Hillsborough County
Housing Finance Authority

Credit Underwriting Report

The Renaissance at West River

f/k/a Bethune Residences I at West River

SAIL, ELI and 4% Non-Competitive Housing Credit Program

Section A Report Summary

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Prepared by

Seltzer Management Group, Inc.

Draft Report

May 7, 2018

THE RENAISSANCE AT WEST RIVER f/k/a BETHUNE RESIDENCES I AT WEST RIVER

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Section A

Report Summary

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends a Housing Finance Authority of Hillsborough County ("HFAHC" or "HFA") Multifamily Mortgage Revenue Note ("MMRN") in the amount of $22,400,000 to the Subject Development, The Renaissance at West River f/k/a Bethune Residences I at West River ("Renaissance" or "Applicant"), for construction period financing. Upon completion of construction and the subsequent conversion to the permanent phase, the construction loan issued by Bank of America, N.A. ("Bank of America" or "BOA") will be purchased, pursuant to Tax Exempt Loan ("TEL") guidelines, through a Freddie Mac TEL issued through Greystone Servicing Corporation, Inc. ("Greystone"). The resulting TEL outstanding during the permanent period will be $7,600,000.

DEVELOPMENT & SET-ASIDES

Development Name: Bethune Residences I at West River

RFA/Program Numbers: 2016-109 / 2016-376S

Address: 1545 W. Main Street

City: Tampa Zip Code: 33607 County: Hillsborough County Size: Large

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

Construction Type: Concrete block, steel framed with steel roof joists and a single-ply membrane roof

Demographic Commitment:

Primary: Elderly: 55+ or 62+ for 100% of the Units

Secondary: Homeless for 50% of the Units

Unit Composition:

# of ELI Units: 16 ELI Units Are Restricted to 40% AMI, or less. Total # of units with PBRA? 160

# of Link Units: 8 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	12	716	40%			$ 449	$ 78	$ 371	$ 775	$ 775	$ 776	$ 775	$ 111,600
1	1.0	124	716	50%			$ 561	$ 78	$ 483	$ 775	$ 775	$ 776	$ 775	$ 1,153,200
2	2.0	12	916	40%			$ 539	$ 102	$ 437	$ 1,119	$ 1,119	$ 1,011	$ 1,119	$ 161,136
2	2.0	3	916	50%			$ 673	$ 102	$ 571	$ 1,119	$ 1,119	$ 1,011	$ 1,119	$ 40,284
2	2.0	9	1,094	50%			$ 673	$ 102	$ 571	$ 1,119	$ 1,119	$ 1,011	$ 1,119	$ 120,852
		160	120,962											$ 1,587,072

The Development is not located in and does not qualify as a Limited Development Area ("LDA"); therefore, the Applicant must commit to set aside ten percent (10%) of the total units as ELI Set-Aside units.

Person with a Disabling Condition Set-Aside Commitment: The proposed Development must set aside 50% of the ELI Set-Aside units for Persons with a Disabling Condition that are referred by a Special Needs

Household Referral Agency that provides supportive services for Persons with a Disabling Condition for the county where the proposed Development will be located.

Buildings: Residential - 1 Non-Residential - 0
Parking: Parking Spaces - 93 Accessible Spaces - 5

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRN/HFAHC	86.25%	138	50%	50
MMRN/HFAHC	13.75%	22	60%	50
SAIL/ELI	10.0%	16	40%	50
SAIL	90.0%	144	60%	50
HC	10.0%	16	40%	50
HC	90.0%	144	60%	50
FHLB - AHP	15.0%	24	40%	15
FHLB - AHP	50.0%	80	50%	15
FHLB - AHP	35.0%	56	60%	15

Absorption Rate 27 units per month for 6.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 95.00% Economic Occupancy 95.00%
Occupancy Comments vacant buildings; to be demolished

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
Site Acreage: 2.86 Density: 55.9050 Flood Zone Designation: X
Zoning: NMU-35 (Neighborhood Mixed Use) Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	West River Phase 1A, LP	% Ownership
General Partner	THA West River Phase 1A, LLC	0.0050%
Limited Partner	Bank of America, N.A.	99.9900%
Limited Partner	Banc of America Community Development Corporation	0.0050%
Special LP	Banc of America CDC Special Holding Company, Inc.	0.0000%
Construction Completion Guarantor(s):		
CC Guarantor 1:	Banc of America Community Development Corporation	
CC Guarantor 2:	West River Phase 1A, LP	
CC Guarantor 3:	THA West River Phase 1A, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Banc of America Community Development Corporation	
OD Guarantor 2:	West River Phase 1A, LP	
OD Guarantor 3:	THA West River Phase 1A, LLC	
Note Purchaser	Greystone, Inc. (permanent period)	
Developer:	WRDG Bethune I, LLC	
Principal 1	Banc of America Community Development Corporation	
Principal 2	Housing Authority of the City of Tampa, Florida	
General Contractor 1:	DPR Construction, Inc.	
Management Company:	JMG Realty, Inc.	
Syndicator:	Bank of America, N.A.	
Note Issuer:	Housing Finance Authority of Hillsborough County	
Architect:	Baker Barrios Architects, Inc.	
Market Study Provider:	The Dohring Group	
Appraiser:	Cuervo Real Estate Advisors, Inc.	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	
Lien Position	First	Second	Third	Fourth	Fifth	
Lender/Grantor	Greystone	FHFC	FHFC	Tampa HA Loans	City of Tampa	
Amount	$7,600,000	$7,000,000	$600,000	$10,167,915	$1,000,000	
Underwritten Interest Rate	5.39%	1.00%	0.00%	0.01%	0.01%	
All In Interest Rate						
Loan Term	15.0	15.0	15.0	55.0	55.0	
Amortization	35.0	N/A	N/A	N/A	N/A	
Market Rate/Market Financing LTV	27.3%	52.5%	76.9%	N/A	N/A	
Restricted Market Financing LTV	77.7%	149.3%	218.5%	N/A	N/A	
Restricted Favorable Financing LTV	N/A	N/A	N/A	N/A	N/A	
Loan to Cost - Cumulative	16.7%	32.0%	33.3%	37.0%	37.0%	
Loan to Cost - SAIL Only	N/A	15.4%	N/A	N/A	N/A	
Debt Service Coverage	1.276	1.089	1.083	1.082	1.082	
Operating Deficit & Debt Service Reserves	$710,000					
# of Months covered by the Reserves	9.6					

Deferred Developer Fee	$1,669,622
As-Is Land Value	$2,250,000
As-Is Value (Land & Building)	$0
Market Rent/Market Financing Stabilized Value	$27,800,000
Rent Restricted Market Financing Stabilized Value	$9,780,000
Rent Restricted Favorable Financing Stabilized Value	$0
Projected Net Operating Income (NOI) - Year 1	$622,935
Projected Net Operating Income (NOI) - 15 Year	$663,952
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Note Structure	Tax-Exempt Loan
Housing Credit (HC) Syndication Price	$1.02
HC Annual Allocation - Initial Award	$1,411,259.25
HC Annual Allocation - Qualified in CUR	$1,738,426
HC Annual Allocation - Equity Letter of Interest	$1,721,093

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mtg - TEL	HFAHC / Bank of America / Greystone	$22,400,000	$7,600,000	$47,500.00
Second Mtg - SAIL	FHFC	$7,000,000	$7,000,000	$43,750.00
Third Mtg - ELI	FHFC	$600,000	$600,000	$3,750.00
Fourth Mtg	Tampa HA	$1,674,000	$1,674,000	$10,462.50
Fifth Mtg	Tampa HA	$3,498,241	$3,498,241	$21,864.01
Sixth Mtg	Tampa HA	$2,995,674	$2,995,674	$18,722.96
Seventh Mtg	Tampa HA	$2,000,000	$2,000,000	$12,500.00
Eighth Mtg	City of Tampa	$1,000,000	$1,000,000	$6,250.00
HC Equity	Bank of America	$2,633,009	$17,553,393	$109,708.71
Deferred Dev. Fee	WRDG Bethune I	$1,790,006	$1,669,622	$10,435.14
TOTAL		$45,590,930	$45,590,930	$284,943

Financing Structure:

Applicant submitted a Multifamily Revenue Bond Program Application to the HFAHC. This transaction will not involve the issuance of HFAHC Tax-Exempt Bonds. However, Bank of America will loan up to $22,400,000 to the HFAHC through a TEL in connection with the construction financing of the Subject Development. The proceeds of the TEL will be used by the HFAHC to provide funding, on a draw down basis, to the Applicant through a Multifamily Housing Revenue Note (“MHRN”), aka MMRN, which proceeds will fund the Construction Phase Project Loan to the Applicant in corresponding installments pursuant to the Construction Phase Project Loan Agreement. Bank of America will administer the Funding Loan and Construction Phase Project Loan during the Construction Phase in accordance with the Financing Documents.

Upon conversion to the permanent period the Funding Loan shall be reduced to $7,600,000. Per the permanent financing LOI provided by Greystone on the Conversion Date, the Funding Loan will be amended and restated to terms according to Freddie Mac, via the Freddie Mac Targeted Affordable Housing loan program, for a purchase price equal to the principal amount and accrued interest of the MMRN outstanding.

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?		1
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	
Have the Development costs remained equal to or less than those listed in the Application?		2
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?		3
Is the Development in all other material respects the same as presented in the Application?		4

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

1. Since the time of application, additional sources of funding have been added for construction and/or permanent financing of the Subject Development. Those additional sources consist of an Affordable Housing Program ("AHP") loan from the Tampa Housing Authority ("THA") in the amount of $2,000,000, and a loan from the THA in the amount of $2,995,674.

2. Development costs have increased $6,910,535 (approximately 18%), from $38,680,395 at application to $45,590,930. The increase is primarily due to increases in construction costs, building permits, engineer fees, insurance, property taxes and financing costs.

3. The Application included a Letter of Intent ("LOI") from Bank of America to provide 4% LIHTC equity to provide construction/permanent financing for the Subject Development at a syndication rate of $1.06 per credit received by the Investor. Subsequent to Application submission, the Applicant executed a LOI dated June 8, 2017 with Bank of America to provide 4% LIHTC equity at a syndication rate of $1.02 per credit received.

4. Other Material Changes from the Application:

    a. In its funding Application, the development's unit mix consisted of 130 one-bedroom/one-bath units (13 ELI) and 30 two-bedroom/two-bath units (3 ELI units). On September 1, 2017 HFAHC approved a change to the development's unit mix to consist of 136 one-bedroom/one-bath units (14 ELI units) and 24 two-bedroom/two-bath units (2 ELI units).

    b. Subsequent to entering credit underwriting, the Applicant was granted permission by FHFC to change the name of the development from Bethune Residences I at West River to The Renaissance at West River.

    c. Subsequent to entering credit underwriting, the Applicant modified legal description of the site to be purchased for the proposed Development. The acreage of the subject site in the Application was approximately 9.26 acres and is now approximately 2.862 acres. The Applicant formally requested FHFC's approval of this change, which was granted by the Corporation on XXXXX 2018.

These changes have no substantial material impact to the MMRN recommendations for this Development.

Strengths:

1. The appraiser, Cuervo Real Estate Advisors, Inc. ("Cuervo") states that there is adequate demand for affordable housing in the Subject's Primary Market Area ("PMA").

2. The Dohring Group ("Dohring") advised that the comparable properties in the subject's market area are reporting a weighted average occupancy rate of 98%.

3. The developer, contractor, and the management company, along with their respective principal members, have sufficient experience and financial resources to develop, construct and operate the proposed Development.

4. Per an executed letter dated October 13, 2017, with an amended Commitment to Enter into a Housing Assistance Payments Contract ("CHAP") Exhibit from U.S. Department of Housing and Urban Development ("HUD"), the subject property will receive Rental Assistance Demonstration ("RAD") rents for all 160 units to be located at the Renaissance. The RAD rents exceed the maximum allowable Housing Credit ("HC") rents for all unit types, resulting in an increase to gross potential income of approximately 43%.

