Florida Housing Finance Corporation

Credit Underwriting Report

Preserve at Sabal Park

Housing Credit Financing for Affordable Housing Developments Located in

Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties

RFA 2016-113 / 2017-212C

DEVELOPMENT VIABILITY LOAN FUNDING

RFA 2018-109 / 2018-342V

Section A Report Summary

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Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

October 16, 2018

Preserve at Sabal Park

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Section A

Report Summary

Recommendation

Seltzer Management Group, Inc. (“SMG” or “Seltzer”) recommends a Viability Loan (“VL”) in the amount of $1,250,000, and a 9% Housing Credit (“HC”) allocation in the annual amount of $2,110,000 be awarded to this development by the Florida Housing Finance Corporation (“FHFC” or “Florida Housing”).

DEVELOPMENT & SET-ASIDES

Development Name: Preserve at Sabal Park

RFA/Program Numbers: RFA 2016-113 / 2017-212C RFA 2018-109 2018-342V

Address: Williams Rd, approx. 200' N of E. Broadway Ave. and 10920 E. Broadway Ave., Unincorporated Hillsborough County

City: Seffner Zip Code: 33610 County: Hillsborough County Size: Large

Development Category: New Construction Development Type: Garden Apts (1-3 Stories)

Construction Type: Concrete/Stucco

Demographic Commitment:

Primary: Family for 100% of the Units

Secondary: for of the Units

Unit Composition:

# of ELI Units: 29 ELI Units Are Restricted to 40% AMI, or less. Total # of units with PBRA? 0

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

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME	High HOME	Gross HC Rent	Utility Allow.	Net Restricted	PBRA Contr	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	9	753	40%			$480	$62	$418		$418	$418	$418	$45,144
1	1.0	39	753	60%			$720	$62	$658		$658	$658	$658	$307,944
2	2.0	15	1,030	40%			$576	$82	$494		$494	$494	$494	$88,920
2	2.0	57	1,030	60%			$864	$82	$782		$782	$782	$782	$534,888
3	2.0	5	1,192	40%			$665	$99	$566		$566	$566	$566	$33,960
3	2.0	19	1,192	60%			$997	$99	$898		$898	$898	$898	$204,744
		144	138,912											$1,215,600

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside 50 percent (50%) of the ELI Set-ASide units (8 units) as Link units for Persons with Special Needs. In order to meet the commitment to set aside ELI as LINK units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding (“MOU”) with at least one designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs in Hillsborough County. The MOU was approved by Florida Housing on May 30, 2018.

Buildings: Residential - 6 Non-Residential - 1
Parking: Parking Spaces - 275 Accessible Spaces - 14

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
HC	10.0%	15	40%	50
HC	90.0%	129	60%	50
HFA Hillsborough	20.0%	29	40%	
HFA Hillsborough	80.0%	115	60%	
Hillsborough SHIP		1	50%	30

The Housing Finance Authority of Hillsborough ("HFA") Loan requires 20% of the units (29 units) at or below 40% Area Median Income ("AMI") and 80% of the units (115) at or below 60% AMI with an affordable period in perpetuity. The Applicant also committed to set aside 5% of the units (8 units) for an "at risk" group (either homeless or youth aging out of foster care). The Hillsborough County State Housing Initiatives Partnerships Program ("SHIP") requires one unit at or below 50% AMI.

Absorption Rate 16 units per month for 9.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.50% Economic Occupancy 95.00%
Occupancy Comments

DDA: No QCT: Yes Multi-Phase Boost: Yes QAP Boost: N/A
Site Acreage: 13.59 Density: 10.5995 Flood Zone Designation: X

Zoning: PD - Planned Development Flood Insurance Required?: No

DEVELOPMENT TEAM		
Applicant/Borrower:	Blue Broadway, LLC	% Ownership
Member	Blue Broadway M, LLC	0.0100%
Member	Blue Sky Communities III, LLC	99.9900%
Construction Completion Guarantor(s):	Blue Sky GE, LLC	
CC Guarantor 1:	Blue Broadway, LLC	
CC Guarantor 2:	Blue Broadway M, LLC	
CC Guarantor 3:	Shawn Wilson	
CC Guarantor 4:	James Chadwick	
Operating Deficit Guarantor(s):	Blue Sky GE, LLC	
OD Guarantor 1:	Blue Broadway, LLC	
OD Guarantor 2:	Blue Broadway M, LLC	
OD Guarantor 3:	Shawn Wilson	
OD Guarantor 4:	James Chadwick	
Developer:	Blue SP Developer, LLC	
Principal 1	Blue Sky Communities LLC (100%)	
Principal 2	Shawn Wilson (28.5%)	
Principal 3	Scott Macdonald (10%)	
Principal 4	Weedon Enterprises, LLC (61.5%) - Harry R Chadwick & Laurel J Chadwick Family Trust (50%) / Sembler Provision Fund Generation-Skipping Trust Number 5 (50%)	
General Contractor 1:	NDC Construction Company	
General Contractor 2:		
Management Company:	Carteret Management Corporation	
Const. Credit Enhancer:		
Perm. Credit Enhancer:		
Syndicator:	Raymond James Tax Credit Funds, Inc ("RJTCF")	
Bond Issuer:		
Architect:	Architectonics Studio, Inc.	
Market Study Provider:	Meridian Appraisal Group, Inc. ("Meridian")	
Appraiser:	Walter Duke & Partners ("Duke and Partners")	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position						
Lender/Grantor	Citibank, N.A.	FHFC - Viability Loan	HFA of Hillsborough	Hillsborough County		
Amount	$5,000,000	$1,250,000	$439,000.00	$112,000.00		
Underwritten Interest Rate	5.39%	0.00%	1.00%	1.00%		
All In Interest Rate						
Loan Term	15	15	15	30		
Amortization	35	0	30	0		
Market Rate/Market Financing LTV	25.9%	32.4%	34.7%	35.3%		
Restricted Market Financing LTV	60.3%	75.4%	80.7%	82%		
Loan to Cost - Cumulative	17.2%	21.4%	22.9%	23.3%		
Loan to Cost - SAIL Only						
Debt Service Coverage	1.523	1.508	1.432	1.427		
Operating Deficit & Debt Service Reserves	$251,011					
# of Months covered by the Reserves	4.0					

Deferred Developer Fee	$2,021,926
As-Is Land Value	$1,730,000
As-Is Value (Land & Building)	$0.00
Market Rent/Market Financing Stabilized Value	$19,280,000
Rent Restricted Market Financing Stabilized Value	$8,290,000
Rent Restricted Favorable Financing Stabilized Value	$0.00
Projected Net Operating Income (NOI) - Year 1	$750,087
Projected Net Operating Income (NOI) - 15 Year	$1,120,816
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	
Housing Credit (HC) Syndication Price	$0.963
HC Annual Allocation - Initial Award	
HC Annual Allocation - Qualified in CUR	$2,110,000
HC Annual Allocation - Equity Letter of Interest	$2,110,000

CONSTRUCTION/PERMANENT SOURCES:				
Source	**Lender**	**Construction**	**Permanent**	**Perm Loan/Unit**
First Mortgage	TD Bank, N.A. / Citibank, N.A.	$22,000,000	$5,000,000	$34,722.22
Second Mortgage	FHFC Viability Loan	$0	$1,250,000	$8,680.56
Third Mortgage	HFA of Hillsborough	$439,000	$439,000	$3,048.61
Fourth Mortgage	Hillsborough County	$112,000	$112,000	$777.78
HC Equity	RJTCF	$3,049,173	$20,327,817	$141,165.40
DDF	Blue SP Developer, LLC	$3,299,559	$2,021,926	$14,041.15
ODR	RJTCF	$251,011	$0	$0.00
TOTAL		$29,150,743	$29,150,743	$202,435.71

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?	X	
Is the Development in all other material respects the same as presented in the Application?	X	3

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

1. Change in sources of funds:

    a. At the time of the application, JP Morgan Chase Bank, N.A. ("Chase") issued a preliminary loan commitment for a construction loan of $19,500,000 and permanent loan of $4,270,000. Chase was replaced by TD Bank, N.A. ("TD") for the construction loan in the amount of $22,000,000. Chase was replaced by Citibank, N.A. for the permanent loan in the amount of $5,000,000.

b. At the time of the application, Raymond James Tax Credit Fund, Inc. ("RJTCF") issued a Letter of Intent ("LOI") as the Equity Investor in the amount of $20,042,996 or $0.95 HC Exchange Rate per dollar of allocated HC. RJTCF updated their LOI on May 9, 2018 modifying the amount to $20,327,817 or $0.963 HC Exchange Rate per dollar of allocated HC.

c. Since the time of application, a Viability Loan from Florida Housing in the amount of $1,250,000 has been added to the financial structure as the second mortgage.

d. At the time of the application, the Applicant had indicated they had applied for a Hillsborough County loan in the amount of $551,000. Since that time, the sources of the $551,000 have been divided between the Housing Finance Authority of Hillsborough County ("HFA") in the amount of $439,000 and the Hillsborough County State Housing Initiatives Partnerships ("SHIP") Program in the amount of $112,000.

2. Change in Development Costs Listed in Application:

a. Total Development Costs have increased by $3,270,046 from $25,880,697 within the Application to $29,150,743 primarily due to increases in the construction costs, Viability Loan costs, extension fees, legal fees, Builders Risk Insurance, financing fees and interest, and the addition of Operating Deficit Reserves required by the Syndicator.

