Housing Finance Authority of Hillsborough County

Credit Underwriting Report

SWEETWATER VILLAS

Multifamily Mortgage Revenue Note Program
(MMRN)

Section A: Report Summary

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Prepared by

AmeriNat®

Final Report

May 5, 2017

SWEETWATER VILLAS

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Report Summary

Recommendation

AmeriNat® recommends the issuance of a Multifamily Mortgage Revenue Note ("MMRN") by the Housing Finance Authority of Hillsborough County ("HFAHC") in the amount of $6,000,000 to Blue Humphrey Street, LLC ("Applicant") for the construction and permanent phase financing of Sweetwater Villas (the proposed "Development").

DEVELOPMENT & SET-ASIDES

Development Name: Sweetwater Villas

Program Numbers: 2015-564C

Address: 4102 W. Humphrey Street, 8437/8441/8713 N. Lois Avenue City: Tampa Zip Code: 33614

County: Hillsborough County Size: Large

Development Category: New Construction Development Type: Garden style apartments

Construction Type: Wood framing with vinyl siding, soffits and wood fascia. The building roofs will be asphalt shingles.

Demographic Commitment: Elderly: ____ Homeless: x ELI: ____ Units @ ____ AMI

Farmworker or Commercial Fish Worker: ____ Family: x Link: ____ Units

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2.0	2.0	3	923	50%	$666	$666		$83		$583	$583	$583	$583	$20,988
2.0	2.0	33	923	60%	$799			$83		$716	$716	$716	$716	$283,536
3.0	2.0	2	1088	50%	$770	$770		$98		$672	$672	$672	$672	$16,128
3.0	2.0	18	1088	60%	$924			$98		$826	$826	$826	$826	$178,416
		56	54988											$499,068

Buildings: Residential - 2 Non-Residential - 1

Parking: Parking Spaces - 116 Accessible Spaces - 5

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB	91%	51	60%	50
MMRB	9%	5	50%	50
HC	100%	56	60%	30
HOME	40%	23	80%	20
HOME	9%	5	50%	20
HOME	10%	6	Homeless	20

Absorption Rate: 20 units per month for 3 months.

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

Occupancy Comments: According to the market study, comparable developments in the CMA have an average weighted occupancy of 99.1%.

DDA?: No QCT?: Yes
Site Acreage: 6.15 Density: 9.1 Flood Zone Designation: A and X
Zoning: Planned Development limited to 56 multifamily units Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Blue Humphrey Street, LLC	% Ownership
General Partner 1:	Blue Humphrey Street M, LLC	0.01%
Limited Partner 1:	Raymond James Tax Credit Funds, Inc. or its assigns	99.99%
Guarantor(s):	Blue Humphrey Street, LLC	
	Blue Humphrey Street M, LLC	
	Blue Sky GE, LLC	
	Blue Sky Communities, LLC	
	Shawn Wilson	
	James Chadwick	
Developer:	Blue Sky Communities, LLC	
Principal 1	Shawn Wilson	
Principal 2	Scott Macdonald	
Principal 3	Weedon Enterprises, LLC	
Principal 4	Harry R. Chadwick and Laurel J. Chadwick Family Trust	
Principal 5	Sembler Provision Fund Generation Skipping Trust #4	
General Contractor 1:	NDC Construction Company, LLC	
Management Company:	Carteret Management Corporation	
Syndicator:	Raymond James Tax Credit Funds, Inc. or its assigns	
Bond Issuer:	Housing Finance Authority of Hillsborough County	
Architect:	Architectonics Studio, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc.	
Appraiser:	Meridian Appraisal Group, Inc.	

PERMANENT FINANCING INFORMATION

	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	1	2				
Lender/Grantor	Citi	Hillsborough County				
Amount	$2,000,000	$4,500,000				
Underwritten Interest Rate	6.21%	0.10%				
All In Interest Rate	6.21%	0.10%				
Loan Term	15	20				
Amortization	35	n/a				
Market Rate/Market Financing LTV	28.78%	93.53%				
Restricted Market Financing LTV	63.09%	205.05%				
Loan to Cost	16.58%	37.31%				
Debt Service Coverage	1.36	1.32				
Operating/Deficit Service Reserve	$106,768					
Period of Operating Expenses/Deficit Reserve in Months	3					

Deferred Developer Fee	$668,392
Land Value	$685,000
Market Rent/Market Financing Stabilized Value	$6,950,000
Rent Restricted Market Financing Stablized Value	$3,170,000
Projected Net Operating Income (NOI) - Year 1	$190,467
Projected Net Operating Income (NOI) - 15 Year	$202,611
Year 15 Pro Forma Income Escalation Rate	2%
Year 15 Pro Forma Expense Escalation Rate	3%
Bond Structure	Tax-Exempt Back-to-Back Note
Housing Credit Syndication Price	$1.095
Housing Credit Annual Allocation	$452,709

CONSTRUCTION/PERMANENT SOURCES:				
Source	**Lender**	**Construction**	**Permanent**	**Perm Loan/Unit**
First Mortgage	Citi	$6,000,000	$2,000,000	$35,714
Second Mortgage	Hillsborough County	$4,500,000	$4,500,000	$80,357
HC Equity	RJTCF	$734,124	$4,894,161	$87,396
Deferred Developer Fee	Developer	$828,429	$668,392	$11,936
TOTAL		$12,062,553	$12,062,553	$215,403

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the Application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?		
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	n/a	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		3
Is the Development in all other material respects the same as presented in the Application?		

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

1. Since the time of application, the Applicant requested the issuance of MMRN be increased from $5,400,000 to $6,000,000. The Permanent First Mortgage also increased from $1,800,000 to $2,000,000.
2. Total Development Costs ("TDC") have increased by $742,906 from $11,319,647 to $12,062,553 primarily due to increases in construction costs, financial costs, and Developer fee.
3. Since the time of application, Raymond James Tax Credit Funds, Inc. ("RJTCF") reduced the rate of syndication from $1.105 to $1.095. However, the Development anticipates receiving $397,261 of additional HC equity as the amount of anticipated annual HC credits increased from $407,000 to $447,000.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate affordable multifamily rental communities using a variety of different subsidies.
2. Per the Market Study completed by Meridian Appraisal Group, Inc. ("Meridian") dated February 13, 2017, the Development has a capture rate of 0.3% in the Primary Market Area ("PMA"), a ten mile ring centered on the Development with an estimated population of 22,206 potential households that are income qualified with a propensity to rent. The capture rate indicates the Development is correctly sized relative to the amount of income-qualified renter households in the market and strong demand exists for affordable rental units. Additionally, Meridian identified ten existing comparable properties totaling 2,318 units located within the Competitive Market Area ("CMA"), which encompasses the same area as the PMA. The report concludes an average weighted occupancy rate for the CMA of 99.1%.
3. An appraisal, also completed by Meridian, dated April 12, 2017, concludes that the Development has good affordability for the restricted rents compared to the concluded market rents. The units set aside for tenants with incomes at or below 50% of AMI will have an advantage over achievable market rents of between 182% and 197%. The units set-aside for tenants with incomes at or below 60% of AMI will have an advantage over achievable market rents of between 148% and 161%. The average market rental rates are in excess of 110% of the applicable maximum HC rental rates.

Other Considerations:

None.

Issues and Concerns:

1. Mr. Chadwick, a financial beneficiary in the transaction, indicated four separate incidences of bankruptcy/reorganization filings; foreclosure, deed in lieu of foreclosure, short sale, loan default, or payment moratorium; or loan(s) in arrears for principal, interest, taxes, or insurance premiums due.

   Mitigating factor:

   AmeriNat received the following details regarding these items:

   a. Botanica Gardens (228 units of market rate multifamily housing located in Mandeville, LA): Chadwick Investment Partnership, Ltd., of which Mr. Chadwick was the sole member, had 12% interest in Botanica Group LLC. Original financing was provided by Regions Bank in August 2006 in the amount of $27,364,031 and the loan matured as of 8/31/10; Mr. Chadwick was a personal guarantor for the loan. The note was acquired by LTP Real Estate Solutions I, LLC. The company could find no alternative financing and amicably agreed to a deed in lieu of foreclosure in September 2010. Mr. Chadwick agreed to a settlement of $125M for full release from his personal guarantee.
   b. The Cove (689 units of market rate multifamily housing located in Tampa, FL): Mr. Chadwick and his wife, Cecile, held a 15% interest in Westshore Acquisition Trust Group LLC. Original financing was provided by LB Commercial Mortgage Trust in May 2007 in the amount of $54MM; Mr. Chadwick was a personal guarantor in the transaction. The property located in Tampa, FL was purchased in 2005 with funds provided by Wachovia with the intent to redevelop. The real estate market declined and the owner contributed

$14MM of equity to it. Despite renovations and equity contributions, the performance of the asset continued to decline. The partnership filed bankruptcy. A settlement was reached wherein the property was deeded to the lender and Mr. Chadwick paid $375M for a full release of his guarantee as of March 2011.

c. The Villas of Seagate at St. Joseph Sound (33 for-sale townhomes in Dunedin, FL): Mr. Chadwick and his wife held a 49% interest in the managing member of C2FS-Dunedin, LLC. Bank of America (1st mortgage of $2,769,777 in June 2005) and St. Joseph Sound Development Group, Inc. (2nd mortgage) provided the financing. A total of 33 townhomes were built and 28 of the units sold. The remaining five units had a value significantly greater than the 1st mortgage, and the 2nd mortgagee refused to negotiate. The owner entered into a stipulated foreclosure agreement with Bank of America to take back the property in full satisfaction of the debt and releasing the guarantors in August 2009.

d. The Cottages at Green Key (vacant land located in New Port Richey, FL): Mr. Chadwick held a 15% interest in Lagoon Investment Partners LLC. Regions Bank provided acquisition financing of $3,663,782 in March 2006 with Mr. Chadwick listed as a personal guarantor. The Applicant represents that the loan was kept current throughout its term. Regions agreed to accept the property in full satisfaction of the debt in account of a deficiency as of June 2009.

None of the above defaults are related to affordable housing developments, which is in agreement with the Rule. In addition, AmeriNat was advised that all of the defaults were settled amicably between the respective Lenders and Mr. Chadwick.

<u>Waiver Requests:</u>

None

<u>Special Conditions:</u>

1. The existing HOME Investment Partnerships (“HOME”) from Hillsborough County must agree to subordinate to the MMRN first mortgage.