Other Considerations:

1. Banc of America Community Development Corporation ("BOACDC") - Guarantor:

   One of the tasks within Seltzer's underwriting scope of work is an evaluation of guarantors of this transaction, both as to experience and as to financial capacity. BOACDC will sign a standard HFA Construction Completion Guaranty, released upon lien-free completion, and a standard HFA Operating Deficit Guaranty, released post-permanent loan conversion. BOACDC states, however, it is unable to provide SMG either current BOACDC Financial Statements or a current Statement of Contingent Liabilities. BOACDC's financial data is consolidated with Bank of America, which in turn is consolidated with Bank of America Corporation ("BOA"). Bank of America and BOA, however, are not signing HFA Guaranties.

Mitigating Factors:

1. BOACDC – Guarantor:

   Listed on the New York Stock Exchange, BOA (2nd largest bank in U.S.) reports its results from operations on a quarterly and annually summative basis via Form 10-Q and Form 10-K, respectively, to the United States Securities and Exchange Commission and publishes the results on its website, www.bankofamerica.com. BOA's latest 10-K, the year ending December 31, 2017, reports assets of approximately $2.2 trillion and shareholder equity of approximately $266 billion.

Waiver Requests/Special Conditions:

1. General Contractor using affiliate subcontractor:

   The General Contractor, DPR Construction ("DPR"), intends to subcontract off-site construction of the walls and doors to an affiliate, Digital Building Components ("DBC"). As Seltzer understands it, a waiver request permitting DPR's use of an affiliate subcontractor, will be approved by FHFC at the same board meeting that this report will be reviewed and voted upon by the FHFC Board.

Additional Information:

1) BOACDC - Guarantor:

   The Tempo at Encore is a planned 203-unit residential apartment complex with retail space, located in Tampa, Florida.

   a) On June 17, 2016, the development's owner, The Tempo at Encore, LP, terminated the general contractor, Siltek Construction Group, after Siltek defaulted on its contractual obligations to the BOACDC. The project's surety, Berkley Insurance Company, assumed responsibility to complete the project, and assumed Siltek's contractual responsibilities to the owner on October 24, 2016.

   b) Over the objection of the owner, and despite the owner's earlier termination of Siltek, Berkley chose Tron Construction, LLC, a newly formed affiliate of Siltek, to serve as the general contractor to complete the development. BOACDC lacked confidence that Tron could complete the project, and repeatedly expressed those concerns to Berkley.

   c) On May 31, 2017, the owner terminated Berkley and Tron, in accordance with the terms of the construction contract due to concerns over Berkley and Tron's ability to complete the development and the owner's discovery of Berkley and Tron's multiple defaults of their contractual obligations after Berkley appointed Tron as the general contractor for the project. The Tempo at Encore will complete the development through a third-party contractor.

BOACDC took action under its guarantee and has been funding to cover the cost overruns on the Tempo at Encore development to make necessary repairs and correct deficient work. As of April 13, 2018, BOACDC has committed an additional $33,175,930 to the development to ensure its completion.

2) Set-Asides Commitments by Funding Source:

For construction and permanent financing of the Subject Development the Applicant will utilize three funding sources that require specific unit set-aside commitments. Those set-aside commitments, per funding source, are as follows: HFAHC = 138 units @ 50% AMI and 22 units @ 60% for a term of 50 years; FHFC = 16 units @ 40% AMI and 144 units @ 60% AMI for a term of 50 years; FHLB = 24 units @ 40% AMI, 80 units @ 50% AMI, and 56 units @ 60% AMI for a term of 15 years. Underwriting procedures dictate that the most restrictive set-aside restrictions be selected and employed for Pro Forma purposes.

Therefore, the income set-aside restrictions employed are 24 units @ 40% AMI and 136 units @ 50% AMI. It should be noted that 100% of the Subject Development's units will receive RAD rents, which exceed all AMI restrictions imposed by the funding sources discussed above.

3) Guaranties:

HFA requires a standard set of Guaranties in relation to this type of transaction. Guarantors typically include both corporate entities (Applicant, General Partner, Developer, etc.) and the Principals of said entities, if applicable. The Applicant states there will be no Personal Guaranty for the subject transaction and Corporate Guarantees are unavailable from THA, Bank of America, and BOA. The Guaranties will include:

a. Construction Completion Guaranty – Applicant, THAWR, WRDG, and BOACDC

b. Operating Deficit Guaranty – Applicant, THAWR, WRDG, and BOACDC

c. Environmental Indemnity – Applicant, THAWR, and WRDG

d. Recourse Obligation Guaranty – Applicant, THAWR, and WRDG

4) First Mortgage Amount:

Prior to submission of this report, the Developer requested an amendment to the Bond Resolution, increasing the total bond issuance / TEL issuance from $22,000,000 to $22,400,000. This report was prepared under the assumption that the request will be approved at the HFAHC's May 2018 Board meeting. Successful approval of the bond increase will be a condition to close.

5) AHP Restrictions:

a) The Applicant applied for, and was awarded, a $2,000,000 through the Federal Home Loan Bank ("FHLB") of San Francisco. As a condition of the loan, 50% of the Subject Development's 160 units (80 units) will have a demographic commitment of "Homeless". The FHLB loan also requires the following income restrictions: 24 units @ 40% Area Median Income ("AMI"), 80 units @ 50% AMI, and 56 units at 60% AMI. As previously stated, the Subject Development will receive RAD rents from HUD, which exceed the AMI rent limitations imposed by the FHLB.

6) Debt Service Coverage:

The Debt Service Coverage ("DSC") Ratio for the first, second, and third mortgage loans reflects an estimated ratio of 1.083x, which is less than the minimum DSC of 1.10x. Therefore, since the anticipated DSC exceeds 1.00x, the Applicant may defer at least 35% of its Developer fee for at least six (6) months following construction completion according to Rule.

7) AHP Loan Application:

In an Application to the Federal Home Loan Bank ("FHLB") of San Francisco, the Applicant committed that the Subject Development will achieve LEED Silver Level. The Applicant informed Seltzer that the LEED commitment was made in error and that they are seeking a formal acknowledgement from FHLB that the Subject Development is not required to achieve a LEED Silver Level Certification. No copies of a formal acknowledgement were provided to Seltzer at the time of this report.

Issues and Concerns:

1. Environmental:

Subsequent to Seltzer's review of the environmental reports finished (e.g. Phase I, Phase II, etc.), GLE Associates, Inc. completed a review and drafted a letter dated October 24, 2017 regarding the Subject Site in relation to and locality of the identified underground solvent plume of vinyl chloride, a known carcinogen. GLE reviewed the Tampa Housing Authority Master Plan with a Plume Map overlay and determined that the Subject Site "does not appear to have been impacted by the groundwater vinyl chloride plume."

It should be noted that while GLE's delineation of the underground plume is technically outside of the Subject Site, the boundary of the Subject Site was modified during credit underwriting in order to stay just outside of the plume, according to GLE's delineation drawing.

2. Site Plan / Density:

The Renaissance at West River f/k/a Bethune Residences I at West River is one phase of a multiphase redevelopment plan known as The West River Redevelopment. The West River Redevelopment is a city of Tampa initiative to redevelop a 120 acres area generally located north of I-275 and east of N. Rome Avenue to North Boulevard. The redevelopment includes the demolition of several public housing complexes and relocation of baseball fields along the Hillsborough River. The plan also involves building a waterfront commercial development on the river. The city has invested $35.5 million on the revitalizing Julian B Lane Riverfront Park situated on 23 acres located across the Hillsborough River from the Straz Center of the Performing Arts.

Demolishing the current public housing represents the loss of 820 units but plans are to rebuild 1,600 units of mixed housing in its place. The plan also includes the creation of a community center both for recreation and to help reduce unemployment with social programs. Construction is anticipated to have a five-year development schedule.

While the proposed density for the Subject Development exceeds the maximum density allowable according code, this report was prepared under the assumption that the Site Plan for the Subject Development, which includes the proposed density, will be approved, thereby permitting the Subject Development to proceeds as presented. Successful approval of the Site Plan, and therefore, the proposed density, will be a condition to close.

Recommendation:

Seltzer recommends a Hillsborough County HFA Multifamily Mortgage Revenue Note ("MMRN") in the amount of $22,400,000 to the Subject Development for construction period financing. At completion of construction and conversion to the permanent phase the construction loan issued by Bank of America will be purchased, pursuant to TEL program guidelines, through a Freddie Mac tax-exempt loan issued through Greystone. The resulting tax-exempt note outstanding during the permanent phase is anticipated to be in the amount of $7,600,000, see Financing Structure below.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the SAIL/ELI Loan Conditions and HC Allocation Recommendation and Contingencies (Section B). The reader is cautioned to refer to these sections for complete information.

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

Prepared by:	Reviewed by:
	Cindy Highsmith
Joshua Scribner	Cindy Highsmith
Credit Underwriter	Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage - TEL	HFAHC / BOA	$18,500,000	$22,400,000	$22,400,000	4.45%	$1,349,717
Second Mortgage - SAIL	FHFC	$7,000,000	$7,000,000	$7,000,000	0.00%	$0
Third Mortgage - ELI	FHFC	$600,000	$600,000	$600,000	0.00%	$0
Fourth Mortgage - Land Loan	Tampa HA	$1,599,000	$1,674,000	$1,674,000	0.01%	$167
Fifth Mortgage - RHF	Tampa HA	$6,308,192	$3,498,241	$3,498,241	0.01%	$350
Sixth Mortgage - THA Funds	Tampa HA	$0	$0	$2,995,674	0.00%	$0
Seventh Mortgage - AHP	Tampa HA	$0	$2,000,000	$2,000,000	0.01%	$200
Eighth Mortgage - HOME	City of Tampa	$1,000,000	$1,000,000	$1,000,000	1.00%	$10,000
HC Equity	Bank of America	$6,321,810	$5,266,018	$2,633,009		
Deferred Developer Fee	WRDG Bethune I	$0	$2,283,049	$1,790,006		
Total		**$41,329,002**	**$45,721,308**	**$45,590,930**		**$1,360,434**

Tax Exempt Construction Note

Per a June 8, 2017 financing proposal from Bank of America, last updated March 30, 2018, Bank of America or a designated capital partner will purchase an estimated tax-exempt note in the amount of $22,400,000 during the construction period, to be reduced by the Applicant to $7,600,000 in the permanent period and held by Greystone. The MMRN will have a 24-month interest-only period starting from the date of MMRN issuance. Interest on the MMRN will be based on a floating rate of the One-day/Overnight London Interbank Offered Rate ("LIBOR") plus 250 basis points payable monthly on the amount of MMRN outstanding. SMG also includes a 0.25% credit underwriting cushion. Based on current rates SMG estimates the "all-in" interest rate on the MMRN at 4.45%. The schedule above reflects the MMRN funded at an average of 57% during the construction phase and 100% during lease-up stabilization.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction are a FHFC SAIL loan in the amount of $7,000,000; an ELI loan in the amount of $600,000; a Tampa Housing Authority ("THA") loan in the amount of $1,674,000, a THA loan from Replacement Housing Factor ("RHF") in the amount of $3,498,241, an Affordable Housing Program ("AHP") loan from the Federal Home Loan Bank of San Francisco in the amount of $2,000,000, a $1,000,000 loan from THA in HOME funds, HC equity of $2,633,009, and deferred developer fees in the amount of $1,790,006. Permanent Financing section details are located in "Permanent Financing Sources".