3. Change in Other Material Respects Presented in Application:

a. On October 9, 2017, a petition was submitted to FHFC by the Applicant to change the development type from Townhouses to Garden Apartments. On October 27, 2017, Florida Housing's Board approved a Rule Waiver permitting the change. The change to the zoning from PD and ASC-1 Planned Development and Agriculture, Single Family to Planned Development was subsequently submitted and approved by Hillsborough County on March 21, 2018.

b. As a result of the change from Townhouses to Garden Apartments, the Patio feature was removed.

c. Since the time of the application, the Architect changed from Forum Architecture & Interior Design, Inc. to Architectonics Studio, Inc.

d. On October 5, 2017, a request was submitted to FHFC by the Applicant to change the unit mix from 24 one-bedroom units, 96 two-bedroom units, and 24 three-bedroom units to 48 one-bedroom units, 80 two-bedroom units, and 16 three-bedroom units. On October 10, 2017, FHFC approved the unit mix change.

e. On November 10, 2017, a request was submitted to FHFC by the Applicant to change the unit mix from 24 one-bedroom units, 96 two-bedroom units, and 24 three-bedroom units to 48 one-bedroom units, 72 two-bedroom units, and 24 three-bedroom units. On November 16, 2017, FHFC approved the unit mix change.

f. On February 8, 2018, a request was submitted to FHFC by the Application to change the member structure for the Developer entity from Blue Sky Communities III, LLC to Blue SP Developer LLC, a Special Purpose Entity (SPE) Limited Liability Company Developer. The

Applicant indicated the end principals would remain the same. FHFC approved the change at the March 16, 2018 Board meeting.

g. On February 23, 2018, a request was submitted to FHFC by the Application to make a non-material change to the ownership percentages within the Applicant entity. On March 14, 2018, FHFC approved the ownership percentage change.

h. On July 27, 2018, the Applicant submitted a request to FHFC to change the legal description of the property from 18.09 acres to 13.585 acres. On August 2, 2018, FHFC approved the legal description change.

These changes have no material impact to the Viability Loan or HC recommendation for this development.

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

The FHFC Past Due Report dated August 27, 2018 reflects no past due items.

The FHFC Asset Management Noncompliance Report dated July 9, 2018 reflects no noncompliance issues.

This recommendation is subject to satisfactory resolution (as determined by FHFC) of any outstanding past due and/or noncompliance issues prior to the issuance of the annual HC allocation herein.

<u>Strengths:</u>

1. The appraiser states that the subject’s 2018 Housing Credit maximum net rent is well below market rent, and should be achievable.
2. The principals, Developer, General Contractor, and the management company are experienced in affordable multifamily housing.
3. The principals have sufficient experience and substantial financial resources to develop, construct and operate the proposed development.

<u>Other Considerations:</u> None

<u>Mitigating Factors:</u> None

<u>Waiver Requests/Special Conditions</u>: None

<u>Additional Information</u>: None

<u>Issues and Concerns</u>: None

Recommendation:

SMG recommends a Viability Loan in the amount of $1,250,000 and a 9% Competitive Housing Credit ("HC") allocation in the annual amount of $2,110,000 for the construction and permanent financing of the Preserve at Sabal Park.

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 HC Allocation 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:

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Credit Underwriter

Reviewed by:

Cindy Highsmith
Manager, Credit Underwriting

Overview

CONSTRUCTION FINANCING SOURCES

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	TD Bank, N.A.	$19,500,000	$22,000,000	$22,000,000	4.48%	$983,136
Second Mortgage	FHFC - Viabilty	$0	$0	$0	0.00%	$0
Third Mortgage	HFA of Hillsborough	$551,000	$439,000	$439,000	1.00%	$4,390
Fourth Mortgage	Hillsborough County	$0	$112,000	$112,000	1.00%	$1,120
HC Equity	RJTCF	$3,006,449	$3,049,173	$3,049,173		
Deferred Developer Fee	Blue SP Developer, LLC	$2,823,248	$3,464,383	$3,299,559	0.00%	$0
Operating Reserve	RJTCF	$0	$251,011	$251,011	0.00%	$0
Total		**$25,880,697**	**$29,315,567**	**$29,150,743**		**$988,646**

First Mortgage Loan:

Applicant has submitted a term sheet from TD Bank, N.A. dated July 17, 2018 for a first mortgage construction loan. The construction loan is $22,000,000 with an interest rate of 225 basis points over 30-day London Interbank Offered Rate ("LIBOR") resulting in an estimated rate as of 10/3/18 of 4.48%. SMG's calculation is based on a 21-month construction/stabilization period.

Other Construction Sources of Funds:

Additional sources of funds for this Development during construction include subordinate loans from the HFA in the amount of $439,000 and Hillsborough County SHIP in the amount of $112,000, HC equity in the amount of $3,049,173, deferral of Developer Fee in the amount of $3,299,559, and Operating Deficit Reserves in the amount of $251,011 that will be funded with the last equity installment. See the Permanent Financing Sources section below for details.

Construction/Stabilization Period:

The Construction Contract allows up to 496 days to complete construction. Walter Duke's September 25, 2018 Appraisal indicated an absorption rate of 20 units per month resulting in an estimated 4 month lease-up period. Therefore, SMG has utilized a 21-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	Citibank, N.A.	$4,270,000	$5,000,000	$5,000,000	5.39%	35	15	$317,898
Second Mortgage	FHFC - Viability Loan	$0	$1,250,000	$1,250,000	0.00%	0	15	
Third Mortgage	HFA of Hillsborough	$551,000	$439,000	$439,000	1.00%	30	15	$16,944
Fourth Mortgage	Hillsborough County	$0	$112,000	$112,000	1.00%	0	30	$1,120
HC Equity	RJTCF	$20,042,996	$20,327,817	$20,327,817				
Def. Developer Fee	Blue SP Developer, LLC	$1,016,701	$2,186,750	$2,021,926				
Total		**$25,880,697**	**$29,315,567**	**$29,150,743**				**$335,962**

First Mortgage Loan:

Applicant has submitted a Term Sheet dated August 10, 2018 for a Citibank, N.A. (Citibank") / Freddie Mac Forward Commitment for a permanent loan in the amount of $5,000,000 with a fixed interest rate equal to the 10 Year US Treasury plus a Freddie Mac spread including servicing of 2.42% (to be committed to at the time of closing of the Construction phase financing). The term of the loan is 15 years with a 35 year amortization period. A non-refundable commitment fee equal to 1% of the Permanent Phase loan amount will be payable upon the earlier of Closing or the expiration of the Commitment.

Viability Loan:

The Applicant applied under RFA 2018-109 for Development Viability Loan funds ("VL") in the amount of $1,250,000. The VL has a total term of up to 16 years and nine months. The VL is non-amortizing and has an interest rate of 0 percent with payment due at maturity. Annual payments of all applicable fees will be required. The Permanent Loan Servicing Fee is an annual fee of 25 basis points on the unpaid principal balance of the loan or minimum monthly fee of $211 and a maximum monthly fee of $840.

Third Mortgage Loan:

The HFA is the source of funds for $439,000 of the loan amount with an interest rate of 1% and 2 years of monthly interest only payments during construction, then converting to 1% amortized over 30 years with semi-annual payments of principal and interest during the 15 year term. The Affordability period is in perpetuity with set-asides of 20% of the units (29 units) at 40% AMI or below with the remaining 80% of the units (115 units) at 60% of the Area Median Income ("AMI") or less. The Applicant committed to set aside 5% of the units (8 units) for an "at risk" group (either homeless or youth aging out of foster care).

Fourth Mortgage Loan:

The Hillsborough County SHIP is the source for the remaining loan amount of $112,000 with an interest rate of 1% and interest only payments due annually in arrears from available net cash flow with a term of 30 years and a balloon payment due at maturity. The Affordability period is 30 years with a requirement of one unit to be set aside at or below 50% AMI.

Housing Credits Equity Investment:

The Applicant has applied to Florida Housing to receive 9% Housing Credits.

Based upon a Letter of Intent dated May 9, 2018, RJTCF will provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	$3,049,173	15.00%	At Closing
2nd Installment	$1,016,391	5.00%	Later of: 02/01/20 or Construction Completion
3rd Installment	$16,262,253	80.00%	Later of: 05/01/20 or Stabilized Operations
Total	$20,327,817	100.00%	

Annual Tax Credits per Syndication Agreement: $2,110,000

Total HC Syndication: $21,097,890

Syndication Percentage (limited partner interest): 99.99%

Calculated HC Exchange Rate (per dollar): $0.963

Proceeds Available During Construction: $3,049,173

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

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions, the Developer will have to defer $2,021,926 of Developer Fees, which is 53.34% of the total Developer Fee of $3,790,937 . This meets the requirement of the Viability Loan RFA that 50% of the Developer Fee be deferred.

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				$0	$0
Installation of Pre Fab Units				$0	
New Rental Units	$13,805,400	$13,098,491	$12,943,491	$89,885	$43,200
Off-Site Work			$219,613	$1,525	$219,613
Recreational Amenities				$0	
Rehab of Existing Common Areas				$0	
Rehab of Existing Rental Units				$0	
Site Work		$2,952,653	$2,738,040	$19,014	
Swimming Pool			$150,000	$1,042	
Furniture, Fixture, & Equipment				$0	
Hard Cost Contingency - in Constr. Cont.				$0	
Constr. Contr. Costs subject to GC Fee	$13,805,400	$16,051,144	$16,051,144	$111,466	$262,813
General Conditions	$1,932,756	$963,069	$963,069	$6,688	
Overhead		$321,023	$321,023	$2,229	
Profit		$963,069	$963,069	$6,688	
Builder's Risk Insurance				$0	
General Liability Insurance				$0	
Payment and Performance Bonds				$0	
Contract Costs not subject to GC Fee		$310,576	$310,576	$2,157	
Total Construction Contract/Costs	$15,738,156	$18,608,881	$18,608,880	$129,228	$262,813
Hard Cost Contingency	$786,908	$914,915	$914,915	$6,354	
PnP Bond paid outside Constr. Contr.		$228,729	$228,729	$1,588	
Fees for LOC used as Constr. Surety				$0	
Demolition paid outside Constr. Contr.				$0	
FF&E paid outside Constr. Contr.	$129,600	$270,000	$270,000	$1,875	$51,840
Total Construction Costs:	**$16,654,664**	**$20,022,525**	**$20,022,524.46**	**$139,045**	**$314,653**

Notes to the Actual Construction Costs:

1. The Applicant has provided an executed AIA Standard Form of Agreement between Owner and General Contractor ("GC") with a Guaranteed Maximum Price of $18,608,880.59 dated August 13, 2018 with NDC Construction Company ("NDC"). The date of commencement shall be the later of the date all permits and site plan approvals for the Project are received by Owner or the date the Owner closes on financing. The GC shall achieve substantial completion 496 days after the date of commencement. Retainage shall be limited to 10% of the contract until the work is 50%, and no retainage shall be withheld thereafter, thus meeting FHFC's minimum requirements. NDC has provided SMG with a copy of an executed GC Certification of Requirements, whereby the GC acknowledges and commits to adhere to all requirements related to a GC as published within Florida Administrative Code 67-48.
2. Ineligible costs reflect estimated costs associated with off-site work associated with construction and the cost of income-producing washers and dryers.
3. GC fees are within the 14% maximum per the Rule.

