



ORANGE COUNTY HOUSING FINANCE AUTHORITY


AGENDA PACKAGE

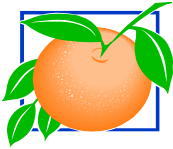
BOARD OF DIRECTORS' MEETING

WEDNESDAY, SEPTEMBER 6, 2023

ORANGE COUNTY ADMINISTRATION BUILDING

201 South Rosalind Ave – Orlando, FL 32801 | Commissioners Chambers





ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

MEMORANDUM

BOARD OF DIRECTORS

VERNICE ATKINS-BRADLEY
CHAIR

KENNETH HUGHES
VICE CHAIR

CURTIS HUNTER
BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

TO: Vernice Atkins-Bradley, Chair, OCHFA
Kenneth Hughes, Vice Chair, OCHFA
Curtis Hunter, Board of Directors, OCHFA
Mercedes McCall, Board of Directors, OCHFA
Ray Colado, Board of Directors, OCHFA
Warren S. Bloom, General Counsel, Greenberg Traurig
Mike Watkins, General Counsel, Greenberg Traurig
David Jones, Financial Advisor, CSG Advisors
Helen H. Feinberg, Senior Managing Underwriter, RBC Capital Markets
Donald Peterson, Co-Managing Underwriter, Raymond James
Tim Wranovix, Co-Managing Underwriter, Raymond James
Kate Latorre, Senior Assistant County Attorney – Orange County
Fred Winterkamp, Manager, Fiscal and Business Services – Orange County
James Audette, Trustee – USBank

FROM: W.D. Morris, Executive Director

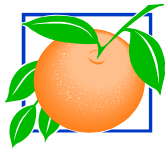
DATE: August 29, 2023

RE: **SEPTEMBER 6, 2023 BOARD OF DIRECTORS' AGENDA**

Enclosed is the Directors' meeting agenda package; scheduled as follows:

Date: **Wednesday, September 6, 2023**
Time: **8:30 a.m.**
Location: Orange County Administration Center
1st Floor – Commissioners Chambers
201 Rosalind Avenue - Orlando, Florida 32801

Should you have any questions, need additional information, or you will not be attending the meeting, please contact me as soon as possible at (407) 894-0014.



W.D. MORRIS
EXECUTIVE DIRECTOR

BOARD OF DIRECTORS

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VICE CHAIR

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BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

OCHFA BOARD OF DIRECTORS' MEETING
August 2, 2023 ~ 8:30 A.M.

AGENDA

PUBLIC COMMENT

CONSENT AGENDA

A. GENERAL ADMINISTRATION

1. Adoption of May 3, 2023, Board of Directors Meeting minutes.

Pg. 2-4

B. EXECUTIVE DIRECTOR'S OFFICE

1. Opportunity Zones Status – No Activity.

Pg. 5

C. FINANCIAL MANAGEMENT

1. Acknowledgement of the consolidated balance sheet for the Operating Fund; acknowledgement of combined statement of rev(s)/ exp(s)/ changes in retained earnings; acknowledgement of FY 2023, operating fund comparison of budget vs. actual; acknowledgement of FY 2023, operating fund comparison of actual revenues & expenses; acknowledgement summary of OCHFA's operating fund investments.

Pg. 6-19

D. PROGRAM OPERATIONS

1. Acknowledgement of the Current Status of the Single-Family HRB Program.
2. Acknowledgement of the Multi-Family Audit Period.

Pg. 20-31

Pg. 32-36

DISCUSSION AGENDA

A. EXECUTIVE DIRECTOR

- No Discussion Items -

B. OTHER BUSINESS

ORANGE COUNTY HOUSING FINANCE AUTHORITY

BOARD OF DIRECTORS

V. ATKINS-BRADLEY | K. HUGHES | C. HUNTER | M. MCCALL | R. COLADO

OFFICIAL MEETING MINUTES

Meeting: Board of Directors Meeting **Date:** Wednesday, August 2, 2023 **Time:** 8:30am
Location: Orange County Administration Center – Commissioners Chambers – 1st Fl., 201 S. Rosalind Ave., Orlando, FL.

Members

PRESENT

Vernice Atkins-Bradley Chair	Mercedes McCall Board Member
Kenneth Hughes Vice Chair	Ray Colado Board Member
Curtis Hunter Board Member	

OCHFA Staff

PRESENT

W.D. Morris Executive Director	Olympia Roman Staff
Kayode Adetayo Chief Financial Officer	Dillon Perez Staff
Frantz Dutes Staff	

OCHFA Professionals

PRESENT

Mike Watkins
Bond Counsel, Greenberg Traurig

BCC Staff

PRESENT

Danielle Philippe
Fiscal Business Svcs

MEETING OPENED: There being a quorum, Chair, Vernice Atkins-Bradley, called the meeting to order at 8:30 a.m.

PUBLIC COMMENT(s): No comment(s).

CONSENT AGENDA:

ACTION TAKEN

There being no discussion, the Board approved Consent Agenda items.

MOTION / SECOND: M. McCall / C. Hunter **AYE BY VOICE VOTE:** All **NAY BY VOICE VOTE:** **ABSTAINED:**

A. GENERAL ADMINISTRATION

1. Adoption of May 3, 2023, Regular Board of Directors Meeting minutes.

B. EXECUTIVE DIRECTOR'S OFFICE

1. Opportunity Zone Status.

C. FINANCIAL MANAGEMENT

1. Acknowledgement Summary of OCHFA's Operating Fund Investments. Acknowledgement of the consolidated balance sheet for the Operating Fund; acknowledgement of combined statement of rev(s)/ exp(s)/ changes in retained earnings; acknowledgement of FY 2023, operating fund comparison of budget vs. actual; acknowledgement of FY 2023, operating fund comparison of actual revenues & expenses; acknowledgement summary of OCHFA's operating fund investments.

D. PROGRAM OPERATIONS

1. Acknowledgement of the Current Status of the Single-Family HRB Program.
2. Acknowledgement of the Multi-Family Audit Period.

DISCUSSION AGENDA

A. EXECUTIVE DIRECTOR

- NO DISCUSSION ITEMS -

OTHER BUSINESS

OCHFA NEW BOARD MEMBER

W.D. Morris, Executive Director, recognized the Authority's new board member, Ray Colado.

UPDATE OF PROPOSED PROJECTS

Mr. Morris provided the board with an update of the Authority's proposed development in its pipeline. He stated that due to affordable housing industry challenges (market changes, supply lines, labor issues, etc.), the Authority's proposed multi-family developments (Southwick Commons, Millennia Lake County Portfolio and 52 at Park) have experienced delayed closings. Brief discussion ensued.

FLALHFA CONFERENCE UPDATE – JULY 2023

Mr. Morris thanked board members for their participation in the Florida Association of Local Housing Authorities, education conference.

TRAVEL COMPLIANCE

Mr. Morris reminded the board of the importance with complying with Florida Statutes and rules concerning travel. He stated that all travel documentation must be submitted to the Authority within 60-days of travel completion.

BOARD MEMBER ATTENDANCE

Mercedes McCall, Board Member, inquired about board member attendance policies, post COVID pandemic. Mr. Morris responded by stating that the Orange County Membership and Mission Review Board (MMRB), under the guidance of the Board of County Commissioners, establishes and enforces the attendance policy. He then stated that the Authority submits a quarterly attendance report to the MMRB of its regular monthly meetings.

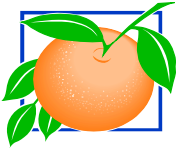
ADJOURNMENT

There being no further business, Vernice Atkins-Bradley – Chair, adjourned the meeting at 8:34a.m.

ATTEST:

W.D. MORRIS
EXECUTIVE DIRECTOR

VERNICE ATKINS-BRADLEY
CHAIR



ORANGE COUNTY
HOUSING FINANCE AUTHORITY

D. MORRIS
EXECUTIVE DIRECTOR

CONSENT

BOARD OF DIRECTORS

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RAY COLADO
BOARD MEMBER

MEMORANDUM

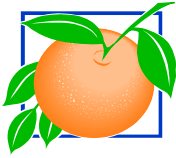
TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	August 24, 2023
RE:	OPPORTUNITY ZONES STATUS SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING

CURRENT

- No Activity -

ACTION REQUESTED

-information only-



W.D. MORRIS
EXECUTIVE DIRECTOR

CONSENT ITEM

MEMORANDUM

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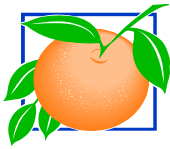
RAY COLADO
BOARD MEMBER

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	August 25, 2023
RE:	OCHFA WARRANT LIST # 559 SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING.

The OCHFA Warrant List # 559 comprises of payments made for its accounts payable due for the months of July 2023 through August 2023 and payroll for the weeks ending July 30, 2023 through August 27, 2023. (Payroll is done through direct deposit on a weekly basis.) The total amount of all checks written is one hundred twenty five thousand sixty nine dollars and seventy cents - \$125,069.70.

Attachments

[illegible]



W.D. MORRIS
EXECUTIVE DIRECTOR

CONSENT ITEM

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RAY COLADO
BOARD MEMBER

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	August 25, 2023
RE:	OCHFA CONSOLIDATED BALANCE SHEET FOR THE OPERATING FUND FOR THE PERIOD ENDING JULY 31, 2023. SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING.

Attached for your review is the OCHFA's Operating Fund Balance Sheet. The Operating Fund includes all funds namely: the General Fund, the Low Income Housing Fund and the Homeownership Assistance Program Fund.

The majority of the funds in the General Fund are invested in GNMA's. The GNMA's yield approximately 5.0700%. The remaining funds are invested in the US Bank Money Market. The Authority earned an average of 3.378% interest income on all investments.

Orange County Housing Finance Authority

Operating Fund Balance Sheet

As of July 31, 2023

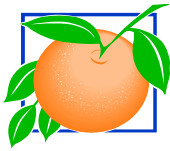
	GENERAL FUND	LOW INCOME HOUSING FUND	HOMEOWNERSHIP ASSISTANCE FUND	COMBINED TOTALS
Assets				
Cash	7,763,033.03	1,330,941.22	2,671,504.88	11,765,479.13
**** Investments	10,406,814.20	0.00	809,761.92	11,216,576.12
GNMA/FNMA Securities	7,561,507.80	0.00	0.00	7,561,507.80
Accounts Receivable	297,366.76	0.00	43,498.87	340,865.63
Loan Receivable	64,968.61	0.00	0.00	64,968.61
Notes Receivable	1,247,912.53	24,200.00	0.00	1,272,112.53
S/F 2014 A GNMA Collateral / Rcvbl	4,060,955.67	0.00	0.00	4,060,955.67
GF - FHLB GNMA Collateral / Rcvbl	770,340.88	0.00	0.00	770,340.88
Mortgage Receivable	0.00	312,124.62	3,683,580.67	3,995,705.29
**** Allowance for Doubtful Accounts	0.00	(286,126.89)	(1,360,394.78)	(1,646,521.67)
Mortgage & GNMA/FNMA Income Receivable	3,571,817.76	0.00	0.00	3,571,817.76
Deferred FRS Pension Contributions	283,878.00	0.00	0.00	283,878.00
Interfund Receivable/Payable	16,019,345.64	4,775,793.63	(7,755,578.35)	13,039,560.92
Prepaid Expenses	9,068.52	0.00	0.00	9,068.52
Fixed Assets	250,515.74	0.00	0.00	250,515.74
Total Assets	52,307,525.14	6,156,932.58	(1,907,626.79)	56,556,830.93

Current liabilities:

Other Payables	186,652.15	0.00	0.00	186,652.15
FRS Net Pension Liability	994,239.00	0.00	0.00	994,239.00
Accounts Payables	489,661.31	0.00	0.00	489,661.31
Total liabilities	1,670,552.46	0.00	0.00	1,670,552.46
Retained Earnings Previous Period	51,958,353.59	6,132,539.79	(2,016,243.70)	56,074,649.68
Net Income (Loss)	(1,321,380.91)	24,392.79	108,616.91	(1,188,371.21)
Total Liabilities & Retained Earnings	52,307,525.14	6,156,932.58	(1,907,626.79)	56,556,830.93

**** A reserve account is set up to allow for percentage of the Down Payment Assistance Notes Receivable to be recognized as doubtful accounts based on industry standards. (Approximately 3%). The actual notes receivable remain on the books while the doubtful account is set up as a contra asset account.

**** This balance includes a \$1,090,246.62 difference between the GNMA'S book value and market value recorded at 9/30/2022 (GASB 31).



W.D. MORRIS
EXECUTIVE DIRECTOR

CONSENT ITEM

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BOARD MEMBER

RAY COLADO
BOARD MEMBER

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	August 25, 2023
RE:	OCHFA COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE PERIOD ENDING JULY 31, 2023. SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING.

Attached for your review are the OCHFA's Operating Fund Statement of Revenues, Expenses, and Changes in Retained Earnings. The Operating Fund includes all funds namely: the General Fund, the Low Income Housing Fund, and the Homeownership Assistance Program Fund.

