31/2022

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			
2015 Crystal Lake	5,463	5,463			
2020 Federation Davie Apts	19,215	19,215			
2020 Marquis Apts	10,800	10,800			
2021 Solaris	1,170	1,170			
Total Authority Fee Receivable	\$ 85,139	\$ 85,139	\$ -	\$ -	\$ -

2877 Broward Housing Finance Authority

110 NE Third Street #300
Fort Lauderdale, FL 33301

Attachment 7

Reconciliation Report

11/2/2022
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Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 10/31/2022				
Last Reconciled: 9/30/2022				
Last Reconciled Balance: \$1,397,513.76				

Cleared Checks

5325	9/15/2022	TECO Peoples Gas		\$51.88
5326	9/20/2022	Holmes Lawn Services		\$335.00
5327	9/20/2022	Dufresne CPA Services, PA		\$3,500.00
5328	9/20/2022	L&B Janitorial Services		\$4,686.10
5329	9/20/2022	Zomermaand Financial Advisor		\$6,100.00
5330	9/20/2022	Pederson Perimeter Security C		\$110.00
5331	9/20/2022	FL ALHFA		\$1,000.00
5332	9/20/2022	MaintenX		\$25,000.00
5324	9/29/2022			\$0.00
5333	9/30/2022	Dufresne CPA Services, PA		\$10,010.00
GJ001070	10/3/2022	WF:UtilityDebits		\$441.82
5334	10/3/2022	L&B Janitorial Services		\$4,686.10
5335	10/3/2022	All Power Generators Corp		\$7,894.63
5336	10/19/2022	Zomermaand Financial Advisor		\$6,100.00
GJ001072	10/24/2022	WF funds transfer to BNY-Cust		\$600,000.00
GJ001069	10/28/2022	WF:UtilityDebits		\$1,972.09
Total:			\$0.00	\$671,887.62

Cleared Deposits

GJ001068	10/5/2022	"WF:Brwd Hsng Sltns,2ndMtgP	\$1,059.06	
GJ001071	10/6/2022	WF:SE FL CDF Int receipt	\$1,166.28	
GJ001067	10/11/2022	WF:DPA Payoff	\$10,000.00	
Total:			\$12,225.34	\$0.00

Outstanding Checks

5337	10/19/2022	Holmes Lawn Services		\$335.00
5338	10/19/2022	TECO Peoples Gas		\$47.89
5339	10/19/2022	FL Dept of Economic Opportun		\$175.00
5340	10/27/2022	Sun-Sentinel		\$1,620.80
5341	10/27/2022	EDCO Awards & Specialties		\$155.83
Total:			\$0.00	\$2,334.52

Reconciliation

AccountEdge Pro Balance on 10/31/2022:	\$735,516.96
Add: Outstanding Checks:	\$2,334.52
Subtotal:	\$737,851.48
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$737,851.48</u>

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

	<u>10/31/2021</u>	<u>10/31/2022</u>
BNY Mellon Custody Acct	<u>\$ (62,188)</u>	<u>\$ (63,073)</u>
Cumulative Net Change in Investment Value		<u><u>\$ (885)</u></u>

Housing Finance Authority of Broward County

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

The following are items considered to be of note regarding the financial reports for the month of October 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.
- 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 – October 2022 comparison to September 2022)
- Attachment 2, Page 3: Balance Sheet (Flux Report – October 2022 comparison to October 2021)
- Attachment 3, Page 4: P&L (Flux Report – October 2022 comparison to September 2022)
- Attachment 4, Page 5: P&L (Flux Report – October 2022 comparison to October 2021)
- Attachment 5, Page 6: P&L (Flux Report – Budget to Actual)
- Attachment 6, Page 7: Aged Receivables Report as of October 31, 2022
- Attachment 7, Page 8: Wells Fargo Bank Reconciliation Report – Operating at October 31, 2022
- Attachment 8, Page 9: Cumulative Net Change in Investment Value as of October 31, 2022

Attachment 1
The Housing Finance Authority of Broward County
110 NE Third Street, #300
Fort Lauderdale, FL 33301
Balance Sheet (Flux Report)
10/31/2022

	Oct-22	Sep-22	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 735,517	\$ 1,346,721	(611,204)	-45%	2
Cash-LOC	6,456	6,440	16	0.2%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 300,000				
Indemnification Deposits	500,000				
Interest	27,800				
	827,800	826,351	1,449	0.2%	
Cash-BNY Mellon Custody Account	2,965,355	2,287,436	677,919	30%	2,5
Total Cash	4,535,128	4,466,948			
Investments-BNY Mellon Custody Account	9,085,154	9,213,052	(127,898)	-1%	4,5
Note Receivable-DPA	200,000	210,000	(10,000)	-5%	
Authority Fees Receivable	85,139	-	85,139	100%	1
Interest Receivable	29,693	16,322	13,371	82%	1
Notes Receivable-CDC	157,222	158,195	(973)	-1%	
Notes Receivable - Mt. Olive	141,156	141,156	-	NA	
HFA Mortgage Receivables	7,313	7,358	(45)	-1%	
Whole Loan Mortgages Receivable	253,526	253,526	-	NA	
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,104)	-	NA	
Loan Receivable - SE FL CDF	473,983	473,983	-	NA	
Interest Receivable - SE FL CDF	1,925	-	1,925	100%	
Utility Deposit	-	1,925	(1,925)	-100%	
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	(789,559)	(789,559)	-	NA	
Total Assets	15,826,538	15,798,763			
Deferred Outflows					
Deferred outflows related to pension	149,338	149,338	-	NA	
Total Assets and Deferred outflows	\$ 15,975,877	\$ 15,948,102			
Accounts Payable	\$ -	\$ 12,581	(12,581)	-100%	3
Accrued Sick/Vacation, ST	39,000	39,000	-	NA	
Due to BOCC - Exp reimb	283,960	206,860	77,100	37%	1
Good Faith Deposits	300,000	300,000	-	NA	
Net Pension Liability - Pension	136,813	136,813	-	NA	
Net Pension Liability - HIS	182,602	182,602	-	NA	
Accrued Sick/Vacation, LT	77,000	77,000	-	NA	
Total Liabilities	1,019,375	954,856			
Deferred Inflows					
Deferred inflows related to pension	315,521	315,521	-	NA	
Equity					
Beginning of year	14,682,364	15,854,087			
Prior Period Adjustment	(4,640)	(4,640)	-	NA	
Current Year Earnings	(36,744)	(1,171,722)			
Total Equity	14,640,981	14,677,725			
Total Liabilities, Deferred Inflows and Equity	\$ 15,975,877	\$ 15,948,102			

***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 Funds transferred from Cash-Wells Fargo to Cash-BNY Custody
- 3 Accrued expenses paid in current month
- 4 Gain/Loss related to current market conditions and changes in the composition of the investment portfolio
- 5 Investment sales/paydowns in Investments-BNY used to buy treasury in Cash-BNY

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

Balance Sheet (Flux Report)
10/31/2022

	Oct-22	Oct-21	\$ Difference	% Difference	*Explanation
Assets					
Cash-Wells Fargo	\$ 735,517	\$ 454,156	281,361	62%	3
Cash-LOC	6,456	6,395	61	1%	
Indemnification Fund -BNY					
Good Faith Deposits	\$ 300,000				
Indemnification Deposits	500,000				
Interest	27,800				
	827,800	628,960	198,840	32%	5
Cash-BNY Mellon Custody Account	2,965,355	2,515,045	450,310	18%	2
Total Cash	4,535,128	3,604,556			
Investments-BNY Mellon Custody Account	9,085,154	10,298,171	(1,213,017)	-12%	2,8
Note Receivable-DPA	200,000	230,000	(30,000)	-13%	4
Authority Fees Receivable	85,139	115,191	(30,052)	-26%	1
Interest Receivable	29,693	33,770	(4,077)	-12%	
Notes Receivable-CDC	157,222	167,917	(10,695)	-6%	
Notes Receivable-Mt. Olive	141,156	161,156	(20,000)	-12%	4
HFA Mortgage Receivables	7,313	7,839	(526)	-7%	
Whole Loan Mortgages Receivable	253,526	420,902	(167,376)	-40%	6,7
Allowance for Doubtful Whole Loan Mortgages	(102,104)	(102,104)	-	NA	
Loan Receivable - SE FL CDF	473,983	1,000,000	(526,017)	-53%	4
Interest Receivable - SE FL CDF	1,925	-	1,925	100%	
Utility Deposit	-	1,925	(1,925)	-100%	
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	(789,559)	(763,659)	(25,900)	3%	
Total Assets	15,826,538	16,923,625			
Deferred Outflows					
Deferred outflows related to pension	149,338	251,761	(102,423)	-41%	6
Total Assets and Deferred outflows	\$ 15,975,877	\$ 17,175,387			
Liabilities					
Accrued Sick/Vacation, ST	\$ 39,000	\$ 48,000	(9,000)	-19%	6
Due to BOCC - Exp reimb	283,960	261,684	22,276	9%	
Good Faith Deposits	300,000	145,000	155,000	107%	5
Net Pension Liability - Pension	136,813	314,443	(177,630)	-56%	6
Net Pension Liability - HIS	182,602	140,799	41,803	30%	6
Accrued Sick/Vacation, LT	77,000	45,000	32,000	71%	6
Total Liabilities	1,019,375	954,926			
Deferred Inflows					
Deferred inflows related to pension	315,521	64,637	250,884	388%	6
Equity					
Beginning of year	14,682,364	16,147,268			
Prior Period Adjustment	(4,640)	40,070	(44,710)	-112%	6
Current Year Earnings	(36,744)	(31,514)			
Total Equity	14,640,980	16,155,824			
Total Liabilities, Deferred Inflows and Equity	\$ 15,975,877	\$ 17,175,387			

*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** Investment sales/paydowns in Investments-BNY used to buy treasury in Cash-BNY
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110 NE Third Street, #300
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Profit & Loss (Flux Report)
10/31/2022