4. Contract cost not subject to GC Fee is Subcontractor Default Insurance.
5. The Hard Cost Contingency for this Development is within the 5% allowed per Rule.
6. SMG engaged and received a Pre-Construction Analysis ("PCA") from GLE Associates Inc. ("GLE"). 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	$30,000	$40,000	$40,000	$278	$11,000
Appraisal	$6,000	$9,000	$9,000	$63	
Architect's and Planning Fees				$0	
Architect's Fee - Green Initiative				$0	
Architect's Fee - Landscape				$0	
Architect's Fee - Site/Building Design	$329,763	$200,000	$200,000	$1,389	
Architect's Fee - Supervision	$78,691	$40,000	$40,000	$278	
Building Permits	$43,200	$39,600	$39,600	$275	
Builder's Risk Insurance	$175,000	$275,000	$275,000	$1,910	$125,000
Capital Needs Assessment/Rehab				$0	
Engineering Fees	$115,200	$95,000	$95,000	$660	
Environmental Report	$10,000	$10,000	$10,000	$69	
Federal Labor Standards Monitoring				$0	
FHFC Administrative Fees	$189,900	$189,900	$189,900	$1,319	$189,900
FHFC Application Fee	$3,000	$3,000	$3,000	$21	$3,000
FHFC Credit Underwriting Fee	$15,000	$20,000	$18,588	$129	$18,588
FHFC Compliance Fee	$229,858	$230,000	$229,460	$1,593	$229,460
FHFC Other Processing Fee(s)		$35,000	$35,000	$243	$35,000
Impact Fee	$408,823	$333,962	$333,962	$2,319	
Lender Inspection Fees / Const Admin	$25,000	$65,000	$65,000	$451	
Green Building Cert. (LEED, FGBC, NAHB)	$25,000	$30,720	$30,720	$213	
Home Energy Rating System (HERS)				$0	
Insurance	$157,382			$0	
Legal Fees - Organizational Costs	$160,000	$279,000	$279,000	$1,938	$167,667
Local Subsidy Underwriting Fee				$0	
Market Study	$6,000	$6,000	$5,500	$38	$5,500
Marketing and Advertising	$10,000	$10,000	$10,000	$69	$10,000
Plan and Cost Review Analysis			$2,050	$14	
Property Taxes	$75,000	$50,000	$50,000	$347	$25,000
Soil Test	$30,000	$13,215	$13,215	$92	
Survey	$30,000	$35,000	$35,000	$243	$35,000
Tenant Relocation Costs				$0	
Title Insurance and Recording Fees	$115,200	$93,000	$93,000	$646	$18,600
Traffic Study				$0	
Utility Connection Fees	$352,434	$352,434	$352,434	$2,447	
Soft Cost Contingency	$137,492	$152,178	$122,721	$852	
Total General Development Costs:	**$2,757,943**	**$2,607,009**	**$2,577,150.45**	**$17,897**	**$873,715**

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision reflect the contracted and anticipated fees as stipulated in the Architect Contract dated March 23, 2018 between the Borrower and Architectonics Studio, Inc.

2. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fee stated in RFA 2016-113. The total FHFC Credit Underwriting Fee is $18,588 (includes Viability Loan).
3. Compliance Fee is estimated based on 2018 Compliance Fee Calculator Spreadsheet.
4. FHFC Other Processing Fees are the FHFC Extension fees.
5. Impact fees include school, transportation, fire, and park.
6. Green Building Cert fee is based on a November 29, 2017 proposal from Abney & Abney Green Solutions to provide green certification services.
7. The Market Study figure reflects the actual costs of the report engaged by SMG.
8. Plan and Cost Review fees reflect the actual cost for the report engaged by SMG. Inspection fees are included in the Lender Inspection Fees line item.
9. Other General Development Costs are based on the Applicant's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee		$5,000	$5,000	$35	$2,000
Construction Loan Underwriting Fee				$0	
Construction Loan Origination Fee	$195,000	$143,000	$143,000	$993	
Construction Loan Commitment Fee				$0	
Construction Loan Closing Costs	$30,000			$0	
Construction Loan Interest	$783,900	$858,000	$865,683	$6,012	$346,273
Construction Loan Servicing Fees				$0	
Permanent Loan Application Fee		$25,000	$5,000	$35	$5,000
Permanent Loan Underwriting Fee				$0	
Permanent Loan Subsidy Layering Rev.				$0	
Permanent Loan Commitment Fee		$50,000	$50,000	$347	$50,000
Permanent Loan Origination Fee	$32,025	$100,000		$0	$0
Permanent Loan Closing Costs	$10,000			$0	
Permanent Loan Interest				$0	
Permanent Loan Servicing Fee				$0	
Other: Syndicator Due Diligence Fee				$0	
Other: Viability Loan Commitment Fee		$12,500	$12,500	$87	$12,500
Other: Viability Loan Closing Costs			$12,500	$87	$12,500
Total Financial Costs:	**$1,050,925**	**$1,193,500**	**$1,093,683**	**$7,595**	**$428,273**
Dev. Costs before Acq., Dev. Fee & Reserves	**$20,463,532**	**$23,823,034**	**$23,693,358**	**$164,537**	**$1,616,641**

Notes to the Financial Costs:

1. Construction Loan Origination/Commitment Fee is based on 65 basis points of the construction loan amount to be paid at closing.
2. Construction Loan Interest reflects the Applicant's calculation of $865,683 which is calculated on 21 months at 4.5% multiplied by the average outstanding balance. The interest amount also includes the interest projections associated with the Hillsborough County loans during construction.
3. Commitment Fee for the Viability Loan is 1% of the loan amount as specified in the RFA.

4. The Viability Loan closing costs are approximate costs for FHFC legal counsel fees.

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

Notes to the Non-Land Acquisition Costs:

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

DEVELOPER FEE ON NON-ACQUISTION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	$3,274,165	$3,826,085	$3,790,937	$26,326
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
Total Other Development Costs:	**$3,274,165**	**$3,826,085**	**$3,790,937**	**$26,326**

Notes to the Other Development Costs:

1. The Developer Fee does not exceed 16% of the development costs exclusive of land acquisition, Developer Fee, and reserves per the RFA and Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land			$0	$0	$0
Land Acquisition Cost	$2,143,000	$1,205,437	$1,205,437	$8,371	$1,205,437
Land				$0	$0
Land Lease Payment				$0	$0
Land Carrying Costs				$0	$0
Other: Extension Fees		$120,000	$120,000	$833	$120,000
Total Acquisition Costs:	**$2,143,000**	**$1,325,437**	**$1,325,437**	**$9,204**	**$1,325,437**

Notes to the Land Acquisition Costs:

1. Vacant Land contracts are in place between two Sellers, SONPECO, INC (“SONPECO”) and NEAM, LLC (“NEAM”) and the Buyer, Blue Sky Communities, LLC (“BSC”). SONPECO’s contract was executed on October 26, 2016, in the amount of $1,365,000. NEAM’s contract was executed on October 31, 2016 in the amount of $778,000. BSC subsequently executed Assignments of the Vacant Land Contracts on November 14, 2016 to the Applicant. The Applicant has subsequently revised the configuration of the two parcels in order to create a second phase of the development, Preserve at Sabal Park 2, nka SabalPlace. Preserve at Sabal Park is now 13.585 acres and 10.05 acres has been designated for the second phase. In addition, the Applicant executed Partial Assignments and

Assumptions of the Vacant Land Contracts on August 17, 2018 to assign the portion of the property designated for the second phase to Blue Broadway Land, LLC ("BB Land"). On August 23, 2018, the Applicant executed two Amendments to the Partial Assignments and Assumptions of the Vacant Land Contracts designating the purchase required for each phase. The Applicant's purchase price for SONPECO's phase one portion of the property is $981,541.44 and $223,895.56 for NEAM's phase one portion. The Applicant's total purchase price for phase one is $1,205,437. BB Land's purchase price for SONPECO's phase two portion of the property is $383,484.56 and $544,104.44 for NEAM's phase two portion. BB Land's total purchase price for phase two is $937,589.

2. The August 23, 2018 Appraisal Report conducted by Walter Duke & Partners concluded an "as is" land value of $1,730,000 for the Preserve at Sabal Park development site which supports the purchase price of $1,205,437.

3. Extension fees are associated with the Vacant Land Contracts.

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)		$251,011	$251,011	$1,743	$251,011
Debt Service Coverage Reserve (FHFC)				$0	$0
Debt Service Coverage Reserve (Lender)				$0	$0
Debt Service Coverage Reserve (Syndicator)				$0	$0
Replacement Reserves (FHFC)				$0	$0
Replacement Reserves (Lender)				$0	$0
Replacement Reserves (Syndicator)				$0	$0
Reserves - Start-Up/Lease-up Expenses		$90,000	$90,000	$625	$90,000
Reserves - Working Capital				$0	$0
Total Reserve Accounts:	**$0**	**$341,011**	**$341,011**	**$2,368**	**$341,011**

Notes to the Reserve Accounts:

1. RJTCF's Equity Agreement dated May 9, 2018 requires the Applicant to fund an Operating Deficit Reserve ("ODR") in the amount of $251,011 and to be funded into the operating reserve account at the time of and from the funding of the Stabilization Capital Contribution. At the end of the Compliance Period any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

2. RJTCF's Equity Agreement requires the Applicant to fund a Lease-up Reserve in the amount of $90,000 to be funded on a draw down basis. The Lease-up Reserve shall be used to fund operating deficits prior to the Stabilization Capital Contribution.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	$25,880,697	$29,315,567	$29,150,743	$202,436	$3,283,089

Notes to the Total Development Costs:

1. Per RFA 2016-113, Total Development Cost ("TDC") is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. Per an analysis of the approved Development costs, identified in this report, the costs presented do not exceed the maximum allowable TDC per the RFA of $229,457.20 per unit.