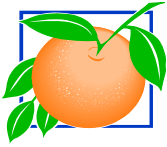
Attachments

Orange County Housing Finance Authority

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings

For The 10 Periods Ending July 31, 2023

	Operating Fund			
	General Fund	Low Income Hsg Fund	Homeownership Assistance Fund	Current YTD
Revenue:				
Administrative Fees	805,070.64	0.00	0.00	805,070.64
Bond Financing Fees	344,497.00	0.00	0.00	344,497.00
Intra Fund Revenue	10,983,498.02	0.00	0.00	10,983,498.02
Gain on the Sale of GNMA's	4,948.26	0.00	0.00	4,948.26
Other Revenue	163,453.50	24,392.79	82,739.60	270,585.89
Investment Income	92,315.66	0.00	10,624.62	102,940.28
Income from Loans, GNMA's	882,980.04	0.00	17,232.69	900,212.73
Total Revenues	13,276,763.12	24,392.79	110,596.91	13,411,752.82
Expenses				
General and Administrative	1,490,077.86	0.00	1,980.00	1,492,057.86
Intra Fund Expense	12,954,989.45	0.00	0.00	12,954,989.45
Rebate Expense	900.00	0.00	0.00	900.00
Other Expenses	152,176.72	0.00	0.00	152,176.72
Total Expenses	14,598,144.03	0.00	1,980.00	14,600,124.03
Net Income (Loss)	-1,321,380.91	24,392.79	108,616.91	-1,188,371.21
Retained Earnings Beginning of Year	51,958,353.59	6,132,539.79	-2,016,243.70	56,074,649.68
Retained Earnings End of Year	50,636,972.68	6,156,932.58	(1,907,626.79)	54,886,278.47



W.D. MORRIS
EXECUTIVE DIRECTOR

CONSENT ITEM

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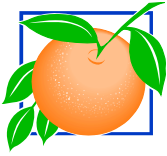
TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	August 25, 2023
RE:	OCHFA FISCAL YEAR 2023 OPERATING FUND – COMPARISON OF BUDGET VS. ACTUAL AS OF JULY 31, 2023. SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING

Attached for your attention is the comparison of the Budgeted Revenues and Expenses for Fiscal Year 2023 vs. the Actual Revenues and Expenses for the period ending July 31, 2023.

Attachments

	Orange County Housing Finance				
	Statement of Earnings				
	For The 10 Periods Ending July 31, 2023				
		Fiscal Year 2023	Year To Date	Budget	%age
		Budget	Revenue	Remaining	Budget
			Received	YTD	Remaining YTD
Revenue:					
	2014 SERIES A	\$4,292	\$2,354	\$1,938	45%
	2017 SERIES A	\$11,518	\$4,680	\$6,838	59%
	2018 SERIES A	\$10,165	\$4,939	\$5,226	51%
	2020 SERIES A	\$2,875	\$2,848	\$27	1%
	2020 SERIES B	\$210,077	\$91,626	\$118,451	56%
	HANDS 2001 F	\$7,600	\$8,810	(\$1,210)	-16%
	THE LANDINGS ON MILLENIA	\$21,170	\$10,130	\$11,040	52%
	LEE VISTA APARTMENTS	\$32,400	\$31,350	\$1,050	3%
	COVE AT LADY LAKE	\$21,555	\$21,105	\$450	2%
	LAKESIDE POINTE APARTMENTS	\$16,290	\$15,840	\$450	3%
	OVIEDO TOWN CENTER PHASE I	\$15,090	\$7,388	\$7,703	51%
	OVIEDO TOWN CENTER PHASE II	\$10,000	\$5,000	\$5,000	50%
	OVIEDO TOWN CENTER PHASE III	\$10,000	\$5,000	\$5,000	50%
	OVIEDO TOWN CENTER PHASE IV	\$10,000	\$5,000	\$5,000	50%
	LAUREL OAKS I	\$22,380	\$11,025	\$11,355	51%
	LAUREL OAKS II	\$20,670	\$10,185	\$10,485	51%
	ROLLING ACRES I	\$9,919	\$20,000	(\$10,081)	-102%
	ROLLING ACRES II	\$10,000	\$20,000	(\$10,000)	-100%
	FOUNTAINS @ MILLENIA II	\$10,000	\$10,000	\$0	0%
	FOUNTAINS @ MILLENIA III	\$10,000	\$10,000	\$0	0%
	FOUNTAINS @ MILLENIA IV	\$10,938	\$10,781	\$156	1%
	SOUTHWINDS	\$14,875	\$7,313	\$7,563	51%
	POST VISTA POST FOUNTAINS	\$15,720	\$17,650	(\$1,930)	-12%
	SPRING LAKE COVE I	\$10,000	\$5,000	\$5,000	50%
	SPRING LAKE COVE II	\$10,000	\$5,000	\$5,000	50%
	CHATHAM HARBOR APTS	\$68,040	\$68,040	\$0	0%
	CRESTWOOD APARTMENTS	\$17,910	\$17,595	\$315	2%
	LAKE SHERWOOD APARTMENTS	\$15,120	\$14,850	\$270	2%
	OAK HARBOR APARTMENTS	\$20,820	\$20,715	\$105	1%
	RIVER RIDGE APARTMENTS	\$27,150	\$26,700	\$450	2%
	SEVILLE PLACE APARTMENTS	\$18,540	\$18,255	\$285	2%
	NASSAU BAY APARTMENTS	\$105,482	\$52,606	\$52,877	50%
	BUCHANAN BAY	\$38,142	\$18,922	\$19,220	50%
	WESTWOOD PARK APTS	\$49,392	\$49,350	\$42	0%
	VISTA PINES APTS	\$65,889	\$65,841	\$48	0%
	LAKE WESTON POINT APTS	\$50,845	\$50,362	\$484	1%
	CHAPEL TRACE APARTMENTS	\$38,017	\$37,646	\$371	1%
	BAPTIST TERRACE APARTMENTS	\$32,167	\$15,985	\$16,182	50%
	HANDS	\$3,570	\$3,345	\$225	6%
	ALHAMBRA TRACE APTS	\$1,900	\$1,835	\$65	3%
	BOND FINANCING FEES	\$187,500	\$344,497	(\$156,997)	-84%
	TRANSFER IN	\$0	\$10,983,498	(\$10,983,498)	
	GAIN ON SALE OF GNMA'S	\$25,000	\$4,948	\$20,052	80%
	OTHER REVENUES	\$358,476	\$270,586	\$87,890	25%
	INV INCOME	\$151,667	\$112,479	\$39,187	26%
	INV INCOME US TREASURIES	\$0	(\$9,539)	\$9,539	
	FHLB HELD SECURITIES GNMA/FNMA INCOME	\$0	\$150,449	(\$150,449)	
	MORTGAGE INCOME HFA OF WINTER PARK	\$9,000	\$1,644	\$7,356	82%
	INTEREST INCOME ON WESTLAKES PHASE I	\$7,500	\$5,485	\$2,015	27%
	INTEREST INCOME ON HANNIBAL SQUARE PROJECT	\$0	\$4,500	(\$4,500)	
	GNMA/FNMA INCOME	\$748,234	\$390,640	\$357,594	48%
	MASTER ACC FUND GNMA/FNMA INCOME	\$0	\$330,263	(\$330,263)	
	2006 A DPA MORTGAGE INTEREST	\$600	\$140	\$460	77%
	2006 A 1 DPA MORTGAGE INTEREST	\$2,100	\$58	\$2,042	97%
	2007 A DPA MORTGAGE INTEREST	\$10,300	\$9,639	\$661	6%
	2007 B DPA MORTGAGE INTEREST	\$10,300	\$7,304	\$2,996	29%
	2009 A NIBP DPA MORTGAGE INTEREST	\$500	\$92	\$408	82%
		\$2,591,695	\$13,411,753	(\$10,820,058)	-417%

	Fiscal Year 2023	Year To Date	Budget	%age
	Budget	Expenses	Remaining	Budget
		Incurred	YTD	Remaining YTD
Costs and expenses:				
SALARIES AND WAGES	\$1,076,376	\$817,548	\$258,829	24%
SHIPPING	\$2,500	\$1,795	\$705	28%
TRAVEL/CONFERENCE/ TRAINING	\$36,000	\$31,154	\$4,846	13%
CASUAL LABOR/STUDENT ASST.	\$3,000	\$0	\$3,000	100%
OFFICE MAINTENANCE	\$19,000	\$17,643	\$1,357	7%
BUILDING MAINTENANCE	\$16,000	\$14,174	\$1,826	11%
TELEPHONE	\$28,000	\$15,706	\$12,294	44%
POSTAGE	\$3,000	\$243	\$2,757	92%
OFFICE SUPPLIES	\$5,000	\$5,471	(\$471)	-9%
OFFICE FURNITURE	\$1,000	\$0	\$1,000	100%
PUBLICATIONS	\$2,000	\$1,550	\$450	22%
PRINTING/ANNUAL REPORT	\$6,500	\$4,750	\$1,750	27%
EQUIPMENT / COMPUTER / PRINTER	\$10,000	\$8,152	\$1,848	18%
MARKETING	\$20,000	\$22,950	(\$2,950)	-15%
CONTRACTOR SERVICES	\$22,000	\$14,516	\$7,484	34%
SEMINARS/EDUCATION	\$15,000	\$160	\$14,840	99%
EMPLOYEE BENEFITS HEALTH/LIFE	\$160,000	\$139,634	\$20,366	13%
UNEMPLOYMENT COMPENSATION	\$2,000	\$0	\$2,000	100%
OTHER INSURANCE & TAXES	\$1,200	\$0	\$1,200	100%
ANNUAL AUDIT	\$53,000	\$51,000	\$2,000	4%
LEGAL ADVERTISING	\$4,000	\$2,589	\$1,411	35%
LEGAL FEES	\$10,000	\$3,396	\$6,604	66%
MEMBERSHIP	\$7,500	\$6,780	\$720	10%
PAYROLL TAXES	\$82,343	\$59,219	\$23,124	28%
MISCELLANEOUS EXPENSE	\$12,000	\$945	\$11,055	92%
LOSS ON DPA FORECLOSURES	\$30,000	\$0	\$30,000	100%
FLORIDA RETIREMENT SYSTEM	\$128,196	\$106,211	\$21,986	17%
457 DEFERRED COMP EMPLOYER CONTRIBUTION EXP	\$53,819	\$39,762	\$14,057	26%
LIMITED HRA	\$10,500	\$9,427	\$1,073	10%
TERM LEAVE	\$20,000	\$0	\$20,000	100%
FILE STORAGE	\$2,400	\$1,658	\$742	31%
LOCAL MILEAGE REIMBURSEMENT	\$2,000	\$233	\$1,767	88%
EQUIPMENT MAINTENANCE	\$5,000	\$2,711	\$2,289	46%
INSURANCE COVERAGES	\$70,000	\$47,484	\$22,516	32%
RESERVE FOR REPLACEMENT BLDG	\$5,000	\$3,143	\$1,857	37%
FHLB LOAN INTEREST COLLATERAL EXP	\$0	\$300	(\$300)	
TRANSFER OUT	\$0	\$12,954,989	(\$12,954,989)	
FINANCIAL ADVISORY SERVICES	\$12,000	\$1,375	\$10,625	89%
PERFORMANCE AWARD PROGRAM	\$107,606	\$55,000	\$52,606	49%
ADMINISTRATIVE EXP. TRUSTEE	\$0	\$5,380	(\$5,380)	
CUSTODY FEE	\$5,500	\$0	\$5,500	100%
ADMIN EXPENSE BANK/TRUSTEE	\$1,000	\$0	\$1,000	100%
REBATE FEE EXPENSE	\$6,000	\$900	\$5,100	85%
OPERATING CONTINGENCY RESERVE	\$50,000	\$0	\$50,000	100%
1994 EXCESS GNMA INTEREST EXP	\$0	\$161	(\$161)	
1995 EXCESS GNMA INTEREST EXP	\$0	\$79	(\$79)	
LOSS ON SALE	\$0	\$151,937	(\$151,937)	
	\$2,106,440	\$14,600,124	(\$12,493,684)	-593%



CONSENT ITEM

W.D. MORRIS
EXECUTIVE DIRECTOR

MEMORANDUM

BOARD OF DIRECTORS

VERNICE ATKINS-BRADLEY
CHAIR

KENNETH HUGHES
VICE CHAIR

CURTIS HUNTER
BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	August 25, 2023
RE:	OCHFA FISCAL YEAR 2023, OPERATING FUND – COMPARISON OF ACTUAL REVENUES AND EXPENSES FOR THE PERIODS ENDING JULY 31, 2022 AND JULY 31, 2023. SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING

Attached for your review is the comparison of the Actual Revenues and Expenses for the periods ending July 31, 2022 and July 31, 2023.