<u>Additional Information</u>:

1. The Applicant has provided an executed HOME Program Funding Agreement dated October 24, 2016, between the Applicant and Hillsborough County. The Agreement states Hillsborough County awarded the Applicant $4,500,000 to construct the Development in exchange for 23 HOME assisted rental units. The Agreement further requires 25% of the HOME units (5 units) will be Low-HOME units set aside for tenants earning 50% or less of the Area Median Income (“AMI”) and six units of the 23 HOME units must be set aside for persons transitioning out of homelessness.
2. On April 7, 2017, the Applicant requested an Applicant entity change as follows:

Application
Blue Humphrey Street LLC
Manager/Member: Blue Humphrey Street M, LLC
Managers: Jim Chadwick and Shawn Wilson
Members: Shawn Wilson (28.5%)
Scott Macdonald (5%)
Weedon Enterprises, LLC (66.5%)
Members: Chadwick Family Trust (50%)
Sembler Provision Generation Skipping Trust #4 (50%)

Proposed
Blue Humphrey Street LLC
Manager/Member: Blue Humphrey Street M, LLC
Managers: Jim Chadwick and Shawn Wilson
Members: Shawn Wilson (28.5%)
Scott Macdonald (5%)
Chadwick Family Trust (33.25%)
Sembler Provision Generation Skipping Trust #5 (33.25%)

Per the Application Instructions for the 4% HC, any material change in the ownership structure of the Applicant will require FHFC Board approval prior to the change and cannot occur prior to the issuance of a Preliminary Determination. The Applicant intends to submit the proposed change for FHFC Board approval upon receipt of the Preliminary Determination.

Recommendation:

AmeriNat recommends a MMRN Loan in the amount of $6,000,000 to be utilized for the construction and permanent phase financing of the Development.

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

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Overview

Construction Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Debt Service During Construction
First Mortgage	Citi	$5,400,000	$6,000,000	$6,000,000	4.89%	$343,217
Second Mortgage	Hillsborough County	$4,500,000	$4,500,000	$4,500,000		
HC Equity	RJTCF	$674,535	$734,124	$734,124		
Deferred Developer Fee	Developer	$745,112	$853,146	$828,429		
	Total :	**$11,319,647**	**$12,087,270**	**$12,062,553**		**$343,217**

<u>Proposed First Mortgage Loan</u>:

The Applicant provided a term sheet dated January 30, 2017 from Citi Community Capital illustrating the proposed terms of construction and permanent financing for the Development. Citibank, N.A. (“Citi”) will fund a tax-exempt construction/permanent loan up to $5,750,000 to the Housing Finance Authority of Hillsborough County (“HFAHC”) at loan closing (“Funding Loan”). HFAHC, or its appointed fiscal agent, will loan the proceeds of the Funding Loan to the Applicant (“Construction Loan”) on a draw-down basis.

Terms and conditions of the Funding Loan include: an initial term of 24 months with two, 6-month extensions available for a fee of 0.25% and 0.50% of the Funding Loan amount, respectively. Payments during the construction phase will be interest only based upon a variable interest rate equal to the One Month LIBOR (presently at 0.99%) plus 2.70%. The Governmental Lender (Issuer) Fee of 0.20%, and a Credit Underwriting cushion of 1.00% were added to derive the “all-in” interest rate of 4.89% during the construction phase.

<u>Proposed Second Mortgage Loan - HOME</u>:

The Applicant has provided an executed HOME Program Funding Agreement dated October 24, 2016, between the Applicant and Hillsborough County. The Agreement states Hillsborough County awarded the Applicant $4,500,000 of HOME funds to construct the Development. Terms and conditions of the HOME loan include a 20 year term with interest only payments based on a fixed interest rate of one tenth percent (0.10%) paid annually in arrears out of available development cash flow after payments. The principal and any accrued unpaid interest shall be due at maturity.

<u>Additional Construction Sources of Funds:</u>

According to the equity proposal dated April 4, 2017, Raymond James Tax Credit Funds, Inc. (“RJTCF”) will purchase a 99.99% limited interest in the Applicant. The Applicant will receive a net equity contribution of $4,894,161 from an affiliated entity of RJTCF in return for a proportionate share of the total HC allocation estimated in the proposal to be $4,470,000. The HC allocation will be syndicated at a rate of $1.095 for each $1.00 of tax credits delivered. A total of $734,124 (15% of total equity) is to be paid prior to or simultaneously with the closing of the construction financing, which satisfies the equity criteria requirement of Florida Housing. No further equity is anticipated to be received by the Applicant during construction.

Deferred Developer Fee:

As indicated in the term sheet provided by CITI, any payment of developer fee prior to permanent loan conversion is subject to CITI's approval. AmeriNat estimates that the Applicant will be required to defer $828,429 of the total developer fee during the construction phase.

Permanent Financing Sources:

Source	Lender	Applicant's Total	Applicant's Revised Total	Underwriter's Total	Interest Rate	Amortization Years	Term Years	Annual Debt Service
First Mortgage	Citi	$1,800,000	$2,000,000	$2,000,000	6.21%	35	15	$140,247
Second Mortgage	Hillsborough County	$4,500,000	$4,500,000	$4,500,000	0.10%	n/a	20	$4,500
HC Equity	RJTCF	$4,496,900	$4,872,263	$4,894,161				
Deferred Developer Fee	Developer	$522,747	$715,007	$668,392				
	Total :	**$11,319,647**	**$12,087,270**	**$12,062,553**				**$144,747**

Proposed First Mortgage Loan:

The Construction Loan shall be paid down with other sources identified herein by $3,950,000 to $1,800,000 (“Permanent Loan”) or such other amount as determined by Citi during its underwriting performed at permanent loan conversion. The following conditions must be met in order to convert to permanent financing: 1) construction must be complete and 2) the Development must be a minimum of 90% occupied for three consecutive calendar months. Citi will determine the final Permanent Loan amount based upon a minimum Debt Service Coverage of 1.30 to 1.00 and a maximum loan to value (“LTV”) not to exceed 90% based upon a re-underwriting of the actual income and expenses in place at the time of conversion. The Applicant will pay a conversion fee of $10,000 plus other expenses for an insurance review, site inspection, and loan servicer set-up fees that are estimated to be $5,000.

Terms and conditions of the Permanent Loan include a 15-year term and a 35-year amortization period. The “all in” fixed interest rate used for underwriting purposes is estimated to be 6.21%, which is equal to the 18 year LIBOR Swap rate (estimated to be 2.61%) plus a 2.50% Citi spread, the Governmental Lender (Issuer) fee of 0.20% of the original Bond amount and an underwriting cushion of 0.50% for possible future rate fluctuations. A yield maintenance penalty will be enforced from the Construction Loan closing until six months prior to the end of the 15th year of the Permanent Loan.

Proposed Second Mortgage Loan - HOME:

The Applicant has provided an executed HOME Program Funding Agreement dated October 24, 2016, between the Applicant and Hillsborough County. The Agreement states Hillsborough County awarded the Applicant $4,500,000 of HOME funds to construct the Development. Terms and conditions of the HOME loan include a 20 year term with interest only payments based on a fixed interest rate of one tenth percent (0.10%) paid annually in arrears out of available development cash flow after payments. The principal and any accrued unpaid interest shall be due at maturity.

Additional Permanent Sources of Funds:

According to the equity proposal dated April 4, 2017, RJTCF will purchase a 99.99% limited interest in the Applicant. The Applicant will receive a net equity contribution of $4,894,161 from an affiliated entity of RJTCF in return for a proportionate share of the total HC allocation estimated in the proposal to be $4,470,000. The HC allocation will be syndicated at a rate of $1.095 for each $1.00 of tax credits delivered. The HC equity contributions are anticipated to be paid as follows:

Capital Contributions	Amount	Percent of Total	Due upon
1st Installment	$734,124	15.00%	Closing
2nd Installment	$195,766	4.00%	Later of April 1, 2018 or Construction Completion
3rd Installment	$3,964,271	81.00%	Later of October 1, 2018, Stabilized operations, and receipt of Forms 8609
Total:	**$4,894,161**	**100%**	

Annual Credits Per Syndication Agreement	$447,000
Total Credits Per Syndication Agreement	$4,470,000
Calculated HC Rate:	$1.095
Limited Partner Ownership Percentage	99.99%
Proceeds During Construction	$734,124

Deferred Developer Fee:

As indicated in the term sheet provided by Citi, any payment of developer fee prior to permanent loan conversion is subject to Citi's approval. The Applicant will be required to permanently defer $668,392 of the total developer fee after stabilization.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
New Rental Units	$5,817,984	$6,257,167	$4,553,626	$81,315	$0
Site Work	$0	$0	$1,598,112	$28,538	$0
General Conditions	$0	$0	$369,104	$6,591	$0
Overhead	$0	$0	$123,034	$2,197	$0
Profit	$814,518	$876,003	$369,104	$6,591	$0
Total Construction Contract/Costs	$6,632,502	$7,133,170	$7,012,980	$125,232	$0
Hard Cost Contingency	$331,625	$356,659	$350,649	$6,262	$0
Other: Subcontractor Default Insurance	$0	$0	$80,647	$1,440	$0
Other: P&P Bonds	$60,000	$74,898	$74,898	$1,337	$0
Total Construction Costs:	**$7,024,127**	**$7,564,727**	**$7,519,174**	**$134,271**	**$0**

Notes to Actual Construction Costs:

1. Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount $7,190,170.05 (the “Construction Contract”) has been provided. The Construction Contract was entered into as of January 31, 2017 and is executed by the Applicant and NDC Construction Company, LLC (the “General Contractor”). It contains a production schedule indicating completion within 365 days from the date of commencement. Retainage of ten percent (10%) is to be withheld from the General Contractor’s application for payment until the Development is 50% complete, at which time, no retainage will be required thereafter. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy.

   The Applicant and General Contractor executed Change Order #1, which amended the schedule of values to decrease costs by $57,000 from $7,190,170.05 to 7,133,170.05 to remove the FGBC GC Required Testing and Certification and adjust the General Contractor’s Fee (consisting of general conditions, overhead, and profit). The Applicant and General Contractor executed Change Order #2, which amended the schedule of values to decrease costs by $39,543.07 from $7,133,170.05 to $7,093,626.98 in order to reduce the SDI premiums and adjust the General Contractor’s Fee (consisting of general conditions, overhead, and profit) accordingly so the GC Fee does not exceed 14.00% of allowable hard costs as allowed by the Rule. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process as per Rule Chapter 67-48.

2. A Plan and Cost Review (“PCR”) was engaged by AmeriNat and performed by GLE Associates, Inc. (“GLE”). GLE summarized their review of the schedule of values in a PCR dated May 3, 2017. The review concludes that the construction budget is within an acceptable range for the scope of work and the individual line items appear appropriate.

   The costs for similar type projects identified in the PCR range from $108,300 per unit to $144,099 per unit. With a projected unit cost of $128,396 per unit, it is GLE’s opinion that the cost is within an acceptable range due to the Development’s site locations compared to the comparables.

3. A 5% hard cost contingency was utilized by AmeriNat and is supported by the plan and cost review.

4. General Contractor’s Fee (consisting of general requirements, overhead, and profit) is within the industry standards of 14.0% and is calculated exclusive of payment and performance bonds and insurance.