Construction/Stabilization Period:

An April 19, 2018**,** AIA Standard Form of Agreement between Owner and Contractor with a Guaranteed Maximum Price reflects DPR Construction, A General Partnership, achieving substantial completion of the entire work no later than 404 days. The Dohring Group's August 31, 2017, market study reflects an average absorption rate of 26.7 units per month. Based on this the subject should achieve stabilized occupancy of 95% within 6 months after construction completion. SMG has utilized a 24-month construction/stabilization period for purposes of this credit underwriting report.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage - TEL	Greystone	$5,500,000	$7,600,000	$7,600,000	5.39%	35	15	$483,205
Second Mortgage - SAIL	FHFC	$7,000,000	$7,000,000	$7,000,000	1.00%	N/A	15	$70,000
Third Mortgage - SAIL/ELI	FHFC	$600,000	$600,000	$600,000	0.00%	N/A	15	$0
Fourth Mortgage - Land Loan	Tampa HA	$1,599,000	$1,674,000	$1,674,000	0.01%	N/A	55	$167
Fifth Mortgage - RHF	Tampa HA	$6,308,192	$3,498,241	$3,498,241	0.01%	N/A	55	$350
Sixth Mortgage - THA Funds	Tampa HA	$0	$2,995,674	$2,995,674	0.01%	N/A	55	$300
Seventh Mortgage - AHP	Tampa HA	$0	$2,000,000	$2,000,000	0.01%	N/A	55	$200
Eighth Mortgage - HOME	City of Tampa	$1,000,000	$1,000,000	$1,000,000	1.00%	N/A	55	$10,000
HC Equity	Bank of America	$15,804,523	$17,553,393	$17,553,393	N/A	N/A	N/A	
Deferred Developer Fee	WRDG Bethune I	$1,499,080	$1,800,000	$1,669,622				
Total		**$39,310,795**	**$45,721,308**	**$45,590,930**				**$564,221**

Tax Exempt Permanent Note

Per the April 3, 2018 financing proposal from Greystone, following the repayment of $14,800,000 of tax exempt construction funding, Applicant will have a 24-month unfunded forward Freddie Mac-Targeted Affordable Housing ("TAH") MMRN loan of $7,600,000 with a term of 15 years, amortized over 35 years. Greystone's conversion requirements include the property maintaining 90% occupancy for a trailing 90 day period, Effective Gross Income being no less than $1,506,266 and Net Operating Income being no less than $610,226, and all subordinate debt is "soft" and limited to 75% of net cash flow after debt service, and the ratio of net operating income of the subject must equal or exceed 1.15x to 1.00x. Following the construction/stabilization phase, interest and principal payments will be paid monthly. The interest rate during the permanent period will be fixed at loan closing based upon 274 basis points over the 10 Year Treasury rate. SMG also includes a 0.25% credit underwriting cushion. Based on current rates SMG estimates the "all-in" interest rate on the MMRN during the permanent period at 5.39%.

There is a 10 year lockout, followed by Yield Maintenance until 6 months prior to maturity. The loan is pre-payable at 1%, 6 months before maturity. The MMRN will be secured by a first mortgage on the Subject Development and a first security interest in all personal property.

SAIL

The Applicant applied for and received a preliminary commitment from FHFC under RFA 2016-109 for SAIL funds in the amount $7,000,000. The SAIL will be co-terminus with the first mortgage loan, as permitted by the Rule, for a term will of 15 years following a construction/stabilization period of up to 24 months for a total term of 17 years. The SAIL will be non-amortizing and will bear 1.00% simple interest per annum. Annual payments of all applicable fees will be required. Applicable fees of $13,714 consist of a Servicing Fee equal to 0.25% based on the principal amount of the SAIL (capped at $10,116) plus a Compliance Monitoring Fee equal of $3,598 per annum. Any unpaid interest will be deferred until cash flow is available. At the maturity of the SAIL, however, all principal and unpaid interest is due.

ELI Loan

The Applicant also received a preliminary commitment of ELI funds in the amount of $600,000 under RFA 2016-109 applications with Elderly demographic commitment. The ELI Loan is in the form of a forgivable loan.

The ELI AMI for Hillsborough County is 40%. The Borrower committed to set aside 10% of the units (16 units) at or below 40% AMI for SAIL/ELI. The ELI units are distributed across the unit mix on an approximate pro-rata basis. The ELI loan is non-amortizing at 0.00% simple interest per annum. Annual payments of all applicable fees will be required. There is a Servicing Fee equal to 0.25% based on the principal amount of the ELI loan, plus a multiple program Compliance Monitoring Fee equal of $921 per annum. The principal is forgivable at maturity provided the units for which the ELI loan amount is awarded are targeted to ELI Households for the first 15 years of the 50 year Compliance Period. However, after 15 years, all of the ELI set aside units may convert to serve residents at or below 60% AMI. The Persons with a Disabling Condition set-aside requirement must be maintained through the entire compliance period. The ELI loan will be co-terminus with the first mortgage loan, as permitted by the Rule, for a term of 15 years following a construction/stabilization period of up to 24 months for a total term of 17 years.

THA - Land Loan

Per an executed THA LOI dated February 22, 2018, the THA will lend the Applicant $1,674,000 for construction and permanent financing, for the purpose of purchasing the Subject Site. The loan will have a term of 55 years with an interest rate of 0.01%. Principal and interest payments shall be made in installments of varying amounts and shall be paid annually in amounts which shall be determined based on the available cash after repayment of all outstanding debt, based on operations of the proposed development.

THA - RHF Loan

Per an executed THA LOI dated February 22, 2018, the THA will lend the Applicant RHF funds in the amount of $3,498,241 for construction and permanent financing of the development. The loan will have a term of 55 years with an interest rate of 0.01%. Principal and interest payments shall be made in installments of varying amounts and shall be paid annually in amounts which shall be determined based on the available cash after repayment of all outstanding debt, based on operations of the proposed development.

THA – General Funds Loan

Per an executed THA LOI dated March 21, 2018, the THA will lend the Applicant $2,995,674 for construction and permanent financing of the development. The loan will have a term of 55 years with an interest rate of 0.01%. Principal and interest payments shall be made in installments of varying amounts and shall be paid annually in amounts which shall be determined based on the available cash after repayment of all outstanding debt, based on operations of the proposed development.

THA – AHP Loan

Per an executed THA LOI dated March 21, 2018, the THA will be the Sponsor for the Applicant with FHLB of San Francisco for AHP financing in the amount of $2,000,000 for construction and permanent financing of the development. The loan will have a term of 55 years with an interest rate of 0.01%.

Principal and interest payments shall be made in installments of varying amounts and shall be paid annually in amounts which shall be determined based on the available cash after repayment of all outstanding debt, based on operations of the proposed development.

THA / City of Tampa – HOME loan

Per an executed THA LOI dated February 22, 2018, the THA will lend the Applicant $1,000,000 of HOME funds, provided to the THA by the City of Tampa, for construction and permanent financing of the development. The loan will have a term of 55 years with an interest rate of 1.00%. Principal and interest payments shall be made in installments of varying amounts and shall be paid annually in amounts which shall be determined based on the available cash after repayment of all outstanding debt, based on operations of the proposed development.

Housing Credits Equity Investment:

In addition to the FHFC SAIL and ELI loans, the Applicant also applied for 4% Housing Credits under FHFC RFA 2016-109.

Based upon an April 12, 2018 LOI, Bank of America or an affiliate will purchase a 99.99% interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	$2,633,009	15.00%	At Closing
2nd Installment	$2,633,009	15.00%	100% Construction Completion
3rd Installment	$11,409,705	65.00%	Stabilized Occupancy - 1.15x DSC
4th Installment	$877,670	5.00%	8609
Total	$17,553,393	100.00%	

Annual Tax Credits per Syndication Agreement: $1,721,093

Total HC Syndication: $17,209,209

Syndication Percentage (partnership interest): 99.99%

Calculated HC Exchange Rate (per dollar): $1.02

Proceeds Available During Construction: $2,633,009

Per the letter of intent, 15.00% of the total HC equity will be disbursed at closing, thus complying with regulatory requirements. An affiliate of Bank of America, anticipated to be BOACDC, will own 0.005% of the Partnership, leaving 0.005% owned by General Partner.

Other Permanent Sources of Funds:

The Applicant will be required to defer $1,669,622, based on an anticipated DSC less than 1.10x, at least 35% of its Developer fee must be deferred for at least six (6) months following construction completion according to Rule.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings				$0	
Demolition	$1,000,000			$0	$0
Installation of Pre Fab Units				$0	
New Rental Units	$21,000,000	$25,250,434	$25,250,434	$157,815	$80,484
Off-Site Work				$0	$0
Recreational Amenities				$0	
Rehab of Existing Common Areas				$0	
Rehab of Existing Rental Units				$0	
Site Work		$558,573	$558,573	$3,491	
Swimming Pool				$0	
Furniture, Fixture, & Equipment				$0	
Hard Cost Contingency - in Constr. Cont.				$0	
Constr. Contr. Costs subject to GC Fee	$22,000,000	$25,809,007	$25,809,007	$161,306	$80,484
General Conditions	$3,080,000	$1,206,706	$1,206,706	$7,542	
Overhead		$402,235	$402,235	$2,514	
Profit		$1,206,706	$1,206,706	$7,542	
Builder's Risk Insurance		$76,827	$76,827	$480	
General Liability Insurance		$189,241	$189,241	$1,183	
Payment and Performance Bonds		$138,292	$138,292	$864	
Contract Costs not subject to GC Fee		$85,000	$85,000	$531	
Total Construction Contract/Costs	$25,080,000	$29,114,014	$29,114,014	$181,963	$80,484
Hard Cost Contingency		$1,455,701	$1,455,700	$9,098	
PnP Bond paid outside Constr. Contr.				$0	
Fees for LOC used as Constr. Surety				$0	
Demolition paid outside Constr. Contr.		$1,000,000	$1,000,000	$6,250	$1,000,000
FF&E paid outside Constr. Contr.	$150,000	$190,000	$190,000	$1,188	
Other: Low Voltage Equipment	$300,000	$290,000	$290,000	$1,813	
Other: Construction Materials Testing	$75,000			$0	
Other: Construction Admin/Manager	$250,000			$0	
Other: Gen. Liab. Insurance outside GC contr.				$0	
Other:				$0	
Total Construction Costs:	**$25,855,000**	**$32,049,715**	**$32,049,714**	**$200,311**	**$1,080,484**

Notes to the Construction Costs:

1. The Borrower has provided an executed construction contract dated April 19, 2018 between the Owner and DPR Construction, A General Partnership, where the basis for payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount of $29,114,014**.** Substantial completion of the entire work shall be no later 404 days after the Date of Commencement. The final construction schedule will be developed and contract time will be added by modification once mutually agreed upon after the date of commencement. Retainage shall be limited to 10% of the contract amount until 50% construction completion, then retainage shall be reduced to 5%. Final payment will be made when the contract has been fully performed, the contractor has submitted a final accounting of the cost of the work and a final application for payment, and a final certificate for

payment has been issued by the architect. The Owner's final payment to the contractor shall be made no later than 30 days after the architect's final certificate for payment.