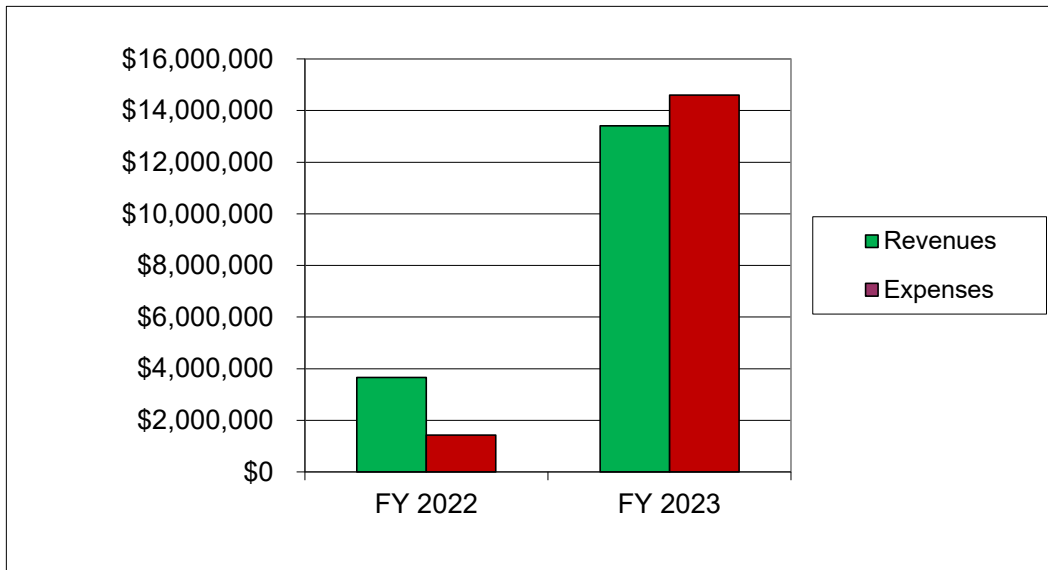
Attachments

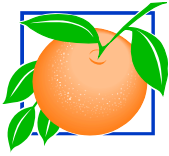
Actual Revenues and Expenses Comparison
For the Period Ending July 31, 2023

	FY 2022	FY 2023	% Δ
Revenues	\$3,656,615	\$13,411,753	267%
Expenses	\$1,427,842	\$14,600,124	923%

Revenues significantly increased this year compared with last year. This is due to the interfund transfers with the Single Family program for the 2023 A bond issuance, which was not present in the prior year. The overall change in revenues is 267%.

Overall, general operating expenses significantly increased this year compared to last year due to the interfund transfers with the Single Family program for the 2023 A bond issuance. The overall change in expenses is 923%.





CONSENT ITEM

W.D. MORRIS
EXECUTIVE DIRECTOR

MEMORANDUM

BOARD OF DIRECTORS

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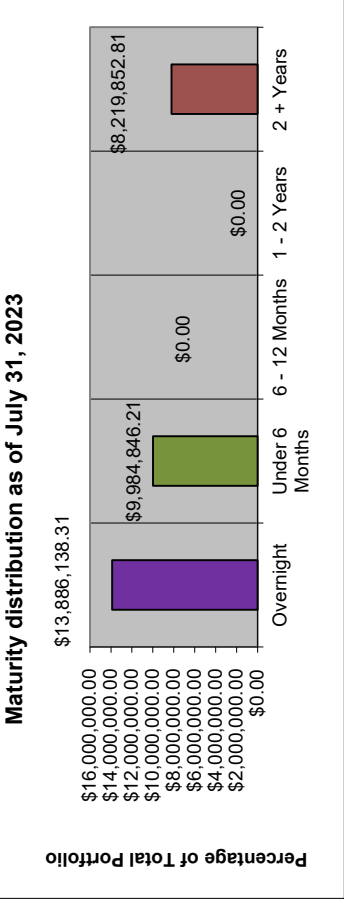
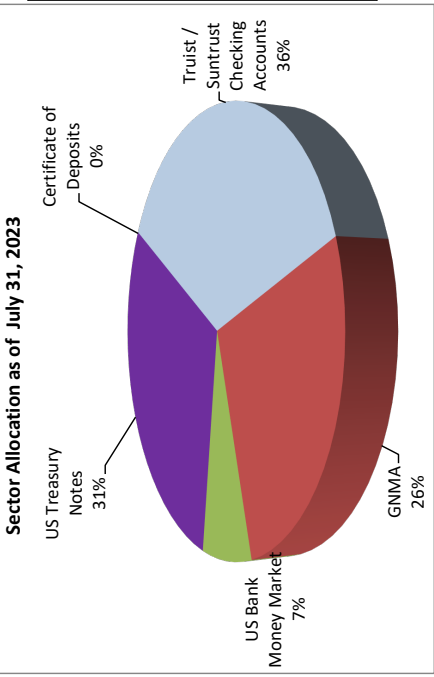
TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Olukayode Adetayo, Chief Financial Officer
DATE:	August 25, 2023
RE:	SUMMARY OF OCHFA'S OPERATING FUND INVESTMENTS. SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING

As of July 31, 2023 the total investments in the Operating Fund of the Orange County Housing Finance Authority was \$32,090,837.33 producing an average yield of 3.378% as shown in the Summary of Accounts. If you have any questions on this matter do not hesitate to ask me.

Attachments

Orange County Housing Finance Authority
Summary of Accounts
as of July 31, 2023

Account	Account #	Institution	Ending Balance ¹	Net Interest Earned ¹	Average Yield (Annualized) ¹
Operating Fund	215252054184-000	Truist / Suntrust Bank	\$7,561,715.68	\$18,865.01	4.2000%
Low Income Housing Fund	215252054192-000	Truist / Suntrust Bank	\$1,330,941.22	\$4,356.32	4.2000%
Homeownership Assistance Fund	1000042656834	Truist / Suntrust Bank	\$2,671,504.88	\$8,643.89	4.2000%
Custody Account	129142000	US Bank Money Market	\$961,627.83	\$13,021.63	4.2300%
Custody Account	129142000	US Treasury Notes	\$9,984,846.21	\$1,271.25	0.130%
Custody Account	129142000	GNMA - OCHFA Investment	\$7,561,507.81	\$24,195.07	5.0700%
Custody Account	141763000	US Bank Money Market /NIBP	\$809,761.92	\$2,942.88	4.2300%
Custody Account	261060000	US Bank Money Market /Turnkey	\$550,586.78	\$1,895.84	4.2300%
FHLB Collateral	38786	FHLBank Atlanta	\$658,345.00	\$15,140.54	4.5800%
Total			\$32,090,837.33	\$90,332.43	3.378%



Liquidity \$13,886,138.31

Note:
1. Ending Bal., Net Int. Earned, Avg. Yields shown above are recorded directly from month-end accts statements provided by respective institutions.



ORANGE COUNTY
HOUSING FINANCE AUTHORITY

W.D. MORRIS
EXECUTIVE DIRECTOR

CONSENT ITEM

MEMORANDUM

BOARD OF DIRECTORS

VERNICE ATKINS-BRADLEY
CHAIR

KENNETH HUGHES
VICE CHAIR

CURTIS HUNTER
BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

TO: OCHFA Board of Directors

FROM: W.D. Morris, Executive Director

CONTACT: Frantz Dutes, Director Program Operations

DATE: August 26, 2023

RE: **STATUS REPORT: 2023-A HOMEOWNER REVENUE BOND PROGRAM; TBA "TURNKEY" MORTGAGE LOAN PROGRAM**
SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING.

2023-A HOMEOWNER REVENUE BOND PROGRAM

The Authority's **SERIES 2023-A Homeowner Revenue Bonds (HRB) Program** was authorized by the Board on May 3, 2023 for the aggregate principal amount not-to-exceed FIFTEEN MILLION DOLLARS (**\$15MM**) of Homeowner Revenue Bond Program proceeds. The Board authorized Staff to begin a pipeline of loans for future issuance. The 2023A (HRB) Program offers a 30-year loan product. The Down Payment Assistance (DPA) is currently at \$10,000, and is a 30-year deferred loan at 0% interest.

<u>PRODUCTS</u>	<u>INTEREST RATES</u>	<u>ORIGINATION FEE</u>
Zero Point	6.250%	1%

Commencing from the initial reservation date there is an aggregate total of Twenty Million Six Hundred Seventy Seven Thousand Four Hundred Eighty Four Dollars (**\$20,677,484**) financed by the Single Family Acquisition, and Single Family Custody Account. Under the Authority's Advance Loan Program, any loans originated in excess of the principal amount will be "rolled" into the next Single Family Bond Issue. This will mitigate the Authority's overall risk.

As of August 26, 2023:

- Eighty Six (**86**) loans originated: **84--FHA; 2-VA; 0-USDA-RD.**
- The Authority's 2020A DPA program has financed or committed an aggregate total of: Eight Hundred Sixty Thousand Dollars (**\$860,000**).

The Reservation Period start date was **September 24, 2020**, and Final Delivery end date is March 24, **2024**.

TBA "TURNKEY" MORTGAGE LOAN PROGRAM

The Authority's **TBA "Turnkey" Mortgage Loan program** was authorized by the board on **August 2, 2017**. This conventional loan program is a partnership with OCHFA, Freddie Mac, and Raymond James and Associates. Since the inception of the program a total of Twenty One Million One Hundred Thirty Three Thousand Four Hundred Eighty Six Dollars (\$21,133,486) has been financed. The Down Payment Assistance is currently at \$7,500, and is a 30 year deferred loan at 0% interest.

As of August 26, 2023:

- One Hundred Sixteen (116) loans Originated
- Financed or committed an aggregate total of Eight Hundred Seventy Seven Thousand Five Hundred (\$877,500) in Down Payment Assistance

ACTION REQUESTED: For information only

Orange County HFA
Demographic Analysis Report
2023A SF Program

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Bank of England	1	\$295,548.00	1.16%
Caliber Home Loans, Inc.	2	\$515,490.00	2.33%
Centennial Bank	12	\$2,930,992.00	13.95%
Christensen Financial, Inc.	4	\$776,672.00	4.65%
Embrace Home Loans, Inc.	1	\$224,541.00	1.16%
Envoy Mortgage, Ltd	1	\$267,073.00	1.16%
Everett Financial, Inc.	4	\$1,090,410.00	4.65%
Fairway Independent Mortgage Corporation	14	\$3,208,145.00	16.28%
FBC Mortgage, LLC	2	\$469,889.00	2.33%
Guaranteed Rate, Inc.	2	\$618,563.00	2.33%
Hometown Lenders Inc	1	\$209,096.00	1.16%
Land Home Financial Services, Inc.	1	\$270,008.00	1.16%
Paramount Residential Mortgage Group, Inc.	2	\$445,665.00	2.33%
Synovus Bank	2	\$475,461.00	2.33%
Waterstone Mortgage Corporation	37	\$8,879,931.00	43.02%
TOTAL	86	\$20,677,484.00	100.00%

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Altamonte Springs	3	\$634,263.00	3.49%
Apopka	2	\$487,997.00	2.33%
Casselberry	2	\$373,116.00	2.33%
Clermont	2	\$445,231.00	2.33%
Eustis	1	\$179,843.00	1.16%
Grand Island	2	\$512,544.00	2.33%
Kissimmee	8	\$1,877,421.00	9.30%
Leesburg	4	\$907,708.00	4.65%
Longwood	2	\$542,001.00	2.33%
Maitland	1	\$188,034.00	1.16%
Mascotte	1	\$245,471.00	1.16%
Mount Plymouth	1	\$234,025.00	1.16%
Oakland	1	\$250,381.00	1.16%
Ocoee	1	\$342,678.00	1.16%
Orlando	35	\$8,453,432.00	40.70%
Saint Cloud	6	\$1,548,433.00	6.98%
Sanford	7	\$1,792,444.00	8.14%
Tavares	1	\$270,019.00	1.16%
Winter Garden	1	\$186,459.00	1.16%
Winter Park	1	\$240,562.00	1.16%
Winter Springs	4	\$965,422.00	4.65%
TOTAL	86	\$20,677,484.00	100.00%

COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Lake	11	\$2,589,841.00	12.79%
Orange	44	\$10,607,526.00	51.16%
Osceola	13	\$3,127,669.00	15.12%
Seminole	18	\$4,352,448.00	20.93%
TOTAL	86	\$20,677,484.00	100.00%

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
\$30,000-\$44,999	10	11.63%
\$45,000-\$59,999	28	32.56%
\$60,000-\$74,999	27	31.40%
\$75,000-\$89,999	19	22.09%
\$90,000-\$104,999	2	2.33%
TOTAL	86	100.00%

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	33	38.37%
2 - Two persons	17	19.77%
3 - Three persons	22	25.58%
4 - Four persons	6	6.98%
5 - Five persons	7	8.14%
6 - Six persons	1	1.16%
TOTAL	86	100.00%