5. The General Contractor will secure a Payment and Performance Bond to secure the Construction Contract and its cost is not included within the Construction Contract's schedule of values.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$30,000	$30,000	$30,000	$536	$30,000
Appraisal	$11,000	$11,000	$5,000	$89	$0
Architect's Fee - Landscape	$26,085	$26,085	$26,085	$466	$26,085
Architect's Fee - Site/Building Design	$135,000	$140,000	$115,000	$2,054	$0
Architect's Fee - Supervision	$30,000	$30,000	$30,000	$536	$0
Building Permits	$30,000	$6,383	$11,354	$203	$0
Engineering Fees	$43,600	$43,600	$43,600	$779	$0
Environmental Report	$6,000	$6,000	$6,000	$107	$0
FF&E paid outside Construction Contract	$60,000	$60,000	$60,000	$1,071	$0
FHFC Administrative Fees	$36,000	$36,000	$40,744	$728	$40,744
FHFC Application Fee	$3,000	$30,000	$3,000	$54	$3,000
FHFC Credit Underwriting Fee	$15,000	$25,000	$11,696	$209	$11,696
FHFC HC Compliance Fee (HC)	$112,710	$112,710	$109,923	$1,963	$109,923
Impact Fee	$174,276	$192,044	$161,583	$2,885	$0
Lender Inspection Fees / Const Admin	$42,000	$42,000	$42,000	$750	$0
Green Building Cert. (LEED, FGBC, NAHB)	$0	$12,500	$12,500	$223	$0
Insurance	$103,953	$105,885	$105,885	$1,891	$0
Legal Fees	$158,845	$118,845	$118,845	$2,122	$43,845
Local Subsidy Underwriting Fee	$0	$0	$13,970	$249	$0
Market Study	$0	$0	$5,000	$89	$5,000
Marketing and Advertising	$15,000	$15,000	$15,000	$268	$15,000
Plan and Cost Review Analysis	$0	$0	$3,075	$55	$0
Property Taxes	$19,424	$19,424	$19,424	$347	$0
Soil Test	$7,313	$7,313	$7,313	$131	$7,313
Start-Up/Lease-up Expenses	$24,417	$39,770	$39,770	$710	$39,770
Survey	$25,000	$40,000	$40,000	$714	$0
Title Insurance and Recording Fees	$47,000	$47,000	$47,000	$839	$0
Traffic Study	$4,990	$4,990	$4,990	$89	$0
Utility Connection Fees	$138,493	$149,493	$149,493	$2,670	$0
Soft Cost Contingency	$67,955	$71,297	$63,912	$1,141	$0
Total General Development Costs:	**$1,367,061**	**$1,422,339**	**$1,342,162**	**$23,967**	**$332,376**

Notes to the General Development Costs:

1. AmeriNat reflects actual costs for the appraisal, market study, and plan and cost review analysis.
2. Building Permits fees are an estimate based upon Permit Fee Schedule published on the Hillsborough County website.
3. AmeriNat reflects the costs associated with the Architect's fees as stated in an executed AIA B101 Agreement between Owner and Architect dated July 18, 2016 between the Applicant and Architectonics Studio, Inc., which was reviewed by the Underwriter.
4. AmeriNat reflects the costs associated with the Engineer's fees as stated in an executed Proposal for Civil Engineering dated May 17, 2016 between Hamilton Engineering and Surveying, Inc., and the Applicant, which was reviewed by the Underwriter.
5. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC as outlined in the Non-Competitive Application Instructions. The FHFC Underwriting Fee reflects the underwriting fees associated with the HC program based on the 2017 fee schedule posted on the FHFC website.

6. The insurance costs is the Borrower's estimate for General Liability and Builder's Risk insurance.
7. Local subsidy Underwriting Fees reflect the underwriting costs associated with the MMRN underwriting for the HFA.
8. A soft cost contingency of 5% has been underwritten, which is consistent with the allocating agency's rule and may be utilized by the Applicant in the event soft costs exceed these estimates.
9. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee	$25,000	$25,000	$25,000	$446	$0
Construction Loan Origination Fee	$94,500	$105,000	$105,000	$1,875	$0
Construction Loan Interest	$195,000	$242,000	$343,217	$6,129	$171,150
Permanent Loan Closing Costs	$0	$0	$15,000	$268	$15,000
Reserves - Operating Deficit	$105,150	$105,731	$106,768	$1,907	$106,768
Other: HFAHC COI	$216,000	$215,000	$215,000	$3,839	$215,000
Total Financial Costs:	**$635,650**	**$692,731**	**$809,985**	**$14,464**	**$507,918**

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the letters of intent for equity and construction and permanent financing and appear reasonable to AmeriNat.
2. An interest reserve for the Construction Loan is supported by the MMRN Loan rate illustrated in the letter provided by Citi, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant. The computation includes a 1.00% cushion added to the sizing of this line item pursuant to the CITI term sheet.
3. The letter provided by RJTCF outlining the terms and conditions for which they would make an equity investment in the Borrower requires an Operating Deficit Reserve ("ODR") of $106,768 to be funded upon the stabilization of the Development. The ODR represents approximately three months of expenses and debt service. The calculation of developer fee will be exclusive of the budgeted ODR and any ODR "proposed or required by a limited partner or other lender" in excess of the amount of the ODR deemed satisfactory by the credit underwriter will be a subset of developer fee. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn, which includes Deferred Developer Fee and reimbursements for authorized member and guarantor loan(s) pursuant to the operating agreement, any remaining balance shall be used to pay any outstanding HFAHC fees, deferred developer fee and partner funding. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. If any balance in the ODR account is remaining after the payments above, the amount should be placed in a Replacement Reserve account for the Development. Any and all terms and conditions of the ODR must be acceptable to HFAHC, its Servicer and its legal counsel.
4. Cost of Issuance is associated with the MMRN and includes certain origination and multiple legal counsel fees. The costs are based upon an estimate prepared by RBC Capital Markets, LLC.

OTHER DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Development Cost Before Developer Fee and Land Costs	$9,026,838	$9,679,797	$9,671,321	$172,702	$840,294
Developer Fee	$1,607,809	$1,722,473	$1,721,619	$30,743	$0
Total Other Development Costs:	**$1,607,809**	**$1,722,473**	**$1,721,619**	**$30,743**	**$0**

Notes to the Other Development Costs:

1. Total Developer Fee of $1,721,619 does not exceed 18.00% of the Total Development Costs (“TDC”), less reserves, as allowed by the allocating agency’s rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Land	$650,000	$650,000	$665,000	$11,875	$665,000
Land Closing Costs	$35,000	$35,000	$4,613	$82	$4,613
Total Acquisition Costs:	**$685,000**	**$685,000**	**$669,613**	**$11,957**	**$669,613**

Notes to Land Acquisition Costs:

1. The Applicant provided a Special Warranty Deed executed as of January 19, 2017 between New Tampa Investment Group, LLC (“Seller”) and the Applicant. An accompanying Acquisition Closing Statement dated January 19, 2017 illustrates the terms in which the Seller conveyed the land to the Applicant for a purchase price of $650,000, including recording fees of $4,612.50. The Applicant paid $30,000 in extension fees, of which half ($15,000) were credited to the original purchase price of $650,000 as per the Agreement for Purchase and Sale with an effective date of January 18, 2016. As such, a total purchase price of $665,000 is shown above.
2. An Appraisal performed by Meridian identifies an “as is” value of the land of $685,000 which supports the purchase price. The lessor of the sales price and “as is” value was used for underwriting purposes.

TOTAL DEVELOPMENT COSTS:	**$11,319,647**	**$12,087,270**	**$12,062,553**	**$215,403**	**$1,509,907**

Notes to Total Development Costs:

1. Total Development Costs of $12,062,553 have increased by $742,906 from $11,319,647 to $12,062,553 since the Application primarily due to increases in construction costs, financial costs, and developer fee.

OPERATING PRO FORMA

FINANCIAL COSTS:					Year 1	Year 1 Per Unit
OPERATING PRO FORMA						
INCOME:	Gross Potential Rental Income				**$499,068**	**$8,912**
	Other Income					**$0**
		Ancillary Income			$13,440	**$240**
		Washer/Dryer Rentals			$17,640	**$315**
	Gross Potential Income				**$530,148**	**$9,467**
	Less:					
		Physical Vac. Loss	Percentage:	4.00%	$21,206	**$379**
		Collection Loss	Percentage:	1.00%	$5,301	**$95**
Total Effective Gross Income					**$503,641**	**$8,994**
EXPENSES:	Fixed:					
		Real Estate Taxes			$46,355	**$828**
		Insurance			$33,600	**$600**
	Variable:					
		Management Fee	Percentage:	6.00%	$30,218	**$540**
		General and Administrative			$19,600	**$350**
		Payroll Expenses			$72,800	**$1,300**
		Utilities			$46,200	**$825**
		Marketing and Advertising			$5,600	**$100**
		Maintenance and Repairs/Pest Control			$25,200	**$450**
		Grounds Maintenance and Landscaping			$16,800	**$300**
	Reserve for Replacements				$16,800	**$300**
Total Expenses					**$313,173**	**$5,592**
Net Operating Income					**$190,467**	**$3,401**
Debt Service Payments						
	First Mortgage - Citi				$140,247	**$2,504**
	Second Mortgage - Hills Cty HOME				$4,500	**$80**
	Other Fees - Compliance Monitoring/Servicing				$5,508	**$98**
	Other Fees - Fiscal Agent				$2,750	**$49**
Total Debt Service Payments					**$153,005**	**$2,732**
Cash Flow after Debt Service					**$37,462**	**$669**
					Annual	Per Unit
Debt Service Coverage Ratios						
	DSC - First Mortgage				**1.36**	**1.36**
	DSC - Second Mortgage				**1.32**	**1.32**
	DSC - All Mortgages and Fees				**1.24**	**1.24**
Financial Ratios						
	Operating Expense Ratio				**62.18%**	
	Break-even Economic Occupancy Ratio (all debt)				**87.93%**	

Notes to the Operating Pro forma and Ratios:

1. Gross Potential Rental Revenue is based upon the maximum gross HC rents per the FHFC website and Low HOME Rent Limits for the Tampa-St. Petersburg-Clearwater, FL MSA published by the U.S. Department of Housing and Urban Development ("HUD") as of June 6, 2016. The Development will offer 5 Low HOME units. The utility allowances are $83 for two-bedroom units and $98 for three-bedroom units based on an energy consumption model conducted by John J. Kelly, P.E. and approved by Florida Housing. The appraisal confirms the Development's ability to achieve 2016 maximum restricted rent levels for the 50% and 60% of AMI units based on current market conditions. A rent roll for the Development property is illustrated in the following table:

MSA (County): Tampa-St. Petersburg-Clearwater, FL MSA (Hillsborough)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Gross HC Rent	Low HOME Rents	High HOME Rents	Utility Allow	RD/HUD Cont Rents	Net HC Rent	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2.0	2.0	3	923	50%	$666	$666		$83		$583	$583	$583	$583	$20,988
2.0	2.0	33	923	60%	$799			$83		$716	$716	$716	$716	$283,536
3.0	2.0	2	1088	50%	$770	$770		$98		$672	$672	$672	$672	$16,128
3.0	2.0	18	1088	60%	$924			$98		$826	$826	$826	$826	$178,416
		56	54988											$499,068

2. A 5.00% total economic vacancy rate (4.00% physical and 1.00% collection loss) was concluded by the appraisal and was relied upon by AmeriNat for underwriting purposes.