2. General Contractor fees as stated are within the 14% maximum per the RFA and Rule. The cost of Builder's Risk Insurance, General Liability Insurance, and Payment and Performance Bonds, $76,827, $189,241, and $138,292, respectively, totaling $404,360, are reflected in the Construction Contract Schedule of Values; however, they are excluded from construction hard costs in the General Contractor fee calculation.
3. The Hard Cost Contingency is within the 5% allowed as required by the RFA and Rule.
4. According to the Developer's budget, demolition of preexisting vacant structures was perform at a cost of $1,000,000.
5. The budgeted expenses for FF&E paid outside the construction contract ($190,000) and low voltage equipment ($290,000) were provided by the Applicant and appear reasonable.
6. SMG engaged and received a Plan and Cost Analysis ("PCA") from On Solid Ground, LLC ("OSG"). Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	$60,000	$100,000	$100,000	$625	$50,000
Appraisal	$15,000	$30,000	$30,000	$188	
Architect's and Planning Fees		$1,230,000	$1,240,000	$7,750	
Architect's Fee - Green Initiative				$0	
Architect's Fee - Landscape		$200,000	$200,000	$1,250	
Architect's Fee - Site/Building Design	$400,000			$0	
Architect's Fee - Supervision	$80,000			$0	
Building Permits	$350,000	$350,000	$350,000	$2,188	
Builder's Risk Insurance	$300,000	$0	$0	$0	
Capital Needs Assessment/Rehab				$0	
Engineering Fees	$480,000	$370,000	$370,000	$2,313	
Environmental Report	$10,000	$30,000	$30,000	$188	
Federal Labor Standards Monitoring				$0	
FHFC Administrative Fees	$127,014	$139,890	$95,595	$597	$95,595
FHFC Application Fee	$3,000	$3,000	$3,000	$19	$3,000
FHFC Credit Underwriting Fee	$17,156	$27,156	$17,431	$109	$17,431
FHFC Compliance Fee	$235,354		$235,782	$1,474	$235,782
FHFC Other Processing Fee(s)				$0	
Impact Fee				$0	
Lender Inspection Fees / Const Admin	$30,000	$30,000	$30,000	$188	
Green Building Cert. (LEED, FGBC, NAHB)				$0	
Home Energy Rating System (HERS)				$0	
Insurance		$50,000	$50,000	$313	
Legal Fees - Organizational Costs	$515,000	$615,000	$615,000	$3,844	$615,000
Local Subsidy Underwriting Fee				$0	
Market Study	$15,500	$20,000	$20,000	$125	$20,000
Marketing and Advertising	$56,318	$75,000	$75,000	$469	$75,000
Plan and Cost Review Analysis			$2,175	$14	
Property Taxes		$70,000	$70,000	$438	
Soil Test	$5,500			$0	
Survey	$15,000	$40,000	$40,000	$250	
Tenant Relocation Costs				$0	
Title Insurance and Recording Fees	$195,000	$110,000	$110,000	$688	
Traffic Study				$0	
Utility Connection Fees				$0	
Soft Cost Contingency		$370,652	$184,199	$1,151	
Other: Blueprinting and A&E Reimbursables		$10,000		$0	
Total General Development Costs:	**$2,909,842**	**$3,870,698**	**$3,868,182**	**$24,176**	**$1,111,808**

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision reflect the fees, and anticipated additional hourly costs, as stipulated in the Architect Contract dated August 27, 2017 between the Applicant and Baker Barrios Architects, Inc. ("BBA"), Inc. for the Subject Development.

2. Engineering Fees reflect fees the Applicant's anticipated engineering costs based on the lump sum and hourly rates charged by Cardno, Inc. in the Professional Services Agreement dated February 2, 2017 between the Applicant and Cardno, plus $10,000 for blueprinting and reimbursables.

3. Appraisal and Market Study figures reflect the costs of the reports engaged by the Lender, as indicated by the Applicant.
4. The Plan & Cost Review is based on actual cost, engaged by the Seltzer.
5. The FHFC Administrative Fee is based on 5.5% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee stated in RFA 2016-109. The total FHFC Credit Underwriting Fee is $17,431; the total HFA Credit Underwriting Fee is $13,970.
6. While the Subject Development should ultimately receive a full property tax abatement, the Applicant’s Accountant anticipates a portion of property taxes to be incurred, prior to receipt of the abatement.
7. The Applicant included the cost for the Soils Test Report in the Survey line item.
8. Soft cost contingency is limited to 5% as required per Rule.
9. Other General Development Costs are based on the Borrower’s estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				$0	
Construction Loan Underwriting Fee				$0	
Construction Loan Origination Fee	$110,000	$211,000	$211,000	$1,319	
Construction Loan Commitment Fee				$0	
Construction Loan Closing Costs				$0	
Construction Loan Interest	$584,375	$807,500	$807,500	$5,047	$ 498,051.00
Construction Loan Servicing Fees				$0	
Permanent Loan Application Fee			$15,000	$94	$15,000
Permanent Loan Underwriting Fee				$0	$0
Permanent Loan Subsidy Layering Rev.				$0	$0
Permanent Loan Commitment Fee			$152,000	$950	$152,000
Permanent Loan Origination Fee	$110,000	$190,000	$76,000	$475	$76,000
Permanent Loan Closing Costs			$2,500	$16	$2,500
Permanent Loan Interest				$0	$0
Permanent Loan Servicing Fee				$0	$0
Bridge Loan Application Fee				$0	
Bridge Loan Underwriting Fee				$0	
Bridge Loan Origination Fee	$258,000	$301,000	$224,000	$1,400	$224,000
Bridge Loan Commitment Fee				$0	
Bridge Loan Closing Costs				$0	
Bridge Loan Interest	$637,500	$722,500	$722,500	$4,516	
Bridge Loan Servicing Fee				$0	
FHFC Note Servicing Fee				$0	$0
Local HFA Note Commitment Fee		$4,030	$4,030	$25	$4,030
Local HFA Note Fiscal Agent Fee				$0	$0
Local HFA Note Credit Enh. Fee				$0	$0
Local HFA Note Rating Fee				$0	$0
Local HFA Note Cost of Issuance	$586,785	$233,584	$260,124	$1,626	$260,124
Local HFA Note Closing Costs				$0	$0
Local HFA Note Interest		$85,000		$0	$0
Local HFA Note Servicing Fee				$0	$0
SAIL-ELI Commitment Fee			$76,000	$475	
SAIL-ELI Closing Costs	$113,892			$0	
SAIL-ELI Servicing Fee				$0	
Legal Fees - Financing Costs				$0	
Forward Rate Lock Fee				$0	
Placement Agent/Underwriter Fee				$0	
Initial TEFRA Fee			$1,000	$6	$1,000
Other:				$0	
Other: Local HFA Bond Admin Closing Fee		$76,000		$0	
Total Financial Costs:	**$2,400,552**	**$2,630,614**	**$2,551,654**	**$15,948**	**$1,232,705**
Dev. Costs before Acq., Dev. Fee & Reserves	**$31,165,394**	**$38,551,027**	**$38,469,550**	**$240,435**	**$3,424,997**

Notes to the Financial Costs:

1. Construction and Permanent Origination Fees are consistent with the Construction and Permanent Loan LOIs provided during underwriting.

2. MMRN Interest (Construction loan and Bridge loan) was provided by the Applicant and is based on the construction schedule, plus the anticipated time for lease-up/stabilization. Bridge loan expenses are associated with the short term portion of the MMRN that will be satisfied upon conversion to the permanent loan.
3. The Cost of Issuance expense was provided by RBC Capital Markets, and is inclusive of fees associated with HFA financing, Application, underwriting, Legal Counsel, etc. This overall cost appears reasonable.
4. SAIL/ELI Commitment Fee is equal to 1% of the SAIL and ELI loans.

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	$3,000,000	$3,600,000	$3,600,000	$22,500	
DF to fund Operating Debt Reserve				$0	
DF to Brokerage Fees - Land				$0	
DF to Excess Land Costs				$0	
DF to Excess Bldg Acquisition Costs				$0	
DF to Consultant Fees				$0	
DF to Guaranty Fees				$0	
Other: RAD Consultant		$55,000	$55,000	$344	
Other: Subcontractor Default Insurance		$135,986	$135,986	$850	
Other: Guarantee Fee	$400,000	$611,394	$611,394	$3,821	
Total Other Development Costs:	**$3,400,000**	**$4,402,380**	**$4,402,380**	**$27,515**	**$0**

Notes to the Other Development Costs:

1. Based on the total development budget, Developer Fee, exclusive of land acquisition costs and reserves, is 11.44%.
2. Expenses for a Consultant, Subcontractor Default Insurance, and a Guarantee Fee, totaling $802,380, are included in the total Developer Fee amount expense of $4,402,380

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				$0	$0
Land Acquisition Cost	$1,599,000	$1,599,000	$1,599,000	$9,994	$1,599,000
Land				$0	$0
Land Lease Payment				$0	$0
Land Carrying Costs				$0	$0
Other: Land Title and Closing Costs		$75,000	$75,000	$469	$75,000
Other:				$0	$0
Other:				$0	$0
Total Acquisition Costs:	**$1,599,000**	**$1,674,000**	**$1,674,000**	**$10,463**	**$1,674,000**

Notes to the Land Acquisition Costs:

1. Applicant has provided SMG with a Third Amendment to Contract for Purchase and Sale of Real Property dated June 1, 2017 between the Housing Authority of the City of Tampa, Florida (“Seller”) and West River Phase 1A, LP. (“Buyer”) the Applicant. The purchase price is $1,599,000 with a closing date no later than December 31, 2018.

2. Estimated closing costs associated with acquiring the Subject Site were provided by the Applicant and appear reasonable.

3. Per the August 11, 2017 appraisal performed by Cuervo the “As-is” Fee Simple Land Value is $2,250,000 for the subject property.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
ACC Reserve (Lender)				$0	$0
ACC Reserve (Syndicator)				$0	$0
Operating Deficit Reserve (FHFC)				$0	$0
Operating Deficit Reserve (Lender)				$0	$0
Operating Deficit Reserve (Syndicator)	$600,000	$702,901	$710,000	$4,438	$710,000
Debt Service Coverage Reserve (FHFC)				$0	$0
Debt Service Coverage Reserve (Lender)				$0	$0
Debt Service Coverage Reserve (Syndicator)				$0	$0
Replacement Reserves (FHFC)	$1,438,238			$0	$0
Replacement Reserves (Lender)		$56,000		$0	$0
Replacement Reserves (Syndicator)				$0	$0
Reserves - Start-Up/Lease-up Expenses		$335,000	$335,000	$2,094	$335,000
Reserves - Working Capital				$0	$0
Other: Various Reserves - From Application	$1,108,163			$0	$0
Other:				$0	$0
Other:				$0	$0
Total Reserve Accounts:	**$3,146,401**	**$1,093,901**	**$1,045,000**	**$6,531**	**$1,045,000**

Notes to the Reserve Accounts:

1. The Operating Deficit Reserve (“ODR”) is required by the Syndicator, Bank of America, and the MMRN purchaser/facilitator, Greystone, and will be funded upon Permanent Loan Conversion into a dual-control Operating Reserve account to be used for potential operating deficits. These funds may be used to fund operating deficits during the five year Operating Deficit Guaranty period described below, but will be required to be replenished prior to release of the Operating Deficit Guaranty. The Operating Deficit Guaranty will terminate upon the later of 60 months after the later of (i) the expiration of the Completion and Development Deficit Guaranty, or (ii) the Project’s achievement of 1.15 to 1 debt service coverage ratio on the Permanent Loans calculated over a period of 12 consecutive months. In addition, in order for the Operating Deficit Guaranty to terminate, the Project must average a 1.15 to 1 debt service coverage ratio for the last 12 months of the 60 month period or any subsequent 12 month period and the Operating Reserve must be replenished to its originally required balance so long as the RAD contract remains in place. Any and all terms and conditions of the ODR must be acceptable to the HFA, its Loan Servicer and its Legal Counsel.