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
\$125,000-\$150,000	2	2.33%
\$150,000-\$175,000	10	11.63%
\$175,000-\$200,000	11	12.79%
\$200,000-\$225,000	13	15.12%
\$225,000-\$250,000	12	13.95%
\$250,000-\$275,000	16	18.60%
\$275,000-\$300,000	13	15.12%
\$300,000-\$325,000	1	1.16%
\$325,000-\$350,000	7	8.14%
\$400,000+	1	1.16%
TOTAL	86	100.00%

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
\$125,000-\$150,000	1	1.16%
\$150,000-\$175,000	4	4.65%
\$175,000-\$200,000	8	9.30%
\$200,000-\$225,000	13	15.12%
\$225,000-\$250,000	12	13.95%
\$250,000-\$275,000	19	22.09%
\$275,000-\$300,000	10	11.63%
\$300,000-\$325,000	8	9.30%
\$325,000-\$350,000	6	6.98%
\$350,000-\$375,000	3	3.49%
\$400,000+	2	2.33%
TOTAL	86	100.00%

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FHA	84	97.67%
VA	2	2.33%
TOTAL	86	100.00%

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	78	90.70%
Townhouse	8	9.30%
TOTAL	86	100.00%

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	76	88.37%
New	10	11.63%
Unspecified	0	0.00%
TOTAL	86	100.00%

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	3	\$571,833.00	3.49%
NON TARGET	83	\$20,105,651.00	96.51%
TOTAL	86	\$20,677,484.00	100.00%

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
3.2500%	25	\$5,524,986.00	29.07%
3.3750%	4	\$846,283.00	4.65%
3.5000%	5	\$1,048,382.00	5.81%
4.5000%	2	\$467,342.00	2.33%
4.8750%	6	\$1,359,723.00	6.98%
5.0000%	8	\$2,029,951.00	9.30%
5.2500%	29	\$7,519,184.00	33.72%
5.3750%	1	\$245,471.00	1.16%
5.5000%	1	\$342,678.00	1.16%
5.6250%	2	\$499,449.00	2.33%
5.7500%	3	\$794,035.00	3.49%
TOTAL	86	\$20,677,484.00	100.00%

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
3.2500% - 3.4900%	29	33.72%
3.5000% - 3.7400%	5	5.81%
4.5000% - 4.7400%	2	2.33%
4.7500% - 4.9900%	6	6.98%
5.0000% - 5.2400%	8	9.30%
5.2500% - 5.4900%	30	34.88%
5.5000% - 5.7400%	3	3.49%
5.7500% - 5.9900%	3	3.49%
TOTAL	86	100.00%

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	0	0.00%
Yes	86	100.00%
TOTAL	86	100.00%

ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN
OCHFA DPA \ 2023A SF Program	82	\$752,500.00	\$9,176.83

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	42	48.84%
FEMALE	44	51.16%
NONBINARY	0	0.00%
UNDISCLOSED	0	0.00%
TOTAL	86	100.00%

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/ African A	1	1.16%
Black/ African American	15	17.44%
Black/African American & White	2	2.33%
Missing	1	1.16%
Other	2	2.33%
Tenant Declined to Respond	7	8.14%
White	58	67.44%
TOTAL	86	100.00%

ETHNICITY REPORT

ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	35	\$8,842,247.00	40.70%
NON HISPANIC	40	\$9,508,603.00	46.51%
OTHER	11	\$2,326,634.00	12.79%
TOTAL	86	\$20,677,484.00	100.00%

RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/ African Americ	0	1	0	1	1.16%
Black/ African American	0	13	2	15	17.44%
Black/African American & White	1	1	0	2	2.33%
Missing	0	0	1	1	1.16%
Other	0	1	1	2	2.33%
Tenant Declined to Respond	0	0	7	7	8.14%
White	34	24	0	58	67.44%
TOTAL	35	40	11	86	100.00%

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
Reservation	14	\$3,446,140.00	16.28%
UW Certification	9	\$2,417,408.00	10.47%
eHP Compliance	2	\$605,823.00	2.33%
Purchased/Service	4	\$1,049,813.00	4.65%
Investor/Trustee	57	\$13,158,300.00	66.28%
TOTAL	86	\$20,677,484.00	100.00%

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$240,435.86
AVERAGE PURCHASE PRICE:	\$257,243.31
AVERAGE DPA AMOUNT:	\$9,176.83
AVERAGE AGE OF PRIMARY BORROWER:	40
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$62,912.73

**Orange County HFA
Demographic Analysis Report
Freddie Mac Program**

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Atlantic Bay Mortgage Group, LLC.	2	\$335,620.00	1.72%
Bank of England	3	\$597,475.00	2.59%
Centennial Bank	2	\$357,100.00	1.72%
Christensen Financial, Inc.	6	\$1,030,755.00	5.17%
Columbus Capital Lending LLC	1	\$124,925.00	0.86%
Envoy Mortgage, Ltd	3	\$491,810.00	2.59%
Equity Prime Mortgage, LLC	1	\$150,350.00	0.86%
Fairway Independent Mortgage Corporation	13	\$2,268,561.00	11.21%
FBC Mortgage, LLC	5	\$1,042,905.00	4.31%
Guaranteed Rate, Inc.	1	\$116,850.00	0.86%
Hamilton Group Funding, Inc.	1	\$142,590.00	0.86%
Land Home Financial Services, Inc.	8	\$1,538,224.00	6.90%
Movement Mortgage, LLC	1	\$135,800.00	0.86%
New American Funding, LLC	11	\$2,098,607.00	9.48%
Waterstone Mortgage Corporation	58	\$10,701,604.00	50.00%
TOTAL	116	\$21,133,176.00	100.00%

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Altamonte Springs	4	\$534,850.00	3.45%
Apopka	9	\$1,606,556.00	7.76%
Casselberry	3	\$480,650.00	2.59%
Clermont	1	\$106,400.00	0.86%
Eustis	2	\$345,303.00	1.72%
Fern Park	1	\$256,080.00	0.86%
Fruitland Park	3	\$579,963.00	2.59%
Kissimmee	16	\$3,049,090.00	13.79%
Leesburg	1	\$189,150.00	0.86%
Longwood	1	\$189,053.00	0.86%
Mascotte	1	\$204,188.00	0.86%
Mount Dora	1	\$169,750.00	0.86%
Ocoee	3	\$657,810.00	2.59%
Orlando	48	\$8,359,625.00	41.38%
Oviedo	2	\$474,650.00	1.72%
Saint Cloud	7	\$1,614,250.00	6.03%
Sanford	4	\$719,720.00	3.45%
Sorrento	2	\$469,828.00	1.72%
Tavares	3	\$570,750.00	2.59%
Winter Park	2	\$226,195.00	1.72%
Winter Springs	2	\$329,315.00	1.72%
TOTAL	116	\$21,133,176.00	100.00%

COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Lake	14	\$2,635,332.00	12.07%
Orange	64	\$11,295,036.00	55.17%
Osceola	21	\$4,218,490.00	18.10%
Seminole	17	\$2,984,318.00	14.66%
TOTAL	116	\$21,133,176.00	100.00%

HOUSEHOLD ANNUAL INCOME REPORT

ANNUAL INCOME	LOANS	% OF TOTAL
\$15,000-\$29,999	2	1.72%
\$30,000-\$44,999	37	31.90%
\$45,000-\$59,999	47	40.52%
\$60,000-\$74,999	23	19.83%
\$75,000-\$89,999	7	6.03%
TOTAL	116	100.00%

HOUSEHOLD SIZE REPORT

HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	44	37.93%
2 - Two persons	33	28.45%
3 - Three persons	19	16.38%
4 - Four persons	14	12.07%
5 - Five persons	4	3.45%
6 - Six persons	2	1.72%
TOTAL	116	100.00%

LOAN AMOUNT REPORT

LOAN AMOUNT	LOANS	% OF TOTAL
\$50,000-\$75,000	1	0.86%
\$75,000-\$100,000	2	1.72%
\$100,000-\$125,000	11	9.48%
\$125,000-\$150,000	15	12.93%
\$150,000-\$175,000	24	20.69%
\$175,000-\$200,000	20	17.24%
\$200,000-\$225,000	23	19.83%
\$225,000-\$250,000	12	10.34%
\$250,000-\$275,000	7	6.03%
\$275,000-\$300,000	1	0.86%
TOTAL	116	100.00%

PURCHASE PRICE REPORT

PURCHASE PRICE	LOANS	% OF TOTAL
\$50,000-\$75,000	1	0.86%
\$75,000-\$100,000	2	1.72%
\$100,000-\$125,000	7	6.03%
\$125,000-\$150,000	11	9.48%
\$150,000-\$175,000	20	17.24%
\$175,000-\$200,000	22	18.97%
\$200,000-\$225,000	24	20.69%
\$225,000-\$250,000	21	18.10%
\$250,000-\$275,000	5	4.31%
\$275,000-\$300,000	2	1.72%
\$300,000-\$325,000	1	0.86%
TOTAL	116	100.00%

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FreddieMac 80% AMI	31	26.72%
FreddieMac HFA Advantage	70	60.34%
FreddieMac OVER 80% AMI	15	12.93%
TOTAL	116	100.00%

PROPERTY TYPE REPORT

PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	86	74.14%
Condominium	22	18.97%
Duplex w/approval	4	3.45%
Rowhouse	1	0.86%
Townhouse	3	2.59%
TOTAL	116	100.00%

CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	113	97.41%
New	3	2.59%
Unspecified	0	0.00%
TOTAL	116	100.00%

TARGET/NON TARGET REPORT

TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	4	\$609,580.00	3.45%
NON TARGET	112	\$20,523,596.00	96.55%
TOTAL	116	\$21,133,176.00	100.00%

INTEREST RATE LISTING REPORT

RATE	COUNT	AMOUNT	% OF TOTAL
2.8750%	4	\$569,795.00	3.45%
3.0000%	1	\$191,000.00	0.86%
3.1250%	4	\$726,006.00	3.45%
3.2500%	10	\$1,873,515.00	8.62%
3.3750%	9	\$1,522,510.00	7.76%
3.5000%	4	\$947,225.00	3.45%
3.6250%	1	\$148,825.00	0.86%
3.7500%	2	\$441,350.00	1.72%
3.8750%	4	\$955,140.00	3.45%
4.0000%	2	\$429,710.00	1.72%
4.2500%	1	\$123,675.00	0.86%
4.3750%	1	\$150,350.00	0.86%
4.5000%	4	\$766,203.00	3.45%
4.6250%	10	\$1,869,016.00	8.62%
4.7500%	5	\$1,085,750.00	4.31%
4.8750%	6	\$1,009,560.00	5.17%
5.0000%	1	\$179,550.00	0.86%
5.1250%	2	\$327,240.00	1.72%
5.2500%	18	\$2,999,840.00	15.52%
5.3750%	20	\$3,441,481.00	17.24%
5.5000%	4	\$781,307.00	3.45%
5.6250%	3	\$594,128.00	2.59%
TOTAL	116	\$21,133,176.00	100.00%

INTEREST RATE RANGES REPORT

RATE	LOANS	% OF TOTAL
2.7500% - 2.9900%	4	3.45%
3.0000% - 3.2400%	5	4.31%
3.2500% - 3.4900%	19	16.38%
3.5000% - 3.7400%	5	4.31%
3.7500% - 3.9900%	6	5.17%
4.0000% - 4.2400%	2	1.72%
4.2500% - 4.4900%	2	1.72%
4.5000% - 4.7400%	14	12.07%
4.7500% - 4.9900%	11	9.48%
5.0000% - 5.2400%	3	2.59%
5.2500% - 5.4900%	38	32.76%
5.5000% - 5.7400%	7	6.03%
TOTAL	116	100.00%

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	2	1.72%
Yes	114	98.28%
TOTAL	116	100.00%

ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
AIS \ Freddie Mac Program	21	\$33,500.00	\$1,595.24
DPA 2017 \ Freddie Mac Program	28	\$210,000.00	\$7,500.00
OCHFA DPA \ Freddie Mac Program	89	\$667,500.00	\$7,500.00

GENDER REPORT

GENDER	LOANS	% OF TOTAL
MALE	65	56.52%
FEMALE	50	43.48%
NONBINARY	1	0.87%
UNDISCLOSED	0	0.00%
TOTAL	115	100.00%

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/ A	1	0.86%
Asian Indian	1	0.86%
Black/ African American	23	19.83%
Black/African American & White	2	1.72%
Chinese	1	0.86%
Other	9	7.76%
Tenant Declined to Respond	4	3.45%
White	75	64.66%
TOTAL	116	100.00%

ETHNICITY REPORT

ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	41	\$7,460,567.00	35.34%
NON HISPANIC	70	\$12,708,064.00	60.34%
OTHER	5	\$964,545.00	4.31%
TOTAL	116	\$21,133,176.00	100.00%

RACE BY ETHNICITY REPORT

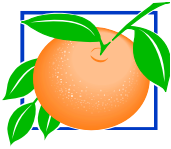
RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
American Indian/ Alaskan Native & Black/ Africar	1	0	0	1	0.86%
Asian Indian	0	1	0	1	0.86%
Black/ African American	0	22	1	23	19.83%
Black/African American & White	1	1	0	2	1.72%
Chinese	0	1	0	1	0.86%
Other	6	2	1	9	7.76%
Tenant Declined to Respond	1	0	3	4	3.45%
White	32	43	0	75	64.66%
TOTAL	41	70	5	116	100.00%

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
Investor/Trustee	116	\$21,133,176.00	100.00%
TOTAL	116	\$21,133,176.00	100.00%

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$182,182.55
AVERAGE PURCHASE PRICE:	\$190,090.04
AVERAGE DPA AMOUNT:	\$6,601.45
AVERAGE AGE OF PRIMARY BORROWER:	38
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$51,472.57



W.D. MORRIS
EXECUTIVE DIRECTOR

CONSENT ITEM

BOARD OF DIRECTORS

VERNICE ATKINS-BRADLEY
CHAIR

KENNETH HUGHES
VICE CHAIR

CURTIS HUNTER
BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
CONTACT:	Mildred Guzman, Program Operations Administrator
DATE:	August 29, 2023
RE:	MULTI-FAMILY OCCUPANCY REPORT SEPTEMBER 6, 2023 - REGULAR BOARD OF DIRECTORS' MEETING

OCCUPANCY REPORT

The Occupancy Report rate for the period of July 22 to August 24, 2023, was 98% for all units, and 96% for units meeting set-aside requirements.