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

4. AmeriNat utilized a real estate tax expense of $828 per unit based upon the current millage rate for the municipality and an estimated assessment of $43,750 per unit presented by the appraiser. The estimate also took into account the income restrictions of the Development. Comparable properties indicated a range of assessments from $23,501 to $33,435 per unit. The average rent as a percentage of the assessment per unit range from 2.14% to 2.94%. Applying the average ratio of 2.49% to the Development's estimated average rent of $740 as a restricted property results in an assessment of $29,715 per unit. However, since Meridian valued the Development in exchange, the sale of the Development was assumed at the appraised value.

5. AmeriNat utilized an estimate of $600 per unit for insurance, which is consistent with the appraisal. The figure used is consistent with insurance expenses for restricted rent comparables presented by the appraiser, which ranged from $286 to $469 per unit. The Development will be located in a flood zone designated "A" and "X", which appears to lie inside of the 500-year flood plain and requires flood insurance.

6. The Applicant has submitted a Management Agreement executed as of January 19, 2017 between Carteret Management Corporation ("Management Company") and the Applicant. The agreement states the initial term will be for 3 years and will be automatically renewed for an additional year unless terminated by either party in accordance with the conditions of the Management Agreement. The Agreement provides for compensation to the Management Company in the amount of $2,000 or 6% of the total gross rental collections, whichever is greater, received during the preceding month.

7. Replacement Reserves of $300 per unit per year are required by CITI and RJTCF and is considered reasonable by AmeriNat.

8. Based upon an estimated Net Operating Income ("NOI") of $190,467 for the proposed Development's initial year of stabilized operations; the first mortgage loan can be supported by operations at a 1.36

to 1.00 Debt Service Coverage (“DSC”). The combined amount of all mortgage loans and fees yields a DSC ratio of 1.24 to 1.00 in the initial year of operations.

9. A 15-year Operating Pro forma attached hereto as Exhibit 1 reflects rental income increasing at an annual rate of 2% and expenses increasing at an annual rate of 3%.

Section B

MMRN Special and General Conditions

Special Conditions

This recommendation is contingent upon the review and approval of the following items by HFAHC and the Servicer, at least 30 days prior to the MMRN closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the loan closing date.

1. The existing HOME loan from Hillsborough County must agree to subordinate to the MMRN first mortgage.

General Conditions

This recommendation is contingent upon the review and approval of the following items by HFAHC and the Servicer at least 30 days prior to the MMRN closing. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date.

1. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by GLE.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by HFAHC, and its Legal Counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to HFAHC, and its Legal Counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of HFAHC.
3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
4. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The sources and uses of funds schedule will be attached to the Loan Agreement as the approved development budget.
5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw shall include appropriate backup and ACH wiring instructions.
6. During construction, the Developer is only allowed to draw a maximum of 50% of the total developer fee during construction, but in no case more than the payable developer fee, which is determined to be “developer’s overhead”. No more than 35% of “developer’s overhead” during construction will be allowed to be disbursed at closing. The remainder of the “developer’s overhead” will be disbursed during the construction on a pro rata basis, based on the percentage of completion of the Development, as approved by HFAHC and Servicer. The remaining unpaid developer fee shall be considered attributable to “developer’s profit” and may not be funded until the development has achieved 100% lien-free completion and retainage has been released.
7. Evidence of general liability, flood (if applicable), builder’s risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting HFAHC as Loss Payee/Mortgagee, with

coverages, deductibles and amounts satisfactory to HFAHC.

8. If the development is not 100% lien-free completed, a 100% Payment and Performance Bond or a Letter of Credit (LOC) in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the GC and the Borrower. In either case, HFAHC must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-"by A.M. Best & Co with a financial size category of at least FSC VI. HFAHC, and/or Legal Counsel must approve the source, amount(s), and all terms of the P&P bonds, or LOC. If the LOC option is utilized, the LOC must include "evergreen" language and be in a form satisfactory to the Servicer, HFAHC, and its Legal Counsel.
9. Architect, Construction Consultant, and Borrower certifications on forms provided by HFAHC will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, as applicable.
10. A copy of the Amended and Restated Limited Partnership Agreement ("LPA") reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The LPA shall be in a form and of financial substance satisfactory to Servicer, HFAHC, and its Legal Counsel.
11. Satisfactory resolution of any outstanding past due or non-compliance issues by closing of the loan(s).
12. Final "as permitted" (signed & sealed) site plans, building plans & specifications. The geotechnical report must be bound within the final plans & specifications.
13. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-21.0025(5) and 67-48.0075(5) F.A.C., of an Applicant or a Developer).

This recommendation is contingent upon the review and approval by HFAHC, and its Legal Counsel <u>at least 30 days prior to real estate loan closing</u>. Failure to receive approval of these items within this timeframe may result in postponement of the bond pricing date. For competitive bond sales, these items must be reviewed and approved prior to issuance of the notice of bond sale.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/manager(s) of the Applicant, the guarantors, and any limited partners of the Applicant.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by HFAHC, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to HFAHC and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of HFAHC.
3. An acceptable updated Environmental Audit Report, together with a reliance letter to HFAHC, prepared within 90 days of MMRN loan closing, unless otherwise approved by HFAHC, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the MMRN proceeds naming HFAHC as the insured. All endorsements required by HFAHC shall be provided.

5. HFAHC and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. HFAHC shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of general liability, flood (if applicable), builder's risk, and replacement cost hazard insurance (as certificates of occupancy are received) reflecting HFAHC as Loss Payee/Mortgagee, in coverage, deductibles and amounts satisfactory to HFAHC.
7. Receipt of a legal opinion from the Borrower's Legal Counsel acceptable to HFAHC addressing the following matters:
    a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, and of any corporate guarantor and any manager;
    b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan documents;
    c. The loan documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;
    d. The Borrower's and the guarantor's execution, delivery and performance of the loan documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;
    e. Such other matters as HFAHC or its legal counsel may require.
8. Evidence of compliance with local concurrency laws, if applicable.
9. UCC Searches for the Borrower, its partnerships, as requested by counsel.
10. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by HFAHC or its legal counsel in form and substance acceptable to HFAHC or its legal counsel, in connection with the Loan(s).
11. Any other reasonable conditions established by HFAHC and its Legal Counsel.

This recommendation is also contingent upon the following additional conditions.

1. Compliance with all provisions of Rule Chapters 67-21, 67-48, 67-53, 67-60 F.A.C., RFA 2014-103, Section 42 of the I.R.C., and any other State and Federal requirements.
2. Acceptance by the Borrower and execution of all documents evidencing and securing the MMRN proceeds in form and substance satisfactory to HFAHC, including, but not limited to, the Promissory Note, the Loan Agreement(s), the Mortgage and Security Agreement, and the Land Use Restriction Agreement(s).
3. All amounts necessary to complete construction or any phased pay-in of amount necessary to complete construction shall be contingent upon an unconditional obligation, through a Joint Funding Agreement or other mechanism acceptable to HFAHC, of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at Loan Closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded.
4. If applicable, receipt and satisfactory review of financial statements from all guarantors dated within

90 days of real estate closing.

5. Guarantors to provide the standard HFAHC Construction Completion Guaranty; to be released upon lien-free completion as approved by the Servicer.
6. Guarantors are to provide the standard HFAHC Operating Deficit Guaranty to be released upon achievement of an average 1.15 Debt Service Coverage on the MMRN loan, 90% occupancy and 90% of Gross Potential rental income, net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA"). Notwithstanding the above, the Operating Deficit Guarantee shall not terminate earlier than three years following the final certificate of occupancy.
7. Guarantors are to provide the standard HFAHC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard HFAHC Guaranty of Recourse Obligations.
9. A mortgagee title insurance policy naming HFAHC as the insured in the amount of the MMRN proceeds is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to HFAHC or its Legal Counsel. All endorsements that are required by HFAHC are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee, the Bond Trustee or the Servicer. In the event the reserve account is held by the Servicer, the release of funds shall be at HFAHC's sole discretion.
11. Replacement Reserves in the amount of $300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or HFAHC's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves. New construction developments shall not be allowed to draw during the first five (5) years after closing or until the establishment of a minimum balance equal to the accumulation of five (5) years of replacement reserves per unit. The reserve shall be adjusted based on a capital needs assessment beginning no later than the 10th year after the first residential building receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15^{th} year after the Initial Replacement Reserve Date and subsequent assessments are required every five years thereafter.
12. GLE Associates, Inc. will act as HFAHC's inspector during the construction period.
13. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by HFAHC or Servicer, if applicable.
15. Closing of all the funding sources prior to or simultaneously with the MMRN.
16. Any other reasonable requirements of the Servicer, HFAHC, or its Legal Counsel.

Section C

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Appraised Value:

AmeriNat received and satisfactorily reviewed an appraisal prepared by Meridian Appraisal Group, Inc. ("Meridian") dated April 12, 2017. The appraisal was executed by Robert Von, a State Certified General Appraiser whose Florida license number is RZ1604. The report estimates the hypothetical value, "as complete and stabilized" of the Development's fee simple interest, subject to unrestricted rents, as of February 10, 2017, is $6,950,000. This conclusion is based on a market capitalization rate of 6.00% and a Net Operating Income derived from market rents and expenses supported by comparable market rate properties within the Development's market. The resulting loan to value ("LTV") is equal to 25.90% upon stabilization.

The report also estimates the hypothetical value, "as complete and stabilized" of the Development's fee simple interest, subject to the rental restrictions under the Local Bond, Local HOME, and HC programs, as of February 10, 2017, is $3,170,000. This conclusion is a based on a capitalization rate of 6.25% and a Net Operating Income derived from rents restricted by the aforementioned programs with expenses supported by comparable income-restricted properties within the Development's market. The resulting loan to value is equal to 56.78% upon stabilization.

The report estimates the present value of favorable financing from the tax exempt bond financing is $80,000 based upon an analysis of market rate and favorable financing estimates of interest rate, term and amortization. The resulting hypothetical value for a "as complete and stabilized" of the Development's fee simple interest, subject to the rental restrictions under the Local Bond, Local HOME, and HC programs with favorable financing, as of February 10, 2017, is $3,250,000.

The report concludes that the Development's "As Is" market value of the real estate as of February 10, 2017, is $685,000, which supports the total purchase price of $665,000 and $4,612.50 of closing fees.

Market Study:

AmeriNat received and reviewed a separate, satisfactory market study prepared by Meridian dated February 13, 2017. The market study concludes that, based on market research and demographic analysis, there is sufficient demand for the Development.