Operating Pro forma

	OPERATING PRO FORMA		ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income		$1,215,600	$8,442
	Rent Subsidy (ODR)		$0	$0
	Other Income:			
	Ancillary Income-Parking		$0	$0
	Miscellaneous		$21,600	$150
	Washer/Dryer Rentals		$51,840	$360
	Cable/Satellite Income		$10,000	$69
	Rent Concessions		$0	$0
	Alarm Income		$0	$0
	Gross Potential Income		$1,299,040	$9,021
	Less:			
	Economic Loss - Percentage:	0.0%		$0
	Physical Vacancy Loss - Percentage:	3.5%	($45,466)	($316)
	Collection Loss - Percentage:	1.5%	($19,486)	($135)
Total Effective Gross Revenue			$1,234,088	$8,570
EXPENSES	Fixed:			
	Ground Lease		$0	$0
	Sub-Ground Lease		$0	$0
	Real Estate Taxes		$129,483	$899
	Insurance		$84,960	$590
	Other		$0	$0
	Variable:			
	Management Fee - Percentage:	5.8%	$71,244	$495
	General and Administrative		$43,200	$300
	Payroll Expenses		$165,600	$1,150
	Utilities		$93,600	$650
	Marketing and Advertising		$10,800	$75
	Maintenance and Repairs		$43,200	$300
	Grounds Maintenance and Landscaping		$21,600	$150
	Resident Programs		$0	$0
	Contract Services		$43,200	$300
	Security		$0	$0
	Other-Pest Control		$0	$0
	Reserve for Replacements		$43,200	$300
Total Expenses			$750,087	$5,209
Net Operating Income			$484,001	$3,361
Debt Service Payments				
DEBT SERVICE	First Mortgage - Citibank, N.A.		$317,898	$2,208
	Second Mortgage - FHFC Viability Loan		$0	$0
	Third Mortgage - HFA of Hillsborough		$16,944	$118
	Fourth Mortgage - Hillsborough County		$1,120	$8
	Fifth Mortgage -		$0	$0
	All Other Mortgages -		$0	$0
	First Mortgage Fees - Citibank, N.A.		$0	$0
	Second Mortgage Fees - FHFC Viability Loan		$3,125	$22
	Third Mortgage Fees - HFA of Hillsborough		$0	$0
	Fourth Mortgage Fees - Hillsborough County		$0	$0
	Fifth Mortgage Fees -		$0	$0
	All Other Mortgages Fees -		$0	$0
Total Debt Service Payments			$339,087	$2,355
Cash Flow After Debt Service			$144,914	$1,006

Debt Service Coverage Ratios	
DSC - First Mortgage plus Fees	1.523
DSC - Second Mortgage plus Fees	1.508
DSC - Third Mortgage plus Fees	1.432
DSC - Fourth Mortgage plus Fees	1.427
DSC - Fifth Mortgage plus Fees	1.427
DSC - All Mortgages and Fees	1.427

Financial Ratios	
Operating Expense Ratio	60.8%
Break-Even Ratio	84.1%

Notes to the Operating Pro forma and Ratios:

1. The Applicant committed to Set-Asides of 10% of the units (15 units) for Extremely Low Income ("ELI") households at 40% of the Area Median Income ("AMI"), and 90% of the units (129 units) at 60% of AMI, to total 144 units or a 100% Set-Aside. As part of the Applicant's secondary financing with Hillsborough County, Blue Broadway, LLC committed to increase their ELI household Set-Asides to 20% (29 units) at 40% AMI with the remaining 80% of households (115 units) at 60% of AMI. In addition, the Applicant committed to set aside 5% of the units (8 units) for an "at risk" group (either homeless or youth aging out of foster care). SHIP requires one unit at or below 50% AMI.

2. SMG underwrites rents for the Subject Development at the lesser of Maximum Restricted Rents published by FHFC less Utility Allowances as required by the HC Program, the Appraiser's projections or Management expectations. The appraiser projects that the Subject Development can obtain maximum allowable 2018 HC rents. Utility Allowances are based upon a Utility Allowance Study, dated August 16, 2018, completed by KN Consultants and approved by FHFC on September 10, 2018. Water, sewer, trash, and pest control are included in the rent so tenants are only responsible for the payment of electricity.

   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	High HOME	Gross HC Rent	Utility Allow.	Net Restricted	PBRA Contr	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	9	753	40%			$480	$62	$418		$418	$418	$418	$45,144
1	1.0	39	753	60%			$720	$62	$658		$658	$658	$658	$307,944
2	2.0	15	1,030	40%			$576	$82	$494		$494	$494	$494	$88,920
2	2.0	57	1,030	60%			$864	$82	$782		$782	$782	$782	$534,888
3	2.0	5	1,192	40%			$665	$99	$566		$566	$566	$566	$33,960
3	2.0	19	1,192	60%			$997	$99	$898		$898	$898	$898	$204,744
		144	138,912											$1,215,600

3. Miscellaneous income includes vending income, late fees, application fees and pet deposits. SMG utilized the Appraiser's estimate which is within the range of the "other income" sources for comparable properties.

4. Washer and Dryer Rentals income was based the owner providing an optional washer and dryer for a monthly fee of $40 which is typical for the market. The Developer has projected a penetration

rate of 75% of the units, which would equate to $51,840 annually. A recently constructed comparable property has averaged an 85% penetration rate during its initial eight months in operation. Therefore, the Appraiser considered the Developer's projection to be achievable.

5. Cable / Satellite income was based on historical figures for additional income generated at other communities in the region. Therefore, the Appraiser considered the Developer's estimate to be reasonable.
6. Vacancy and Collection rates are based on the appraiser's estimate of 3.5% and 1.5%, respectively.
7. Management Fees are based upon the Management Agreement of 5% plus a fee for centralized bookkeeping and computer services of $795 per month. This results in a 5.8% fee slightly above the appraisals market oriented projection of 5%.
8. Contract Services are services such as pest control, pool maintenance and other similar maintenance service contracts.
9. Replacement Reserves of $300 per unit per year increasing 3% annually are required by the Syndicator which meets FHFC Rule.
10. 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 Florida Housing at least two weeks 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. Firm Commitment from TD Bank, N.A. for the construction first mortgage with terms and conditions that are not substantially different than those utilized in this credit underwriting report.

General Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks 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 PCA prepared by GLE Associates, Inc.
2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing 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 Florida Housing.
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. 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 Trustee Agreement as the approved Development budget.
5. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw shall include appropriate backup and ACH wiring instructions.
6. During construction, the Developer shall only be allowed to draw a maximum of fifty percent (50%) of the total Developer Fee, until the IRS form 8609s for all buildings are issued by Florida Housing. In no event shall the Developer Fee exceed the applicable percentage limitation set forth in Rule Chapter 67-48.0072(16), F.A.C.

   If other additional funding sources (as defined below) are acquired prior to finalization of the cost certification, such other funding will be used to first reduce the deferred Developer Fee to no less than 50 percent of the total Developer Fee and then to reduce the Viability Loan Funding. After the IRS form(s) 8609 are issued, through the end of the Compliance Period, any additional funding sources acquired will be used to pay down the deferred Developer Fee and the Viability Loan Funding on a 50/50 basis. If the deferred Developer Fee is paid off prior to the Viability Loan Funding, then 100 percent of any remaining additional funding sources will be used to reduce or pay off the Viability Loan Funding. Thereafter, a portion of the Development Viability Loan would be reduced in the same manner as prescribed for SAIL in Rule Chapter 67-48.010(15), F.A.C.

Additional funding sources does not include the Development's net cash flow from operations, after debt service, but it does include Housing Credit Equity greater than the amount provided (or calculated) in this RFA as it relates to competitive Housing Credits. Additional Housing Credit equity as it relates to non-competitive Housing Credits shall be used to first pay additional development costs incurred prior to following the waterfall of payments priorities outlined above, but in no instance will the Deferred Developer Fee be less than 50 percent of the total Developer Fee.

7. No more than 35% of "developer's overhead" will be funded 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 FHFC and the Servicer.
8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. 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. In either case, Florida Housing must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co. with a financial size category of at least FSC VI. Florida Housing and/or legal counsel must approve the source, amount(s) and all terms of the P&P bonds or LOC. If the LOC option is utilized, the LOC must contain "evergreen" language and be in a form satisfactory to the Servicer, Florida Housing, and its Legal Counsel.
10. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Limited Partnership Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance issues.
13. Payment of any outstanding arrearages to the Corporation, its legal counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, as described in 67-48.0075 (5) F.A.C., of an Applicant or a Developer).

14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.

15. Final "as permitted" (signed and sealed) site plans, building plans, and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.

16. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to Florida Housing, its Servicer and its legal counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its legal counsel <u>at least two weeks 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/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing 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 Florida Housing.

3. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of Viability Loan closing, unless otherwise approved by Florida Housing, and legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.

4. Title insurance pro forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Viability Loan naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.

5. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.

6. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.

7. Receipt of a legal opinion from the Borrower’s legal counsel acceptable to Florida Housing 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/Operating Agreement and;
   e. Such other matters as Florida Housing or its legal counsel may require.

8. Evidence of compliance with local concurrency laws, as applicable.

9. UCC Searches for the Borrower, its partnerships, as requested by legal counsel.

10. Such other assignments, affidavits, certificates, financial statements, closing statements, and other documents as may be reasonably requested by Florida Housing or its legal counsel in form and substance acceptable to Florida Housing and its legal counsel, in connection with the loan(s).

11. Any other reasonable conditions established by Florida Housing and its legal counsel.

<u>Additional Conditions</u>

This recommendation is also contingent upon the following additional conditions:

1. Viability Loan funds shall not be disbursed until a final cost certification is approved by Florida Housing.

2. Compliance with all provisions of Sections 420.507 and 420.5087, Florida Statutes, Florida Statutes, Rule Chapters 67-48, 67-53, and 67-60, F.A.C., RFA 2016-113, RFA 2018-109, Section 42 I.R.C., and any other State and Federal requirements.

3. Acceptance by the Borrower and execution of all documents evidencing and securing the Viability Loan in form and substance satisfactory to Florida Housing and its legal counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), the Land Use Restriction Agreement(s), and Extended Low Income Housing Agreement(s).

4. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.

5. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.

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

7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.

8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.

9. A mortgagee title insurance lender's policy naming Florida Housing as the insured second mortgage holder in the amount of the Loan is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.

10. 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 Florida Housing's loan servicing agent, the release of funds shall be at Florida Housing's sole discretion.

11. Replacement Reserves in the minimum amount of $300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per RFA, in the amount of $43,200 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s) the required DSC is met without the need to exercise the option. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

    The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

FHFC requirements are applicable for the Viability mortgage. Per the RJTCF Equity proposal, replacement reserves will be $300 per unit per year beginning at the earlier of six months after completion of construction or the first month of stabilized operations, increasing by 3% per year.