Multi-Family Rental Occupancy and Set-aside Summary - A summary of the occupancy and set-aside average rates by property is provided.

ACTION REQUESTED

For information only.

Multi-Family Occupancy Report

BeginReportingPeriod: 7 /22/2023				EndReportingPeriod: 8 /24/2023					
Property: (Status, Address)	Total Units	Occupied Units	Occup. %	Prior Month Occu%	Occupied Unit	Occup. %	Prior Month Occup.%	Flag%	Comments
Anderson Oaks, Active 708 Anderson St, Orlando	12	12	100%		12	100%		100%	
Baptist Terrace, Active 414 East Pine Street, Orlando	197	195	99%		145	74%		40%	
Boca Vista (Chantham Harbor Refu 545 Nantucket Court, Altamonte Springs	324	293	90%		66	20%		20%	
Chapel Trace, Active 556 N. Goldenrod Road, Orlando	312	311	100%		311	100%		40%	
Citrus Square, Active 5625 Hickey Dr, Orlando	87	86	99%		86	99%		40%	
Cove at Lady Lake, Active 735 S. Hwy 27/441, Lady Lake	176	162	92%		162	92%		40%	
Dean Woods Place, Active 9808 Dean Woods Place, Orlando	48	46	96%		46	96%		100%	
Delaney, Active 507 Delaney Avenue, Orlando	8	8	100%		8	100%		100%	
Dunwoodie, Active 4213 Dunwoodie Blvd, Orlando	172	171	99%		171	99%		40%	
Emerald Villas (Seville Place), Acti 5450 Cholla Way, Orlando	264	245	93%		245	93%		40%	
Fountains at Millenia Phase II, Acti 5316 Millenia Blvd., Orlando	32	32	100%		32	100%		40%	
Fountains at Millenia Phase III, Acti 5316 Millenia Blvd., Orlando	82	80	98%		80	98%		40%	
Fountains at Millenia Phase IV, Act 5316 Millenia Blvd, Orlando	100	99	99%		99	99%		40%	

Property: (Status, Address)	Total			Occup.			Prior Month			Low Income:			Comments
	Units	Occupied	Units	Units	%	Occup.	Units	%	Occup.	Occup.	%	Flag%	
Goldenrod Pointe, Active 3500 N Goldenrod Road, Orlando	70	67	96%						67	96%		60%	
Governors Manor, Active 2861 LB McLeod Rd, Orlando	120	120	100%						120	100%		75%	
Green Gables (Alhambra Trace), A 5201 Via Alizar Dr, Orlando	95	94	99%						94	99%		100%	
Kensington Oaks, Active 440 S Mellonville Ave, Sanford	20	19	95%						19	95%		75%	
Lake Davis, Active 1301 Catherine Street, Orlando	36	36	100%						36	100%		75%	
Lake Jennie Phase I, Active 1301 Santa Barbara Dr, Sanford	25	24	96%						24	96%		75%	
Lake Jennie Phase II, Active 1312 Santa Barbara Dr, Sanford	40	39	98%						39	98%		75%	
Lake Sherwood, Active 1826 London Crest Drive, Orlando	90	90	100%						90	100%		40%	
Lake Weston Pointe, Active 2201 Weston Point Dr, Orlando	240	233	97%						233	97%		100%	
Lakeside Retreat at 27, Active 1403 Old Harbor Blvd., Leesburg	128	124	97%						124	97%		40%	
Lancaster Villas, Active 800 W. Lancaster Rd, Orlando	145	141	97%						141	97%		100%	
Landings at Carver Park, Active 1150 Conley Street, Orlando	56	55	98%						55	98%		40%	
Landings on Millenia, Active 5150 Millenia Boulevard, Orlando	336	333	99%						251	75%		40%	
Landon Pointe, Active 1705 Grande Pointe Avenue, Orlando	276	270	98%						270	98%		40%	
Landon Trace Townhomes (Bucha 1813 Buchanan Bay Circle, Orlando	228	228	100%						228	100%		100%	

Property: (Status, Address)	Total			Occup.		Prior Month		Low Income:			Comments
	Units	Occupied Units	%	Occup. %	Prior Month Occu%	Occupied Unit	Occup. %	Prior Month Occup. %	Flag%		
Landstar Park, Active 1001 Landstar Drive, Orlando	156	156	100%	100%		156	100%		40%		
Laurel Oaks Phase I (Sleepy Hollo 2700 Laurel Hollow Dr., Leesburg	144	138	96%	96%		138	96%		40%		
Laurel Oaks Phase II (Sleepy Hollo 2700 Laurel Hollow Dr., Leesburg	108	104	96%	96%		104	96%		40%		
Lee Vista Club, Active 5903 Lee Vista Blvd, Orlando	312	306	98%	98%		306	98%		40%		
Marbella Cove, Active 7528 Marbella Pt. Drive, Orlando	104	102	98%	98%		102	98%		0%		
Mendel Villas, Active 3538 Aristotle Ave, Orlando	32	31	97%	97%		31	97%		100%		
Nassau Bay, Active 5200 North Orange Blossom Trail, Orlando	492	489	99%	99%		489	99%		100%		
Oak Harbor, Active 5770 Harbor Chase Circle, Orlando,	176	176	100%	100%		176	100%		20%		
Oviedo Town Center Phase I, Activ 450 Fontana Circle #105, Oviedo	106	106	100%	100%		106	100%		40%		
Oviedo Town Center Phase II, Activ 450 Fontana circle #105, Oviedo	34	34	100%	100%		34	100%		40%		
Oviedo Town Center Phase III, Acti 450 Fontana circle #105, Oviedo	72	72	100%	100%		72	100%		40%		
Oviedo Town Center Phase IV, Acti 450 Fontana Circle #105, Oviedo	24	24	100%	100%		24	100%		40%		
Palm Grove Gardens, Active 3944 W.D. Judge Drive, Orlando	142	141	99%	99%		141	99%		75%		
Pebble Creek, Active 1317 Boulder Dr, Kissimmee	72	72	100%	100%		72	100%		100%		
River Ridge, Active 9957 Hidden River Drive #106, Orlando	160	160	100%	100%		160	100%		40%		

Property: (Status, Address)	Total Occupied Units		Occup. %	Prior Month Occu%	Low Income:			Comments
					Occupied Unit	Occup. %	Prior Month Occup.%	
Rolling Acres Phase I, Active 824 CrR 466, Lady Lake	104	101	97%		101	97%		40%
Rolling Acres Phase II, Active 824 CR 466, Lady Lake	35	34	97%		34	97%		40%
SouthWinds Cove, Active 3400 Southwinds Cove Way, Leesburg	112	112	100%		112	100%		40%
Spring Lake Cove Phase I, Active 1508 Spring Lake Cove Lane, Fruitland Park	96	92	96%		92	96%		40%
Spring Lake Cove Phase II, Active 1508 Spring Lake Cove Lane, Fruitland Park	48	45	94%		45	94%		40%
Stratford Point, Active 1700 Old England Loop, Sanford	384	382	99%		382	99%		60%
Summit Crestwood, Active 3121 Crestwood Circle, St. Cloud	216	214	99%		214	99%		40%
Vista Pines, Active 401 N Chickasaw Trail, Orlando	238	231	97%		231	97%		40%
Westwood Park, Active 11037 Laguna Bay Dr, Orlando	178	177	99%		177	99%		40%
Willow Key, Active 5590 Arnold Palmer Dr, Orlando	384	380	99%		380	99%		40%
Total Units:	7,648							
Current Period Summary:		7,492	98%		7,133	96%		
Prior Period Summary:								
Total Number of Properties:	53							



W.D. MORRIS
EXECUTIVE DIRECTOR

ORANGE COUNTY HOUSING FINANCE AUTHORITY

DISCUSSION ITEM

BOARD OF DIRECTORS

VERNICE ATKINS-BRADLEY
CHAIR

KENNETH HUGHES
VICE CHAIR

CURTIS HUNTER
BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	August 21, 2023
RE:	CONSIDER APPROVAL OF THE REIMBURSEMENT RESOLUTION FOR MULTI-FAMILY TAX-EXEMPT BONDS APPLICATION, THE WATERS APARTMENTS, IN AN AMOUNT NOT-TO-EXCEED \$41MM – REGION 14. SEPTEMBER 6, 2023, REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On July 5, 2023, the Authority received an application for Multi-Family Tax-Exempt Bonds, from Dominion Development and Acquisitions, LLC for the construction of a senior, multi-family development in the City of Apopka (Orange County). The application was submitted by Apopka Leases Housing Associates, LLLP, for the proposed Waters Apartments, in an amount not-to-exceed \$41MMM.

The proposed development was submitted under the Authority's 2024 Open Cycle Allocation Process. This process allows developer to submit multi-family proposals for the Authority's consideration throughout the year or as long as Volume Cap remains available; subsequent to board approval, staff will engage professionals and proceed with the underwriting process.

CURRENT

The proposal involves the construction of a senior community, consisting of 180-units, located at 1255 Plymouth-Sorrento Rd, Apopka, FL. The proposed development consists of 72 (seventy-two) 1-bed/ 1-bath, 80 (eighty) 2-beds/2-baths and 28 (twenty-eight) 3-beds/2-baths. Rents are projected to range from \$911.⁰⁰ - \$1,272.⁰⁰. The proposed Set-Asides are 100% at 60% Area Median Income (AMI).

The \$41MM in Multi-Family Mortgage Revenue Bonds (MMRB) will be a Private Placement with Deutsche Bank, with construction financing provided by Colliers Bank. The bonds will be unrated. The Investment Banker/Placement Agent will be RBC Capital Markets, for this transaction. The proposed development will be financed through a combination of Tax-Exempt Bonds, Permeant Loan from Deutsche Bank, an allocation of 4% Tax Credits from FHFC and deferred Developer Fees. The \$41MM in bonds will be paid down to \$23.150MM at conversion to a permanent loan held by Deutsche Bank. The Debt Service Coverage Ratio (DSCR) is 1.17, exceeding the Authority's minimum DSCR of 1.10.

The sources of funds for construction and permanent financing are anticipated as follows:

CONSTRUCTION SOURCES	
	Permanent First Mortgage/Bonds
\$ 23,150,000	TE Const. Loan Ser A T/E Bonds
\$ 14,900,000	TE Const. Loan Ser B T/E Bonds
\$ 14,478,459	Taxable Construction Loan
\$ 2,950,000	Mezzanine Debt
\$ 4,866,975	LIHTC Equity
\$ 809,135	Imputed Int. on Equity
\$ 200	GP/SLP Equity
	Deferred Developer Fee
	Cash Flow From Operations
	SB 102 Rebate
\$61,154,769.00	TOTAL SOURCES

Enclosed for your review are copies of the proforma analysis and Reimbursement (Inducement) Resolution (#2023-03).

ACTION REQUESTED

Board approval of the Reimbursement (Inducement) Resolution (#2023-03), for Multi-Family Tax-Exempt Bonds, for the proposed development of The Waters Apartments; not-to-exceed amount of \$41,000,000; authorization for staff and Bond Counsel to take the required steps to proceed with the process and with subsequent submission to the Florida Division of Bond Financing.

RESOLUTION NO. 2023-03

A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE ORANGE COUNTY HOUSING FINANCE AUTHORITY TO REIMBURSE ITSELF AND/OR APOPKA LEASED HOUSING ASSOCIATES II, LLLP FROM THE PROCEEDS OF DEBT FOR CERTAIN EXPENSES TO BE INCURRED WITH RESPECT TO A CERTAIN MULTIFAMILY HOUSING PROJECT; AND AUTHORIZING CERTAIN INCIDENTAL ACTIONS.