2. The estimates for Start-up and Lease-up expense, totaling $335,000, were provided by the Applicant and appear reasonable.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	**$39,310,795**	**$45,721,308**	**$45,590,930**	**$284,943**	**$6,143,997**

Notes to the Total Development Costs: None

Operating Pro forma

OPERATING PRO FORMA				ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income			$1,587,072	$9,919
	Rent Subsidy (ODR)			$0	$0
	Other Income:				
		Ancillary Income-Parking		$0	$0
		Miscellaneous		$20,000	$125
		Washer/Dryer Rentals		$0	$0
		Cable/Satellite Income		$0	$0
	Gross Potential Income			$1,607,072	$10,044
	Less:				
		Economic Loss - Percentage:	0.0%	$0	$0
		Physical Vacancy Loss - Percentage:	5.0%	($80,354)	($502)
		Collection Loss - Percentage:	0.0%	($16,071)	($100)
Total Effective Gross Revenue				$1,510,648	$9,442
EXPENSES	Fixed:				
		Ground Lease		$0	$0
		Real Estate Taxes		$27,180	$170
		Insurance		$88,000	$550
	Variable:				
		Management Fee - Percentage:	4.604%	$69,546	$435
		General and Administrative		$80,000	$500
		Payroll Expenses		$216,000	$1,350
		Utilities		$136,000	$850
		Marketing and Advertising		$9,600	$60
		Maintenance and Repairs		$128,000	$800
		Grounds Maintenance and Landscaping		$0	$0
		Resident Programs		$0	$0
		Contract Services		$57,408	$359
		Security		$0	$0
		Other - Miscellaneous		$19,979	$125
	Reserve for Replacements			$56,000	$350
Total Expenses				$887,713	$5,548
Net Operating Income				$622,935	$3,893
Debt Service Payments					
DEBT SERVICE		First Mortgage -		$483,205	$3,020
		Second Mortgage -		$70,000	$438
		Third Mortgage -		$0	$0
		Fourth Mortgage -		$167	$1
		Fifth Mortgage -		$350	$2
		All Other Mortgages -		$300	$2
		First Mortgage Fees -		$5,000	$31
		Second Mortgage Fees -		$13,714	$86
		Third Mortgage Fees -		$3,465	$22
		Fourth Mortgage Fees -		$0	$0
Total Debt Service Payments				$576,200	$3,601
Cash Flow After Debt Service				$46,735	$292

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.276
DSC - Second Mortgage plus Fees	1.089
DSC - Third Mortgage plus Fees	1.083
DSC - Fourth Mortgage plus Fees	1.082
DSC - Fifth Mortgage plus Fees	1.082
DSC - All Mortgages and Fees	1.081

Financial Ratios	
Operating Expense Ratio	58.8%
Break-Even Ratio	91.4%

Notes to the Operating Pro forma and Ratios:

1. The Debt Service Coverage ("DSC") Ratio for the first, second, and third mortgage loans reflects an estimated ratio of 1.083x, which is less than the minimum DSC of 1.10x for the FHFC SAIL Program. Therefore, since the anticipated DSC exceeds 1.00x, the Applicant may defer at least 35% of its Developer fee for at least six (6) months following construction completion according to FHFC Rule.

2. The MMRN and SAIL/ELI programs do not impose any rent restrictions. However, this Development will be utilizing Housing Credits in conjunction with the 4% HC financing, which will impose rent restrictions. The Renaissance is projected to achieve 2017 Maximum Allowable HC Rents published by Florida Housing on all units based upon the appraiser's estimate of achievable rents per comparable properties surveyed. However, as previously stated, the Subject Development will receive RAD rents, which exceed HC rents. The utility allowances were provided by HUD in an amended CHAP Agreement. No manager/employee units are anticipated at this time.

   The rent roll is shown below:

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

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	12	716	40%			$ 449	$ 78	$ 371	$ 775	$ 775	$ 776	$ 775	$ 111,600
1	1.0	124	716	50%			$ 561	$ 78	$ 483	$ 775	$ 775	$ 776	$ 775	$ 1,153,200
2	2.0	12	916	40%			$ 539	$ 102	$ 437	$ 1,119	$ 1,119	$ 1,011	$ 1,119	$ 161,136
2	2.0	3	916	50%			$ 673	$ 102	$ 571	$ 1,119	$ 1,119	$ 1,011	$ 1,119	$ 40,284
2	2.0	9	1,094	50%			$ 673	$ 102	$ 571	$ 1,119	$ 1,119	$ 1,011	$ 1,119	$ 120,852
		160	120,962											$ 1,587,072

1. Miscellaneous income includes estimated income from application fees and deposit forfeitures for a weighted average rate of $125 per unit per annum.

2. The appraiser estimates a stabilized physical vacancy rate of 5.0%, with no mention of collection loss. Therefore, economic and physical occupancy rate of 95%.

3. Real estate tax expense is based on the Developer's estimate. It should be noted that the Subject Development should ultimately be tax-exempt, the estimate for real estate taxes was included in the operating pro forma in order to remain conservative during underwriting.

4. Insurance expense is based on the Appraiser's estimate based on the Appraiser's completion of a comparative analysis of like properties.

5. Management Fees of 4.539% are based upon the unexecuted Property Management Agreement provided by Borrower which consists of a 4.0% fee on Gross Rental Receipts, plus a collective fee of $4.75 per unit per month for accounting and compliance.

6. Other operating expense estimates are based on Appraiser estimates and are supported by market comparables.

7. Replacement Reserves in the amount of $350 per unit per year are required by Bank of America and meet the RFA and Rule requirement. Reserves shall be increased if deemed necessary by limited partner.

8. Other - Resident Programs primarily reflect computer training, daily activities, a resident assurance check-in program, and 24-hour support to assist residents with handling urgent issues. The budget for these programs is spread between the General and Administrative and Payroll Expenses.

9. A 15-year income and expense projection shows increasing debt service coverage ("DSC") through year fifteen (15). This projection is attached to this report as Exhibit 1.

Section B

Loan Conditions

HC Allocation Recommendation and Contingencies

Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and HFA at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the Loan closing.

1. Rule waiver from FHFC's Board, permitting DPR to subcontract a portion of the construction of the development to an affiliate subcontractor, DBC.
2. Seltzer's receipt and satisfactory review of an updated PCA, and executed ADA Section 504 "as-design" certification, from OSG indicating that all required Features and Amenities, including Green feature commitments and ADA requirements, have been incorporated into the development's Plans and Specifications.
3. Approval of the Subject Development's proposed Site Plan, permitting the Development's proposed density.
4. Receipt and satisfactory review of an executed Management Agreement.

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and HFA at least 30 days prior to real estate loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review prepared by On Solid Ground, LLC.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by HFA, and their legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to HFA, 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 HFA.
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.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority 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. The final "as permitted" (signed and sealed) site plans, building plans, and specifications showing all features and amenities committed to in the application. The Geotechnical Report (if available) must be bound within the final plans and specifications.
5. 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.

6. 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 construction on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by HFA and Servicer. The remaining unpaid Developer Dee 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. 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.
8. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting HFA as Loss Payee / Mortgagee, with coverage's, deductibles and amounts satisfactory to HFA.
9. If the development is not 100% lien-free completed, 100% Payment and Performance ("P&P") Bonds 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 general contractor and the Borrower. 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. HFA and its legal counsel must approve the source, amount(s) and all terms of the P&P bonds or LOC.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by SMG will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to HFA and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by HFA 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 time frame may result in postponement of the loan closing.

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. An acceptable updated Environmental Audit Report, together with a reliance letter to HFA, prepared within 90 days of closing, unless otherwise approved by the HFA, 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.
3. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B

exceptions, in the amount of the Loan naming HFA as the insured.

4. Receipt of a legal opinion from the Applicant's legal counsel acceptable to HFA 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, 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 HFA and their legal counsel may require.
5. Evidence of compliance with local concurrency laws.
6. Such other assignments, affidavits, certificates, financial statements, closing statements and other documents as may be reasonably requested by HFA, and their legal counsel in form and substance acceptable to the HFA or its legal counsel, in connection with the MMRN.
7. UCC Searches for the Borrower, its partnerships, as requested by counsel.
8. Any other reasonable conditions established by HFA and their legal counsel.

Additional Conditions

This recommendation is also contingent upon the following additional conditions:

1. Acceptance by the Applicant and execution of all documents evidencing and securing the Project Loan in form and substance satisfactory to HFA, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s).
2. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
3. Guarantors are to provide standard HFA Completion and Repayment Guaranty (including Operating Deficit Guaranty).
4. A mortgagee title insurance policy naming HFA as the insured in the amount of the Funding Loan is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to the HFA or its legal counsel.

5. Property tax and hazard insurance escrows are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by HFA's loan servicing agent, the release of funds shall be at HFA's sole discretion.
6. 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 Syndicator per the requirements of the executed loan documents. Reserves are escalated at 3% per year per Syndicator requirements.
7. Any other reasonable requirements of HFA or their legal counsel.

Section C

Supporting Information and Schedules

Additional Development and Third Party Supplemental Information

Appraised Value:

The appraised value is $27,800,000 as if completed and stabilized, based on market rents and market financing, as reported in the full narrative appraisal dated September 29, 2017, performed by Cuervo Real Estate Advisors, Inc. ("Cuervo") of Tampa, Florida. Alfred Cuervo is a State Certified General Real Estate Appraiser, License No. RZ1651. Susan Dixson is a State Certified General Appraiser, License No. RZ2601. Based on the market value of the property, the loan-to-value ratio for the first mortgage debt is 27.3%.

The appraised value as if completed and stabilized and based on RAD rents and market financing terms is estimated at $9,780,000. The loan-to-value ratio for the first mortgage debt is 77.7%.

The appraisal also estimated an "as is" value for the land of $2,250,000.

Market Study:

A Market Study was prepared for the subject property as of July 5, 2017 by The Dohring Group ("Dohring"), dated August 31, 2017.

The subject is located at the northeast quadrant of Rome Avenue and Main Street just north of I-275 within the city limits of Tampa. Major shopping facilities in the area consist of anchored retail facilities, strip centers, specialty retail facilities, and support uses. These facilities are concentrated primarily on the major arterials of the region, including interchanges along Interstate 275, Nebraska Avenue, 7th Avenue in Ybor (County Road 574), Kennedy Boulevard, and Channelside Drive.

Per the Market Study, the Subject Site is approximately 4.50 acres of a larger 10.63 acre parcel owned by the Housing Authority of the City of Tampa (note: per the survey, the Subject Site is 2.86 acres). The 10.63 acre parcel is currently improved with 21 buildings most of which reflect two-story concrete block apartment buildings developed in 1965. All of the units are vacant and the improvements are fenced-in with anticipation of pending demolition and removal. The Subject Site is of a size and configuration that appears to be suited for a variety of developments, including rental apartments. Overall, access and exposure are considered to be good for multifamily purposes. All necessary utilities and services are available to the site to support development.

The Market Study confirms that the property is located in a Qualified Census Tract ("QCT") but not a Difficult to Develop Area ("DDA") in the Tampa-St. Petersburg-Clearwater, FL MSA tract 43.00.

The subject is located at the northwest of Tampa's downtown business district in the central portion of Hillsborough County. Hillsborough County has an estimated population of 1,380,000, 528,136 total households and has an average household size of 2.57 people. According to Esri, Inc., a geographical information systems ("GSI") company, the population and households within five miles of the subject are projected to grow from 250,092 residents and 95,748 households in 2017 to 266,290 residents and 110,510 households by 2022. All necessary commercial services are available to support the residential base. Transportation linkages serve the neighborhood and connect the subject neighborhood to the region. Multifamily developments are present in the neighborhood, indicating it is an accepted use within the market.

The Primary Market Area ("PMA") is where most of the demand will come from and was identified by Dohring as a 5 mile radius around the Subject Site. The Competitive Market Area ("CMA") is defined as those developments lying in closest proximity to the subject that are competitive with the subject property. The subject's CMA, or sub-market, for the purpose of determining a like-kind inventory of competitive units in the Occupancy Analysis, consists of sixteen, like-kind existing elderly properties with a total of 3,872 units. The weighted average occupancy rate of the income restricted comparable properties within the CMA is 98% (more than the 92% minimum required by the Rule).

There are no Guarantee Fund developments within the subject's CMA or PMA. Dohring projects no negative impact in the short term or the long term to any existing affordable developments located within the CMA or PMA. Dohring notes that the subject will obtain Rental Assistance Demonstration ("RAD") rents from the Department of Housing and Urban Development ("HUD") on 100% of the subject's units.

Dohring projects that the subject Development could, in the absence of RAD rents, obtain maximum allowable 2017 HC rents for all units within the Subject Development.

As restricted by the HC program Dohring estimates the subject would have an average absorption rate of 26.7 units per month. Based on this the subject should achieve stabilized occupancy of 95% within 6 months after construction completion.