The Development will be located on a 6.15 acres site located on the south side of West Humphrey Street and the east side of North Lois Avenue in Tampa, Hillsborough County, Florida, 33614. The proposed site is located in a Qualified Census Tract but not a Difficult to Develop Area. All necessary commercial services are available to support the residential base. Transportation linkages serve the neighborhood and connect the subject neighborhood to the region. Meridian concludes that the neighborhood has achieved acceptance as a multi-family location.

The Development is located in the Tampa-St. Petersburg Metropolitan Statistical Area ("MSA"). The MSA has a total population of 2,979,822 people, 1,224,817 households and median household income of $59,200. The Primary Market Area ("PMA") is defined as the area contained within a ten-mile ring centered on the Development. The PMA has a total population of 298,490 people, 118,904 households and median household income of $42,970. The unemployment rate for the MSA as of November 2016 was 4.7%, which was greater than the national average of 4.4%.

The Development's unit mix consists of two and three-bedroom units. The Development's unit mix is considered atypical due to the lack of one-bedroom units in a family project; however, this should not affect the overall marketability of the property. The Development's two-bedroom unit size is within the range of the restricted rent comparables and below the average. The Development's three-bedroom unit size is also within the range of the restricted rent comparables and below the average. The Development's unit sizes are overall similar to the comparables. The Development offers similar project amenities relative to the comparables including a club house, playground and computer lab. Overall, the Development is similar to the comparables in terms of unit features and design.

The demand analysis performed by Meridian concludes there are 22,206 income-eligible renter households that qualify for the units set aside for tenants earning 60% or less of the AMI. Capture Rate ("CR") is a demographic metric that assesses the size of the proposed development to the demand for affordable housing in the market. To achieve 100% occupancy, based on the amount of income-eligible households and size of the Development, this equates to a CR of 0.3% for the units set aside for tenants earning 60% or less of AMI. Meridian concludes the CR is well below the typical developer's benchmark indicating that the Development is appropriately sized based on the market depth. Level of Effort ("LOE") is a demographic metric that assesses how much of the potential demand has already been satisfied in the PMA. Meridian identified 7,882 affordable apartment units in the PMA resulting in a LOE of 35.7%. Meridian concludes the moderately low LOE suggests adequate market depth for the Development.

Based on the absorption history within the area, Meridian projects an absorption rate for the Development of 20 units per month, for a total lease up period of two and a half months.

The market study identifies ten existing comparable properties totaling 2,318 units located within the Competitive Market Area ("CMA"), which encompasses the same area as the PMA. The report concludes an average weighted occupancy rate for the CMA of 99.1%, which satisfies the minimum 92% occupancy rate requirement of Rule Chapter 67-48 F.A.C. (the "Rule"). Meridian concludes that the Development has good affordability for the restricted rents compared to the concluded market rents. The units set aside for tenants with incomes at or below 60% of AMI will have an advantage over achievable market rents of between 148% and 197%.

With regard to the Development's potential impact on existing properties, Meridian does not anticipate the comparables will be permanently negatively impacted by the construction of the Development although Meridian concludes there may be moderate short term impact. Based upon the representations in the market study, it is unlikely there will be a material negative impact on the CMA developments in the opinion of AmeriNat.

There are no FHFC Guarantee Fund developments located within a five mile radius or within the PMA of the Development. Therefore, the Development is not expected to have a negative impact on any Guarantee Fund properties.

Environmental Report: A Phase I Environmental Site Assessment ("ESA") was performed by HGD Services, Inc. ("GHD") and their assessment was compiled in a report dated November 30, 2016. The ESA was conducted in accordance with ASTM Practice E1527-13 and was conducted to provide a professional opinion regarding recognized environmental conditions ("REC") associated with the proposed site.

According to the ESA, the Site consists of approximately 6 acres of undeveloped land in Tampa, Florida. A man-made pond is located on the central and southern portions of the Site and on the south adjoining property. Historically, separated residences were present on the Site from sometime between 1938 and 1957 until sometime between 2004 and 2009. The Site vicinity has historically been primarily residential.

Various types of solid waste, including carpet, mattress, plastic and upholstered chairs, rubber hose, plastic piping, and miscellaneous plastic debris and glass bottles, as well as vegetative debris, are visible on the southeastern portions of the Site. No obvious staining or stressed vegetation was observed, nor was any reasonably ascertainable information suggesting the possible occurrence of RECs.

Based on the site reconnaissance, database search, historical records reviewed, information provided by site personnel, and interviews, the following findings were identified regarding RECs at the Site:

- Previously identified arsenic impacted soils were previously identified in a small, localized area. GHD profiled the material with Republic Services, and on November 9, 2016 the material was removed, manifested, and transported for offsite disposal at Republic's State permitted landfill facility. The completed action has effectively mitigated this previously identified condition.
- Releases were reported in November 1988 and March 2005 at the 7-Eleven Food Store #17514, located approximately 0.15 miles southeast of the site. Site Rehabilitation Completion Orders ("SRCOs") were issued for both releases and groundwater flow was reported to the southwest (i.e., away from the subject Site). A discharge was reported in March 1991 at the Port A Pit Barbeque, located approximately 0.19 miles southwest of the site. An SRCO was issued for the facility on May 24, 2005 and groundwater flow at the Site was reportedly to the southeast (i.e., away from the subject Site). Based on the available information, no reasonably ascertainable information was obtained to suggest that the facilities have, through migration, impacted the soil,

surface and/or groundwater at the Site, and therefore, no REC is identified.

- Trichloroethene and tetrachloroethene impacts were identified in 1997 in soils at the nearby Jolie Cleaners & Laundry, located approximately 0.19 miles southeast of the Site. The facility was assigned a priority ranking score of 77. Although no further assessment seems to have been performed, based on the separation distance, and the inferred groundwater flow direction in the area being away from the subject Site (i.e., generally to the south), no reasonably ascertainable information was obtained to suggest that the facility has, through migration, impacted the soil, surface and/or groundwater at the site, and therefore, no REC is identified.

Overall, the report concluded that there was no evidence of REC identified in connection with the Development site and no further environmental investigation was warranted.

Soils Test Report: Ardaman & Associates, Inc. ("A&A") completed a geotechnical exploration of the Development's site and compiled their findings in a report dated June 16, 2016. The report summarizes A&A's field exploration and presents their findings, conclusions, and geotechnical engineering recommendations.

The field exploration consisted of performing nine (9) standard penetration tests ("SPT") borings that were drilled to depths approximating 20 feet below ground surface throughout the site. The test borings revealed the upper 12 ½ to 17 feet of soils at this site consisted of slightly silty fine sand, the upper 10 feet of soils in the building area were very loose to loose. The surface sand in the pond area was medium dense, slightly clayey fine sand was encountered in 5 of the 16 borings from depths ranging from 3 ½ to at least 20 feet deep. Clayey sand to clay were found in 5 of the 16 borings, at depths ranging from as shallow as 12 feet and extending as deep as the 20 feet termination depth of the borings in some cases. Groundwater was noted in the boreholes at depths that ranged from 3 to 5 feet below the ground surface. Fluctuations in groundwater level on this site should be anticipated throughout the year due to a variety of factors, the most important of which is recharge from rainfall.

The report provides recommendations based on the testing and analysis performed for site preparation and related construction. The detailed recommendations outlined by A&A should be incorporated into the Construction Contract.

Plan & Cost Review: A Plan and Cost Review was engaged by AmeriNat and performed by GLE Associates, Inc. ("GLE"). GLE summarized their findings, conclusions and recommendations in a PCR dated May 3, 2017. The purpose of this PCR is to determine the coordination and building code compliance of the construction documents and submittals for the referenced project; as well as, to evaluate the appropriateness of the General Contractor's estimated construction costs. This PCR was performed in accordance with industry standards.

GLE concludes the Development's design is in general conformance with the 2014 Florida Building Code, 2014 Florida Accessibility Building Code, Florida Fire Prevention Code, Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, as well as regulations and rules of the Fair Housing Act Design Guide. GLE noted the plans and specification manual for the construction appear to be generally adequate in terms of their ability to define the scope of work and construct the project.

GLE reviewed the Construction Contract between the Owner and the Contractor, dated January 31, 2017, where the basis of payment is the cost of the work plus a fee of a guaranteed maximum price. The Construction Contract contains a provision that all work shall be completed within 365 days, which GLE found to be adequate. A construction schedule estimates all work will be completed within 265 days, which GLE deems appropriate and the milestones associated with major trades were found to be satisfactory. Retainage shall be withheld at 10% of the Contractor's request until 50% of the work is completed, at which time no further retainage shall be withheld.

The estimated value of the projected hard construction costs for the site work is $1,598,112, or approximately $5.98 per square foot for the proposed 6.14 acres of developed area. It is GLE's opinion, overall, this cost per square foot is appropriate for the scope of work indicated. The estimated value of the projected hard construction costs for the proposed new construction is $4,553,625 or approximately $73.41 per square foot. It is GLE's opinion overall, this cost per square foot is appropriate for the scope of work indicated. Individual line item costs generally appear appropriate. The total cost per unit equates to $128,396 which is within the range of $108,300 per unit to $129,736 per unit identified for similar type projects in the PCR. It is GLE's opinion that the cost is within an acceptable range.

The PCR verified each of the features and amenities are reflected in the plans and specifications to be constructed at the Development.

Features, Amenities & Resident Programs: The Applicant committed to provide certain Features and Amenities in accordance with the Project Application Form. The final plan and cost review confirmed the features and amenities are reflected in the plans and specifications to be constructed at the Development.