WHEREAS, in connection with the acquisition, construction and equipping of a certain multifamily housing residential rental facility described herein by the Orange County Housing Finance Authority (the “Issuer”) through a loan to Apopka Leased Housing Associates II, LLLP (the “Owner”), the Issuer and the Owner expect to incur expenses for which the Issuer and/or the Owner will advance internal funds; and

WHEREAS, the Issuer intends to reimburse itself and the Owner for all or a portion of such expenses from the proceeds of debt to be issued by the Issuer and loaned to the Owner.

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTY HOUSING FINANCE AUTHORITY:

- 1. Findings.** It is hereby found, ascertained, determined and resolved that:
 - (a) There is a shortage of low, middle and moderate housing available as rentals in Orange County, Florida;
 - (b) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise;
 - (c) The financing, acquisition and construction of rental housing for persons who are senior citizens (62 years and older) of low, middle, and moderate income in Orange County, Florida, constitutes a public purpose;
 - (d) A multifamily housing project consisting of 180 units, to be located at 1255 Plymouth Sorrento Rd, Apopka, 32712, to be acquired, constructed and equipped by the Owner, to be known as The Waters (the “Development”), will assist in alleviating the shortage of rental housing for residents of Orange County who are senior citizens (62 years and older) of low, middle and moderate income;
 - (e) The Owner has requested the Issuer to issue revenue bonds (the “Bonds”) in an amount which, together with other available funds, will be sufficient to finance the cost of the acquisition, construction and equipping of the Development and to pay other costs and fees incidental to the issuance of the Bonds. The Bonds are to be secured by certain assets, revenues and moneys described in the trust indenture securing such bonds. By virtue of the provisions of Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury regulations in effect thereunder or under the 1954 Code, the interest on the Bonds will be

excludable from gross income for federal income tax purposes if certain criteria fixed by said provisions (the "Tax Requirements") are met;

(f) The Tax Requirements provide, among other things, that if, as in the case of the Development, the original use of a development commences (or the acquisition of a development occurs) on or after the date that obligations are issued to provide such development, an official intent with respect to such obligations must be adopted by the issuer of such obligations within 60 days after the commencement of the construction or acquisition of such development;

(g) The Owner has agreed or will agree (i) to make all units available for rental by members of the general public and (ii) not to rent any unit to the owner of the Development or to any person related (as defined in said Treasury regulations) to such owner.

2. Declaration of Official Intent. The Issuer hereby declares its official intent to reimburse itself and the Owner from the proceeds of tax-exempt debt to be incurred by the Issuer or the Owner, respectively, for expenses incurred with respect to the Development within 60 days prior to the date of this Resolution and subsequent to the date of this Resolution. This Resolution is intended as a declaration of official intent under Treasury Regulation § 1.150-2. The tax-exempt debt to be issued to finance the Development is expected not to exceed an aggregate principal amount of \$41,000,000.

3. Further Authorization. The Issuer hereby authorizes Staff, General Counsel and Bond Counsel to negotiate and prepare a plan of financing and to commence the structuring of a debt instrument or instruments to provide up to \$41,000,000 in tax-exempt financing for the Development in order to maintain rental units for persons who are senior citizens (62 years and older) of low, middle, or moderate income in a qualifying housing development, including reimbursement for qualified costs incurred pursuant to Treasury Regulation § 1.150-2. The financing of the qualifying housing development shall, however, be conditioned upon the following:

(a) The plan of financing for the Development shall include a rent schedule to be approved by the Issuer.

(b) The plan of financing shall include tenant age and income restriction provisions in compliance with section 142(d) of the Code.

(c) The Owner shall not discriminate in the use, occupancy or rental of the units against persons or families with children.

(d) Any non-revenue units for Owner use, such as models and manager apartments, must be financed at Owner's expense from other than Bond proceeds.

4. Conditions. In the event that the Issuer and the Owner are unable to reach an agreement with respect to the terms and details of the Bonds or the contracts therefor, or if other circumstances prevent the issuance of the Bonds, there shall be no resultant liability on either the Issuer or the Owner nor shall any third party have any rights against either the Issuer or the Owner by virtue of this resolution. The obligation of the Issuer to issue the Bonds pursuant to this Resolution is further conditioned upon the following:

(a) The information contained in the application of the Owner and now on file with the Issuer shall not change in any material respect. Any such material change shall be brought to the attention of the Issuer immediately in writing for further consideration by the Issuer and its General Counsel and Bond Counsel.

(b) A public hearing shall have been conducted as required by Section 147(f) of the Code.

(c) Upon issuance and delivery of the Bonds there shall be delivered to the Issuer an opinion of Bond Counsel to the effect that the Bonds are valid and binding obligations of the Issuer and that interest on the Bonds is excludable from gross income for federal income tax purposes.

(d) The Bonds shall be issued and delivered within 12 months from the date of adoption of this Resolution, unless such date is extended by resolution of the Issuer.

5. Other Conditions. The Owner has agreed to comply with all land use restrictions relating to tax-exempt financing including but not limited to those promulgated pursuant to Section 142(d) of the Code. The Owner acknowledges that the adoption of this resolution in no way implies final approval of the proposed transaction, such transaction being subject to all policies, guidelines and procedures of the Issuer and a majority affirmative vote of its Board.

6. Incidental Action. Any member of the Issuer and General Counsel and Bond Counsel to the Issuer are hereby authorized to take such actions as may be necessary to carry out the purpose of this Resolution.

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7. **Effective Date.** This Resolution shall take effect immediately upon its adoption.

Passed this 6th day of September 2023.

[S E A L]

ORANGE COUNTY HOUSING FINANCE
AUTHORITY

By: _____
Chair/Vice Chair

ATTEST:

W.D. Morris, Secretary

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
Greenberg Traurig, P.A.
General Counsel

PROFORMA ANALYSIS

The Waters

23-Aug-2023

SOURCES:

<u>CONSTRUCTION</u>	<u>PERMANENT</u>	
	\$23,150,000.00	Permanent First Mortgage/Bonds
\$23,150,000.00		TE Const. Loan Ser A T/E Bonds
\$ 14,900,000.00		TE Const. Loan Ser B T/E Bonds
\$ 14,478,459.00		Taxable Construction Loan
\$ 2,950,000.00	\$ 2,950,000.00	Mezzanine Debt
\$ 4,866,975.00	\$ 32,446,503.00	LIHTC Equity
\$ 809,135.00	\$ 809,135.00	Imputed Int. on Equity
\$ 200.00	\$ 200.00	GP/SLP Equity
	\$ 10,815,225.00	Deferred Developer Fee
	\$ 2,121,765.00	Cash Flow From Operations
	\$ 450,000.00	SB 102 Rebate
\$ 61,154,769.00	\$72,742,828.00	TOTAL SOURCES

USES:

\$ 250,000.00	\$ 250,000.00	Acquisition Cost
\$ 48,227,265.00	\$ 48,227,265.00	Construction Costs
\$ 8,411,893.00	\$ 8,411,893.00	Interim Escrowed Funds
	\$ 670,805.00	Lender/Inv. Cash Resv.
\$ 1,747,045.00	\$ 1,747,045.00	Professional Fees
\$ 621,642.00	\$ 621,642.00	Const. Financing Costs
\$ 1,134,500.00	\$ 1,134,500.00	Private Placement Costs
\$ 185,475.00	\$ 185,475.00	Closing Costs
\$ 522,010.00	\$ 522,010.00	Tax Credit Fees
\$ 54,939.00	\$ 10,972,193.00	Developer Fee
\$ 61,154,769.00	\$ 72,742,828.00	TOTAL USES

DEBT SERVICE CALCULATION:

1) Deutsche Bank 241(a)

\$23,150,000.00	Principal
6.050%	Rate
15	Term - Years
35	Amortization-Years
\$132,777.00	Debt Service/Monthly
\$1,593,324.00	Debt Service/Yearly

2) Deferred Developer Fee will be paid from available cash flow

\$10,815,225.00 Principal

VARIANCE:

Income Analysis:

*Set-Asides: 100% @ 60% or Lower Area Median Income				
Unit/Type: Bd/ Ba	Number of Units	Net Rent	Monthly Income	Annual Income
1/1	72	\$ 911.00	\$65,592.00	\$ 787,104.00
2/1	80	\$ 1,098.00	\$87,840.00	\$ 1,054,080.00
3/1	28	\$ 1,272.00	\$35,616.00	\$ 427,392.00
TOTAL	180	\$ 3,281.00	\$189,048.00	\$ 2,268,576.00

GROSS INCOME \$2,268,576.00

OTHER INCOME \$77,505.00

\$2,346,081.00

Less 5% Vacancy+0% COLLECTION LOSS \$117,304.05

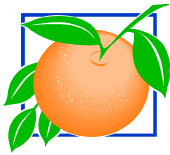
EFFECTIVE GROSS INCOME \$2,228,776.95

TOTAL EXPENSES \$ 363,852.00

NET OPERATING INCOME \$1,864,924.95

ANNUAL DEBT SVC PYMTS \$1,593,324.00

DEBT COVERAGE RATIO 1.17



W.D. MORRIS
EXECUTIVE DIRECTOR

DISCUSSION ITEM

BOARD OF DIRECTORS

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CHAIR

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VICE CHAIR

CURTIS HUNTER
BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	August 18, 2023
RE:	CONSIDER APPROVAL OF THE REIMBURSEMENT RESOLUTION FOR MULTI-FAMILY TAX-EXEMPT BONDS APPLICATION, SUBMITTED BY LINCOLN AVENUE CAPITAL, LLC FOR THE PROPOSED HUNTINGTON RESERVE APARTMENTS, IN AN AMOUNT, NOT-TO-EXCEED \$35.357MM – REGION 6. SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On July 24, 2023, the Authority received a proposal for the Huntington Reserve Apartments under the 2024 Open Cycle Allocation Process, submitted by Lincoln Avenue Capital, LLC. The Open Cycle process allows developers to submit Multi-Family proposals for the Authority's consideration throughout the year, or as long as Volume Cap Allocation remains available. Subsequent to Board approval, staff will engage Professionals and proceed with the underwriting process.

The applicant for Huntington Reserve Apartments is Huntington Reserve Preservation, Ltd (a Florida Limited Partnership); and the General Partner is Huntington Reserve Preservation GP LLC (a Delaware Limited Liability Company). The Investment Banker/Placement Agent is RBC Capital Markets and Trustee is BNY Mellon.

CURRENT

The proposal involves the acquisition, and rehabilitation of a 168-unit community, located at 2000 Rosecliff Circle, Sanford (Seminole County) and will consist of three bedroom units. All of the units (168) will be set-aside at 60% of the Area Median Income (AMI), with rents projected to be \$1,123. The estimated rehabilitation cost is \$11,688,800, or approximately \$69,526 per unit.

The Multi-Family Mortgage Revenue Bond (MMRB) tax-exempt loans proposed to be issued in the not-to-exceed amount of \$35,357,000, with a SERIES-A, Short-term bond estimated at \$24,857,000, cash collateralized by a HUD 241(a) loan during construction and a SERIES-B Long-term tax-exempt loan estimated at \$8,500,000, as a privately placed Seller Note. The SERIES-A bonds are expected to be publicly sold and rate "Aaa" by Moody's, and will be secured by a Seller Note. The Debt Service Coverage Ratio (DSCR) is 1.25, exceeding the Authority's minimum DSCR of 1.10.

The sources for this development, including permanent sources of funds, anticipates the following financing sources:

<u>CONSTRUCTION SOURCES:</u>		
\$ 7,230,000.00	Harper Capital 241(a) /T/E Bonds	
\$ 16,509,207.00	223(f) Loan Assumption	
\$ 17,627,000.00	Equity Bridge Financing/ T/E Bonds	
\$ 2,762,325.00	LIHTC Equity	
\$ 100.00	GP Capital Contribution	
\$ 8,500,000.00	Seller Note/T/E Bonds	
-	Deferred Developer Fee	
\$52,628,632.00	TOTAL SOURCES	

Enclosed for your review are copies of the Proforma Analysis, Reimbursement (Inducement) Resolution (#2023-04).

ACTION REQUESTED

Board approval of the Reimbursement (Inducement) Resolution (#2023-04) for Multi-Family Tax-Exempt Bond for the proposed Huntington Reserve Apartments, not-to-exceed \$35.357MM; authorization for staff and Bond Counsel to take the required steps to proceed with the process, and with subsequent submission to the Division of Bond Financing.

RESOLUTION NO. 2023-04

A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE ORANGE COUNTY HOUSING FINANCE AUTHORITY TO REIMBURSE ITSELF AND/OR HUNTINGTON RESERVE PRESERVATION, LTD FROM THE PROCEEDS OF DEBT FOR CERTAIN EXPENSES TO BE INCURRED WITH RESPECT TO A CERTAIN MULTIFAMILY HOUSING PROJECT; AND AUTHORIZING CERTAIN INCIDENTAL ACTIONS.