12. GLE Associates, Inc. or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
13. Under the Preserve at Sabal Park construction contract, retainage shall be limited to 10% of the contract until the work is 50% complete, and no retainage shall be withheld thereafter, thus meeting Florida Housing minimum requirements. Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies Florida Housing's minimum requirement.
14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the Viability Loan.
16. Any other reasonable requirements of the Servicer, Florida Housing or its legal counsel.

Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of $2,110,000. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Satisfactory resolution of any outstanding past due items or noncompliance issues.
2. Any reasonable requirements of Florida Housing and/or SMG.

Section C

Supporting Information and Schedules

Additional Development and Third Party Supplemental Information

Appraised Value: The appraised value is $19,280,000 as if completed and stabilized, based on market rents and market financing, as reported in the full narrative appraisal dated September 25, 2018 with an effective date of May 22, 2018 performed by Walter Duke and Partners ("Duke and Partners"). Walter B. Duke, III and Stephen A. Kuhn are State Certified General Real Estate Appraisers and hold Florida Certified General Appraiser Licenses Number RZ375 and RZ3157 respectively. The appraisal was engaged by SMG. Based upon this value, the loan-to-value ratio for the first mortgage debt is 25.9%, 32.4% for the permanent first mortgage and Viability Loan, 34.7% for the permanent first mortgage, Viability Loan, and third mortgage, and 35.3% for the first mortgage, Viability Loan, third mortgage, and fourth mortgage.

Restricted Rents/Market Financing

Per Duke and Partners, the appraised value is $8,290,000 as if completed and stabilized, based upon restricted rents and market financing. Based upon this value, the loan-to-value ratio for the permanent first mortgage debt is 60.3%, 75.4% for the permanent first mortgage and Viability Loan, 80.7% for the permanent first mortgage, Viability Loan, and third mortgage, and 82.0% for the permanent first mortgage, Viability Loan, third mortgage, and fourth mortgage.

"As Is" Land Value

The appraisal also estimated an "as is" value for the land in the amount of $1,730,000.

Market Study: A Market Study was prepared for the subject property by Meridian Appraisal Group, Inc. ("Meridian") dated November 7, 2017.

Meridian indicated the site is vacant land central to neighborhood shopping, employment, medical and healthcare facilities. All necessary utilities and services are available to the site to support the proposed development and Meridian is of the opinion that the subject site is suitable for apartment development.

The Market Study confirms that the property is located in a Qualified Census Tract ("QCT"), tract 121.04.

Meridian indicates the Primary Market Area (PMA) is where most of the demand will originate. The area determination is based on data gathered in the Small Area Data (SAD) Case Study that can be found on the FHFC website. They define the submarket or Competitive Market Area ("CMA") as those properties 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 11 like-kind existing properties with a total of 1,949 units that range in size from 108 to 360 units: Claymore Crossings, Woodberry Woods, Lake Kathy, Mariner's Cove, Sabal Ridge II, Blue Sky Brandon, Lakewood Pointe I, Lakewood Shores, North Grove, Sabal Ridge, and Williams Landing Villas. The weighted average occupancy rate of the income restricted comparable properties within the CMA is 99.0% (more than the 92% minimum required by Rule).

There are no funded proposed properties in the subject's Competitive Market Area and no Guarantee Fund properties in the subject's CMA or PMA.

Meridian concluded in the short-term (defined as the period it takes the subject to lease to stabilized occupancy), there would be a moderate impact to the like-kind existing family projects noted above in the CMA that are located within a three mile radius of the subject. Any impact beyond the subject's lease-up would be considered long-term. Meridian projected a weak impact to all projects in the CMA over the long-term.

According to FHFC requirements, market rents are to exceed restricted rents by a minimum of 10%. Meridian's analysis estimated that the overall weighted average market rent is 79% greater than estimated average restricted rent.

The subject will have 20% of its units (29 units) set aside for tenants with incomes at or below 40% of the area median income (AMI) and 80% of the units (115 units) will be set aside for tenants with incomes at or below 60% of the AMI for HFA Hillsborough. Meridian projects that the subject development will obtain maximum allowable 2017 HC rents.

It is noted that the Appraisal indicates the subject Development will obtain maximum 2018 HC rents.

Based on the absorption history within other affordable and market rate projects, Meridian estimated an average absorption rate for the subject property of 16 units per month, and it would take nine months from the delivery of the first building to achieve stabilization.

Environmental Report: Environmental Property Audits, Inc. ("EPAI") of N. Miami, Florida, performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-13. The ESA indicates an inspection date of July 12, 2018 and a report issue date of July 27, 2018. At the time of the inspection, the subject site consisted of four parcels of vacant and undeveloped land comprised of 13.5 acres. The property is covered with dense trees and vegetation. A small lake extends along the east side of Parcel 2 and the site is surrounded by a fence.

The subject property is physically located at Williams Road and East Broadway Avenue, in unincorporated Hillsborough County. The property is fronted on the south by East Broadway Avenue and to the west by Williams Road and can be accessed by either of these roadways. The surrounding properties are improved with multifamily residential developments. The property is located within a commercial area of Hillsborough County.

Based upon information compiled, i.e., present and past ownership and uses, governmental agencies review, aerial photography study, discovery interviews, and conducted site surveys, research indicated there was no evidence of the potential to contribute to the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under any conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.

EPAI concluded there were no Recognized Environmental Conditions (RECs), no Controlled Recognized environmental Conditions (CRECs), no Historical Recognized Environmental Conditions (HREC), and no De Minimis conditions identified in this investigation. Based on the findings from this investigation, EPAI does not recommend any additional environmental investigation at this time.

Soil Test Report:

Universal Engineering Sciences, Inc. ("UES") of Panama City, Florida, performed a geotechnical exploration July 10, 2017 and issued a report dated August 8, 2017 and an Additional Recommendation Letter dated July 26, 2018 due to substantially increased structural loads. Nineteen Standard Penetration Test ("SPT") borings were completed, each to a depth of 25 feet in the footprints of the proposed buildings. Five SPT borings were completed in the proposed pond areas to a depth of 20 feet. The SPT tests were performed in general accordance with ASTM D 1586 guidelines. At depths of 10 feet or less UES sampled continuously in order to detect slight variations in the soil profile.

Surface condition findings indicated the site is a vacant lot with scattered trees. Subsurface stratigraphy encountered at the boring locations began generally with sand and sand with silt followed by sand with clay, clayey sand and sandy clay. The shallow water table was encountered approximately 4.5 to 6 feet below existing grade at the boring locations, measured upon first encounter. The readings were subject to fluctuation.

UES's best estimate was that the seasonal high groundwater level could be on the order of 12 inches below the existing grade at the test boring locations, on average. UES recommended positive drainage be established and maintained on the site during construction. In addition they recommended permanent measures be constructed to maintain positive drainage from the site throughout the life of the project and that all foundation and pavement grades account for the seasonal high groundwater conditions.

Temporary dewatering may be required for some parts of this site if construction proceeds during the wet season, particularly if deep excavations are necessary or if pumping of the surficial materials is experienced during earthworking operations. Therefore, UES recommends that the contract documents provide for determining the depth to the groundwater table just prior to construction, and for any required remedial dewatering. In addition, they recommend that the groundwater table be maintained at least 24 inches below all earthwork and compaction surfaces.

UES recommends normal, good-practice site preparation procedures including clearing and grubbing the site, proof-rolling and proof-compacting the subgrade, and filling grade with engineered fill as needed.

UES stated that the soil strata encountered at the SPT boring locations should be adaptable to support structures having loading conditions within UES's stated assumptions using conventional shallow foundations. However, if the actual building loads exceed the assumptions (loads on continuous footings will be 5 kips per lineal foot or less, and loads on individual column footings will be 50 kips or less), the foundation recommendations should be updated.

UES recommends supporting the proposed structures using shallow strip or spread foundations, or a thickened edge monolithic slab, sized to exert a maximum soil bearing stress of 2,500 pounds per square foot (psf).

UES recommended using a standard concrete slab-on-grade system for the floor slab and recommended installing polyethylene vapor barrier between the bottom of the floor slab and the top of the compacted subgrade. They estimate total foundation settlement of less than one inch, and differential settlement of less than one half inch provided the foundation is designed site earthwork is accomplished as recommended.

UES recommended using a three-layer pavement section for the pavement designs.

UES recommended that, based on their experience, either the site grade be raised using select fill until the required separation of seasonal high groundwater and bottom of the base course is achieved (must be separated by at least 18 inches) or the water table be permanently lowered using underdrains, ditching, or suitable alternative.

As a result of the rezoning change from townhomes to garden style apartments and increased structural loads as well as the change of some building locations on site plan, an additional Recommendation Letter was issued by UES. UES provided revised site preparation recommendations and concluded no additional borings were required due to the building relocations.

This recommendation is conditioned on the Applicant and the General Contractor adhering to all recommendations of the soil engineer as to design, construction practices, and supervision of the site.

Pre-Construction Analysis: SMG has received a Plan and Cost Analysis ("PCA") from GLE dated September 12, 2018.

The PCA states that the plans and specifications (civil, architectural, structural, plumbing, mechanical, electrical, fire protection, and landscape) appear to be adequately prepared and provide the information necessary to satisfactorily complete the construction. GLE states that all documents provided have been reviewed for completeness and general compliance with applicable building codes and standard construction practices including ASTM standards. No significant code or construction issues appear to exist. GLE also indicates that all FHFC Features and Amenities have been included in the Plans and/or Specifications.

The PCA states that the Development has been designed to comply with applicable 2017 Florida Building Code, Florida Fire Prevention Code, FHA Design Guide, Section 504 of the Rehabilitation Act, and Titles II & III of the Americans with Disabilities Act. A letter from Hillsborough County indicated the development is consistent with current land use regulations and is not subject to any special permit.

There are eight units that meet the requirements of Section 504, and three units, which are designed to have communication features for the hearing and visually impaired.

The estimated value of the projected hard construction costs for the site work is $3,066,329.00 or approximately $5.18 per square foot for the proposed 13.58 acres of developed area. GLE believes, overall, this cost per square foot is appropriate for the scope of work indicated. Individual line item costs generally appeared appropriate. The estimated value of the projected hard construction costs for the vertical construction is $12,984,815.25 or approximately $81.88 per square foot. The cost of the project is $18,608,880.59 and has a projected unit cost of $129,228.33 per unit, based on the Schedule of Values provided to GLE. It is GLE's opinion the costs noted above are within an acceptable range as compared to similar type projects. Individual line item costs generally appear appropriate. GLE also believes projected soft construction cost appears satisfactory and the project duration appears to be appropriate for the project.