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Income					
Bond Authority Fees	\$ 85,139	\$ 562,180	(477,041)	-85%	1
Inducement Fees	-	7,500	(7,500)	100%	1
Compliance Monitoring Fees	-	500	(500)	100%	
Application, TEFRA and Closing Fees	-	245,419	(245,419)	100%	1
MCC and Lender Program Income	-	8,204	(8,204)	100%	1
Interest Income, Mortgages	42	519	(477)	-92%	
Interest Income, BNY Mellon	27,915	228,510	(200,595)	-88%	1
Interest Income, LOC	16	45	(29)	-64%	
Net Change in Investment Value	(63,073)	(1,210,978)	1,147,905	-95%	1
Interest Income, SFCDF Loan	1,166	15,273	(14,107)	-92%	1
Rent Income	-	121,044	(121,044)	100%	1
Total Income	\$ 51,205	\$ (21,784)			
Expenses					
Personnel Services, Broward Co	\$ 60,861	\$ 634,495	(573,634)	-90%	1
Other Expenses, Broward County	16,239	200,811	(184,572)	-92%	1
Professional Fees	6,100	151,950	(145,850)	-96%	1
Bank Management Fees	-	3,867	(3,867)	100%	
Advertising/Marketing	1,777	1,433	344	24%	
Dues and Membership Fees	175	4,620	(4,445)	-96%	
Conference and Travel Expense	-	18,026	(18,026)	100%	1
Building/Land Maintenance	383	66,166	(65,783)	-99%	1
Utilities	2,414	27,073	(24,659)	-91%	1
Capital Outlay Expense	-	41,497	(41,497)	100%	1
Total Expenses	\$ 87,949	\$ 1,149,938			
Net Profit/(Loss)	\$ (36,744)	\$ (1,171,722)	1,134,978	-97%	1

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

1 One month in new FY compared to full prior FY

"%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)
10/31/2022

	Oct-22	Oct-21	\$ Difference	% Difference to Prior Year	*Explanation
Income					
Bond Authority Fees	\$ 85,139	\$ 72,915	12,224	17%	1
Application, TEFRA and Closing Fees	-	1,000	(1,000)	100%	
MCC and Lender Program Income	-	175	(175)	100%	
Interest Income, Mortgages	42	45	(3)	-7%	
Interest Income, BNY Mellon	27,915	25,396	2,519	10%	
Net Change in Investment Value	(63,073)	(62,188)	(885)	1%	
Interest Income, FHLB LOC	16	-	16	100%	
Interest Income, SFCDF Loan	1,166	2,160	(994)	-46%	
Total Income	<u>\$ 51,205</u>	<u>\$ 39,503</u>			
Expenses					
Personnel Services, Broward Co	\$ 60,861	\$ 49,859	11,002	22%	1
Other Expenses, Broward County	16,239	17,548	(1,309)	-7%	
Professional Fees	6,100	-	6,100	100%	1
Bank Management Fees	-	114	(114)	100%	
Advertising/Marketing	1,777	-	1,777	100%	
Dues and Membership Fees	175	1,175	(1,000)	-85%	
Building/Land Maintenance	383	104	279	268%	
Utilities	2,414	2,217	197	9%	
Total Expenses	<u>\$ 87,949</u>	<u>\$ 71,017</u>			
Net Profit/(Loss)	<u>\$ (36,744)</u>	<u>\$ (31,514)</u>	(5,231)	17%	1

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

1 Timing of receipts/payments and accruals based on budget

"%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 October 2022

	Selected Period	Budget for Selected Period	\$ Difference	% Difference to budget	*Explanation	Total Annual Budget Amount
Income						
Bond Authority Fees	\$ 85,139	\$ 43,750	(41,389)	-95%	1	\$ 525,000
Bond redemption & other income	-	32,863	32,863	100%	1	394,354
MCC and Lender Program Income	-	350	350	100%		4,200
Interest Income, Mortgages	42	-	(42)	NA		-
Interest Income, BNY Mellon	27,915	25,000	(2,915)	-12%		300,000
Net Change in Investment Value	(63,073)	-	63,073	NA		-
Interest Income, FHLB LOC	16	-	(16)	NA		-
Interest Income, SFDCF Loan	1,166	-	(1,166)	NA		-
Rent Income	-	10,087	10,087	100%	1	121,044
Total Income	\$ 51,205	\$ 112,050				\$ 1,344,598
Expenses						
Personnel Services, Broward Co	\$ 60,861	\$ 60,861	0	0%		\$ 730,328
Other Expenses, Broward County	16,239	16,239	0	0%		194,870
Professional Fees	6,100	18,417	12,317	67%	1	221,000
Bank Management Fees	-	467	467	100%		5,600
Advertising/Marketing	1,777	417	(1,360)	-326%		5,000
Dues and Membership Fees	175	542	367	68%		6,500
Conference and Travel Expense	-	2,083	2,083	100%		25,000
Postage/FedEx	-	17	17	100%		200
Building/Land Maintenance	383	6,917	6,534	94%	1	83,000
Utilities	2,414	1,925	(489)	-25%		23,100
Capital Outlay Expense	-	4,167	4,167	100%	1	50,000
Total Expenses	\$ 87,949	\$ 112,050				\$ 1,344,598
Net Profit/(Loss)	\$ (36,744)	\$ (0)				\$ 0

Budgeted Expenses - Actual Expenses = \$ 24,101 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
10/31/2022

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			
2015 Crystal Lake	5,463	5,463			
2020 Federation Davie Apts	19,215	19,215			
2020 Marquis Apts	10,800	10,800			
2021 Solaris	1,170	1,170			
Total Authority Fee Receivable	\$ 85,139	\$ 85,139	\$ -	\$ -	\$ -

2877 Broward Housing Finance Authority

110 NE Third Street #300
Fort Lauderdale, FL 33301

Attachment 7

Reconciliation Report

11/2/2022
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Page 1

ID#	Date	Memo/Payee	Deposit	Withdrawal
Checking Account: 1-1000 Cash-Wells Fargo				
Date of Bank Statement: 10/31/2022				
Last Reconciled: 9/30/2022				
Last Reconciled Balance: \$1,397,513.76				
Cleared Checks				
5325	9/15/2022	TECO Peoples Gas		\$51.88
5326	9/20/2022	Holmes Lawn Services		\$335.00
5327	9/20/2022	Dufresne CPA Services, PA		\$3,500.00
5328	9/20/2022	L&B Janitorial Services		\$4,686.10
5329	9/20/2022	Zomermaand Financial Advisor		\$6,100.00
5330	9/20/2022	Pederson Perimeter Security C		\$110.00
5331	9/20/2022	FL ALHFA		\$1,000.00
5332	9/20/2022	MaintenX		\$25,000.00
5324	9/29/2022			\$0.00
5333	9/30/2022	Dufresne CPA Services, PA		\$10,010.00
GJ001070	10/3/2022	WF:UtilityDebits		\$441.82
5334	10/3/2022	L&B Janitorial Services		\$4,686.10
5335	10/3/2022	All Power Generators Corp		\$7,894.63
5336	10/19/2022	Zomermaand Financial Advisor		\$6,100.00
GJ001072	10/24/2022	WF funds transfer to BNY-Cust	\$600,000.00	
GJ001069	10/28/2022	WF:UtilityDebits		\$1,972.09
Total:			\$0.00	\$671,887.62

Cleared Deposits

GJ001068	10/5/2022	"WF:Brwd Hsng Sltns,2ndMtgP	\$1,059.06	
GJ001071	10/6/2022	WF:SE FL CDF Int receipt	\$1,166.28	
GJ001067	10/11/2022	WF:DPA Payoff	\$10,000.00	
Total:			\$12,225.34	\$0.00

Outstanding Checks

5337	10/19/2022	Holmes Lawn Services		\$335.00
5338	10/19/2022	TECO Peoples Gas		\$47.89
5339	10/19/2022	FL Dept of Economic Opportun		\$175.00
5340	10/27/2022	Sun-Sentinel		\$1,620.80
5341	10/27/2022	EDCO Awards & Specialties		\$155.83
Total:			\$0.00	\$2,334.52

Reconciliation

AccountEdge Pro Balance on 10/31/2022:	\$735,516.96
Add: Outstanding Checks:	\$2,334.52
Subtotal:	\$737,851.48
Deduct: Outstanding Deposits:	\$0.00
Expected Balance on Statement:	<u>\$737,851.48</u>

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

	<u>10/31/2021</u>	<u>10/31/2022</u>
BNY Mellon Custody Acct	<u>\$ (62,188)</u>	<u>\$ (63,073)</u>
Cumulative Net Change in Investment Value		<u>\$ (885)</u>

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**Housing Finance HFA of Broward County
November 16, 2022 – Board Meeting**

Multifamily Bonds/Notes – Informational Item – Draft Credit Underwriting Report for Douglas Gardens Senior Health and Living

Background

1. On July 14, 2022, the HFA received a multifamily bond/note application from Douglas Gardens IV, Ltd. (identified as the “Owner”) pertaining to the construction and equipping of a 410-unit development, known as Douglas Gardens – Senior Health and Living (the “Development”). The Development is located at 705 SW 88th Avenue, Pembroke Pines. The application requested that the HFA issue the Note in an amount of \$77,000,000 to finance the construction and equipping of the Development. The developer was identified as MHP Douglas Developer, LLC – 60% and Douglas Gardens IV Developer, LLC – 40%. (the “Developer”).
2. At its August 17, 2022, meeting, the HFA adopted an Inducement Resolution (which also authorized HFA staff to hold a TEFRA hearing) for the Development in the amount not to exceed \$77,000,000.
3. The TEFRA hearing was held on October 17, 2022. The Mayor and City Manager of Pembroke Pines were provided notice regarding the potential construction of the Development prior to the HFA holding a TEFRA hearing.
4. The HFA adopted Resolution No. 2022-22 at its October 19, 2022, meeting (“Authorizing Resolution”).
5. The HFA’s acknowledgement of the Credit Underwriting Report (“CUR”) is administrative and additional revisions may be required in conjunction with the delivery. Revisions to the CUR are allowed subject to Section 17 of the HFA Authorizing Resolution.