WHEREAS, in connection with the acquisition, and rehabilitation of a certain multifamily housing residential rental facility described herein by the Orange County Housing Finance Authority (the “Issuer”) through a loan to Huntington Reserve Preservation, Ltd (the “Owner”), the Issuer and the Owner expect to incur expenses for which the Issuer and/or the Owner will advance internal funds; and

WHEREAS, the Issuer intends to reimburse itself and the Owner for all or a portion of such expenses from the proceeds of debt to be issued by the Issuer and loaned to the Owner.

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTY HOUSING FINANCE AUTHORITY:

1. Findings. It is hereby found, ascertained, determined and resolved that:

(a) There is a shortage of low, middle and moderate housing available as rentals in Orange County, Florida;

(b) This shortage of housing cannot be relieved except through the encouragement of investment by private enterprise;

(c) The financing, acquisition and rehabilitation of rental housing for persons of low, middle, and moderate income in Orange County, Florida, constitutes a public purpose;

(d) An existing multifamily housing project consisting of 168 units, located at 2000 Rosecliff Circle, Sanford, Florida, 32773, to be acquired and rehabilitated by the Owner, known as Huntington Reserve (the “Development”), will assist in alleviating the shortage of rental housing for residents of Orange County who are of low, middle and moderate income;

(e) The Owner has requested the Issuer to issue revenue bonds (the “Bonds”) in an amount which, together with other available funds, will be sufficient to finance the cost of the acquisition and rehabilitation of the Development and to pay other costs and fees incidental to the issuance of the Bonds. The Bonds are to be secured by certain assets, revenues and moneys described in the trust indenture securing such bonds. By virtue of the provisions of Section 142 of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury regulations in effect thereunder or under the 1954 Code, the interest on the Bonds will be excludable from gross income for federal income tax purposes if certain criteria fixed by said provisions (the “Tax Requirements”) are met;

(f) The Tax Requirements provide, among other things, that if, as in the case of the Development, the original use of a development commences (or the acquisition of a development occurs) on or after the date that obligations are issued to provide such development, an official intent with respect to such obligations must be adopted by the issuer of such obligations within 60 days after the commencement of the construction or acquisition of such development;

(g) The Owner has agreed or will agree (i) to make all units available for rental by members of the general public and (ii) not to rent any unit to the owner of the Development or to any person related (as defined in said Treasury regulations) to such owner.

2. Declaration of Official Intent. The Issuer hereby declares its official intent to reimburse itself and the Owner from the proceeds of tax-exempt debt to be incurred by the Issuer or the Owner, respectively, for expenses incurred with respect to the Development within 60 days prior to the date of this Resolution and subsequent to the date of this Resolution. This Resolution is intended as a declaration of official intent under Treasury Regulation § 1.150-2. The tax-exempt debt to be issued to finance the Development is expected not to exceed an aggregate principal amount of \$35,357,000.

3. Further Authorization. The Issuer hereby authorizes Staff, General Counsel and Bond Counsel to negotiate and prepare a plan of financing and to commence the structuring of a debt instrument or instruments to provide up to \$35,357,000 in tax-exempt financing for the Development in order to maintain rental units for persons who are of low, middle, or moderate income in a qualifying housing development, including reimbursement for qualified costs incurred pursuant to Treasury Regulation § 1.150-2. The financing of the qualifying housing development shall, however, be conditioned upon the following:

(a) The plan of financing for the Development shall include a rent schedule to be approved by the Issuer.

(b) The plan of financing shall include tenant age and income restriction provisions in compliance with section 142(d) of the Code.

(c) The Owner shall not discriminate in the use, occupancy or rental of the units against persons or families with children.

(d) Any non-revenue units for Owner use, such as models and manager apartments, must be financed at Owner's expense from other than Bond proceeds.

4. Conditions. In the event that the Issuer and the Owner are unable to reach an agreement with respect to the terms and details of the Bonds or the contracts therefor, or if other circumstances prevent the issuance of the Bonds, there shall be no resultant liability on either the Issuer or the Owner nor shall any third party have any rights against either the Issuer or the Owner by virtue of this resolution. The obligation of the Issuer to issue the Bonds pursuant to this Resolution is further conditioned upon the following:

(a) The information contained in the application of the Owner and now on file with the Issuer shall not change in any material respect. Any such material change shall be brought to the

attention of the Issuer immediately in writing for further consideration by the Issuer and its General Counsel and Bond Counsel.

(b) A public hearing shall have been conducted as required by Section 147(f) of the Code.

(c) Upon issuance and delivery of the Bonds there shall be delivered to the Issuer an opinion of Bond Counsel to the effect that the Bonds are valid and binding obligations of the Issuer and that interest on the Bonds is excludable from gross income for federal income tax purposes.

(d) The Bonds shall be issued and delivered within 12 months from the date of adoption of this Resolution, unless such date is extended by resolution of the Issuer.

5. Other Conditions. The Owner has agreed to comply with all land use restrictions relating to tax-exempt financing including but not limited to those promulgated pursuant to Section 142(d) of the Code. The Owner acknowledges that the adoption of this resolution in no way implies final approval of the proposed transaction, such transaction being subject to all policies, guidelines and procedures of the Issuer and a majority affirmative vote of its Board.

6. Incidental Action. Any member of the Issuer and General Counsel and Bond Counsel to the Issuer are hereby authorized to take such actions as may be necessary to carry out the purpose of this Resolution.

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7. **Effective Date.** This Resolution shall take effect immediately upon its adoption.

Passed this 6th day of September 2023.

[S E A L]

ORANGE COUNTY HOUSING FINANCE
AUTHORITY

By: _____
Chair/Vice Chair

ATTEST:

W.D. Morris, Secretary

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
Greenberg Traurig, P.A.
General Counsel

PROFORMA ANALYSIS
Huntington Reserve

8-Aug-2023

SOURCES:

CONSTRUCTION	PERMANENT	
\$ 7,230,000.00	\$ 7,230,000.00	Harper Capital 241(a) /T/E Bonds
\$ 16,509,207.00	\$ 16,509,207.00	223(f) Loan Assumption
\$ 17,627,000.00	-	Equity Bridge Financing/ T/E Bonds
\$ 2,762,325.00	\$ 21,856,379.00	LIHTC Equity
\$ 100.00	\$ 100.00	GP Capital Contribution
\$ 8,500,000.00	\$ 8,500,000.00	Seller Note/T/E Bonds
-	\$ 8,142,211.00	Deferred Developer Fee

\$ 52,628,632.00	\$ 62,237,897.00	TOTAL SOURCES

USES:

\$ 36,000,000.00	\$ 36,000,000.00	Acquisition Cost
\$ 12,439,800.00	\$ 12,439,800.00	Construction Costs
\$ 804,500.00	\$ 804,500.00	Total Soft Costs
\$ 178,987.00	\$ 9,037,148.00	Developer Fee
\$ 370,761.00	\$ 370,761.00	Permanent Financing Costs
\$ 1,249,817.00	\$ 1,249,817.00	Equity Bridge Loan Costs&Reserves
\$ 711,597.00	\$ 711,597.00	Bond Costs
\$ 196,764.00	\$ 931,868.00	Escrows&Reserves
\$ 347,575.00	\$ 347,575.00	Closing Costs
\$ 328,831.00	\$ 344,831.00	Tax Credit Fees
\$ 52,628,632.00	\$ 62,237,897.00	TOTAL USES

DEBT SERVICE CALCULATION:

1) Harper Capital Partners LLC 241(a)

\$7,230,000.00	Principal
6.000%	Rate
N/A	Term - Years
29.42	Amortization-Years
\$523,980.68	Debt Service/Yearly
\$43,665.06	Debt Service/Monthly

2) Existing/Assumable 223(f) Loan

\$17,792,400.00	Principal
3.22%	Rate
35	Term - Years
35	Amortization-Years
\$848,126.62	Debt Service/Yearly
\$70,677.22	Debt Service/Monthly

3) Deferred Developer Fee will be paid from available cash flow

\$8,142,211.00	Principal
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4) Seller Note Will Be Paid from available Cash Flow

\$8,500,000.00	Principal
4.00%	Rate
35	Term - Years
35	Amortization-Years

VARIANCE:

Income Analysis:

*Set-Asides: 100% @ 60% or Lower Area Median Income				
Unit/Type: Bd/ Ba	Number of Units	Net Rent	Monthly Income	Annual Income
3/3	168	\$ 1,292.00	\$217,056.00	\$ 2,604,672.00
TOTAL	168	\$ 1,292.00	\$217,056.00	\$ 2,604,672.00

GROSS INCOME \$2,604,672.00

OTHER INCOME \$72,287.00

\$2,676,959.00

Less 5% Vacancy+0% COLLECTION LOSS \$133,847.95

EFFECTIVE GROSS INCOME \$2,543,111.05

TOTAL EXPENSES \$ **831,760.00**

NET OPERATING INCOME **\$1,711,351.05**

ANNUAL DEBT SVC PYMTS \$1,372,107.30

DEBT COVERAGE RATIO **1.25**



W.D. MORRIS
EXECUTIVE DIRECTOR

ORANGE COUNTY HOUSING FINANCE AUTHORITY

DISCUSSION ITEM

BOARD OF DIRECTORS

VERNICE ATKINS-BRADLEY
CHAIR

KENNETH HUGHES
VICE CHAIR

CURTIS HUNTER
BOARD MEMBER

MERCEDES MCCALL
BOARD MEMBER

RAY COLADO
BOARD MEMBER

MEMORANDUM

TO:	OCHFA Board of Directors
FROM:	W.D. Morris, Executive Director
DATE:	August 24, 2023
RE:	CONSIDER APPROVAL OF BOND RESOLUTION AND ASSOCIATED DOCUMENTS, TERMS AND FINANCING OF MULTI-FAMILY TAX-EXEMPT BONDS, FOR MILLENNIA LAKE COUNTY PORTFOLIO APARTMENTS; NOT-TO-EXCEED \$37,390,000 – REGION 6. SEPTEMBER 6, 2023 REGULAR BOARD OF DIRECTORS' MEETING

BACKGROUND

On November 2, 2022, the Board approved the Reimbursement Resolution for Millennia Lake County Portfolio (MLCP) Apartments, not-to-exceed \$37.390MM, for acquisition and rehabilitation of three development; consisting of 211-units of multi-family affordable housing.

The applicant for MLCP Apartments is Millennia Housing Development Ltd. The proposed development will incorporate three (3) communities in Lake County, and consist of a combined total of 211-units of multi-family housing – Oakley Terrace (101-units), Plateau Village (72-units) and Wildflower Oaks (38-units) – not to exceed \$37.390MM

CURRENT

The enclosed Bond Resolution (#2023-05) is in the not-to-exceed amount of \$37.390MM; however, the Credit Underwriting Report (CUR) reflects that the transaction was underwritten at \$37MM. Also, enclosed for your review, is the Real Estate Credit Underwriting Report, prepared by Seltzer Management. The transaction involves the merger of three, small, affordable housing developments into a single financing structure that would achieve financial feasibility.

The financing structure involves the issuance of Tax-Exempt bonds in the amount of \$37MM:

Proposed Developments:

- Oakley Terrace – \$17.4MM;
- Plateau – \$13MM; and
- Wildflower Oaks – \$6.6MM

Issuance Structure in Two Tranches:

- Tranch #1: short-term bonds (up to 36-months), in the amount of \$2.990MM
- Tranch #2: long-term bonds in the amount of \$34.010MM (optional prepayment prohibited until 16-years after closing)

Based on market conditions and expected length of the construction period, a longer or shorter maturity or mandatory tender/redemption may be selected; provided that sufficient, eligible funds are deposited with the trustee, to make payment of all principal and interest on the bonds through the earlier, to occur at the maturity date or mandatory tender/redemption date. The permanent loan amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such Multi-Family Mortgage Revenue Bonds (MMRB), fully over 40-years.

Red Stone A7 III, LLC (Red Stone), Bond Purchaser, or its designee will acquire up to \$37.390MM, in MMRB, issued by OCHFA, currently estimated at \$37MM. The proceeds will fund the acquisition and rehabilitation of the proposed developments. The loan will have an interest-only term of 36-months. The interest rate will be fixed on the date of delivery of the MMRB, equal to the sum of: (a) 80% of the Secured Overnight Financing Rate (SOFR) swap used by Red Stone at closing; plus a spread of 2.9%, subject to a bond rate floor of 4.25%. As of August 22, 2023, the 80% SOFR swap rate was 3.22% (SOFR rate was 4.052%). For any future increase in the SOFR rate, Seltzer Management (Underwriter) has included an underwriting cushion of 1.00%, for an "all-in" rate of 7.19%.