Environmental Report: GLE Associates, Inc. ("GLE") performed a Phase I Environmental Site Assessment ("ESA") dated November 24, 2014 in accordance with ASTM Standard E-1527-13 on four parcels of land totaling approximately 41.2 acres. The Subject Site for The Renaissance at West River f/k/a Bethune Residences I at West River Apartments is a portion of the land located within the acreage researched for the assessments performed. Based on the review of the environmental assessment three on-site Historical Recognized Environmental Condition ("HREC") were identified in connection with the property in the form of one dry cleaners business and two auto repair facilities. In addition, five off-site RECs were identified as well as one CERCLIS ("Superfund") site, one DWM Contamination facility with documented groundwater contamination with potential to impact the Property, and one Business Environmental Risk ("BER") in the form of a Property elevator with potential to contain polychlorinated biphenyl ("PCB") hydraulic fluids was also identified.

Based on their findings, GLE preformed additional research in the form of a Limited Phase II ESA dated February 3, 2015. GLE detected chlorinated solvents and metals in the groundwater on the property at concentrations exceeding the Groundwater Cleanup Target Levels ("GCTL"); more specifically, Vinyl Chloride, Lead and Chromium. GLE recommended that six permanent monitoring wells be installed in specified locations on the Property.

GLE also conducted a supplemental Site Assessment Report ("SAR") dated March 11, 2015, a Limited SAR dated May 27, 2015, a Limited SAR Addendum dated May 3, 2016, a Revised Limited SAR Addendum Review Response dated July 15, 2016, and a Phase I SAR Update dated May 23, 2017.

GLE's concluded from their site assessments that the former chemical supply site was responsible for the volatile organic halocarbons ("VOHs"), specifically Vinyl Chloride, that was reported in the groundwater on the Property at concentrations ranging from 2.1 – 13.5 micrograms per liter (ug/L). The groundwater impacts, according to GLE, appear to be migrating in a general northeasterly direction towards the Hillsborough River. GLE determined that approximately 40% of the 41.2-acre site is impacted with vinyl chloride that is above the GCTL of 1.0 ug/L. Due to the size of the impacted area, a restrictive covenant ("RC") with institutional controls ("IC") was determined by GLE to be the most appropriate method in mitigating the groundwater impacts on site.

On October 24, 2017, GLE provided a letter stating, "the Subject Site does not appear to have been impacted by the groundwater vinyl chloride plume."

Soil Test Report: ECS Florida, LLC ("ECS") also performed a geotechnical exploration and issued a report dated April 24, 2017.

Seven Standard Penetration Test ("SPT") borings (B-1 through B-7) were performed to depths ranging from 35 to 40 feet**,** ten hand auger borings (HA-1 through HA-10) extended to depths of approximately 8 feet, and one double ring infiltration ("DRI") test within the area of the proposed structure. Eight hand auger borings to a depth of approximately six feet were performed in the proposed pavement areas. Notable findings of the borings were loose to very loose soil conditions to depths ranging from approximately 6 to 10 feet below the existing ground surface. Surface conditions within the borings generally consisted of very loose to medium dense fine sands to fine sands with silt extended to depths up to 6 feet. Trace amounts of material that appeared to be fill was encountered at borings B-2, B-6, and B-7, and hand augers HA-2, HA-3, and HA-7. The fill soils appear to be suitable material and may be reused during construction. Below the sandy soils, interbedded layers of lean clay, fine sand and fine sand with clay was encountered and extended to depths of up to 17 feet. Below the clayey and sandy soils, weathered to highly weathered limestone was encountered. The limestone extended to the termination of the borings. The upper soils were predominately loose to medium dense.

All subgrades should be prepared in accordance with the recommendations presented in the section of ECS' report entitled Earthwork Operations. ECS reports the five-story residential building may be supported on conventional shallow foundations consisting of column or strip footings bearing on natural soils or suitable fill soils within an allowable net bearing capacity of 2,500 pounds per square foot ("psf"). Structural Fill and/or foundation/slab concrete should be placed as early in the construction stages as practical to minimize subgrade exposure. Based on the information provided to ECS, ECS understands that the structure will be 8" precast hollow core planks supported by load bearing concrete masonry walls. Additionally, ECS understands that typical gravity loads are estimated as follows: 15 kips per linear foot ("klf") at the typical interior bearing walls (service), and 75 to 125 kips at columns. We have assumed that final grades will be within about 2 feet of existing elevations. The design of the foundation shall utilize the parameters found in Foundation Design Table 5.1.1.1 within the report.

ECS' pavement recommends are comprised of sections of standard-duty and heavy-duty flexible pavement as well as sections of heavy-duty and standard-duty rigid pavement. Additional recommendations for pavement design are detailed in Section 5.3.1 of ECS' geotechnical evaluation.

Based on the information provided to ECS, ECS understands that the proposed project includes a stormwater drainage system located west of the parking lot, between hand augers HA-4 and HA-5. The subsurface material encountered within the stormwater drainage system footprint generally consisted of brownish gray fine sand to light tan fine sand consistent with the material observed in ECS' previous hand auger HA-4 and HA-5. Based on ECS' groundwater readings for all soil borings, groundwater was encountered ranged from 6.5 to 7.7 feet below ground surface at the time of drilling. ECS states that typically in Florida, the infiltration potential of soils is empirically evaluated using a DRI test. ECS provided stormwater design parameter recommendations within table 5.2.1.1 within the report.

The recommendation is conditioned upon the Applicant and GC adhering to all recommendations of the soils engineer as to design, construction practices, and supervision of the site.

Pre-Construction Analysis: SMG has received a Plan and Cost Analysis ("PCA") from On Solid Ground, LLC dated April 4, 2018.

The PCA report states that the plans and specifications (civil, architectural, plumbing, mechanical, and electrical) appear to be adequately prepared and provide the information necessary to satisfactorily complete the construction. OSG states that all documents provided have been reviewed for completeness and general compliance with applicable building codes and standard construction practices including ASTM standards.

Upon review of the GMP contract for $29,114,014, OSG noted that the contract amount reflects a cost of $183.59 per square foot. By subtracting Sitework and Special Construction costs, which can vary considerably between developments, OSG arrived at a figure of $180.07 per square foot. The costs of $178,817 per unit also exclude the costs of Sitework and Special Construction.

The PCA states that a review of the construction costs indicate that the Applicant's direct costs (total costs less site work and special construction) are in the mid-range of per square foot and per unit costs of similar developments in OSG's files and fall within an expected cost range for the scope of work and therefore, concludes that the GMP of $29,114,014 should be considered adequate for satisfactory completion of the proposed development.

OSG noted that the hard cost breakdown did not include a contingency amount (typically recommended at 3%-5% for new construction projects such as the Subject Development). It should be noted that the Borrower included a Hard Cost Contingency within the total development budget.

The PCA also states that the Development has been designed to comply with applicable ADA, FHA, and 504 accessibility laws.

It is OSG's opinion that the 404 day time frame, stated in the construction contract provided, is adequate for substantial completion.

Site Inspection:

Tammy Fuori of Seltzer Management Group, Inc. conducted a site visit of the Subject Site on May 11, 2017. This very large site consists of an eight-story building, multiple one to two-story apartment buildings, and offices, that are boarded up and vacant. There was no evidence that demolition of any of the apartment buildings or offices has begun.

Subject site(s) are located in a residential area with apartments, single-family homes, duplexes and small businesses, approximately two miles from downtown Tampa. The Tampa Housing Authority Bridges / Learning Center, several churches, Dunbar Magnet elementary school, and small businesses are south of the site. Just elementary school and GV Stewart Magnet middle school are northwest of and adjacent to some of the apartment buildings within the site, and Blake High School is northeast of the site. West of the site, there are single family homes and appear to be market rate apartments. I-275 is approximately a quarter mile east. There is one elderly affordable property (Aqua) located within three miles, and two family affordable properties (Oaks at Riverview and Belmont Heights Apts - Phases I, II and III), within six miles.

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

Features, Amenities, and Resident Programs:

Borrower committed to provide certain features and amenities and certain resident programs in the RFA 2016-109 Application. These commitments are set forth in the attached Exhibit 2.

Borrower Information

Borrower Name:	West River Phase 1A, LP. (“Applicant” or “WRP1”)
Borrower Type:	Florida Limited Partnership
Ownership Structure:	West River Phase 1A, LP. (“WRP1”) is a Florida Limited Partnership registered with the State of Florida on December 19, 2014. Copies of the Limited Partnership Agreement dated December 19, 2014 and Certificate of Limited Partnership have been provided for the Applicant. The current Certificate of Status was verified with the Secretary of State. The general partner of the Borrower is THA West River Phase 1A, LLC (“THAWR”) with a .005% ownership interest. THAWR is a Florida Limited Liability Company organized under the laws of the State of Florida December 18, 2014. Copies of the Articles of Organization have been provided. The current Certificate of Status was verified with the Secretary of State. THAWR is 100% owned by the Tampa Housing Authority Development Corp (“THADC”), a Florida not-for-profit Corporation created and solely owned by the Tampa Housing Authority (“THA”). Copies of the Articles of Incorporation and an IRS 501(c)(3) verification of exempt status have been provided. The current Certificate of Status was verified with the Secretary of State. The Tampa Housing Authority, as well as its subsidiaries, are governed by a Board of Directors, of which Jerome D. Ryans is the current President/CEO. Mr. Ryans has served as President/CEO (f.k.a. Executive Director) since 1998. THA is currently a 99.99% Limited Partner of the Borrower. Bank of America, N.A., (“Bank of America”), Charlotte, North Carolina, and/or, its affiliates, will purchase the 99.99% Limited Partner interest and become the Investor Limited Partner at or prior to loan closing. The remaining ownership will consist of: THAWR as general partner with 0.005% ownership, Banc of America Community Development Corporation (“BOACDC”) as Class B Limited Partner with 0.005% ownership, and Banc of America CDC Special Holding Company, Inc. (“BOA Special”) as Special Limited Partner with 0.000% ownership. Upon stabilization, and certain other syndicator criteria, the Class B Limited Partner will withdraw from the transaction and the Applicant entity shall be comprised of Bank of America with 99.99% ownership and THAWR with 0.01% ownership.
Contact Information:	Eileen M. Pope 980-387-2727 (telephone) E-Mail: eileen.m.pope@baml.com
Address:	100 N. Tryon Street, 11th Floor

	Charlotte, NC 28255
Federal Employer ID:	81-2788589
Experience:	The Applicant entity and THAWR were created to develop, own, and operate the Subject Development. In and of themselves, they have no development experience. SMG has therefore reviewed the activities of BOACDC and THA.

WRDG Bethune I, LLC ("WRDG"), Plantation, Florida, is the Developer of this development. Members of WRDG are BOACDC with a 75% ownership interest and THA with a 25% ownership interest, with disbursements of Developer Fee matching relative ownership percentages in the Developer entity. The General Contractor will be DPR Construction, a General Partnership. ("DPR"), Tampa, Florida, and the Property Manager will be JMG Realty, Inc. ("JMG"), Palm Bay, Florida.

BOACDC is a wholly-owned subsidiary of Bank of America, which, in turn, is 100% owned by the Bank of America Corporation ("BOA"). In addition to equity investment, BOACDC has a for-profit real estate development practice that focuses on the revitalization of urban communities. It considers itself the first, largest and most productive community real estate development entity among U.S. financial institutions. BOACDC has a long history of acting in partnership with Community-Based Development Corporations, Public Redevelopment Agencies, Public Housing Authorities and for-profit developers. It has developed or is currently in the process of developing more than 32,000 Affordable and Mixed-Income housing units. Individual projects have ranged up to 600 units and up to $100 million. BOACDC produces approximately 700 new units each year. A list provided by BOACDC identifies 30,048 housing units developed by BOACDC with an additional 2,226 units under development.

THA is a body corporate and politic, created pursuant to Florida Statutes and a resolution of the City of Tampa. THA's mission is to promote the development of a variety of Affordable Housing opportunities throughout the community, to provide professional management for facilities, to provide supportive services to promote self sufficiency for residents, to nurture neighborhoods and to provide economic development. THA is administered by a President/CEO hired by a 7-person Board of Commissioners appointed by the Mayor of the City of Tampa. THA administers 4,972 low-rent housing units located at 33 different sites. THA also administers the Section 8 Program involving more than 8,000 Certificates/Vouchers for Rental Assistance, Affordable Housing and an Assisted Living Facility ("ALF").