Present Situation

1. The Draft Credit Underwriting Report is attached.
2. A final update letter will be provided prior to closing.
3. The closing for the financing of this Development is presently scheduled for December 2022.

EXHIBITS

1. Draft Credit Underwriting Report

**Housing Finance Authority of Broward County
("HFABC")**

Credit Underwriting Report

Douglas Gardens - Senior Health and Living

Tax-Exempt Multifamily Mortgage Revenue Note ("MMRN" or "Note")

Section A: Report Summary

Section B: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

DRAFT REPORT

October 31, 2022

Douglas Gardens - Senior Health and Living

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Section A
Report Summary

Recommendation

First Housing Development Corporation of Florida (“First Housing” or “FHDC” or “Servicer”) recommends a Tax-Exempt Multifamily Mortgage Revenue Note in the amount of \$77,000,000 for the construction and permanent financing of Douglas Gardens - Senior Health and Living (“Development”).

DEVELOPMENT & SET-ASIDES

Development Name: Douglas Gardens - Senior Health and Living

Address: 705 SW 88th Avenue

City: Pembroke Pines Zip Code: 33025 County: Broward County Size: Large

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

Demographic Commitment:
 Primary: Elderly: 55+ or 62+ for 80% 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	5	452	60%			\$952	\$55	\$ 897		\$ 897	\$ 897	\$ 897	\$ 53,820
1	1.0	5	755	30%			\$510	\$65	\$ 445		\$ 445	\$ 445	\$ 445	\$ 26,700
1	1.0	5	565	30%			\$510	\$65	\$ 445		\$ 445	\$ 445	\$ 445	\$ 26,700
1	1.0	3	573	30%			\$510	\$65	\$ 445		\$ 445	\$ 445	\$ 445	\$ 16,020
1	1.0	257	605	60%			\$1,020	\$65	\$ 955		\$ 955	\$ 955	\$ 955	\$ 2,945,220
1	1.0	7	573	100%			\$1,815	\$65	\$ 1,750		\$ 1,636	\$ 1,636	\$ 1,636	\$ 137,424
1	1.0	5	605	mkt							\$ 1,800	\$ 2,000	\$ 2,000	\$ 120,000
1	1.0	2	573	mkt							\$ 1,800	\$ 2,000	\$ 2,000	\$ 48,000
2	2.0	6	865	30%			\$612	\$77	\$ 535		\$ 535	\$ 535	\$ 535	\$ 38,520
2	2.0	109	865	60%			\$1,225	\$77	\$ 1,148		\$ 1,148	\$ 1,148	\$ 1,148	\$ 1,501,584
2	2.0	3	1,005	100%			\$2,042	\$77	\$ 1,965		\$ 1,966	\$ 1,965	\$ 1,965	\$ 70,740
2	2.0	3	1,005	mkt							\$ 2,160	\$ 2,400	\$ 2,400	\$ 86,400
		410	279,751											\$ 5,071,128

The utility allowance for the studio units is based on the 2022 utility allowance schedule from Broward County Housing Authority.

The utility allowances for the remaining units are based on a utility allowance study. However, the study is not approved by FHFC. First Housing recommends FHFC approval of the utility allowance be provided prior to closing. In the even the utility allowance changes, the sizing of the permanent first mortgage could be impacted.

Tax-Exempt MMRN CREDIT UNDERWRITING REPORT

FHDC

Buildings: Residential - 2 Non-Residential - 0
 Parking: Parking Spaces - 528 Accessible Spaces - TBD

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC	95.122%	390	60%	30
MMRN	40.0%	164	60%	15
Broward County Loan	90.488%	371	60%	30
Broward County Loan	4.634%	19	30%	30
Broward County Loan	2.439%	10	100%	30
Broward County Loan	2.439%	10	Mkt	30

Absorption Rate 35 units per month for 12.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 95.00%
 Occupancy Comments N/A - New Construction

DDA: Yes QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 14.183 Density: 28.9078 Flood Zone Designation: AH
 Zoning: Agricultural District Flood Insurance Required?: Yes

DEVELOPMENT TEAM

Applicant/Borrower:	Douglas Gardens IV, Ltd.	% Ownership
General Partner	Douglas Gardens Senior Housing, Inc.	0.0051%
Limited Partner	CREA Tax Credit Fund 83, LP	99.9890%
Special LP	MHP Douglas SLP, LLC	0.0048%
Special LP	CREA SLP, LLC	0.0001%
Special LP	MJHS Douglas IV SLP, LLC	0.0010%
Note Purchaser	Citi	
Developer:	MHP Douglas Developer, LLC	
Co-Developer:	Douglas Gardens IV Developer, LLC	
General Contractor 1:	MHP - ANF Group Construction, LLC	
Management Company:	Weller Management, LLC	
Syndicator:	CREA, LLC ("CREA")	
Note Issuer:	HFABC	
Architect:	Reprtwar LLC	
Market Study Provider:	Colliers International Valuation & Advisory Services ("Colliers")	
Appraiser:	Colliers	

PERMANENT FINANCING INFORMATION			
	1st Source	2nd Source	3rd Source
Lien Position	First	Second	Third
Lender/Grantor	HFABC/ Citi	Broward County	Florida Pathways, Inc.
Amount	\$50,150,000	\$14,000,000	\$9,240,563
Underwritten Interest Rate	5.87%	0.00%	3.77%
All In Interest Rate	5.87%	0.00%	3.77%
Loan Term	16	27	27
Amortization	40	0	0
Market Rate/Market Financing LTV	39%	50%	57%
Restricted Market Financing LTV	68%	87%	99%
Loan to Cost - Cumulative	39%	50%	57%
Debt Service Coverage	1.10	1.10	1.00
Operating Deficit & Debt Service Reserves	\$2,503,422		
# of Months covered by the Reserves	5.5		

Deferred Developer Fee	\$12,302,861
As-Is Land Value	\$18,500,000
Market Rent/Market Financing Stabilized Value	\$129,500,000
Rent Restricted Market Financing Stabilized Value	\$74,100,000
Projected Net Operating Income (NOI) - Year 1	\$3,687,297
Projected Net Operating Income (NOI) - 15 Year	\$4,600,013
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	\$0.945
HC Annual Allocation - Equity Letter of Interest	\$4,591,343

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Note	HFABC/ Citi	\$77,000,000	\$50,150,000	\$122,317
Local Government	Broward County	\$14,000,000	\$14,000,000	\$34,146
Seller Financing	Florida Pathways, Inc.	\$9,240,563	\$9,240,563	\$22,538
HC Equity	CREA	\$15,184,195	\$43,383,414	\$105,813
Deferred Developer Fee	MHP Douglas Developer, LLC	\$11,148,658	\$12,302,861	\$30,007
Operating Deficit	N/A	\$2,503,422	\$0	\$0
TOTAL		\$129,076,838	\$129,076,838	\$314,822

Strengths:

1. The Principals, Developer, General Contractor (“GC”), and the Management Company are experienced in affordable multifamily housing.
2. The Principals have sufficient experience and substantial financial resources to develop and operate the proposed Development.

Issues and Concerns:

None

Mitigating Factors:

None

Other Considerations:

None

Waiver Requests/Special Conditions:

None

Additional Information:

1. The Applicant has applied to Citi for Construction and Permanent financing. During the construction and permanent period, Citi will be the note holder and will provide a tax-exempt loan (“Funding Loan”) to the Applicant. 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 on behalf of HFABC (“Governmental Lender”) for subsequent purchase by and delivery to the permanent lender, shortly after closing. 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 Tax-Exempt Multifamily Mortgage Revenue Note structure, the Funding Loan replaces the purchase by the permanent lender of tax-exempt bonds.
2. The Development will include 410 apartments as well as 15,728 square feet of medical office space. The cost to construct the medical office space is included in the GC Contract and is being paid for as part of the Development budget. The medical office space will be leased and it is anticipated that the tenant will pay an annual rent of \$393,200 based on the Developer’s budget and supported by the appraisal. The medical office space will be used by residents and by members of the community. First Housing recommends a final lease be reviewed prior to closing to confirm the annual rent payment amount.

Recommendation:

First Housing recommends Tax-Exempt MMRN in the amount of \$77,000,000 for the construction and permanent financing of the Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). This Recommendation is condition 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. Receipt of an executed final management agreement with terms consistent with this report.
3. Receipt and review of a final PCA and ADA Consultant Form 128.
4. Receipt of a final lease.
5. Receipt of a final executed GC Contract.
6. Receipt of final seller note terms.
7. Receipt of an architect and engineer contract.
8. Receipt of a survey.
9. Receipt of real estate counsel's opinion letter verifying the proposed organizational structure meets the requirements to qualify for the real estate tax exemption.
10. Receipt of a letter from the soil test provider stating that the plans are in accordance with their recommendations.
11. First Housing recommends FHFC approval of the utility allowance be provided prior to closing. In the even the utility allowance changes, the sizing of the permanent first mortgage could be impacted.
12. Receipt of real estate counsel's opinion letter verifying the proposed organizational structure meets the requirements for the real estate tax exemption.

This recommendation 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

Taylor Arruda
Senior Credit Underwriter

Edward Busansky
Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Local HFA Note	HFABC/Citi	\$77,000,000	\$77,000,000	6.64%	\$5,112,800
Local Government Subsidy	Broward County	\$11,200,000	\$14,000,000	0.00%	\$0
Seller Financing	Florida Pathways, Inc.	\$9,240,563	\$9,240,563	3.77%	\$348,369
HC Equity	CREA	\$26,496,490	\$15,184,195	N/A	N/A
	MHP Douglas Developer, LLC and Douglas Gardens IV Developer, LLC				
Deferred Developer Fee		\$11,991,591	\$11,148,658	N/A	N/A
Operating Deficit Reserve	N/A	\$2,503,422	\$2,503,422	N/A	N/A
Total		\$138,432,066	\$129,076,838		\$5,461,169

First Mortgage:

The Applicant has requested \$77,000,000 in tax-exempt Note to be issued by FHFC for the construction of the Development. First Housing reviewed a term sheet, dated October 11, 2022, from Citi where Citi anticipates a construction loan in the amount of \$77,000,000. The construction shall not exceed 80% of costs covered through the construction phase. The construction loan will have a term of 36 months plus two as-of-right 6-month extensions. The construction loan will require interest only payments for the term of the loan. The interest rate of the construction loan will be a floating rate based on the One-Month Secured Overnight Funding Rate (“SOFR”) as published by the CME Group plus a 1.85% spread. The SOFR shall have a floor rate of 0.40%. The construction loan interest is calculated based on the One-Month SOFR rate of 3.29%, as of October 11, 2022, plus 1.85% spread, and an underwriting cushion of 1.50% for an all-in rate of 6.64%.