Site Inspection:

Tammy Fuori of Seltzer Management Group, Inc., completed a site inspection on October 13, 2017 for the above referenced development. The site is located at East Broadway Avenue and Williams Road, Hillsborough County, Tampa, Florida. The property consists of a large, heavily wooded area with no evidence that any clearing or construction has started.

This is a residential and corporate area with apartments, town homes, and older single-family homes and businesses surrounding the site.

A church, hotel, Hillsborough County Sheriff's office, Hillsborough County Tax Collector's office and other corporate businesses are within two miles west of the site. A Circle-K with a Shell gas station are north-west of the property and Lakeview Townhomes appears to be the northern border of the site. There is a Walmart and Publix approximately one mile northeast. A new construction single-family home development, Ryan Homes, is located at Broadway Center and Ashley Furniture's corporate headquarters is about a half mile south.

Adjacent to the site are affordable properties, Williams Landing and Williams Landing Villas as well as a market property, Williams Crossing Apartments. Additional family affordable housing properties (Mariners Cove, Woodberry Woods, and Lake Kathy) are within four miles of the site. Interstate 275 is approximately one half mile west.

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:

The Applicant committed to provide certain features and amenities and certain resident programs outlined in the RFA. These commitments are set forth in the attached Exhibit 2.

Borrower Information

Borrower Name:	Blue Broadway, LLC
Borrower Type:	Florida Limited Liability Company
Ownership Structure:	Blue Broadway, LLC is a Florida Limited Liability Company registered with the Florida Secretary of State on November 14, 2016. Copies of the Articles of Organization and the Operating Agreement have been provided for the Applicant. Blue Broadway, LLC has been verified as active and in good standing with the Secretary of State. The General Partner ("GP") of the Applicant is Blue Broadway M, LLC, a Florida limited liability company registered with the Florida Secretary of State on November 14, 2016, with a 0.01% ownership interest. The Articles of Organization and Operating Agreement have been provided for the GP. The GP was verified to be active and in good standing with the Secretary of State. The members of the general partner are Shawn Wilson (28.5%), Scott Macdonald (10%), Harry R. Chadwick and Laura J. Chadwick Family Trust (30.25%) and Sembler Provision Fund Generation-Skipping Trust Number Five (30.25%). The Investor Limited Partner ("ILP") is Blue Sky Communities III, LLC. The ILP is a Florida Limited Liability Company registered with the Florida Secretary of State on August 9, 2016, with 99.99% ownership interest. Raymond James Tax Credit Funds, Inc., will replace the 99.99% ILP. The Developer, Blue SP Developer LLC is a Florida Limited Liability Company formed on February 7, 2018. The Articles of Organization have been provided and the current Certificate of Status for the Developer was verified with the Secretary of State. Blue Sky Communities, LLC ("BSC") is the 100% member. Shawn Wilson (28.5%), Scott Macdonald (10%) and Weedon Enterprises, LLC (61.5%) are members of BSC.
Contact Information:	Shawn Wilson 813-384-4825 (telephone) 727-579-0145 (facsimile) E-Mail: swilson@blueskycommunities.com
Address:	5300 West Cypress Street, Suite 200 Tampa, FL 33607
Federal Employer ID:	82-2220407
Experience:	Applicant, GP, and the Developer, are newly formed entities formed expressly to acquire, own, develop, and operate real property, and have financial records, credit history, or development experience. The

experience lies within the managers and Principals of the Developer: Shawn Wilson, James Chadwick, and Blue Sky GE, LLC ("BS GE").

Shawn Wilson is President of Blue Sky Communities. Mr. Wilson has been the President since September of 2012 and currently directs all activities of Blue Sky including guiding the design, permitting, loan closing, and construction administration of all projects. Prior to Blue Sky, Mr. Wilson was the Vice President of the Housing Trust Group for over 13 years. During this time, Mr. Wilson was responsible for the completion of 18 affordable housing developments comprising more than 3,000 units.

James Chadwick is Manager of Blue Sky and Vice President of Carteret Management Corporation. Carteret is a service-oriented, privately held and family operated corporation with 45 years of experience in managing apartment communities throughout Central Florida. Mr. Chadwick remains very active in all business aspects of Carteret as the company works to expand its services and professionalism. In addition to Carteret, for over 25 years Mr. Chadwick was a principal of RGR, Inc., a housing consultant firm that worked with nonprofit organizations to develop and construct more than 60 affordable housing communities for low-income households financed through HUD. As a partner in Renfrow & Chadwick, Attorneys at Law, Mr. Chadwick concentrated his practice in the area of real property law, representing both for profit and not-for-profit clients in the development area. Also, in 1996, Mr. Chadwick entered into a partnership with M. Steven Sembler to develop multifamily residential communities that resulted in approximately $150,000,000 in total sales.

BS GE is a pass-through entity formed on March 5, 2013 for the express purpose of serving as a Guarantor for real estate transactions.

Credit Evaluation:

As noted above, Applicant, GP, and the Developer are newly formed entities formed expressly to acquire, own, develop, and operate real property, and have financial records, credit history, or development experience.

Comprehensive credit reports for Shawn Wilson and James Chadwick dated September 10, 2018 reported satisfactory credit histories with no significant adversities.

An Experian Business Report for BS GE dated September 12, 2018 reflected limited credit history and no trade activity. No adverse information was reflected. Public record data reflected no judgments, liens, or UCC filings.

Bank and Trade References:

SMG received bank statements for Shawn Wilson and James Chadwick evidencing cash and equivalents as stated in the most currently submitted financial statements.

References for Shawn Wilson reported satisfactory business relationships.

References for James Chadwick reported satisfactory business relationships.

References for Weedon Enterprises, LLC reported satisfactory business relationships.

References for BS GE reported satisfactory business relationships.

Financial Statements:

Shawn Wilson:

Cash and Equivalents:	$765,437
Total Assets:	$1,695,599
Total Liabilities:	$367,037
Equity:	$1,328,562

Financial data is from an unaudited financial statement dated June 30, 2018 and certified as true and correct by Shawn Wilson. Please note that $625,000 of the total assets and all of the $367,037 in total liabilities are related to real estate which is owned jointly by Shawn Wilson and Giselle Guillen. SMG received 2015 and 2016 joint tax returns for Shawn Wilson and Giselle Guillen as well as 2017 extension filing. Assets other than Cash consist of real estate owned and personal property.

James Chadwick:

Cash and Equivalents:	$590,938
Total Assets:	$6,306,496
Total Liabilities:	$0
Net Worth:	$6,306,496

Financial data is from an unaudited financial statement dated June 30, 2018 and certified as true and correct by James Chadwick. Major Assets other than Cash consist of individual wage account, an investment account; cash value life insurance, investment partnerships, residence, 50% ownership in Carteret Management, and a loan to Weedon Enterprises, LLC. The financial statement indicated no liabilities. SMG has also reviewed the 2015 and 2016 Form 1040 Federal Tax Returns and the Form 4868 Extension for the 2017 Tax Return.

Blue Sky GE, LLC:

Cash and Equivalents:	$3,571,165
Total Assets:	$10,676,377

Total Liabilities:	$0
Equity:	$10,676,377

Financial data is from an unaudited financial statement dated July 31, 2018 and certified as true and correct by Karen McDonald, Controller. Major Assets other than Cash consist of investments funds and trusts. The Controller reported no liabilities. SMG has also reviewed the 2015 and 2016 Form 1040 Federal Tax Return and the Form 4868 Extension for 2017.

Contingent Liabilities:

A Statement of Financial/Credit Affairs was provided for Shawn Wilson on March 8, 2018 identifying Contingent Liabilities. A corresponding Contingent Liabilities schedule was provided listing three properties with permanent debt and operating deficit guarantees and three properties with construction debt with completion and operating deficit guarantees totaling $53,151,988.

SMG received a Statement of Financial/Credit Affairs, dated March 8, 2018, which indicates that James Chadwick has been part of an entity which has filed for bankruptcy and has been part of a deed in lieu of foreclosure on four separate occasions. A corresponding statement explaining the details of those items indicated that all of the deed in lieu of foreclosures happened prior to June 2011 and none of the developments were affordable housing developments, which meets the requirements of Rule 67-48. SMG is not aware of any other arrearages or material defaults outstanding at this time. Mr. Chadwick also provided a Contingent Liability schedule listing three properties with permanent debt and operating deficit guarantees, three properties with construction debt with completion and operating deficit guarantees, and one property with permanent debt and 28% loan liability totaling $63,651,988.

Blue Sky GE LLC provided a Statement of Financial/Credit Affairs dated August 15, 2018 identifying Contingent Liabilities. A corresponding Contingent Liability schedule was provided listing none properties with various loans, construction completion and operating deficit guarantees totaling $31,882,677.

Summary:

The principals appear to have the experience and financial resources to develop and operate the Subject Development.

Guarantor Information

Guarantor Name:	Applicant, Blue Broadway M, LLC, Shawn Wilson, James Chadwick, and Blue Sky GE, LLC
Nature of the Guarantee:	The Guarantors will sign standard FHFC Construction Completion, Environmental Indemnity, Recourse Obligation and Operating Deficit Guaranty. The Construction Completion Guaranty will be released upon 100% lien-free completion as approved by the Servicer. For the Viability Loan, Guarantors are to provide an Operating Deficit Guaranty. If requested in writing by Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x DSC Ratio for the Permanent First Mortgage, as determined by FHFC or the Servicer and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant ("CPA"), and verified by the Servicer. The calculation of the DSC Ratio shall be made by FHFC or its agent. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final C/O.
Financial Statements:	Please refer to the Borrower Information section of this report.
Contingent Liabilities:	Please refer to the Borrower Information section of this report.
Summary:	Based upon review of the financial information provided, the Guarantors appear to have adequate financial strength to serve as the guarantors for this Development.