Credit Evaluation:	In response to an April 10, 2018, inquiry, Experian has no credit file in the name of the Applicant. An Experian business report for THAWR dated April 10, 2018 reflected no trade activity, judgments, liens, or UCC filings. In response to an April 10, 2018, inquiry, Experian has no credit file in the name of THADC. In response to an April 10, 2018, inquiry, Experian has no credit file in the name of WRDG. Credit Authorizations for Bank of America and BOACDC were not provided.
Business References:	Business references for
Financial Statements:	*Bank of America, N.A.:*

Cash and Equivalents:	$157,434,000,000
Total Assets:	$2,281,234,000,000
Total Liabilities:	$1,309,545,000,000
Equity:	$267,146,000,000

Financial data is from Bank of America's Annual Report as of December 31, 2017. Major Assets other than Cash and Cash Equivalents consist of Trading Account Assets, Debt Securities, Loans and Leases, Allowance for Loan and Lease Losses, and Other Assets. Liabilities consist of Customer Deposits, Federal Funds Purchased, Trading Account Liabilities, Short-term Borrowings, Long-term Debt, and All Other Liabilities.

Contingent Liabilities:	Bank of America enters into a number of off-balance sheet commitments. These commitments expose the company to varying degrees of credit and market risk and are subject to the same credit and market risk limitation reviews as those instruments recorded on the consolidated balance sheet.
Summary:	Based upon the information provided, Bank of America appears to have the experience and financial resources to develop and operate the Subject Development.

Guarantor Information

Guarantor Name:	West River Phase 1A, L.P. ("WRP1" or "Applicant"), THA West River Phase 1A ("THAWR"), LLC, Banc of America Community Development Corporation ("BOACDC")
Contact Information:	Eileen M. Pope, Senior Vice President (980) 387-2727 (telephone) E-Mail: Eileen.m.pope@baml.com
Guarantor Address:	c/o Banc of America Community Development Corporation 100 N. Tryon Street, 11th Floor Charlotte, North Carolina 28255-0001
Nature of the Guarantee:	The Applicant, THAWR, WRDG, and BOACDC will sign standard HFA Operating Deficit Guarantees, said Guarantees to be released upon the earlier of (i) Permanent Loan Conversion or (ii) achievement by the Subject Development of a 1.10x Debt Service Coverage ("DSC") for 6 consecutive months on the MMRN Program Loan, 90% Occupancy and 90% of Gross Potential Revenues, all certified by an independent Certified Public Accountant ("CPA").
Financial Statements:	Please refer to the Borrower portion of Section C within this Credit Underwriting Report for financial information on the guarantors.
Contingent Liabilities:	Please refer to the Borrower portion of Section C within this Credit Underwriting Report for financial information on the guarantors.
Summary:	Based upon the financial information provided, the guarantors appear to have adequate financial strength to serve as the guarantors for this Development.

Syndicator Information

Syndicator Name:	Bank of America, N.A. and, or, its affiliates (“Bank of America” or “BOA”)
Contact Person:	Cassandra Silvernail, Senior Vice President 713-247-6645 Telephone
Address:	700 Louisiana Street Houston, TX 77002
Experience:	Based upon a HC equity investment letter of interest dated April 12, 2018, Bank of America or an affiliate will purchase a 99.99% ownership interest in the Applicant company concurrent with or prior to the closing of the construction/permanent loan. In 2017, Bank of America distributed over $11 billion of tax credit syndication investments, has extensive experience as a tax credit syndicator throughout the country, and has successfully syndicator multiple low-income housing transactions.
Financial Statements:	*Bank of America, N.A.:*

Cash and Equivalents:	$147,738,000,000
Total Assets:	$2,254,529,000,000
Total Liabilities:	$1,920,862,000,000
Equity:	$266,840,000,000

Financial data is from Bank of America’s Annual Report as of December 31, 2017. Major Assets other than Cash and Cash Equivalents consist of Trading Account Assets, Debt Securities, Loans and Leases, Allowance for Loan and Lease Losses, and Other Assets. Liabilities consist of Customer Deposits, Federal Funds Purchased, Trading Account Liabilities, Short-term Borrowings, Long-term Debt, and All Other Liabilities.

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

General Contractor Information

General Contractor Name:	DPR Construction, A General Partnership ("DPR")
Type:	A California General Partnership
Contact Person:	Ryan Romanchuk 813-354-0995 (telephone)
Address:	One North Dale Mabry Hwy, Suite 820 Tampa, Florida 33609
Experience:	DPR registered with the State of Florida in 2010, and is wholly owned by DPR Construction, Inc. (Managing Partner) and DPR Construction II, Inc. DPR Construction Inc. was founded in July of 1990 by Doug Woods, Peter Nosler, and Ron Davidowski. In 2014 DPR ranked #10 on Fortune magazine's "100 Best Companies to Work For" and in 2015 DPR surpassed $3 billion in revenue. Since 1997, DPR has continued to rank in the top 50 general contractors in the country. Hardin Construction, the general contractor that constructed the Ella at Encore, was acquired by DPR (2013). According to the Applicant, principals of Hardin Construction that were responsible for the construction of Ella at Encore will be involved in the construction of the Subject Development. Notable experience for DPR consists of, but is not limited to: residential, multifamily development called 330 3rd Street South Residences (625,394 sq. ft., 19-story tower with detached five-level parking structure that provides 596 spaces) in St. Petersburg, Florida, The Grand Central at Kennedy (1,300,000 sq. ft. with 392 units disbursed amongst a towers ranging from 4 to 14 stories) in Tampa, Florida, The Venta (320,770 sq. ft., 11-story 96-unit residential development with units ranging in size from 900 sq. ft. up to 1,829 sq. ft.) in Tampa, Florida, and The Waverly at Lake Eola (371,601 sq. ft., 22-story tower consisting of 230 luxury apartments with 400 parking spaces) in Orlando, Florida. DPR provided examples of seven additional residential multifamily developments they have constructed in South Florida, ranging from 22 units up to 368 units. SMG was provided a copy of Florida General Contractor License No. CGC1520498, in the name of Deborah Beetson, DPR Construction,. It has an expiration date of August 31, 2018.
Credit Evaluation:	An Experian Business Report inquiry for DPR Construction, A General Partnership returned a Business Report for DPR Construction, Inc., dated April 13, 2018, reflected satisfactory credit history with minor collection and late payment activity. There are multiple UCC filings, the

majority of which are related to collateral. There are a few tax liens for de minimis amounts and do not have a material impact on evaluation of the overall credit history.

DPR provided Seltzer details pertaining to current litigation involving DPR. Per the list provided, there are eight open cases with a combined claim amount of $2.1 million. Based on DPR's size, experience, and financial strength, it is Seltzer's opinion that current litigation should not impede DPR from successfully constructing the Subject Development.

Banking References: Bank and business references for DPR reported satisfactory working relationships and payment history.

Financial Statements: *DPR Construction, a General Partnership:*

In lieu of providing financial information, DPR elected to provide a Payment and Performance Bond equal to at least 100% of the construction contract. A bonding letter was provided by Liberty Mutual listing four sureties, all with A.M. Best and financial size category ratings that meet or exceed underwriting standards, willing to provide surety credit on behalf of DPR for single projects in excess of $450 million with an aggregate capacity of approximately $4 billion.

Summary: SMG recommends that DPR be accepted as the general contractor subject to the conditions listed in the Recommendations section of this report, if any.

Property Manager Information

Property Manager Name:	JMG Realty, Inc. (“JMG”)
Type:	A Georgia Corporation
Contact Information:	Tim Brock, President
	321-728-4447 (telephone) 321-725-3352 (facsimile)
Address:	4840 Dairy Road, Suite 104 Melbourne, FL 32904
Experience:	JMG is a Georgia Corporation formed in 1989 under the name Jackson Management Group and registered with the State of Florida in 1997. Currently, Karlton Jackson is Chief Executive Officer, Tim Brock is President, Thomas Staten is Chief Financial Officer, and Cynthia Kelley is Chief Operating Officer. JMG provided a resume stating it is an Accredited Management Organization (“AMO”) and began managing affordable housing developments starting back at the inception of the Bond finance programs and the Low Income Housing Tax Credit Program. JMG has experience in managing properties with multiple layers of financing and programs, including MMRB/MMRN, LIHTC, HOME, SAIL, SHIP, NSP, HUD 202, Public Housing, HCV and PBV. JMG’s management portfolio contains approximately 25,000 units located throughout Florida, Georgia, and Texas and has received numerous national and local awards including “AMO of the Year,” “NAA Renovation of the Year,” and various “Pillars of the Industry” awards.
Management Agreement:	The Applicant submitted a draft Management Agreement between Applicant and JMG. The agreement shall be in effect for a period of one year, beginning on the commencement date and ending twelve calendar months thereafter. Notwithstanding the automatic extension provision within the Agreement, the full term of this Agreement, including initial term and any extensions, shall not exceed five (5) years from date of execution, unless terminated in accordance with the terms of the agreement. The Management Fee shall be 4% of Gross Rental Receipts, excluding reimbursements for utility costs, insurance proceeds, and interest income; or a monthly minimum fee of $3,800.00 per month, whichever is greater. There are additional monthly charges of $1.75/unit/month and $3.00/unit/month for accounting and compliance, starting at pre-leasing.

Management Plan:	Applicant submitted Management Plan with JMG that appears satisfactory.
Summary:	The selection of JMG as a management company has previously been approved by the Asset Management Department of FHFC. The Asset Management Department of FHFC will need to approve the selection of JMG for the Subject Development prior to the commencement of lease-up activity. Continued approval will be contingent upon ongoing satisfactory performance.

Exhibit 1
The Renaissance at West River f/k/a Bethune Residences I at West River
15 Year Income and Expense Projection

	FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income		$1,587,072	$1,618,813	$1,651,190	$1,684,214	$1,717,898	$1,752,256	$1,787,301	$1,823,047	$1,859,508	$1,896,698	$1,934,632	$1,973,325	$2,012,791	$2,053,047	$2,094,108
	Rent Subsidy (ODR)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other Income:																
	Ancillary Income-Parking		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Miscellaneous		$20,000	$20,400	$20,808	$21,224	$21,649	$22,082	$22,523	$22,974	$23,433	$23,902	$24,380	$24,867	$25,365	$25,872	$26,390
	Washer/Dryer Rentals		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Cable/Satellite Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Rent Concessions		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Alarm Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Gross Potential Income		$1,607,072	$1,639,213	$1,671,998	$1,705,438	$1,739,546	$1,774,337	$1,809,824	$1,846,021	$1,882,941	$1,920,600	$1,959,012	$1,998,192	$2,038,156	$2,078,919	$2,120,497
	Less:																
	Economic Loss - Percentage:																
	Physical Vacancy Loss - Percentage:	5.0%	($80,354)	($81,961)	($83,600)	($85,272)	($86,977)	($88,717)	($90,491)	($92,301)	($94,147)	($96,030)	($97,951)	($99,910)	($101,908)	($103,946)	($106,025)
	Collection Loss - Percentage:	0.0%	($16,071)	($16,392)	($16,720)	($17,054)	($17,395)	($17,743)	($18,098)	($18,460)	($18,829)	($19,206)	($19,590)	($19,982)	($20,382)	($20,789)	($21,205)
	Total Effective Gross Revenue		$1,510,648	$1,540,861	$1,571,678	$1,603,111	$1,635,174	$1,667,877	$1,701,235	$1,735,259	$1,769,965	$1,805,364	$1,841,471	$1,878,301	$1,915,867	$1,954,184	$1,993,268
EXPENSES	Fixed:																
	Ground Lease		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Sub-Ground Lease		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Real Estate Taxes		$27,180	$27,995	$28,835	$29,700	$30,591	$31,509	$32,454	$33,428	$34,431	$35,464	$36,528	$37,623	$38,752	$39,915	$41,112
	Insurance		$88,000	$90,640	$93,359	$96,160	$99,045	$102,016	$105,077	$108,229	$111,476	$114,820	$118,265	$121,813	$125,467	$129,231	$133,108
	Other		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Variable:																
	Management Fee - Percentage:	4.6%	$69,546	$70,937	$72,356	$73,803	$75,279	$76,784	$78,320	$79,886	$81,484	$83,114	$84,776	$86,472	$88,201	$89,965	$91,764
	General and Administrative		$80,000	$82,400	$84,872	$87,418	$90,041	$92,742	$95,524	$98,390	$101,342	$104,382	$107,513	$110,739	$114,061	$117,483	$121,007
	Payroll Expenses		$216,000	$222,480	$229,154	$236,029	$243,110	$250,403	$257,915	$265,653	$273,622	$281,831	$290,286	$298,995	$307,964	$317,203	$326,719
	Utilities		$136,000	$140,080	$144,282	$148,611	$153,069	$157,661	$162,391	$167,263	$172,281	$177,449	$182,773	$188,256	$193,903	$199,721	$205,712
	Marketing and Advertising		$9,600	$9,888	$10,185	$10,490	$10,805	$11,129	$11,463	$11,807	$12,161	$12,526	$12,902	$13,289	$13,687	$14,098	$14,521
	Maintenance and Repairs		$128,000	$131,840	$135,795	$139,869	$144,065	$148,387	$152,839	$157,424	$162,147	$167,011	$172,021	$177,182	$182,497	$187,972	$193,611
	Grounds Maintenance and Landscaping		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Resident Programs		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Contract Services		$57,408	$59,130	$60,904	$62,731	$64,613	$66,552	$68,548	$70,605	$72,723	$74,904	$77,152	$79,466	$81,850	$84,306	$86,835
	Security		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other-Pest Control		$19,979	$20,578	$21,196	$21,832	$22,487	$23,161	$23,856	$24,572	$25,309	$26,068	$26,850	$27,656	$28,485	$29,340	$30,220
	Reserve for Replacements		$56,000	$57,680	$59,410	$61,193	$63,028	$64,919	$66,867	$68,873	$70,939	$73,067	$75,259	$77,517	$79,843	$82,238	$84,705
	Total Expenses		$887,713	$913,649	$940,349	$967,836	$996,133	$1,025,264	$1,055,254	$1,086,129	$1,117,914	$1,150,636	$1,184,324	$1,219,006	$1,254,712	$1,291,471	$1,329,315
	Net Operating Income		$622,935	$627,212	$631,329	$635,276	$639,041	$642,613	$645,980	$649,131	$652,051	$654,728	$657,147	$659,294	$661,155	$662,713	$663,952
	Debt Service Payments																
DEBT SERVICE	First Mortgage		$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205	$483,205
	Second Mortgage		$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000	$70,000
	Third Mortgage		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Fourth Mortgage		$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$167
	Fifth Mortgage		$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350	$350
	All Other Mortgages		$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300	$300
	First Mortgage Fees		$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
	Second Mortgage Fees		$13,714	$13,822	$13,933	$14,047	$14,165	$14,287	$14,412	$14,541	$14,673	$14,810	$14,951	$15,096	$15,245	$15,399	$15,558
	Third Mortgage Fees		$3,465	$949	$977	$1,006	$1,037	$1,068	$1,100	$1,133	$1,167	$1,202	$1,238	$1,275	$1,313	$1,353	$1,393
	Fourth Mortgage Fees		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Fifth Mortgage Fees		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	All Other Mortgages Fees		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Debt Service Payments		$576,200	$573,792	$573,931	$574,075	$574,223	$574,376	$574,533	$574,695	$574,861	$575,033	$575,210	$575,392	$575,580	$575,773	$575,972
	Cash Flow After Debt Service		$46,735	$53,420	$57,398	$61,201	$64,818	$68,237	$71,448	$74,436	$77,189	$79,694	$81,937	$83,902	$85,575	$86,940	$87,980
	Debt Service Coverage Ratios																
	DSC - First Mortgage plus Fees		1.276	1.285	1.293	1.301	1.309	1.316	1.323	1.330	1.336	1.341	1.346	1.350	1.354	1.357	1.360
	DSC - Second Mortgage plus Fees		1.089	1.096	1.103	1.110	1.116	1.122	1.128	1.133	1.138	1.143	1.147	1.150	1.153	1.155	1.157
	DSC - Third Mortgage plus Fees		1.083	1.095	1.102	1.108	1.114	1.120	1.126	1.131	1.136	1.140	1.144	1.147	1.150	1.153	1.154
	DSC - Fourth Mortgage plus Fees		1.082	1.094	1.101	1.108	1.114	1.120	1.126	1.131	1.136	1.140	1.144	1.147	1.150	1.152	1.154
	DSC - Fifth Mortgage plus Fees		1.082	1.094	1.101	1.107	1.113	1.119	1.125	1.130	1.135	1.139	1.143	1.146	1.149	1.152	1.153
	DSC - All Mortgages and Fees		1.081	1.093	1.100	1.107	1.113	1.119	1.124	1.130	1.134	1.139	1.142	1.146	1.149	1.151	1.153
	Financial Ratios																
	Operating Expense Ratio		58.8%	59.3%	59.8%	60.4%	60.9%	61.5%	62.0%	62.6%	63.2%	63.7%	64.3%	64.9%	65.5%	66.1%	66.7%
	Break-Even Ratio		91.4%	91.0%	90.8%	90.7%	90.6%	90.4%	90.3%	90.2%	90.2%	90.1%	90.1%	90.1%	90.1%	90.1%	90.1%

Exhibit 2

THE RENAISSANCE AT WEST RIVER
f/k/a BETHUNE RESIDENCES I AT WEST RIVER

Hillsborough County MMRB Features/Amenities and Resident Programs

Features/Amenities: In addition to meeting all Building Code, Fair Housing Act and Americans with Disabilities Act Requirements, the following items are required:

All (new construction) units

- Air conditioning (window units are not allowed), in all units
- Dishwasher in all new construction units
- Garbage disposal in all new construction units
- Cable TV hook-up in all units
- At least two full baths in all 3-bedroom and larger new construction units
- At least 1.5 bathrooms (one full bath and one with at least a toilet and sink) in all new construction 2-bedroom units
- Full-sized appliances in all units
- Bathtub in at least one bathroom in new construction non-elderly units
- Blinds inside each unit
- 30-year expected life roofing on all buildings
- Gated community with "carded" entry or security guard, or if mid-or-high-rise, "carded" secure entry to building
- Ceramic tile bathroom floors
- Marble window sills
- Fire sprinklers in all units
- Steel entry door frames

Elderly Developments

- Emergency call service in all elderly units
- Hairdresser Shop or Barber Shop on site
- Laundry facility available on every floor
- All bathrooms in elderly units handicapped accessible with grab-bars per ANSI requirements
- Exercise room with appropriate equipment
- Community center or clubhouse
- Library consisting of a minimum of 100 books and 5 magazine subscriptions
- Craft Room

Mandatory 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
- 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
- Eco-friendly flooring -- Carpet and Rug Institute Green Label certified carpet and pad, bamboo, cork, recycled content tile, and/or natural linoleum

Resident Programs

- Health Care - Mandatory - Regularly scheduled visits by health care professionals such as nurses, doctors, or other licensed care providers. At a minimum, the following services must be provided at no cost to the resident: health screening, flu shots, vision and hearing tests. Regularly scheduled is defined as not less often than once each quarter. On-site space must be provided.

- Resident Activities - Mandatory - Regularly scheduled, specified activities, planned, arranged, managed, and paid for by the Applicant or its management agent as an integral part of the management plan. The Applicant must develop and execute a comprehensive plan of varied activities such as holiday or special occasion parties, community picnics or cookouts, newsletters, children's special functions, etc., to bring the resident together, foster a sense of community, and encourage community pride.

- On Site Voter Registration - Mandatory - The Applicant or its Management Agent shall work with the County Supervisor of Elections to arrange on-site voter registration. The registration shall be at least quarterly, and shall be during weekend and other traditionally non-work times.

- Financial Counseling - Mandatory - This service must be provided by the Applicant or its Management Agent at no cost to the resident. Financial counseling must include the following components; must be regularly scheduled, not less often than once each quarter; must be free of charge to the residents; must include tax preparation assistance by qualified professionals; must include educational workshops on such topics as "Learning to Budget", "Handling

Personal Finances", or "Comparison Shopping for the Consumer".

- Computer Training - Mandatory - This training is made in conjunction with the requirement that the Applicant commit one computer for every 50 units, with software and internet access. The applicant must provide quarterly, on-site training classes, OR access to training software on basic computer skills such as word processing and spreadsheets to the residents.
- Health and Nutrition Classes - Optional - The Applicant or its Management Agent shall provide on-site classes, at no cost to the resident, at least 8 hours per year.
- Resident Assurance Check-In Program - Mandatory - Applicant must provide and use an established system for checking in with each resident on a predetermined basis not less than once per day. Residents may opt out of this program with a written certification that they chose not to participate.
- Daily Activities - Mandatory - Applicant or its Management Agent must provide supervised, structured activities at least five days per week. Activities must be on-site and at no charge to the residents.
- Assistance with Light Housekeeping, Shopping and/or Laundry - Optional - Applicant must provide weekly assistance with at least two of the following: (1) light housekeeping, and/or (2) grocery shopping, and/or (3) laundry, at a rate which is at least 25% lower than market.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: The Renaissance at West River f/k/a Bethune I at West River Apartments
DATE: May 7, 2018

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

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	1
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

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

NOTES AND APPLICANT'S RESPONSES:

1. A final, approved Site Plan, consistent with what has been provided during underwriting, is a condition to close, because the Site Plan approval will authorize the development to proceeds as proposed, despite exceeding the maximum density limitation based on acreage and zoning.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	$45,590,930
Less Land Cost	($1,674,000)
Less Federal Funds	$0
Less Other Ineligible Cost	($4,469,997)
Less Disproportionate Standard	$0
Total Eligible Basis	$39,446,933
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	$51,281,013
Housing Credit Percentage	3.39%
Annual Housing Credit Allocation	$1,738,426

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include FHFC administrative, application and HC compliance fees, marketing, legal fees, permanent loan origination and commitment fees and closing costs, reserves required by the syndicator, MMRN costs of issuance, and demolition.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. Per the Application, this Development is located in Qualified Census Tract (“QCT”) 43.00. Therefore, the 130% basis credit has been applied.
4. A Housing Credit Percentage of 3.39% is used based on a rate of 3.24% as of the March 2017 date of invitation into credit underwriting plus 15 basis points.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	$45,590,930
Less Mortgages	($26,367,915)
Less Grants	$0
Equity Gap	$19,223,015
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$1.02
HC Required to Meet Gap	$18,847,978
Annual HC Required	$1,884,798

Notes to the Gap Calculation:

1. Mortgages are the Greystone TEL first mortgage, FHFC SAIL second mortgage, FHFC ELI third mortgage, Tampa Housing Authority (land loan, RHF loan, THA funds, and AHP loan) fourth through seventh mortgages, and the City of Tampa eighth mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the April 12, 2018 LOI from Bank of America.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	$39,446,933
Plus Land Cost	$1,674,000
Aggregate Basis	$41,120,933
Tax-Exempt Bond Amount	$22,400,000
Less Debt Service Reserve	$0
Less Proceeds Used for Costs of Issuance	$0
Plus Tax-exempt GIC earnings	$0
Tax-Exempt Proceeds Used for Building and Land	$22,400,000
Proceeds Divided by Aggregate Basis	54.47%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRN amount to be 54.47% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the MMRN Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Qualified Basis	$1,738,426
HC per Gap Calculation	$1,884,798
Annual HC Recommended	$1,738,426

Notes to the Summary:

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