The annual Issuer Fee of 18 bps and the annual Fiscal Agent Fee of \$4,500 are included in the Uses section of this report.

Broward County Loan:

The Broward County Loan is non-amortizing with an interest rate of 0% for a total term of 30 years, of which 3 years is for the construction/stabilization period and 27 years is for the permanent period.

Seller Lease Back Note:

First Housing received an email from the Developer providing details of the Seller Note anticipated terms. The Seller Note is still being negotiated and finalized. First Housing recommends the Seller Note terms are confirmed prior to closing. It is anticipated that the Seller will provide a note in the amount of \$9,240,563. The Seller Note will have a term of 30 years and will have interest compounding at the long-term applicable federal rate after stabilization. The payments on the Seller Note will be subject to available cash flow and paid after deferred developer fee.

Housing Credit Equity:

First Housing has reviewed a letter of intent, dated October 5, 2022, indicating CREA or an affiliate, will acquire 99.989% ownership interest in the Partnership as Limited Partner and 0.001% ownership as Special Limited Partner. Based on the letter of intent, the annual HC allocation is estimated to be in the amount of \$4,591,343 and the syndication rate is anticipated to be \$0.945 per dollar. CREA anticipates a net capital contribution of \$43,383,414 and has committed to make available \$15,184,195 of the total net equity during the construction period. An additional \$28,199,219 will be available at construction completion, stabilization, and receipt of 8609s. The first installment, in the amount of \$8,676,683 or 20.00%, meets the RFA requirement that at least 15% of the total equity must be contributed at or prior to the closing.

Deferred Developer Fee:

In order to balance the sources and uses of funds during the permanent period, the Developer must defer \$11,148,658 or 67.87% of the total Developer Fee of \$16,426,985 during the construction period.

Deferred Operating Deficit Reserve:

The Operating Deficit Reserves will be required to be funded at the sixth capital contribution which is after permanent loan conversion. Therefore, First Housing has shown this amount deferred during construction.

Permanent Financing Sources:

Permanent Sources	Lender	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Local HFA Note	HFABC/ Citi	\$48,363,052	\$50,150,000	16	40	5.87%	\$3,256,813
Local Government Subsidy	Broward County	\$14,000,000	\$14,000,000	27	0	0.00%	\$0
Seller Financing	Florida Pathways, Inc.	\$9,240,563	\$9,240,563	27	0	3.77%	\$348,369
HC Equity	CREA	\$45,683,604	\$43,383,414	N/A	N/A	N/A	N/A
Deferred Developer Fee	MHP Douglas Developer, LLC and Douglas Gardens IV Developer, LLC	\$11,629,182	\$12,302,861	N/A	N/A	N/A	N/A
Total		\$128,916,401	\$129,076,838				\$3,605,182

First Mortgage:

First Housing reviewed a term sheet, dated October 11, 2022, from Citi. The maximum amount of the permanent loan is \$53,000,000 but it is not to exceed the lesser of 90% of market value based on restricted rents and inclusive of value of permanent below market financing (if applicable), assuming project rents on 80% or more of the units are discounted to a level at least 10% below market or the loan amount that supports a 1.15 DSC. The loan shall have a 19 year term following the closing date and will amortize on a 40 year schedule. The interest rate is based on a spread of 210 basis points over the 19 year LIBOR Swap Index which shall have a floor of 0.75%. Based on the term sheet, the 19 year LIBOR Swap Index is 3.77%. First Housing has based the interest rate on the 19 year LIBOR Swap index of 3.77% plus a spread of 2.10% for an all-in rate of 5.87%. First Housing has sized the first mortgage at \$50,150,000 in order to maintain a 1.10x debt service coverage as required for the 4% Housing Credits.

Additional fees included in the Debt Service calculation consist of an annual Issuer Fee of 18 bps and an annual Fiscal Agent Fee of \$4,500.

Broward County Loan:

The Broward County Loan is non-amortizing with an interest rate of 0% for a total term of 30 years, of which 3 years is for the construction/stabilization period and 27 years is for the permanent period.

Seller Lease Back Note:

First Housing received an email from the Developer providing details of the Seller Note anticipated terms. The Seller Note is still being negotiated and finalized. First Housing recommends the Seller Note terms are confirmed prior to closing. It is anticipated that the Seller will provide a note in the

amount of \$9,240,563. The Seller Note will have a term of 30 years and will have interest compounding at the long-term applicable federal rate after stabilization. The payments on the Seller Note will be subject to available cash flow and paid after deferred developer fee.

Housing Credit Equity:

The Applicant will apply to FHFC to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax exempt financing. Based on the letter of intent, dated October 5, 2022, indicating CREA or an affiliate, will provide HC equity as follows:

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$8,676,683	20.00%	Closing
2nd Installment	\$6,507,512	15.00%	The later of October 1, 2024 and 95% lien-free completion of construction
3rd Installment	\$6,507,512	15.00%	The later of October 1, 2024, lien-free completion of construction, issuance of all required permanent or temporary certificates of occupancy, receipt of draft cost certification, draft 50% test, receipt of the architect's substantial completion, all environmental requirements have been met, executed property management agreement, and evidence that the CSS provider has been engaged.
4th Installment	\$3,460,795	7.98%	The later of July 1, 2025 and achievement of qualified occupancy.
5th Installment	\$15,176,512	34.98%	The later of October 1, 2025, the achievement of stabilized operations, issuance of all required permanent certificates of occupancy, calculation of preliminary adjusters, receipt of the final cost certification, receipt of the final 50% test, review of an acceptable tenant audit, payment in full of the construction loan and funding of the permanent loan, receipt of the final as-built survey, and evidence of the forms 8609s.

6th Installment	\$3,054,400	7.04%	The later of January 1, 2026, 8609s for all buildings, receipt of the recorded restrictive covenant, calculations of final adjusters, executed deferred developer fee note, and recorded extended use agreement.
Total	\$43,383,414	100.00%	

Annual Credit Per Syndication Agreement	\$4,591,343
Calculated HC Exchange Rate	\$0.945
Limited Partner Ownership Percentage	99.989%
Proceeds Available During Construction	\$15,184,195

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$12,302,861 or 74.89% of the total Developer Fee of \$16,426,985.

Uses of Funds

CONSTRUCTION COSTS:	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Rental Units	\$59,726,310	\$59,726,310	\$145,674
Constr. Contr. Costs subject to GC Fee	\$59,726,310	\$59,726,310	\$145,674
General Conditions	\$3,583,578	\$3,583,578	\$8,740
Overhead	\$1,194,526	\$1,194,526	\$2,913
Profit	\$3,583,578	\$3,583,578	\$8,740
Builder's Risk Insurance	\$0	\$0	\$0
General Liability Insurance	\$812,278	\$812,278	\$1,981
Payment and Performance Bonds	\$1,170,636	\$1,170,636	\$2,855
Contract Costs not subject to GC Fee	\$0	\$0	\$0
Total Construction Contract/Costs	\$70,070,906	\$70,070,906	\$170,905
Hard Cost Contingency	\$3,404,400	\$3,503,545	\$8,545
FF&E paid outside Constr. Contr.	\$340,000	\$340,000	\$829
Other: Recreational Items	\$115,000	\$115,000	\$280
Total Construction Costs:	\$73,930,306	\$74,029,451	\$180,560

Notes to the Total Construction Costs:

1. The Applicant has provided a draft construction contract and a preliminary schedule of values which have an estimated total construction cost of \$70,070,906. Per the draft contract, substantial completion is to be achieved by no later than 641 calendar days from the date of commencement. The draft construction contract specifies retainage of 10% be withheld until completion reaches 50% at which time retainage will be reduced to 0%. Retainage will not be held on the Payment and Performance Bonds ("P&P Bonds") line item. Additionally, the draft contract provides for early release of retention for site work and concrete subcontractor so long as retention is maintained at 50% aggregate.
2. First Housing adjusted Hard Cost Contingency to 5% of the total construction contract, which is within the allowable 5% of total hard costs for new construction developments.
3. The GC Fee is within the maximum 14% of hard costs allowed, excluding P&P Bonds and Insurance as these are typically outside of the contract. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process.
4. The GC Contract includes costs for a P&P Bond to secure the construction contract.

GENERAL DEVELOPMENT COSTS:	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	\$40,000	\$40,000	\$98
Appraisal	\$10,000	\$10,000	\$24
Architect's and Planning Fees	\$812,000	\$812,000	\$1,980
Architect's Fee - Supervision	\$48,000	\$48,000	\$117
Building Permits	\$1,437,320	\$1,437,320	\$3,506
Builder's Risk Insurance	\$424,484	\$424,484	\$1,035
Engineering Fees	\$250,125	\$250,125	\$610
Environmental Report	\$7,500	\$7,500	\$18
FHFC Administrative Fees	\$265,913	\$252,524	\$616
FHFC Application Fee	\$3,000	\$3,000	\$7
FHFC Credit Underwriting Fee	\$0	\$13,455	\$33
FHFC Compliance Fee	\$0	\$232,342	\$567
Impact Fee	\$1,891,844	\$1,891,844	\$4,614
Lender Inspection Fees / Const Admin	\$107,210	\$107,210	\$261
Green Building Cert. (LEED, FGBC, NAHB)	\$60,000	\$60,000	\$146
Legal Fees - Organizational Costs	\$398,732	\$398,732	\$973
Market Study	\$15,000	\$5,500	\$13
Plan and Cost Review Analysis	\$8,500	\$8,500	\$21
Property Taxes	\$8,000	\$8,000	\$20
Soil Test	\$13,995	\$13,995	\$34
Survey	\$0	\$20,000	\$49
Title Insurance and Recording Fees	\$314,555	\$314,555	\$767
Utility Connection Fees	\$200,300	\$200,300	\$489
Soft Cost Contingency	\$282,056	\$337,131	\$822
Other: Travel/Printing	\$10,000	\$10,000	\$24
Other: Interior Design	\$35,000	\$35,000	\$85
Other: UA Study	\$5,000	\$5,000	\$12
Other: Construction Material Testing	\$133,250	\$133,250	\$325
Total General Development Costs:	\$6,781,784	\$7,079,767	\$17,268

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Application Fee, FHFC Credit Underwriting, and market study.
3. The FHFC Administrative Fee is based on 5.5% of the anticipated annual 4% Housing Credit allocation.
4. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the soft cost contingency, as allowed by FHFC.