Syndicator Information

Syndicator Name:	Raymond James Tax Credit Funds, Inc. (“RJTCF”) or an affiliate
Contact Person:	Sean Jones, Director of Acquisitions
	Telephone (727) 567-5703 Facsimile (727) 567-8455 E-Mail: sean.jones@raymondjames.com
Address:	880 Carillon Parkway St. Petersburg, FL 33716

Experience:

RJTCF, a wholly owned subsidiary of Raymond James Financial, Inc. of St. Petersburg, Florida (“RJF”), is the managing member or general partner of LIHTC funds. RJF was founded in 1962 as Robert A. James Investments. In 1964 Raymond and Associates was formed. Raymond James became a public company in 1983, with a listing on the New York Stock Exchange under the symbol “RJF”. The company offers a comprehensive range of financial services, including wealth management and access to capital markets.

RJF has been sponsoring affordable housing since 1969. Since the inception of the tax credit program in 1986, they have raised more than $6 billion in equity for more than 1,800 properties across the United States. RJF has never had a credit recapture to date and boasts an average occupancy rate of 95% throughout their portfolio.

Financial Statements:

Raymond James Financial, Inc.:

Cash and Equivalents:	$3,179,751,000
Total Assets:	$36,364,109,000
Liabilities:	$30,114,058,000
Shareholder Equity:	$6,250,051,000

The RJF financial information was gather from the Form 10-Q as submitted to the United States Securities and Exchange Commission (“SEC”). The 10-Q was for the period ended June 30, 2018. The 10-K available for RJF was for the period ended September 30, 2017. Therefore, Seltzer relied upon the current SEC quarterly filing. Financial information for RJF is available on its website, www.raymondjames.com.

Summary:

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

General Contractor Information

General Contractor Name:	NDC Construction Company
Type:	A Florida Profit Corporation
Contact Person:	Gary Huggins 941-747-1062 telephone 941-741-8027 facsimile Email: www.ndcconstruction.com
Address:	1001 3rd Ave W, Suite 600 Bradenton, FL 34205
Experience:	Applicant has submitted a copy of Gary Huggins' Florida General Contractor License #CGC006547, which is valid through August 31, 2020. Ronald Allen is the President and Co-Owner of NDC Construction Company ("NDC"). Mr. Allen has 31 years of Development/Construction experience in Florida. Gary Huggins is Executive Vice President and Co-Owner of NDC. Mr. Huggins has over 40 years of construction experience. NDC's FHFC experience listing includes 10 new construction properties and 1 rehabilitation property totaling 1018 units. Prior experience includes completion of 62 projects that included two assisted living facilities, a fire station, apartment homes, federal credit unions, etc. Most of the projects were completed in the Bradenton and surrounding area.
Credit Evaluation:	An Experian Business Report for NDC dated September 12, 2018 indicated no financial or trade payment history reported, no collections reported and no public record history (judgments, tax liens, and bankruptcy).
Business/Bank References:	Business and Bank references are satisfactory.
Financial Statements:	*NDC Construction Company:*

Cash and Equivalents:	$5,894,901
Total Assets:	$18,873,640
Total Liabilities:	$16,969,158
Total Equity:	$1,904,482

Financial information for NDC is based on a combined Audited Financial Report dated December 31, 2017 by Shinn & Company, LLC. Assets other than cash and equivalents include contract accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts. Liabilities include accounts payable, accrued expenses and reserve, notes payable, and billings in excess of cost and estimated earnings on uncompleted contracts.

Contingent Liabilities: NDC reports no contingent liabilities. However, they did indicate that they are a defendant in pending legal action. NDC clarified that in the course of prosecuting roughly $100 million worth of work each year, the company finds themselves named in various lawsuits through the normal course of business. The suits involve suppliers and employees of subcontractors (not in direct privy with NDC) where the plaintiff named every party associated with a specific project as a defendant in their lawsuit.

Summary: The Applicant provided a Bonding Capacity Letter dated September 14, 2018 from Travelers Casualty and Surety Company of America ("Travelers") indicating they represent NDC for its surety bonding needs. Travelers stated NDC remains in good standing with them, affording continued surety credit for bonded obligations with single project sizes up to $50,000,000 within an aggregate backlog of $100,000,000. Travelers has an A.M. Best Rating of A++ with a Financial Size Category of XV ($2 Billion or greater).

SMG recommends that NDC 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 Information

Property Manager Name:	Carteret Management Corporation ("Carteret")
Type:	A Florida corporation
Contact Information:	James M. Chadwick, President 727-578-1174 Telephone Email: info@carteretmgmt.com
Address:	5300 West Cypress Street, Suite 200 Tampa, Florida 33307
Experience:	Carteret was founded in 1971 by Harry R. Chadwick, Jr. and registered with the Florida Secretary of State on March 25, 1971. Carteret offers 43 years of experience in managing apartment communities throughout Florida. They specialize in the management of affordable housing under Section 236, 202, and 8 of the National Housing Act as well as Low Income Housing Tax Credit properties. Mr. Chadwick was a principal of a housing consultant firm that worked with non-profit organizations to develop and construct affordable housing financed through HUD for over 25 years. As a result, the Carteret staff is particularly familiar with HUD's requirements and procedures. Currently the Carteret portfolio is comprised of 22 properties (2,750 units), six of which have been under management since inception.
Management Agreement:	Applicant submitted a Management Agreement between the Applicant and Carteret dated March 22, 2018. The Agreement reflects an initial term of three years beginning on commencement of lease-up, initiation of Property Management services or other mutually agreed upon date. The Agreement will be automatically renewed for successive one (1) year terms unless terminated by either party upon written notice sent to the other party not less than thirty (30) days before an expiration date. The Agreement reflects a monthly management fee equal to the greater of $2,000 or 5.00% of gross revenue collected during the current month. Gross revenues is defined to include any and all revenues generated by the Property and collected by Agent.
Management Plan:	Applicant submitted a Management Plan dated March 20, 2018 that appears satisfactory. The Management Plan states the Agent will provide centralized bookkeeping and computer services to the project at its corporate headquarters and will charge a monthly fee for these services that equates to the lesser of the actual costs or $795 per month.

Summary:	Carteret has the requisite experience and expertise to successfully manage the property. The Asset Management Department of FHFC will need to approve the selection of Carteret for Preserve at Sabal Park prior to the commencement of lease-up activity. Continued approval will be contingent upon ongoing satisfactory performance.

EXHIBIT 1
PRESERVE AT SABAL PARK
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															
	Gross Potential Rental Income	$1,215,600	$1,239,912	$1,264,710	$1,290,004	$1,315,805	$1,342,121	$1,368,963	$1,396,342	$1,424,269	$1,452,755	$1,481,810	$1,511,446	$1,541,675	$1,572,508	$1,603,958
	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	$21,600	$22,032	$22,473	$22,922	$23,381	$23,848	$24,325	$24,812	$25,308	$25,814	$26,330	$26,857	$27,394	$27,942	$28,501
	Washer/Dryer Rentals	$51,840	$52,877	$53,934	$55,013	$56,113	$57,236	$58,380	$59,548	$60,739	$61,954	$63,193	$64,457	$65,746	$67,061	$68,402
INCOME	Cable/Satellite Income	$10,000	$10,200	$10,404	$10,612	$10,824	$11,041	$11,262	$11,487	$11,717	$11,951	$12,190	$12,434	$12,682	$12,936	$13,195
	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	$1,299,040	$1,325,021	$1,351,521	$1,378,552	$1,406,123	$1,434,245	$1,462,930	$1,492,189	$1,522,032	$1,552,473	$1,583,523	$1,615,193	$1,647,497	$1,680,447	$1,714,056
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 3.5%	($45,466)	($46,376)	($47,303)	($48,249)	($49,214)	($50,199)	($51,203)	($52,227)	($53,271)	($54,337)	($55,423)	($56,532)	($57,662)	($58,816)	($59,992)
	Collection Loss - Percentage: 1.5%	($19,486)	($19,875)	($20,273)	($20,678)	($21,092)	($21,514)	($21,944)	($22,383)	($22,830)	($23,287)	($23,753)	($24,228)	($24,712)	($25,207)	($25,711)
	Total Effective Gross Revenue	$1,234,088	$1,258,770	$1,283,945	$1,309,624	$1,335,817	$1,362,533	$1,389,784	$1,417,579	$1,445,931	$1,474,849	$1,504,346	$1,534,433	$1,565,122	$1,596,424	$1,628,353
	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	$129,483	$133,367	$137,369	$141,490	$145,734	$150,106	$154,609	$159,248	$164,025	$168,946	$174,014	$179,235	$184,612	$190,150	$195,855
	Insurance	$84,960	$87,509	$90,134	$92,838	$95,623	$98,492	$101,447	$104,490	$107,625	$110,854	$114,179	$117,605	$121,133	$124,767	$128,510
	Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Variable:															
	Management Fee - Percentage: 5.8%	$71,244	$72,669	$74,123	$75,605	$77,117	$78,660	$80,233	$81,837	$83,474	$85,144	$86,847	$88,583	$90,355	$92,162	$94,005
	General and Administrative	$43,200	$44,496	$45,831	$47,206	$48,622	$50,081	$51,583	$53,131	$54,724	$56,366	$58,057	$59,799	$61,593	$63,441	$65,344
EXPENSES	Payroll Expenses	$165,600	$170,568	$175,685	$180,956	$186,384	$191,976	$197,735	$203,667	$209,777	$216,070	$222,553	$229,229	$236,106	$243,189	$250,485
	Utilities	$93,600	$96,408	$99,300	$102,279	$105,348	$108,508	$111,763	$115,116	$118,570	$122,127	$125,791	$129,564	$133,451	$137,455	$141,578
	Marketing and Advertising	$10,800	$11,124	$11,458	$11,801	$12,155	$12,520	$12,896	$13,283	$13,681	$14,092	$14,514	$14,950	$15,398	$15,860	$16,336
	Maintenance and Repairs	$43,200	$44,496	$45,831	$47,206	$48,622	$50,081	$51,583	$53,131	$54,724	$56,366	$58,057	$59,799	$61,593	$63,441	$65,344
	Grounds Maintenance and Landscaping	$21,600	$22,248	$22,915	$23,603	$24,311	$25,040	$25,792	$26,565	$27,362	$28,183	$29,029	$29,899	$30,796	$31,720	$32,672
	Resident Programs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Contract Services	$43,200	$44,496	$45,831	$47,206	$48,622	$50,081	$51,583	$53,131	$54,724	$56,366	$58,057	$59,799	$61,593	$63,441	$65,344
	Security	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Other-Pest Control	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Reserve for Replacements	$43,200	$44,496	$45,831	$47,206	$48,622	$50,081	$51,583	$53,131	$54,724	$56,366	$58,057	$59,799	$61,593	$63,441	$65,344
	Total Expenses	$750,087	$771,878	$794,307	$817,395	$841,161	$865,625	$890,807	$916,729	$943,412	$970,880	$999,155	$1,028,261	$1,058,223	$1,089,066	$1,120,816
	Net Operating Income	$484,001	$486,892	$489,638	$492,229	$494,656	$496,908	$498,977	$500,851	$502,519	$503,970	$505,192	$506,172	$506,899	$507,358	$507,536
	Debt Service Payments															
	First Mortgage - Citibank, N.A.	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898	$317,898
	Second Mortgage - FHFC Viability Loan	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Third Mortgage - HFA of Hillsborough	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944	$16,944
	Fourth Mortgage - Hillsborough County	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120	$1,120
	Fifth Mortgage	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DEBT SERVICE	All Other Mortgages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	First Mortgage Fees - Citibank, N.A.	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Second Mortgage Fees - FHFC Viability Loan	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125
	Third Mortgage Fees - HFA of Hillsborough	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Fourth Mortgage Fees - Hillsborough County	$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	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087	$339,087
	Cash Flow After Debt Service	$144,914	$147,805	$150,551	$153,142	$155,569	$157,821	$159,890	$161,764	$163,432	$164,883	$166,105	$167,086	$167,812	$168,272	$168,450
	Debt Service Coverage Ratios															
	DSC - First Mortgage plus Fees	1.523	1.532	1.540	1.548	1.556	1.563	1.570	1.576	1.581	1.585	1.589	1.592	1.595	1.596	1.597
	DSC - Second Mortgage plus Fees	1.508	1.517	1.525	1.533	1.541	1.548	1.554	1.560	1.565	1.570	1.574	1.577	1.579	1.580	1.581
	DSC - Third Mortgage plus Fees	1.432	1.441	1.449	1.456	1.464	1.470	1.476	1.482	1.487	1.491	1.495	1.498	1.500	1.501	1.502
	DSC - Fourth Mortgage plus Fees	1.427	1.436	1.444	1.452	1.459	1.465	1.472	1.477	1.482	1.486	1.490	1.493	1.495	1.496	1.497
	DSC - Fifth Mortgage plus Fees	1.427	1.436	1.444	1.452	1.459	1.465	1.472	1.477	1.482	1.486	1.490	1.493	1.495	1.496	1.497
	DSC - All Mortgages and Fees	1.427	1.436	1.444	1.452	1.459	1.465	1.472	1.477	1.482	1.486	1.490	1.493	1.495	1.496	1.497
	Financial Ratios															
	Operating Expense Ratio	60.8%	61.3%	61.9%	62.4%	63.0%	63.5%	64.1%	64.7%	65.2%	65.8%	66.4%	67.0%	67.6%	68.2%	68.8%
	Break-Even Ratio	84.1%	84.1%	84.1%	84.2%	84.2%	84.3%	84.4%	84.4%	84.6%	84.7%	84.8%	84.9%	85.1%	85.3%	85.5%