Borrower Information

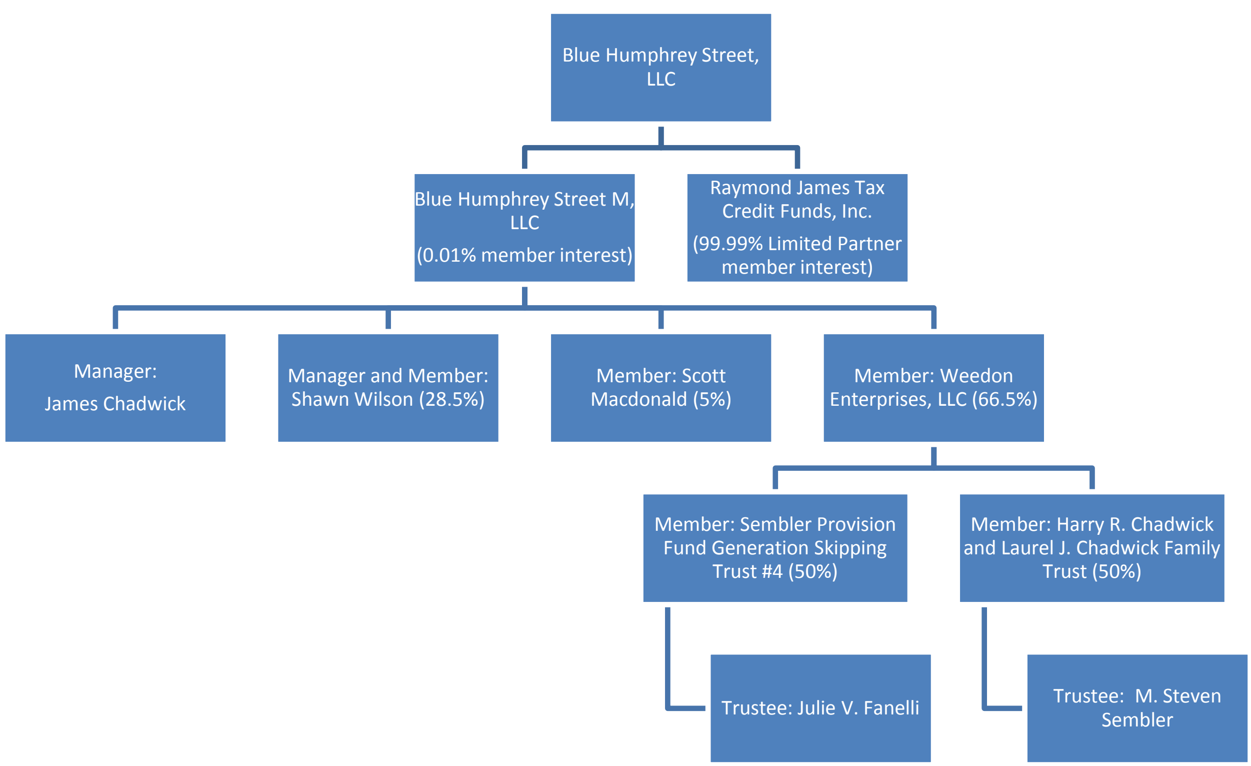
Borrower Name: Blue Humphrey Street, LLC

Borrower Type: A Florida limited liability company.

Ownership Structure: The Borrower is a Florida limited liability company formed on August 5, 2014 as Blue HC 36M, LLC but amended its name to Blue Humphrey Street, LLC as of November 25, 2014. Blue Humphrey Street M, LLC, the managing member, is a Florida limited liability company that maintains a 0.01% ownership interest in the Applicant. Mr. James Chadwick is the manager of Blue Humphrey Street M, LLC and the members include Shawn Wilson (28.5% ownership interest), Scott Macdonald (5% ownership interest), and Weedon Enterprises, LLC (66.5% ownership interest). The members of Weedon Enterprises, LLC are Sembler Provision Fund Generation Skipping Trust #4 (50% ownership interest) and the Harry R. Chadwick and Laurel J. Chadwick Family Trust (50% ownership interest).

The initial limited partner with a 99.99% ownership interest is Blue Sky Communities III, LLC. Raymond James Tax Credit Funds, Inc. ("RJTCF") or an affiliate thereof will purchase the 99.99% ownership interest in the Applicant from BSCIII and provide the HC equity in return for a proportionate share of the annual allocation of HC.

The organizational structure of the Borrower is as follows:



Copies of the Articles of Incorporation and/or Organization and Certificates of Status have been provided on the Applicant, Managing Member and its Members/Managers.

Contact Person(s):	Shawn Wilson President Blue Sky Communities, LLC swilson@blueskycommunities.com Telephone (813) 384-4825
Applicant Address:	5300 W. Cypress Street, Suite 200 Tampa, Florida 33607
Federal Employer ID:	46-4822812

Experience:

Blue Humphrey Street, LLC ("Applicant" or "Borrower"): A single purpose entity ("SPE") created for the sole purpose of owning and operating the Development.

Blue Humphrey Street M, LLC ("Managing Member"): The Managing Member was formed to serve as the Managing Member of the Applicant.

James M. Chadwick and Shawn Wilson: Mr. Chadwick and Mr. Wilson offer an experienced affordable housing real estate management team with previous participation in various entities developing, owning, and managing properties in Florida. They have previous experience with various sources of funding (tax exempt bonds, LIHTC, FHLB, NSP2, and HOME) as well. Messrs. Chadwick and Wilson are being relied upon for their development experience and financial wherewithal in the proposed transaction.

Weedon Enterprises, LLC ("Weedon"): Weedon is a pass through entity formed on September 10, 2012, with members Harry R. Chadwick and Laurel J. Chadwick Family Trust dated November 13, 2012 (50% member) and Sembler Provision Fund Generation Skipping Trust Number Four dated September 27, 2012 (50% member), and manager, James M. Chadwick.

Blue Sky Communities, LLC ("BSC"): BSC is a development company organized in Florida as of September 12, 2012 as a member managed company, whose members include Weedon Enterprises, LLC (66.5% member), Shawn Wilson (28.5% member/manager), and Scott Macdonald (5% member), with its manager, James M. Chadwick (with no membership interest). Weedon Enterprises, LLC has two members: Harry R. Chadwick and Laurel J. Chadwick Family Trust and Sembler Provision Fund Generation-Skipping Trust #4, each with a 50% ownership interest.

Credit Evaluation:

A Dun & Bradstreet Business and Information Report ("D&B") was requested for the Applicant, its Managing Member, Weedon, Harry R. Chadwick and Laurel J. Chadwick Family Trust, and Sembler Provision Fund Generation-Skipping Trust #4; however, no credit history was available.

Blue Sky communities LLC: A D&B dated April 27, 2017 was obtained and contained no material derogatory credit history. AmeriNat's review of the report indicates a satisfactory credit history. No open lawsuits, judgments, bankruptcy proceedings, or liens exist within the D&B database.

James M. Chadwick: An Experian Credit Profile Report was performed on James M. Chadwick as of April 27, 2017, which showed no derogatory items. All items either have been paid satisfactory or are current.

Shawn Wilson: An Experian Credit Profile Report was performed on Shawn Wilson as of April 27, 2017, which showed no derogatory items. All items either have been paid satisfactory or are current.

Banking References: The Applicant and Managing Member are recently formed and the Applicant represents that the entities do not own any liquid assets, according to letters received by AmeriNat from the Applicant's manager, Shawn Wilson.

Blue Sky Communities LLC: AmeriNat received a bank statement dated February 28, 2017 reporting liquidity of $622,387 held by various financial institutions and is consistent with the financial statement.

James M. Chadwick: AmeriNat received several bank statements dated February 28, 2017 that illustrate liquidity of $682,415 held by various financial institutions in the upper six figures that is consistent with the financial statement.

Shawn Wilson: AmeriNat received three bank statements dated February 28, 2017 that illustrate liquidity of $325,303.38 held by various financial institutions that is consistent with the financial statement.

Weedon: AmeriNat received a bank statement dated February 28, 2017 reporting liquidity of $195,971 held by Patriot Bank that is consistent with the financial statement.

Harry R. Chadwick and Laurel J. Chadwick Family Trust: AmeriNat received a bank statement dated February 17, 2017 reporting liquidity of $28,257.60 held by The Bank of Tampa that is consistent with the financial statement.

Sembler Provision Fund Generation-Skipping Trust #4: AmeriNat received two bank statements dated February 17, 2017 and February 28, 2017 that illustrate liquidity of $3,017,784 held by various financial institutions that is consistent with the financial statement.

Financial Statements: The Applicant and Managing Member are recently formed and the Applicant represents that the entities have no assets or liabilities other than the Development, according to letters received by AmeriNat from the Applicant's manager, Shawn Wilson.

Blue Sky Communities, LLC

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	622,387
Total Assets:	$	2,901,715
Total Liabilities:	$	200,618
Total Net Worth:	$	2,701,098

The financial information is based upon unaudited financial statements for the period ending February 28, 2017. BSC's assets consist of cash, Developer Fee receivable, and investments in twelve related entities. The Liabilities consist primarily of a letter of credit and accounts payable.

AmeriNat has received and reviewed 2014 and 2015 tax return for BSC and found them to be acceptable.

James M. Chadwick

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	682,415
Total Assets:	$	6,778,922
Total Liabilities:	$	0
Total Net Worth:	$	6,778,922

The financial information is based upon unaudited financial statements for the period ending February 28, 2017. Mr. Chadwick's assets consist of cash and cash equivalents, investments/ownership in five related entities, and his primary residence. No liabilities were noted.

AmeriNat has received and reviewed 2014 and 2015 tax return for Mr. Chadwick and found them to be acceptable.

Mr. Chadwick provided a Schedule of Real Estate Owned dated November 1, 2016. It contains information for one property, Rio Vista Village located in St. Petersburg, FL. Rio Vista Village has 248 units, was 99% occupied and had a DSC of 1.99 to 1.00 as of September 30, 2016. Total annual cash flow for the property was stated at $588M. Mr. Chadwick indicates a 29% ownership interest in the property.

Shawn Wilson

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	325,301
Total Assets:	$	1,165,992
Total Liabilities:	$	377,430
Total Net Worth:	$	788,562

The financial information is based upon an unaudited financial statement for the period ending February 28, 2017. Assets consist of cash, securities, personal property, retirement accounts and his primary residence. Liabilities consist of notes payable to a closely held entity and a mortgage on his primary residence.

AmeriNat has received and reviewed Mr. Wilson's 2014 and 2015 tax returns for Mr. Wilson and found them to be acceptable.

Mr. Wilson indicated minority ownership stakes in six affordable multifamily properties with a total of 812 units according to his Schedule of Real Estate Owned dated December 29, 2016. Two properties are currently under construction (Cathedral Terrace and Brandon Palms), one is complete and in lease up (Peterborough), and three are complete and 100% occupied (Duval Park, Brookside and Flamingo West f/k/a Silver Lake).

Weedon Enterprises, LLC

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	195,972
Total Assets:	$	4,641,492
Total Liabilities:	$	0
Total Net Worth:	$	4,641,492

The financial information is based upon unaudited financial statements for the period ending February 28, 2017. Weedon's assets consist of cash and cash equivalents, and investments in nine related entities. No liabilities were noted.

AmeriNat has received and reviewed 2014 and 2015 tax return for Weedon and found them to be acceptable.

Harry R. Chadwick and Laurel J. Chadwick Family Trust

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	28,258
Total Assets:	$	2,187,373
Total Liabilities:	$	2,089,419
Total Equity:	$	97,954

The financial information is based upon an unaudited balance sheet and income statement for the period ending February 28, 2017. Assets consist of cash and investments. Liabilities consist of notes payable.

AmeriNat has received and reviewed the 2014 and 2015 tax returns and found them acceptable.

Sembler Provision Fund Generation-Skipping Trust #4

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	3,012,541
Total Assets:	$	33,740,465
Total Liabilities:	$	39,688,063
Total Equity:	$	(5,947,598)

The financial information is based upon an unaudited balance sheet and income statement for the period ending February 28, 2017. Assets consist of cash and investments. Liabilities consist of notes payable. Reported net income (loss) was ($173,442) for the two month period. AmeriNat has received and reviewed the 2014 and 2015 tax returns and found them acceptable.

Contingent Liabilities:

The Applicant, the Managing Member, and BSC report they do not have any contingent liabilities. AmeriNat reviewed Statements of Financial and Credit Affairs for these entities dated May 2, 2017, which state no pending legal actions, bankruptcies, foreclosures, or unsatisfied judgments exist.