FINANCIAL COSTS:	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Origination Fee	\$385,000	\$385,000	\$939
Construction Loan Closing Costs	\$25,000	\$25,000	\$61
Construction Loan Interest	\$8,728,605	\$8,589,504	\$20,950
Permanent Loan Closing Costs	\$17,500	\$17,500	\$43
Local HFA Note Application Fee	\$0	\$500	\$1
Local HFA Note Underwriting Fee	\$0	\$16,009	\$39
Local HFA Note Fiscal Agent Fee	\$0	\$13,500	\$33
Local HFA Note Cost of Issuance	\$834,482	\$412,500	\$1,006
Local HFA Note Closing Costs	\$138,600	\$415,800	\$1,014
Misc Loan Underwriting Fee	\$0	\$9,500	\$23
Legal Fees - Financing Costs	\$175,000	\$175,000	\$427
Placement Agent/Underwriter Fee	\$0	\$35,000	\$85
Initial TEFRA Fee	\$0	\$7,000	\$17
Other: Syndication Fee	\$50,000	\$50,000	\$122
Total Financial Costs:	\$10,354,187	\$10,151,813	\$24,761
Dev. Costs before Acq., Dev. Fee & Reserves	\$91,066,277	\$91,261,031	\$222,588

Notes to the Financial Costs:

1. The Construction Loan Origination Fee is based on 0.50% of the construction loan amount.
2. The Construction Loan Interest is based on an interest rate of 6.64%, a 36-month term, and an average outstanding loan balance of 56%.
3. The FHFC Note Fiscal Agent Fee represents 3 years of the annual Fiscal Agent Fee of \$4,500 during the construction period.
4. The Local HFA Note Cost of Issuance includes a \$1,500 Inducement Fee, a \$5,500 Public Hearing Fee, a \$20,000 Indemnification Security, a closing fee of 50 basis points of the principal amount of the MMRN issued, and a \$500 one-time audit fee.
5. The Local HFA Note Closing Costs is based on an annual Issuer Fee of 18 bps on the total MMRN amount during the construction period.

NON-LAND ACQUISITION 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. As this is new construction, there are no non-land acquisition costs.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$16,461,302	\$16,426,985	\$40,066
Total Other Development Costs:	\$16,461,302	\$16,426,985	\$40,066

Notes to the Developer Fee on Non-Acquisition Costs:

1. The recommended Developer's Fee does not exceed 18% of TDC before Developer Fee, land acquisition costs, and reserves.

LAND ACQUISITION COSTS	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land	\$18,500,000	\$18,500,000	\$45,122
Total Acquisition Costs:	\$18,500,000	\$18,500,000	\$45,122

Notes to Land Acquisition Costs:

1. First Housing reviewed a Lease between State of Florida Board of Trustees of the Internal Improvement Trust Fund and State of Florida Department of Health and Rehabilitative Services. First Housing has reviewed a Sublease Agreement and subsequent Amendment Number 1, 2, 3, and 4 to Sublease, between State of Florida Department of Children and Families, f/k/a Florida Department of Health and Rehabilitative Services ("Sublessor") and Florida Pathways, Inc. ("Sublessee"). First Housing received a draft Subsublease Agreement between Florida Pathways, Inc. ("Subsublessor") and Douglas Gardens IV, Ltd. ("Subsublessee"). The term of the subsublease shall be for a period of 68 years. Subsublessee shall pay an annual administrative fee of \$300 and shall pay rent of \$10 due annually. The draft Agreement does not have a defined leasehold value payment amount. First Housing has based the amount on the developer's budget.
2. The appraisal, dated October 26, 2022, indicated that the fee simple land value as of September 27, 2022 is \$18,500,000. Therefore, the appraisal supports the anticipated leasehold value payment.

RESERVE ACCOUNTS	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserve (Syndicator)	\$2,503,422	\$2,503,422	\$6,106
Reserves - Start-Up/Lease-up Expenses	\$205,000	\$205,000	\$500
Other: Insurance Escrow	\$153,750	\$153,750	\$375
Other: Tax Escrow	\$26,650	\$26,650	\$65
Total Reserve Accounts:	\$2,888,822	\$2,888,822	\$7,046

Notes to Reserve Accounts:

1. An Operating Deficit Reserve (“ODR”) is required by the Syndicator. First Housing has based the ODR amount on the Developer’s budget. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay HFABC loan 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 ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations. Any and all terms and conditions of the ODR must be acceptable to HFABC, its legal counsel, and its Servicer.

TOTAL DEVELOPMENT COSTS	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	\$128,916,401	\$129,076,838	\$314,822

Notes to Total Development Costs:

1. The Revised Applicant Costs are based on the Developer’s budget. The UW costs has increased by a total of \$160,437 or 0.12% from \$128,916,401 to \$129,076,838 since the Developer’s budget. The increase is mainly due to an increase in financial costs.

Operating Pro Forma – Douglas Gardens - Senior Health and Living

FINANCIAL COSTS:		Year 1	Year 1 Per Unit	
OPERATING PRO FORMA				
	Gross Potential Rental Income	\$5,071,128	\$12,369	
	Other Income			
INCOME:	Ancillary Income	\$393,200	\$959	
	Miscellaneous	\$116,850	\$285	
	Washer/Dryer Rentals	\$185,000	\$451	
	Gross Potential Income	\$5,766,178	\$14,064	
	Less:			
	Physical Vac. Loss Percentage: 3.00%	\$172,985	\$422	
Collection Loss Percentage: 2.00%	\$115,324	\$281		
	Total Effective Gross Income	\$5,477,869	\$13,361	
	Fixed:			
	Real Estate Taxes	\$26,497	\$65	
	Insurance	\$307,500	\$750	
	Variable:			
EXPENSES:	Management Fee Percentage: 3.50%	\$191,725	\$468	
	General and Administrative	\$112,750	\$275	
	Payroll Expenses	\$451,000	\$1,100	
	Utilities	\$270,600	\$660	
	Marketing and Advertising	\$20,500	\$50	
	Maintenance and Repairs/Pest Control	\$194,750	\$475	
	Grounds Maintenance and Landscaping	\$92,250	\$225	
	Reserve for Replacements	\$123,000	\$300	
		Total Expenses	\$1,790,572	\$4,367
		Net Operating Income	\$3,687,297	\$8,993
	Debt Service Payments			
	First Mortgage - HFABC/Citi	\$3,256,813	\$7,943	
	Second Mortgage - Broward County	\$0	\$0	
	Third Mortgage - Seller Financing	\$348,369	\$850	
	First Mortgage Fees - HFABC/Citi	\$94,459	\$230	
	Second Mortgage Fees - Broward County	\$0	\$0	
	Third Mortgage Fees - Seller Financing	\$0	\$0	
	Total Debt Service Payments	\$3,699,641	\$9,024	
	Cash Flow after Debt Service	-\$12,345	-\$30	
	Debt Service Coverage Ratios			
	DSC - First Mortgage plus Fees	1.10x		
	DSC - Second Mortgage plus Fees	1.10x		
	DSC - Third Mortgage plus Fees	1.00x		
	Financial Ratios			
	Operating Expense Ratio	32.69%		
	Break-even Economic Occupancy Ratio (all debt)	95.39%		

Notes to the Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions. However, in conjunction with the MMRN this Development will be utilizing Housing Credits financing which will impose rent restrictions. The LIHTC rent levels are based on the 2022 maximum LIHTC rents less the utility allowance. 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	5	452	60%			\$952	\$55	\$ 897		\$ 897	\$ 897	\$ 897	\$ 53,820
1	1.0	5	755	30%			\$510	\$65	\$ 445		\$ 445	\$ 445	\$ 445	\$ 26,700
1	1.0	5	565	30%			\$510	\$65	\$ 445		\$ 445	\$ 445	\$ 445	\$ 26,700
1	1.0	3	573	30%			\$510	\$65	\$ 445		\$ 445	\$ 445	\$ 445	\$ 16,020
1	1.0	257	605	60%			\$1,020	\$65	\$ 955		\$ 955	\$ 955	\$ 955	\$ 2,945,220
1	1.0	7	573	100%			\$1,815	\$65	\$ 1,750		\$ 1,636	\$ 1,636	\$ 1,636	\$ 137,424
1	1.0	5	605	mkt							\$ 1,800	\$ 2,000	\$ 2,000	\$ 120,000
1	1.0	2	573	mkt							\$ 1,800	\$ 2,000	\$ 2,000	\$ 48,000
2	2.0	6	865	30%			\$612	\$77	\$ 535		\$ 535	\$ 535	\$ 535	\$ 38,520
2	2.0	109	865	60%			\$1,225	\$77	\$ 1,148		\$ 1,148	\$ 1,148	\$ 1,148	\$ 1,501,584
2	2.0	3	1,005	100%			\$2,042	\$77	\$ 1,965		\$ 1,966	\$ 1,965	\$ 1,965	\$ 70,740
2	2.0	3	1,005	mkt							\$ 2,160	\$ 2,400	\$ 2,400	\$ 86,400
		410	279,751											\$ 5,071,128

2. The utility allowance for the studio units is based on the 2022 utility allowance schedule from Broward County Housing Authority.