Preserve at Sabal Park
RFA 2016-113 / 2017-212C
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

144 units located in 6 garden apartment residential buildings

Unit Mix:

Forty-eight (48) one bedroom/one bath units containing a minimum of 753 square feet of heated and cooled living area; and

Seventy-Two (72) two bedroom/two bath units containing a minimum of 1030 square feet of heated and cooled living area; and

Twenty-four (24) three bedroom/two bath units containing a minimum of 1,192 square feet of heated and cooled living area;

144 Total Units

The Development is to be constructed in accordance with the final plans and specifications approved by the appropriate city or county building or planning department or equivalent agency, and approved as reflected in the Pre-Construction Analysis prepared for Florida Housing or its Servicer, unless a change has been approved in writing by Florida Housing or its Servicer. The Development will conform to requirements of local, state & federal laws, rules, regulations, ordinances, orders and codes, the 2012 Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes, Federal Fair Housing Act as implemented by 24 CFR 100, Section 504 of the Rehabilitation Act of 1973, and Titles II and III of the Americans with Disabilities Act ("ADA") of 1990 as implemented by 28 CFR 35, incorporating the most recent amendments, regulations and rules, as applicable.

All units must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

The Applicant commits to locate each feature and amenity that is non unit-specific on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.

B. The Development will provide the following General Features and Accessibility, Universal Design and Visitability Features in all units:

1. Termite prevention;
2. Pest control;
3. Window covering for each window and glass door inside each unit;
4. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
5. Full-size range and oven in all units;
6. At least two full bathrooms in all 3 bedroom or larger new construction units;
7. Bathtub with shower in at least one bathroom in at least 90% of the new construction non-Elderly units; and
8. Washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development consists of an on-site laundry facility, there must be a minimum of one (1) Energy Star qualified washer and one (1) dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Developments' units by 15, and then round the equation's total up to the nearest whole number.

C. All new construction units that are located on an accessible route will provide the following features:

1. Primary entrance door shall have a threshold with no more than a ½-inch rise;
2. All door handles on primary entrance door and interior doors must have lever handles;
3. Lever handles on all bathroom faucets and kitchen sink faucets
4. Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
5. Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

D. All new construction units must include the following general Features and Green Building Features:

1. All Family Demographic Developments will provide reinforced walls for future installation of grab bars that meet or exceed 2010 ADA Standards for Accessible Design around each tub/shower unit in each dwelling unit. At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around

each tub/shower unit in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

2. Green Building Features in all Family and Elderly Demographic Developments:
    a) Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint).
    b) Low-flow water fixtures in bathrooms – WaterSense labeled products or the following specifications:
        i. Faucets: 1.5 gallons/minute or less,
        ii. Showerheads: 2.0 gallons/minute or less;
    c) Energy Star qualified refrigerator;
    d) Energy Star qualified dishwasher;
    e) Energy Star qualified ventilation fan in all bathrooms;
    f) Energy Star qualified ceiling fans with lighting fixtures in bedrooms;
    g) Water Heater minimum efficiency specifications:
        i. Residential Electric:
            1. ≤ 55 gallons = .95 EF; or
            2. > 55 gallons = Energy Star qualified; or
            3. Tankless = .97 EF;
        ii. Residential Gas (storage or tankless/instantaneous): Energy Star qualified; or
        iii. Commercial Gas Water Heater: Energy Star qualified
    h) Air Conditioning minimum efficiency specifications (choose in-unit or commercial):
        i. In-unit air conditioning: minimum 15 SEER; or
        ii. Packaged units are allowed in zero units and one-bedroom units: minimum 13.8 EER; or
        iii. Central chiller AC system – based on size:
            1. 0-65 KBtuh: Energy Star certified; or
            2. >65-135 KBtuh: 11.9 EER; or
            3. >135-240 KBtuh: 12.3 EER; or
            4. >240 KBtuh: 12.2 EER.

E. This New Construction Development commits to provide the following Green Building Certification program:

_______ Leadership in Energy and Environmental Design (LEED); or

_______ Florida Green Building Coalition (FGBC); or

__X__ ICC 700 National Green Building Standard (NGBS).

F. This Family Development will provide the following resident programs:

1. After School Program for Children – This program requires the Applicant or its Management Company to provide supervised, structured, age-appropriate activities for children during after school hours, Monday through Friday. Activities must be on-site.
2. Literacy Training - Applicant or its Management Company must make available, at no cost to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.
3. Employment Assistance Program – Applicant or its Management Company must provide, at no cost to the resident, a minimum of quarterly scheduled Employment Assistance Program workshops/meetings offering employment counseling by a knowledgeable employment counselor. Such a program includes employability skills workshops providing instruction in the basic skills necessary for getting, keeping, and doing well in a job. The instruction must include, but not be limited to, the following:

   a) Evaluation of current job skills;
   b) Assistance in setting job goals;
   c) Assistance in development of and regular review/update of an individualized plan for each participating resident;
   d) Resume assistance;
   e) Interview preparation; and
   f) Placement and follow-up services.

   If the Development consists of Scattered Sites and the training is provided on site, it must be provided on the Scattered Site with the most units. If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Preserve at Sabal Park

DATE: October 16, 2018

In accordance with applicable Program Rule(s), the Applicant is required to submit the information required to evaluate, complete, and determine its sufficiency in satisfying the requirements for Credit Underwriting to the Credit Underwriter in accordance with the schedule established by the Florida Housing Finance Corporation ("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 Applicant 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 Satis. / Unsatis.	NOTE
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	Satis.	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management	Satis.	

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

NOTES AND APPLICANT’S RESPONSES: None

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	$29,150,743
Less Land Cost	($1,325,437)
Less Federal Funds	$0
Less Other Ineligible Cost	($1,957,652)
Less Disproportionate Standard	$0
Total Eligible Basis	$25,867,653
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	$33,627,949
Housing Credit Percentage	9.00%
Annual Housing Credit Allocation	$3,026,515

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include off-site work, subcontractor default insurance, legal fees, permanent loan origination fees and closing costs, a portion of construction interest attributed to lease up, Florida Housing administrative, application and compliance fees, advertising and marketing costs and reserves.

2. The applicant committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.

3. This development is located in Hillsborough County Census Tract 121.04, a Qualified Census Tract ("QCT"). Therefore, the 130.00% basis credit has been applied.

4. Per the FY 2016 Omnibus Spending and Tax Bill passed by Congress as of December 18, 2015, a permanent 9% minimum HC rate was established. For purposes of this report, a total HC percentage of 9.00% has therefore been applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	$29,150,743
Less Mortgages	($7,074,982)
Less Grants	$0
Equity Gap	$22,075,761
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.963
HC Required to Meet Gap	$22,926,240
Annual HC Required	$2,292,624

Notes to the Gap Calculation:

1. Mortgages include a calculation of the qualifying first mortgage of $5,273,981.58 as determined by Chapter 67-48.0072(29)(g), the FHFC Viability Loan and subordinate loans provided by Hillsborough County.
2. HC Syndication Pricing of $0.963 and Percentage to Investment Partnership are based upon the May 9, 2018 letter of intent from Raymond James Tax Credit Funds, Inc.

Section III: Summary	
HC per Applicant Request	$2,110,000
HC per Qualified Basis	$3,026,515
HC per Gap Calculation	$2,292,624
Annual HC Recommended	$2,110,000

Notes to the Summary:

1. The Annual HC Recommended is limited by the applicant's request.