Shawn Wilson: AmeriNat reviewed a Statement of Financial and Credit Affairs executed by Mr. Wilson dated December 23, 2016 that states he has no pending legal actions, bankruptcies, foreclosures, or unsatisfied judgments. Mr. Wilson indicates completion and operating deficit guarantees associated with Duval Park, Peterborough Apartments, Brookside Square, and Cathedral Terrace according to his Schedule of Contingent Liabilities dated October 31, 2016.

James M. Chadwick: AmeriNat reviewed a Statement of Financial and Credit Affairs executed by Mr. Chadwick dated December 29, 2016. Acting as a part of various business-related entities, Mr. Chadwick identified four separate incidences of bankruptcy/reorganization filings; foreclosure, deed in lieu of foreclosure, short sale, loan default, or payment moratorium; or loan(s) in arrears for principal, interest, taxes, or insurance premiums due. They are as follows:

1. Botanica Gardens (228 units of market rate multifamily housing located in Mandeville, LA)
2. The Cove (689 units of market rate multifamily housing located in Tampa, FL)
3. The Villas of Seagate at St. Joseph Sound (33 for sale townhomes in Dunedin, FL)
4. The Cottages at Green Key (vacant land located in New Port Richey, FL)

None of the above items relate to affordable housing developments, which is in accordance with the RFA. In addition, AmeriNat was advised that all of the items were settled amicably between the respective Lenders and Mr. Chadwick. Please see pages A-6 and A-7 of this report for additional detail.

Mr. Chadwick indicates that he has completion and operating deficit guarantees associated with Duval Park, Peterborough Apartments, Brookside Square Apartments, and Cathedral Terrace according to his Schedule of Continent Liabilities dated February 28, 2017.

Harry R. Chadwick and Laurel J. Chadwick Family Trust: AmeriNat reviewed a Statement of Financial and Credit Affairs for the entity dated December 23, 2016 that states there are no associated pending legal actions, bankruptcies, foreclosures, or unsatisfied judgments. No contingent liabilities were reported.

Sembler Provision Fund Generation-Skipping Trust #4: AmeriNat reviewed a Statement of Financial and Credit Affairs for the entity dated December 30, 2016 that states there are no associated pending legal actions, bankruptcies, foreclosures, or unsatisfied judgments. No contingent liabilities were reported.

Summary: The information provided indicates Mr. Wilson and Mr. Chadwick, along with supporting entities identified, have relevant experience and possess the financial wherewithal to successfully operate and complete the Development as proposed.

Guarantor Information

Guarantor Names: Blue Humphrey Street, LLC; Blue Humphrey Street M, LLC; James Chadwick; Shawn Wilson; Blue Sky Communities, LLC; and, Blue Sky GE, LLC. As previously mentioned, the Blue Sky GE, LLC entity does not appear in the ownership structure of the Applicant but will act as a Guarantor in the transaction.

Contact Person: Shawn Wilson
President
Blue Sky Communities, LLC
swilson@blueskycommunities.com
Telephone (813) 384-4825

Address: 5300 W. Cypress Street, Suite 200
Tampa, Florida 33607

Nature of Guarantee: Applicant, its Managing Member, James Chadwick, Shawn Wilson, Blue Sky Communities, LLC, and, Blue Sky GE, LLC, individually, will sign Guarantees of: Construction Completion; Operating Deficit; Environmental Indemnity; Recourse Obligations; and Issuer and Compliance Fees.

Please note that the construction/permanent lender (CITI) and the Syndicator (RJTCF) are requiring covenants for the Guarantors to maintain a combined minimum level of $1MM in liquidity and $5MM in net worth during the construction phase and combined minimum level of $500,000 in liquidity and $2MM in net worth during the permanent phase.

Credit Evaluation: A D&B was requested for Blue Sky GE, LLC; however, no credit history was available.

The remaining credit evaluations for the remaining Guarantors were summarized in the "Borrower Information" section of this report.

Banking References: Blue Sky GE, LLC: AmeriNat received four bank statements dated February 28, 2017 that illustrate liquidity of $4,232,377 held by various financial institutions that is consistent with the financial statement.

The banking references for the remaining Guarantors were summarized in the "Borrower Information" section of this report.

Financial Statements: **Blue Sky GE, LLC**

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	4,232,340
Total Assets:	$	10,805,552
Total Liabilities:	$	0
Total Member's Equity:	$	10,805,552

The financial information is based upon an unaudited balance sheet and income statement for the period ending February 28, 2017. Assets primarily consist of cash and investments.

AmeriNat has received and reviewed the 2014 and 2015 tax returns and found them acceptable.

The financial statements for the remaining Guarantors were summarized in the "Borrower Information" section of this report.

Contingent Liabilities: AmeriNat reviewed a Statement of Financial and Credit Affairs executed by Mr. Wilson dated May 2, 2017 that states Blue Sky GE, LLC has no pending legal actions, bankruptcies, foreclosures, or unsatisfied judgments. Blue Sky GE, LLC illustrates completion, repayment and operating deficit guarantees totaling $39.96MM associated with twelve entities according to a Schedule of Contingent Liabilities dated February 28, 2017.

The contingent liabilities for the remaining Guarantors were summarized in the "Borrower Information" section of this report.

Summary: Collectively, the person(s) and entities identified provide a financial position and liquidity sufficient to serve as Guarantors to the proposed development.

Syndicator Information

Syndicator Name: Raymond James Tax Credit Funds, Inc.

Type: A Florida corporation

Contact Person: Sean Jones
Director of Acquisitions
sean.jones@raymondjames.com
Phone: (800) 438-8088
Facsimile: (727) 567-8455

Address: 880 Carillion Parkway
St. Petersburg, Florida 33716

Experience: Raymond James Tax Credit Funds, Inc. ("RJTCF") is a leading provider of high-quality affordable housing developments throughout the nation. Since the tax credit program began in 1986, they have raised more than $4 billion in equity for more than 1,300 properties throughout the United States. RJTCF is a wholly owned subsidiary of Raymond James Financial, Inc., a diversified financial services holding company with total client assets in excess of $513 billion.

Financial Statements: The most recent financial statements for Raymond James Financial, Inc. ("RJF"), the parent company of RJTCF, are summarized as follows:

Raymond James Financial, Inc.

September 30, 2016	(10-K) (in thousands)	
Cash and Cash Equivalents:	$	1,650,452
Total Assets:	$	31,593,733
Total Liabilities:	$	26,443,817
Total Equity	$	5,149,916

The financial information presented is inclusive of all affiliated entities of Raymond James Financial, Inc. and is based upon the company's most recent audited report filed with the U.S. Securities and Exchange Commission for the twelve months ending on September 30, 2016. Total revenue for the entity was approximately $5.4 billion, which yielded net income of approximately $529 million over the same period.

Summary: With the support of its parent company RJF, RJTCF has the prerequisite financial capacity and experience to successfully serve as the HC syndicator in the proposed transaction and Investor Member of the Applicant.

General Contractor Information

General Contractor:	NDC Construction Company, LLC
Type:	A Florida limited liability company
Contact Person:	Gary L. Huggins Executive Vice President Telephone: (941) 747-1062
Address:	1001 Third Avenue West, Suite 600 Bradenton, FL 34205
Experience:	NDC Construction Company, LLC ("NDC Construction") is a general contractor who primarily engages in the management of construction of commercial properties and educational and governmental institutions located in Florida. NDC Construction is a subsidiary of National Development Corporation ("NDC"), and was formed on January 22, 1997 under the laws of the state of Florida. NDC Construction is led by principal Ronald J. Allen, President, and Gary L. Huggins, Executive Vice President, who each in 2008 became sole shareholders, and since have completed 2,500 residential homes and apartment units, including having completed the construction and rehabilitation of 826 units with financing provided by FHFC. Mr. Huggins, is a Florida Certified General Contractor with license number CGC006547. His license is valid through August 31, 2018. NDC is led by Executive Vice President, Ronald J. Allen and was founded in 1968 in Pittsburgh Pennsylvania, as a design-build development firm that expanded to specialize in construction management and general contracting. Over the past 37 years, NDC business expanded to include operations based in Boston, Washington D.C. and Florida, to facilitate the construction of office, commercial and residential facilities totaling over $3.5 billion. Florida operations began in the mid-1970's under various development entities, including the formation of NDC Construction.
Credit Evaluation:	A D&B dated May 2, 2017 was obtained for NDC Construction. The composite credit appraisal shows the probability of delinquent payments at the mid risk range compared to the average of businesses in the D&B database. The DNBi report reflects 88% of trade experiences with NDC are within terms; with recent payment information reflecting payments 2 days beyond terms with the prior three months showing payments 2 days beyond terms. The industry median is 6 days beyond terms. No suits, judgments or liens were reported.
Banking References:	AmeriNat received statements from BB&T confirming total deposits of $6,919,810.69 as of February 28, 2017, consistent with the financial statement provided as of the said date.

Financial Statements: The most recent available financial statement provided to AmeriNat was reviewed and is summarized as follows:

NDC Construction Company LLC

December 31, 2015		(Audited)
Cash and Cash Equivalents:	$	8,379,741
Total Assets:	$	11,994,665
Total Liabilities:	$	10,937,389
Stockholder's Equity:	$	1,057,276

Shinn & Company audited the combined financial statement of operations for the 10-month period ending December 31, 2015 of NDC Construction and NDC Building Company, LLC ("NDC Building") as of March 4, 2016. The statements received an unqualified audit opinion and present a financial position acceptable to serve as General Contractor for the Development. NDC Building primarily engages in construction management of residential properties in Florida. Supplemental statements indicate NDC Building has no material financial capacity. The Applicant represents NDC Construction switched from a C-corporation to an S-corporation as of February 28, 2015, and in doing so change to a calendar year-end reporting period.

Although not required, NDC Construction Company, LLC provided interim financials while the 2016 audited financial statement is prepared. The interim financials are summarized as follows:

NDC Construction Company LLC

February 28, 2017		(Unaudited)
Cash and Cash Equivalents:	$	5,168,461
Total Assets:	$	16,841,596
Total Liabilities:	$	15,366,143
Stockholder's Equity:	$	1,475,452

The financial information is based upon an unaudited financial statement dated as of February 28, 2017. Assets primarily consist of Amounts due on uncompleted contracts and cash or equivalents. Liabilities primarily consist of uncompleted contracts and other accrued expenses.

Summary: NDC Construction has the requisite experience, credit, and financial capacity to construct the proposed development. A 100% payment and performance bond between the Applicant and NDC Construction shall secure the general construction contract.

AmeriNat recommends that NDC Construction be accepted as the general contractor and the construction contract be approved subject to the recommendations of the Plan and Cost Review performed by GLE and obtaining the 100% payment and performance bond.