The utility allowances for the remaining units are based on a utility allowance study. However, the study is not approved by FHFC. First Housing recommends FHFC approval of the utility allowance be provided prior to closing. In the even the utility allowance changes, the sizing of the permanent first mortgage could be impacted.

3. The appraisal included a Vacancy and Collection loss rate of 4.00% on the multifamily and 5% on the commercial. First Housing has used a vacancy and collection loss rate of 5% in order to be more conservative.

4. Ancillary Income is estimated at \$393,200 for the medical office space that will be leased. The annual rent is based on the Developer’s budget and supported by the appraisal.

5. Miscellaneous Income is comprised of retained deposits, application fees, transfer fees, month to month fees, pet fees, etc. Total miscellaneous income of \$285 per unit per year is supported by the appraisal.

6. The Development will lease washer and dryers to the residents. The appraisal estimated potential laundry income of \$451 per unit per year which is roughly a 75% participation rate and a rate of \$50 per month.

7. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing'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.

8. The Development will seek ad valorem property tax exemption under Florida Statute 196.1975. Receipt of real estate counsel's opinion letter verifying the proposed organizational structure meets the requirements under this statute is a condition to close.
9. The Applicant has submitted a draft management agreement which reflects a monthly management fee of the greater of 3% or \$3,000. Receipt of an executed management agreement with the same terms as in this report is a condition to closing. First Housing has utilized an industry standard management fee of 4%.
10. The tenant is responsible for electric, cable, and internet. The landlord is responsible for common area electric, water/sewer, and trash removal.
11. Replacement Reserves of \$300 per unit per year are required, per FHFC.
12. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses increasing at an annual rate of 3%.

Section B

Supporting Information and Schedules

**Additional Development &
Third Party Supplemental Information**

Appraised Value: First Housing reviewed a draft appraisal report of the Development prepared by Colliers, dated October 26, 2022. The restricted leasehold value as stabilized as of September 27, 2022 is \$74,100,000. The hypothetical leasehold market value as stabilized as of September 27, 2022 is \$129,500,000. The fee simple land value as of September 27, 2022 is \$18,500,000. The appraisal was signed and certified by Ryan Tolle. His Florida State Certified Registered Appraiser’s license number is RZ3416 which is valid through November 30, 2022.

First Housing has requested that the appraisal be updated to show the unit mix consistent with this report. Receipt of a final appraisal is recommended prior to closing.

Market Study: Colliers prepared a Market Study of the Development, dated October 26, 2022. The Development is a proposed new construction 410-unit age-restricted LIHTC multifamily property.

The Development will offer fully-equipped kitchen with a microwave, washer/dryer hookups, and garbage disposal in unit. The Development will also offer community amenities such as an outdoor fitness stations, walking paths, community room with media area, fitness center, cyber café, and outside seating/picnic areas.

The accessibility of the Development is average. The site is accessible via a curb cut on the east side of Southwest 88th avenue. Regional access is provided by Interstate 95 and Interstate 75. The Development will be located along a small residential street, offering limited exposure.

The Development is located in the Miami-Fort Lauderdale-Pompano Beach, FL metropolitan statistical area (“Miami MSA”). Based on the market study, as of August 2022, the unemployment rate was 2.8% for the Miami MSA, 2.8% for Florida, and 3.8% for the United States.

The Primary Market Area (“PMA”) is considered to be the area within a three-mile radius of the Development. Colliers believes that the Development will receive the majority of its tenants from within three miles. The estimated 2022 population in the PMA is 164,374, which is an annual compounding increase of 0.40% since 2020. The projected population for the PMA for 2027 is 164,806 which is an annual compounding increase of 0.05% from 2022. The 2022 average household size for the PMA is 3.37 individuals per household.

The median age for the PMA is 36.7 with a central tendency from 25-74. The senior population (62+) within the PMA is equivalent to 27.18% of the population.

Based on Colliers’ research, an estimated 2,346 qualified senior rental households reside within the PMA. Considering a stabilized market vacancy of 3.5% and subtracting the existing and proposed competitive supply of 759 units and the Development’s 390 affordable units, Colliers calculated a capture rate of 16.04% and a penetration rate of 47.3%. The capture and penetration rates are higher than usual for affordable housing Developments. However, rent increases in the market have outpaced increases in wages increasing the need for affordable housing. Additionally, the current supply of affordable housing developments is currently operating at or near 100% occupancy with most properties having a waitlist. This indicates there is significant demand for this housing type within the market area. Based on Colliers’ observations of the Florida apartment market and the characteristics of the market area, Colliers believes there is adequate demand for the Development.

The Development is a proposed affordable housing property with a good amenity package. Therefore, Colliers expects the Development to be a strong competitor in the market. Within the PMA, the market supply has a weighted average occupancy of 95.8% and the senior restricted rent supply has a weighted average occupancy of 99.8%, while the overall weighted average occupancy for the PMA was 96.5%, which meets the FHFC requirement that the submarket must have an average physical occupancy rate of 92.0% or greater.

The comparables indicate an absorption of 21 to 86 with an average of 45 units per month. Senior oriented communities often lease-up with absorption rates higher than a family-oriented property. Colliers estimates an absorption rate of 35 units per month is feasible.

Based on First Housing’s calculations, the Development’s achievable average market rents will be 196% greater than the Development’s 2022 gross 60% AMI LIHTC rents for the Development’s 390 affordable units. 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.

Environmental Report: First Housing reviewed a Phase I Environmental Site Assessment (“ESA”), dated August 11, 2022, prepared by Hydrologic Associates U.S.A., Inc. (“HAI”) and prepared in conformance with the scope and limitations of ASTM Practice E 1527-13.

The ESA revealed no recognized environmental conditions in connection with the Development. No further assessment is recommended at this time.

Soil Test Report: First Housing reviewed a Geotechnical Engineering Report, revised on August 9, 2022, prepared by Professional Service Industries, Inc. (“PSI”). The subsurface conditions were explored with 12 standard penetration test soil borings to depths ranging from 10 to 40 feet below ground surface and one south Florida water management district open-hole percolation test to a depth of 10 feet below ground surface.

The generalized soil profile is fine sand and fine sand with limestone and cemented sand fragments. The very loose to loose soil encountered with the soil borings was found within the upper 22.5 feet. With the information provided to PSI, information obtained during the field operations, results of the laboratory testing, the indicated structural loads, and PSI’s experience with similar projects, they recommend that the proposed building structures be supported on shallow foundations bearing on soils previously improved with either a) vibro-compaction (VC), b) vibro-replacement (VR) or C) Compaction grouting (for cases near adjacent structures). If the

indicated structural loads or higher loads are applied to the existing soils, without improvement, settlements of over one and a half to two inches are expected to occur; therefore, it is very important the existing sandy soils be densified to improve soil bearing capacity as well as to reduce settlements to acceptable and safe ranges. The final decision to select either VC, VR or Compaction Grouting (for near existing structures), will depend on the review of this report and encountered soil conditions by the Geotechnical Special Contractor, who will determine also if additional geotechnical exploration and/or laboratory testing are required to finalize their specialty design.

First Housing recommends that PSI provide a letter stating that the plans are in accordance with their recommendations prior to closing.

Plan and Cost Analysis: First Housing received a draft Document and Cost Review, dated October 24, 2022, from Partner.

Notes on the drawings indicate the following applicable codes Florida Fire Prevention Code 2020, Florida Building Code Existing 2020, 2020 National Electric Code, 2020 FBC Mechanical, 2020 FBC Plumbing, 2020 FBC Accessibility, A.C.I., and A.I.S.C.

The Development is new construction and site development of a phased master development that will include two, six-story, residential buildings for senior with an attached four-story medical clinic. Construction will be non-combustible concrete that will be fully sprinkled and alarmed on shallow footings and column pads resting on improved soils per the geotechnical report. Both buildings will have elevators. Facades will be stucco of various colors, with roofing to be membrane pitched and canopies will be provided. There will be aluminum storefront doors, hollow-metal service doors, and roll up doors. Windows will be fixed and operable.

First Housing has been provided a certification from the GC which confirms that not more than 20% of the project cost, not to include GC fee or pass-through fees paid by the GC, shall be subcontracted to any one entity. The certification also states that no construction cost will be subcontracted to any entity that has common ownership or is an affiliate of the GC or the Developer.

A schedule of values totaling \$70,070,906, or \$206.42 per square foot of gross building area (339,455 total square feet) and \$170,905 per dwelling unit (410 total units) was provided. Partner's estimated cost for this project is \$69,771,025 or \$205.54 per square foot of building area and \$170,173 per dwelling unit, a variance of 0.4%, which is within an acceptable range.

First Housing recommends a final Document and Cost Review be provided prior to closing.

ADA Accessibility
Review:

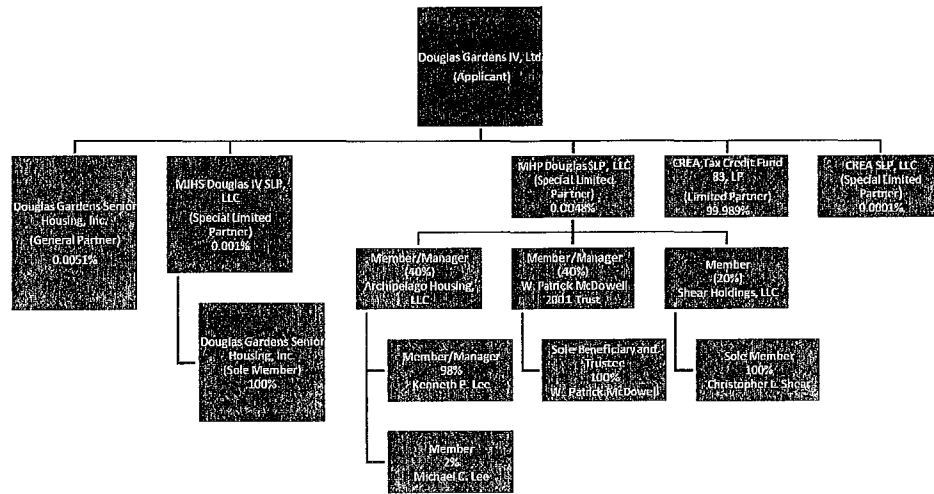
Executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121 and 126 certifying that the plans for the Development comply with these requirements have been received. Receipt of Form 128 is recommended prior to closing.

Applicant Information

Applicant: Douglas Gardens IV, Ltd.

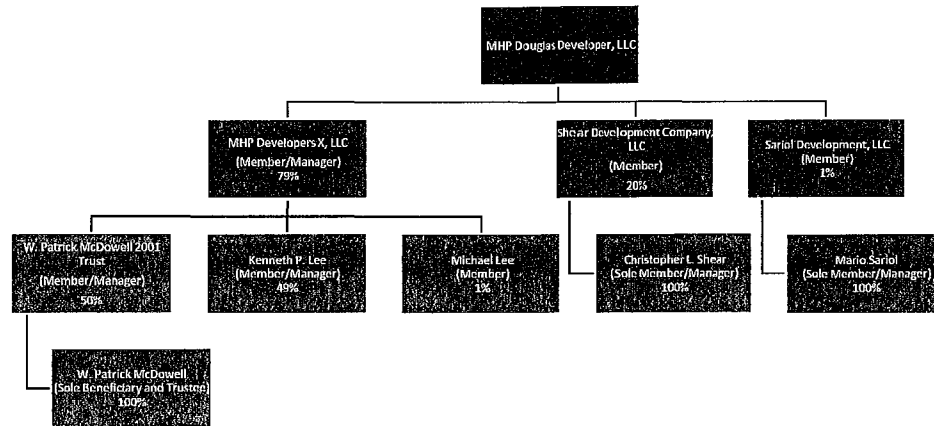
Type: A Florida Limited Partnership

Ownership Structure:



Douglas Gardens IV, Ltd. was formed on December 22, 2017. First Housing has verified that the Applicant entity has an active status on Sunbiz. The General Partner with 0.0051% interest is Douglas Gardens Senior Housing, Inc. and was formed on May 21, 1998. The Co-Developers are Douglas Gardens IV Developer, LLC (40% of Developer Fee) and MHP Douglas Developer, LLC (60% of Developer Fee). Douglas Gardens Senior Housing, Inc. is the sole member of Douglas Gardens IV Developer, LLC.

Co-Developer Structure:



Contact Person: Christopher Shear
 601 Brickell Key Drive, Suite 700
 Miami, Florida 33131
 (786) 257-2767 Telephone
 cshear@mcddhousing.com Email

Experience: The Applicant and Co-Developers were created to construct, own, and operate the Development, but have no development experience. The development experience lies with the principals of Douglas Gardens Senior Housing, Inc. and the principals of MHP Douglas Developer, LLC which are the same principals as McDowell Housing Partners (“MHP”).

Douglas Gardens Senior Housing, Inc. is a wholly owned subsidiary of Miami Jewish Health Systems, Inc. (“MJHS”). MJHS offers a variety of options for senior living including assisted living and affordable senior LIHTC apartments.

MHP is the affordable and workforce development and investment arm of McDowell Properties, a national multifamily housing investment company focused on the acquisition, management and repositioning of apartment communities in growth markets across the United States.

Since 2004, McDowell Properties has capitalized the acquisition, redevelopment, and operation of over 45,000 apartment units with a specific focus on in-depth capital improvements, operational efficiencies and community creation. The company has active offices in Dallas, New York, Miami, Denver, San Francisco and Raleigh. Company principals and the

executive team have closed over \$7 billion in debt and equity financing and maintain over 200 years of collective experience in developing, constructing, operating, and recapitalizing conventional, workforce, and LIHTC housing across the country.

Credit Evaluation: First Housing received a Dun and Bradstreet (“D&B”) Report for Douglas Gardens IV, Ltd, Douglas Gardens Senior Housing, Inc., MHP Douglas SLP, LLC, MHP Douglas Developer, LLC, MJHS Douglas IV SLP, LLC, Shear Development Company, LLC, and Shear Holdings, LLC each dated October 21, 2022. A D&B Report for MHP Developers X, LLC, W. Patrick McDowell 2001 Trust, and Archipelago Housing, LLC were not available.

First Housing received satisfactory credit reports for Kenneth Lee, W. Patrick McDowell, and Christopher Shear each dated October 21, 2022.

Trade References: First Housing received statements indicating that MJHS Douglas IV SLP, LLC, MHP Douglas SLP, LLC, Douglas Gardens IV Developer, LLC, and MHP Douglas Developer, LLC do not have trade references.

First Housing sent trade reference requests for Douglas Gardens Senior Housing, Inc., Shear Holdings, LLC, Shear Development Company, LLC, and Christopher Shear, but has not received a response at this time. First Housing received one satisfactory trade reference for Kenneth Lee, Archipelago Housing, LLC, MHP Developers X, LLC, W. Patrick McDowell, and W. Patrick McDowell 2001 Trust.

Bank References: First Housing received statements indicating that MJHS Douglas IV SLP, LLC, MHP Douglas SLP, LLC, Douglas Gardens IV Developer, LLC, and MHP Douglas Developer, LLC do not have bank references.

First Housing received satisfactory bank statements for Kenneth Lee, MHP Developers X, LLC, and Archipelago Housing, LLC. First Housing sent bank reference requests for the Applicant, Douglas Gardens Senior Housing, Inc., W. Patrick McDowell 2001 Trust, W. Patrick McDowell, Shear Holdings, LLC, Shear Development Company, LLC, and Christopher Shear but has not received a response at this time.

Financial Statements: First Housing received statements indicating that MJHS Douglas IV SLP, LLC, MHP Douglas SLP, LLC, Douglas Gardens IV Developer, LLC, and MHP Douglas Developer, LLC do not have financial statements or tax returns.

First Housing received a statement indicating that Douglas Gardens Senior Housing, Inc. does not have financials, but First Housing received Form 990 for periods ending June 2019, June 2020, and June 2021.

First Housing reviewed the following satisfactory financial statements for the development team:

Kenneth Lee Unaudited Balance Sheet June 30, 2022	
Cash and short-term investments	\$7,474,705
Total Assets	\$27,135,912
Total Liabilities	\$958,754
Total Equity	\$26,177,158

First Housing received 2020 and 2021 joint tax returns for Kenneth Lee and Tzo Ai Ang.

Archipelago Housing, LLC Unaudited Balance Sheet June 30, 2022	
Cash	\$339,300
Total Assets	\$8,323,963
Total Liabilities	\$0
Total Equity	\$8,323,963

First Housing received a 2020 and 2021 tax return for Archipelago Housing, LLC.

W. Patrick McDowell and W. Patrick McDowell 2001 Trust Unaudited Financial Statement June 30, 2022	
Cash	\$731,527
Total Assets	\$121,487,790
Total Liabilities	\$6,165,000
Total Net Position	\$115,322,790

First Housing received 2019 and 2020 joint tax returns for W. Patrick McDowell and Camille McDowell as well as their 2021 tax return extension.

MHP Developers X, LLC Unaudited Financial Statement September 30, 2022	
Cash	\$922,157
Total Assets	\$922,157
Total Liabilities	\$922,157
Total Net Position	\$0

First Housing received 2021 tax return for MHP Developers X, LLC.

Douglas Gardens IV, Ltd. Unaudited Financial Statement September 30, 2022	
Cash	\$428,498
Total Assets	\$428,498
Total Liabilities	\$1,559,337
Total Net Position	(\$1,130,839)

First Housing received a statement indicating that Douglas Gardens IV, Ltd. does not have tax returns to provide.

Contingent
Liabilities:

First Housing received statements indicating the Applicant, Douglas Gardens Senior Housing, Inc., MJHS Douglas IV SLP, LLC, MHP Douglas SLP, LLC, Shear Holdings, LLC, Douglas Gardens IV Developer, LLC, and MHP Douglas Developer, LLC, do not have contingent liabilities.

First Housing received a schedule of contingent liabilities, dated August 31, 2022, for W. Patrick McDowell 2001 Trust, W. Patrick McDowell, and Kenneth Lee which indicates total outstanding recourse debt of \$16,438,673 for all three entities.

Summary:

Based upon its review of the Financial Statements and Schedule of Contingent Liabilities, First Housing concludes that the principals in the Applicant and Co-Developer have the requisite financial strength to construct and operate the Development.

General Contractor Information

General Contractor: MHP – ANF Group Construction, LLC

Contact: Luis Serna
2700 David Road
Davie, FL 33314
954-445-7443 Telephone

Experience: MHP – ANF Group Construction, LLC is a joint venture between MHP Builders, LLC who are 49% member and ANF Group, Inc. who are 51% managing member. MHP – ANF Group Construction, LLC is a newly created entity to act as the general contractor and does not have financials, previous experience, etc. First Housing has relied on the experience and financials of ANF Group, Inc.

First Housing received a General Contractor license for Alberto Fernandez at ANF Group, Inc. with license number CGC024773 and expiration date of August 31, 2024.

For 41 years, ANF Group, Inc. has been providing high-quality pre-construction, construction management, general contracting, and design-build services to South Florida. ANF Group, Inc. has experience in commercial, multi-family, and education construction and has played a vital role in the highly specialized niche of healthcare construction.

P&P Bond: A 100% P&P Bond will be provided and is a contingency to this report in order to secure the construction contract between the GC and the Applicant.

Credit Evaluation: First Housing received a satisfactory D&B report for MHP – ANF Group Construction, LLC, dated October 21, 2022. First Housing received a satisfactory D&B report for ANF Group, Inc., dated October 28, 2022.

Bank and Trade References: First Housing has sent bank and trade reference requests to the contacts provided but has not received responses at this time.

Financial Statements: First Housing has received and reviewed ANF Group, Inc. audited financial statements for December 31, 2021.