Property Manager Information

Management Company:	Carteret Management Corporation
Type:	A Florida corporation
Contact Person:	James M. Chadwick Owner and President Telephone (727) 578-1174 Facsimile (727) 579-0145
Address:	5300 West Cypress Street Suite 200 Tampa, FL 33607
Experience:	Carteret Management Corporation ("CMC") originally founded in 1971 by Harry R. Chadwick, Jr., and located in Tampa, Florida, is a service-oriented, privately held and family operated business with 43 years of experience in managing apartment communities throughout Central Florida. The company specializes in the management of affordable housing in the private sector and under Sections 236, 202 and 8 of the National Housing Act. It has recently expanded its portfolio to include Low Income Housing Tax Credit Management and currently represents the management of three tax credit assets (540 Town Center, 145 units in St. Petersburg, Flamingo West, 72 units in Tampa) and is co-manager of another (Duval Park, 87 units in St. Petersburg).
Management Agreement:	The Applicant submitted an executed Management Agreement dated as of November 1, 2016 between CMC and the Applicant. The term of the Agreement commences at the time lease-up commencement, initiation of property management services, or any other mutually agreed upon date. The initial term is three (3) years, with one (1) year renewals unless terminated by either party. Compensation is payable on the 10th day of each month will be equal to 5% of gross collections. During the lease-up period, the minimum compensation shall be the greater of $2,000 a month or 5% of gross collections. Gross collection is defined to include any and all revenues generated by the Development and collected by CMC.
Management Plan:	The Applicant submitted a Management Plan for the Development as part of the executed Management Agreement dated November 1, 2016. According to the Management Plan, CMC will conduct operations with respect to personnel, administrative/financial, marketing, maintenance/repair, tenant relations, and supportive services relating to the Development as set forth in the agreement. They will comply with all manner of tax credit-related, governmental and regulatory requirements as set forth in all pertinent loan documents.

Summary: CMC demonstrates sufficient experience in the management of affordable multifamily housing to serve as the Property Manager for the Development. However, the selection of CMC to manage the Development must be approved by FHFC's Asset Management Department pursuant to Rule Chapter 67-53. The FHFC Asset Management Department must approve the Applicant's selection of CMC prior to MMRN closing.

Exhibit 1
Sweetwater Villas
15 Year Operating Pro forma

	FINANCIAL COSTS:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	OPERATING PRO FORMA															
INCOME:	Gross Potential Rental Income	**$499,068**	**$509,049**	**$519,230**	**$529,615**	**$540,207**	**$551,011**	**$562,032**	**$573,272**	**$584,738**	**$596,432**	**$608,361**	**$620,528**	**$632,939**	**$645,598**	**$658,510**
	Other Income															
	Ancillary Income	$13,440	$13,709	$13,983	$14,263	$14,548	$14,839	$15,136	$15,438	$15,747	$16,062	$16,383	$16,711	$17,045	$17,386	$17,734
	Washer/Dryer Rentals	$17,640	$17,993	$18,353	$18,720	$19,094	$19,476	$19,866	$20,263	$20,668	$21,081	$21,503	$21,933	$22,372	$22,819	$23,276
	Gross Potential Income	**$530,148**	**$540,751**	**$551,566**	**$562,597**	**$573,849**	**$585,326**	**$597,033**	**$608,973**	**$621,153**	**$633,576**	**$646,247**	**$659,172**	**$672,356**	**$685,803**	**$699,519**
	Less:															
	Physical Vac. Loss Percentage: 4.00%	$21,206	$21,630	$22,063	$22,504	$22,954	$23,413	$23,881	$24,359	$24,846	$25,343	$25,850	$26,367	$26,894	$27,432	$27,981
	Collection Loss Percentage: 1.00%	$5,301	$5,408	$5,516	$5,626	$5,738	$5,853	$5,970	$6,090	$6,212	$6,336	$6,462	$6,592	$6,724	$6,858	$6,995
	Total Effective Gross Income	**$503,641**	**$513,713**	**$523,988**	**$534,467**	**$545,157**	**$556,060**	**$567,181**	**$578,525**	**$590,095**	**$601,897**	**$613,935**	**$626,214**	**$638,738**	**$651,513**	**$664,543**
EXPENSES:	Fixed:															
	Real Estate Taxes	$46,355	$47,746	$49,178	$50,653	$52,173	$53,738	$55,350	$57,011	$58,721	$60,483	$62,297	$64,166	$66,091	$68,074	$70,116
	Insurance	$33,600	$34,608	$35,646	$36,716	$37,817	$38,952	$40,120	$41,324	$42,563	$43,840	$45,156	$46,510	$47,906	$49,343	$50,823
	Variable:															
	Management Fee Percentage: 6.00%	$30,218	$30,823	$31,439	$32,068	$32,709	$33,364	$34,031	$34,711	$35,406	$36,114	$36,836	$37,573	$38,324	$39,091	$39,873
	General and Administrative	$19,600	$20,188	$20,794	$21,417	$22,060	$22,722	$23,403	$24,106	$24,829	$25,574	$26,341	$27,131	$27,945	$28,783	$29,647
	Payroll Expenses	$72,800	$74,984	$77,234	$79,551	$81,937	$84,395	$86,927	$89,535	$92,221	$94,987	$97,837	$100,772	$103,795	$106,909	$110,117
	Utilities	$46,200	$47,586	$49,014	$50,484	$51,999	$53,558	$55,165	$56,820	$58,525	$60,281	$62,089	$63,952	$65,870	$67,846	$69,882
	Marketing and Advertising	$5,600	$5,768	$5,941	$6,119	$6,303	$6,492	$6,687	$6,887	$7,094	$7,307	$7,526	$7,752	$7,984	$8,224	$8,471
	Maintenance and Repairs/Pest Control	$25,200	$25,956	$26,735	$27,537	$28,363	$29,214	$30,090	$30,993	$31,923	$32,880	$33,867	$34,883	$35,929	$37,007	$38,117
	Grounds Maintenance and Landscaping	$16,800	$17,304	$17,823	$18,358	$18,909	$19,476	$20,060	$20,662	$21,282	$21,920	$22,578	$23,255	$23,953	$24,671	$25,412
	Reserve for Replacements	$16,800	$16,800	$16,800	$16,800	$16,800	$16,800	$16,800	$16,800	$16,800	$16,800	$17,304	$17,823	$18,358	$18,909	$19,476
	Total Expenses	**$313,173**	**$321,762**	**$330,603**	**$339,703**	**$349,069**	**$358,710**	**$368,634**	**$378,849**	**$389,363**	**$400,186**	**$411,830**	**$423,817**	**$436,155**	**$448,857**	**$461,932**
	Net Operating Income	**$190,467**	**$191,951**	**$193,385**	**$194,765**	**$196,088**	**$197,350**	**$198,547**	**$199,676**	**$200,732**	**$201,711**	**$202,105**	**$202,397**	**$202,583**	**$202,656**	**$202,611**
	Debt Service Payments															
	First Mortgage - Citi	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247	$140,247
	Second Mortgage - Hills Cty HOME	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500	$4,500
	Other Fees - Compliance Monitoring/Servicing	$5,508	$5,599	$5,692	$5,788	$5,888	$5,990	$6,095	$6,203	$6,315	$6,430	$6,548	$6,670	$6,796	$6,925	$7,058
	Other Fees - Fiscal Agent	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750
	Total Debt Service Payments	**$153,005**	**$153,095**	**$153,189**	**$153,285**	**$153,384**	**$153,486**	**$153,592**	**$153,700**	**$153,811**	**$153,926**	**$154,045**	**$154,167**	**$154,292**	**$154,422**	**$154,555**
	Cash Flow after Debt Service	**$37,462**	**$38,855**	**$40,196**	**$41,479**	**$42,703**	**$43,863**	**$44,956**	**$45,976**	**$46,921**	**$47,785**	**$48,060**	**$48,230**	**$48,290**	**$48,234**	**$48,057**
	Debt Service Coverage Ratios															
	DSC - First Mortgage	**1.36**	**1.37**	**1.38**	**1.39**	**1.40**	**1.41**	**1.42**	**1.42**	**1.43**	**1.44**	**1.44**	**1.44**	**1.44**	**1.44**	**1.44**
	DSC - Second Mortgage	**1.32**	**1.33**	**1.34**	**1.35**	**1.35**	**1.36**	**1.37**	**1.38**	**1.39**	**1.39**	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**
	DSC - All Mortgages and Fees	**1.24**	**1.25**	**1.26**	**1.27**	**1.28**	**1.29**	**1.29**	**1.30**	**1.31**	**1.31**	**1.31**	**1.31**	**1.31**	**1.31**	**1.31**
	Financial Ratios															
	Operating Expense Ratio	**62.18%**	**62.63%**	**63.09%**	**63.56%**	**64.03%**	**64.51%**	**64.99%**	**65.49%**	**65.98%**	**66.49%**	**67.08%**	**67.68%**	**68.28%**	**68.89%**	**69.51%**
	Break-even Economic Occupancy Ratio (all debt)	**87.93%**	**87.81%**	**87.71%**	**87.63%**	**87.56%**	**87.51%**	**87.47%**	**87.45%**	**87.45%**	**87.46%**	**87.56%**	**87.68%**	**87.82%**	**87.97%**	**88.13%**

Exhibit 2
Features and Amenities

The Development will be comprised of 56 units in two, 3-story garden style buildings. A leasing office will occupy a third, 2-story building, which will also include a lobby, a work area, a maintenance area, a conference room and a restroom.

Resident Programs
- Health Care Screening
- Resident Activities
- Onsite Voter Registration
- Financial Counseling
- Computer Training
- Smoking Cessation Classes
- First Time Homebuyer Seminars

Unit Features
- Window Treatments inside each unit: Mini-blinds
- 30 Year Expected Life Roofing on all Buildings
- Marble Window Sills
- Fire Sprinklers in All Units
- Steel entry door frames
- Laundry Hook-ups and space for washer/dryer inside each unit
- Non-smoking buildings

For Non-Elderly Developments
- Community center and clubhouse
- Playground/tot lot
- Childcare facility located within three miles of the property
- Public transportation located within one-half mile of the property
- Library/study room consisting of a minimum 100 books and 5 magazine subscriptions
- Two or more parking spaces per unit
- Gazebo

Energy Conservation Features
- Energy Star qualified refrigerator
- Energy Star qualified dishwasher
- Energy Star qualified washing machine, if provided by applicant
- Minimum SEER of 14 for unit air conditioners (excluding buildings with a central chiller system)
- Low-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint)
- Low-flow water fixtures in bathrooms--WaterSense labeled products or the following specifications:
  - Toilets: 1.6 gallons/flush or less
  - Faucets: 1.5 gallons/minute or less
  - Showerheads: 2.2 gallons/minute or less.

Optional Green Building Features
- Programmable thermostat in each unit
- Energy Star qualified roofing material or coating

- Energy Star exhaust fans in bathrooms
- Energy Star rating for all windows
- Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Sweetwater Villas
DATE: May 5, 2017

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

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

COMPLETENESS AND ISSUES CHECKLIST

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

NOTES AND DEVELOPER RESPONSES:

None