ANF Group, Inc. Audited Balance Sheet December 31, 2021	
Cash and cash equivalents	\$3,480,754
Total Assets	\$46,429,526
Total Liabilities	\$38,098,294
Equity	\$8,331,232

Summary: First Housing recommends that MHP – ANF Group Construction, LLC be accepted as the GC for the construction of the Development.

Syndication Information

Syndicator Name: CREA, LLC

Contact Person: Mike Boyle
8141 Main Street, Suite 208
Lakewood Ranch, FL 34202
727-329-5479 Telephone
mboyle@creallc.com Email

Experience: City Real Estate Advisors, Inc. was formed in December 2000, under President and CEO, Jeff Whiting with a headquarters office in Indianapolis, IN. After building relationships with developers and investors, City Real Estate Advisors, Inc. closed its first transaction in March of 2002 with three employees under its roof and posted a profit in September 2002.

In June 2016, City Real Estate Advisors, Inc became CREA, LLC and was acquired by Omni Holding Company, LLC as a wholly-owned subsidiary. CREA, LLC continues to operate as an autonomous business unit, managed by current CREA, LLC senior management.

Since 2001, CREA has raised and closed over \$9.2 billion in LIHTC equity in 48 states, 1 U.S. territory and DC, representing more than 73,000 affordable housing units.

Financial Statements: First Housing has received and reviewed CREA, LLC audited financial statements for December 31, 2021.

CREA, LLC Consolidated Balance Sheet December 31, 2021	
Cash and cash equivalents	\$14,609,346
Total Assets	\$395,460,589
Total Liabilities	\$374,165,585
Equity	\$21,295,004

Summary: CREA, LLC has demonstrated that it has the experience and financial strength to serve as the syndicator for this Development.

Property Management Information

Management

Company: Weller Management, LLC

Contact: David Gates
150 2nd Ave N, Suite 710
St. Petersburg, FL 33701
678-973-1711 Telephone
dgates@wellerwfh.com Email

Experience: Weller is active in eighteen states and manages over 20,000 units at over 90 properties. Their portfolio is a mix of market rate, affordable, and workforce housing. The affordable/workforce housing is about 22% of their portfolio.

Management Agreement: The Applicant has submitted a draft management agreement which reflects a monthly management fee of the greater of 3% or \$3,000. Receipt of an executed management agreement with the same terms as in this report is a condition to closing.

Management Plan: The Applicant has submitted a management plan which outlines the various policies and procedures to be implemented in managing the subject development.

Summary: The management company has experience in the management of affordable multifamily housing.

15-Year Proforma – Douglas Gardens - Senior Health and Living

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
Gross Potential Rental Income		\$5,071,128	\$5,172,551	\$5,276,002	\$5,381,522	\$5,489,152	\$5,598,935	\$5,710,914	\$5,825,132	\$5,941,635	\$6,060,467	\$6,181,677	\$6,305,310	\$6,431,416	\$6,560,045	\$6,691,246
Other Income																
Ancillary Income		\$393,200	\$401,064	\$409,085	\$417,267	\$425,612	\$434,125	\$442,807	\$451,663	\$460,696	\$469,910	\$479,309	\$488,895	\$498,673	\$508,646	\$518,819
Miscellaneous		\$116,850	\$119,187	\$121,571	\$124,002	\$126,482	\$129,012	\$131,592	\$134,224	\$136,908	\$139,647	\$142,439	\$145,288	\$148,194	\$151,158	\$154,181
Washer/Dryer Rentals		\$185,000	\$188,700	\$192,474	\$196,323	\$200,250	\$204,255	\$208,340	\$212,507	\$216,757	\$221,092	\$225,514	\$230,024	\$234,625	\$239,317	\$244,104
Gross Potential Income		\$5,766,178	\$5,881,502	\$5,999,132	\$6,119,114	\$6,241,497	\$6,366,326	\$6,493,653	\$6,623,526	\$6,755,997	\$6,891,116	\$7,028,939	\$7,169,518	\$7,312,908	\$7,459,166	\$7,608,349
Less:																
Physical Vac. Loss Percentage: 3.00%		\$172,985	\$176,445	\$179,974	\$183,573	\$187,245	\$190,990	\$194,810	\$198,706	\$202,680	\$206,733	\$210,868	\$215,086	\$219,387	\$223,775	\$228,250
Collection Loss Percentage: 2.00%		\$115,324	\$117,630	\$119,963	\$122,382	\$124,830	\$127,327	\$129,873	\$132,471	\$135,120	\$137,822	\$140,579	\$143,390	\$146,258	\$149,183	\$152,167
Total Effective Gross Income		\$5,477,869	\$5,587,426	\$5,699,175	\$5,813,159	\$5,929,422	\$6,048,010	\$6,168,970	\$6,292,350	\$6,418,197	\$6,546,561	\$6,677,492	\$6,811,042	\$6,947,263	\$7,086,208	\$7,227,932
Fixed:																
Real Estate Taxes		\$26,497	\$27,292	\$28,111	\$28,954	\$29,823	\$30,717	\$31,639	\$32,588	\$33,566	\$34,573	\$35,610	\$36,678	\$37,778	\$38,912	\$40,079
Insurance		\$307,500	\$316,725	\$326,227	\$336,014	\$346,094	\$356,477	\$367,171	\$378,186	\$389,532	\$401,218	\$413,254	\$425,652	\$438,421	\$451,574	\$465,121
Variable:																
Management Fee Percentage: 3.50%		\$191,725	\$195,560	\$199,471	\$203,461	\$207,530	\$211,680	\$215,914	\$220,232	\$224,637	\$229,130	\$233,712	\$238,386	\$243,154	\$248,017	\$252,978
General and Administrative		\$112,750	\$116,133	\$119,616	\$123,205	\$126,901	\$130,708	\$134,629	\$138,668	\$142,828	\$147,113	\$151,527	\$156,072	\$160,755	\$165,577	\$170,544
Payroll Expenses		\$451,000	\$464,530	\$478,466	\$492,820	\$507,604	\$522,833	\$538,518	\$554,673	\$571,313	\$588,453	\$606,106	\$624,289	\$643,018	\$662,309	\$682,178
Utilities		\$270,600	\$278,718	\$287,080	\$295,692	\$304,563	\$313,700	\$323,111	\$332,804	\$342,788	\$353,072	\$363,664	\$374,574	\$385,811	\$397,385	\$409,307
Marketing and Advertising		\$20,500	\$21,115	\$21,748	\$22,401	\$23,073	\$23,765	\$24,478	\$25,212	\$25,969	\$26,748	\$27,550	\$28,377	\$29,228	\$30,105	\$31,008
Maintenance and Repairs/Pest Control		\$194,750	\$200,593	\$206,610	\$212,809	\$219,193	\$225,769	\$232,542	\$239,518	\$246,703	\$254,105	\$261,728	\$269,580	\$277,667	\$285,997	\$294,577
Grounds Maintenance and Landscaping		\$92,250	\$95,018	\$97,868	\$100,804	\$103,828	\$106,943	\$110,151	\$113,456	\$116,860	\$120,365	\$123,976	\$127,696	\$131,526	\$135,472	\$139,536
Reserve for Replacements		\$123,000	\$123,000	\$123,000	\$123,000	\$123,000	\$123,000	\$123,000	\$123,000	\$123,000	\$123,000	\$126,690	\$130,491	\$134,405	\$138,438	\$142,591
Total Expenses		\$1,790,572	\$1,838,682	\$1,888,197	\$1,939,158	\$1,991,609	\$2,045,592	\$2,101,152	\$2,158,338	\$2,217,196	\$2,277,775	\$2,340,817	\$2,411,795	\$2,481,765	\$2,553,786	\$2,627,919
Net Operating Income		\$3,687,297	\$3,748,744	\$3,810,978	\$3,874,000	\$3,937,813	\$4,002,419	\$4,067,818	\$4,134,012	\$4,201,001	\$4,268,785	\$4,338,675	\$4,399,247	\$4,465,498	\$4,532,422	\$4,600,013
Debt Service Payments																
First Mortgage - HFABC/Citi		\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813	\$3,256,813
Second Mortgage - Broward County		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage - Seller Financing		\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369	\$348,369
First Mortgage Fees - HFABC/Citi		\$94,459	\$93,862	\$93,228	\$92,556	\$91,844	\$91,089	\$90,288	\$89,439	\$88,538	\$87,584	\$86,572	\$85,498	\$84,360	\$83,154	\$81,875
Second Mortgage Fees - Broward County		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage Fees - Seller Financing		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$3,699,641	\$3,699,044	\$3,698,410	\$3,697,738	\$3,697,026	\$3,696,271	\$3,695,470	\$3,694,621	\$3,693,721	\$3,692,766	\$3,691,754	\$3,690,681	\$3,689,543	\$3,688,336	\$3,687,057
Cash Flow after Debt Service		-\$12,345	\$49,700	\$112,568	\$176,262	\$240,787	\$306,148	\$372,348	\$439,391	\$507,280	\$576,019	\$641,921	\$708,567	\$775,955	\$844,086	\$912,956
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.10	1.12	1.14	1.16	1.18	1.20	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38
DSC - Second Mortgage plus Fees		1.10	1.12	1.14	1.16	1.18	1.20	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	1.38
DSC - Third Mortgage plus Fees		1.00	1.01	1.03	1.05	1.07	1.08	1.10	1.12	1.14	1.16	1.17	1.19	1.21	1.23	1.25
Financial Ratios																
Operating Expense Ratio		32.69%	32.91%	33.13%	33.36%	33.59%	33.82%	34.06%	34.30%	34.55%	34.79%	35.10%	35.41%	35.72%	36.04%	36.36%
Break-even Economic Occupancy Ratio (all debt)		95.39%	94.33%	93.30%	92.29%	91.32%	90.37%	89.44%	88.54%	87.67%	86.82%	86.04%	85.29%	84.56%	83.86%	83.18%

50% Test

	\$77,000,000
	\$0
	\$0
	\$0
	\$77,000,000
	\$103,938,510
	\$18,500,000
	\$122,438,510
	62.89%

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