In addition to debt service, the annual Issuer Administrative Fee (15-basis points – bps) will be paid as well as the Trustee Fee (estimated at \$4,500), both of which are incorporated in the Operating Proforma and DSC calculations, within the CUR prepared by Seltzer Mgmt.

Three (3) Seller's Note, in the combined amount of \$4.3MM will be provided by the sellers at closing and will bear an interest rate of 8.00%, compounded annually. The amount of each Seller's Note for each proposed development are as follows: Oakley Terrace – \$1.4MM, Plateau Village – \$2MM and Wildflower Oaks– \$900K. Annual payment of interest and principal shall be from available cash flow.

Additional construction sources of funds for the proposed MLCP development consist of deferred interest on Sellers' Notes in an amount estimated at \$616K; income from continued operations estimated at \$4,385,236; HC Equity of \$12,255,907; deferred developer fee of \$8,927,196 and additional Applicant Equity of \$2.675MM. The permanent loan rate is 6.19% and cannot exceed the rate of 6.35%, without impacting the 1.10 DSC ratio. Following the rate lock of the permanent period, the 1st mortgage loan, the servicer will review and confirm if the development is able to support the proposed 1st mortgage loan of \$37MM; or if a further reduction of the loan amount will be necessary. The Servicer's DSC confirmation is a condition to closing.

The underwriting firm, Seltzer Management, recommends that the Authority issue and MMRB in the amount of \$37MM to provide financing for the proposed development(s). The Debt Service Coverage Ratio is 1.121. Total development cost is \$71,740,987. Total sources is as follows:

<u>SOURCE</u>	<u>LENDER</u>	<u>CONSTRUCTION</u>	<u>PERMANENT</u>	<u>PERM LOAN/UNIT</u>
Local HFA Bonds	OCHFA/ Red Stone A7 III, LLC	\$37,000,000	\$34,010,000	\$161,184.83
Seller Financing	Three Developments	\$4,300,000	\$4,300,000	\$20,379.15
Other	Seller Note – Deferred Interest	\$616,000	\$616,000	\$2,919.43
HC Equity	RBC Capital Markets	\$12,255,907	\$22,283,468	\$105,608.85
Deferred Developer Fee	Developer	\$8,927,196	\$3,471,283	\$16,451.58
Affiliate / Principal	Applicant Equity	\$2,675,000	\$2,675,000	\$12,677.73
Operating Deficit Reserve	RBC Capital Markets	\$1,581,648	\$0	\$0.00
Net Operating Income	Three Developments	\$4,385,236	\$4,385,236	\$20,783.11
Total		\$71,740,987.00	\$71,740,987.00	\$340,004.68

The remaining documents to be approved are available for review by Board Members at the office of the Authority. These documents have been reviewed by Staff, Financial Advisor, Bond Counsel and General Counsel; both in its capacities as General and Disclosure Counsels'. The actual bond documentation creating the security for the bond issuance (i.e. Indenture, Loan Agreement, Mortgage, etc.) has been prepared by the Authority's Bond Counsel (i.e., the Official Statements and Continuing Disclosure Agreement) have been prepared by General Counsel in its Disclosure capacity. The Staff, General Counsel, Financial Advisor and Bond Counsel will be available at the Boards' meeting of September 6, 2023, to discuss any issues regarding this documentation and to advise that Board that such documents have been prepared in accordance with the Authority's policies and procedures.

ACTION REQUESTED

Board approval of the Bond Resolution (2023-#05), Underwriting Report, Terms and financing in an amount not-to-exceed \$37,390,000 for the Acquisition and Rehabilitation of Multi-Family Development Millennia Lake County Portfolio (Oakley Terrace/ Plateau Village/ Wildflower Oaks) Apartments; and authorization for the Chairman, Board Member and Executive Director to execute all associated documents subject to General Counsel's review and assurance that the above conditions are satisfied prior to closing the bonds transaction.

RESOLUTION NO. 2023-05

A RESOLUTION OF THE ORANGE COUNTY HOUSING FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF NOT EXCEEDING \$37,390,000 AGGREGATE PRINCIPAL AMOUNT OF ITS MULTIFAMILY HOUSING REVENUE BONDS, 2023 SERIES A (MILLENNIA LAKE COUNTY PORTFOLIO) (THE "BONDS"); ESTABLISHING PARAMETERS FOR THE AWARD OF THE SALE THEREOF TO RBC CAPITAL MARKETS, LLC, AND ESTABLISHING CRITERIA FOR DETERMINING THE TERMS THEREOF, INCLUDING THE DATE, INTEREST RATE, INTEREST PAYMENT DATES AND MATURITY SCHEDULE AND OTHER TERMS OF SUCH BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A TRUST INDENTURE; LOAN AGREEMENT; ENDORSEMENT OF THE PROMISSORY NOTE; LAND USE RESTRICTION AGREEMENT; ARBITRAGE REBATE AGREEMENT; AND ALL EXHIBITS THERETO; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS AND APPROVING THE FORM OF THE BOND PURCHASE AGREEMENT AND EXECUTION THEREOF RELATING TO THE NEGOTIATED SALE OF THE BONDS TO RBC CAPITAL MARKETS, LLC; AUTHORIZING THE APPOINTMENT OF A TRUSTEE AND REBATE ANALYST; AUTHORIZING THE EXECUTIVE DIRECTOR AND CHAIRMAN OR VICE CHAIRMAN OR ANY AUTHORITY MEMBER TO TAKE ANY OTHER ACTIONS NECESSARY TO ISSUE THE BONDS AND MAKING OTHER PROVISIONS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Sections 159.601 *et seq.*, Florida Statutes, as amended (the "Act"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic, to be known as a housing finance authority of the county for which it was created, for the purpose of alleviating a shortage of housing and creating capital for investment in housing in the area of operation of such housing finance authority; and

WHEREAS, pursuant to the Act, the Board of County Commissioners of Orange County, Florida (the "County"), enacted Ordinance No. 78-18 on October 31, 1978, and codified in the County's Code at Section 2-151 *et seq.* approved April 16, 1991, and effective April 26, 1991 (the "Ordinance"), creating the Orange County Housing Finance Authority to carry out and exercise all powers and public and governmental functions set forth in and contemplated by the Act; and

WHEREAS, pursuant to the Act and the Ordinance, the Orange County Housing Finance Authority (the "Authority") has determined to authorize the issuance of not exceeding \$37,390,000 aggregate principal amount of its Multifamily Housing Revenue Bonds, 2023 Series A (Millennia Lake County Portfolio) (the "Bonds") for the purpose of financing the acquisition, rehabilitation and equipping of a residential rental project for persons of low and moderate income (the "Project"). The Bonds are to be secured by cash and Permitted Investments (as defined in the

hereinafter described Trust Indenture) sufficient, without need for reinvestment, to pay interest on the Bonds when due and to pay the principal of the Bonds at maturity or upon redemption; and

WHEREAS, the Authority deems it necessary to provide for the form of a Trust Indenture to be entered into with a bank or trust company to serve as Trustee, and provide for the form of a Loan Agreement, Promissory Note, Land Use Restriction Agreement and Arbitrage Rebate Agreement for the Bonds and to authorize additional documents in connection therewith; and

WHEREAS, the Authority intends to negotiate the sale of the Bonds as hereinafter provided with RBC Capital Markets, LLC (the "Underwriter"); and

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTY HOUSING FINANCE AUTHORITY, as follows:

1. There is hereby authorized and directed to be issued the Bonds. The Bonds shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and upon the terms and shall have all of the other characteristics, and in the Trust Indenture attached hereto as Exhibit A all as shall be approved by the Chairman or the Vice Chairman, or other Board Member and the Executive Director/Secretary of the Authority or their duly authorized alternate officers prior to the sale of said Bonds, as provided in this Resolution. The Bonds shall be executed, authenticated and delivered by the officers of the Authority authorized below in substantially the form set forth in the Trust Indenture in fully registered form.

2. The Trust Indenture, between the Authority and the Trustee (as herein defined), in substantially the form attached hereto as Exhibit A (the "Trust Indenture"), is hereby approved, and the Chairman or Vice Chairman, or other Board Member and the Executive Director/Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute and deliver the Trust Indenture on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein including but not limited to, the insertion of rates, maturities, sinking fund redemption provisions and other details of the Bonds determined as herein provided and as may be made prior to the delivery of the Bonds, and as may be otherwise made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

3. The Loan Agreement, among the Authority, the Trustee and Lake FL TC, LP, a limited partnership duly organized and existing under the laws of the State of Florida (together with its permitted successors and assigns, the "Borrower"), in substantially the form attached hereto as Exhibit B (the "Loan Agreement"), is hereby approved, and the Chairman or the Vice Chairman, or any other Board Member and the Executive Director/Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute and deliver the Loan Agreement on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

4. The Land Use Restriction Agreement, among the Borrower, the Authority and the Trustee in substantially the form attached hereto as Exhibit C (the "Land Use Restriction Agreement") is hereby approved, and the Chairman or the Vice Chairman, or other Board Member

and the Executive Director/Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute and deliver the Land Use Restriction Agreement on behalf of and in the name of the Authority with such additional changes, insertions and omission therein as may be made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

5. The Promissory Note, from the Borrower to the Trustee in substantially the form attached hereto as Exhibit D (the "Note") is hereby approved, and the Chairman or the Vice Chairman, or any other Board Member and the Executive Director/Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to endorse the Note to the Trustee, on behalf of and in the name of the Authority, with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority accepting the same, such acceptance to be conclusive evidence of such approval.

6. The Arbitrage Rebate Agreement, among the Authority, the Borrower and the Trustee, in substantially the form attached hereto as Exhibit E (the "Arbitrage Rebate Agreement"), is hereby approved and the Chairman or the Vice Chairman, or any other Board Member and the Executive Director/Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to execute and deliver such Arbitrage Rebate Agreement on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as implement the provisions of the Trust Indenture, and as may be made or approved by the said officers of the Authority executing the same, such execution to be conclusive evidence of such approval.

7. The Environmental Indemnity, from the Borrower and other guarantors in favor of the Authority and the Trustee, in the form attached hereto as Exhibit F (the "Environmental Indemnity") is hereby approved, and the Chairman or the Vice Chairman, or any other Board Member and the Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to accept the Environmental Indemnity on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority.

8. The Continuing, Absolute and Unconditional Guaranty of Recourse Obligations, from the Borrower and other guarantors in favor of the Authority and the Trustee, in the form attached hereto as Exhibit G (the "Guaranty") is hereby approved, and the Chairman or the Vice Chairman, or any other Board Member and the Secretary of the Authority or their duly authorized alternate officers are hereby authorized and directed to accept the Guaranty on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be made or approved by the said officers of the Authority.

9. Following consultation with the Borrower and Underwriter, it being understood that virtually all transaction costs are being borne by the Borrower, it is hereby found and determined that due to the characteristics of the financing and the prevailing and anticipated market conditions, it is in the best interest of the Authority to negotiate the sale of the Bonds. The negotiated sale of the Bonds to the Underwriter, upon substantially the terms and conditions set forth in the Bond Purchase Agreement attached hereto as Exhibit H, is hereby approved, and the Bond Purchase Agreement among the Authority, the Underwriter and the Borrower, is hereby

approved in substantially the form attached hereto as Exhibit H. The Authority hereby authorizes the Chairman or Vice Chairman of the Authority or any other Board Member to execute and deliver (attested by the Executive Director/Secretary of the Authority), said Bond Purchase Agreement in the name of and on behalf of the Authority, with such changes, alterations and corrections, if any, as may be approved by said Chairman or Vice Chairman or other Board Member, all of the provisions of which, when executed and delivered by the Authority as authorized herein shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. The Bonds are hereby sold to the Underwriter (subject to such terms and conditions) in the amount, at the price and upon the final terms set forth in the Bond Purchase Agreement as may be approved by the Chairman or Vice Chairman or other Board Member as attested by the Executive Director/Secretary; provided, that (a) the purchase price of the Bonds shall be not less than 98% of the original principal amount thereof, (b) the average yield of the Bonds determined as required for purposes of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), shall not exceed the limitation on interest rates set forth in Section 215.84, Florida Statutes, and (c) the Bonds shall finally mature not later than 40 years from the date of issuance of the Bonds.

11. With respect to the Bonds, The Huntington National Bank, is hereby appointed as Trustee (the "Trustee") pursuant to the Trust Indenture.

12. With respect to the Bonds, the Rebate Analyst shall be appointed by the Borrower, in accordance with the Trust Indenture, as shall be evidenced by the execution of the Trust Indenture. The Chairman, Vice Chairman or other Board Member and the Executive Director/Secretary are hereby authorized to execute any and all instruments necessary in connection therewith.

13. All prior resolutions and motions of the Authority inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

14. To the extent that the Chairman, Vice Chairman, or other Board Member, and/or the Executive Director/Secretary of the Authority are unable for any reason to execute or deliver the documents referred to above, such documents may be executed, attested and/or delivered by their duly authorized alternate officers, with the same effect as if executed and/or delivered by the Chairman, Vice Chairman, or other Board Member, or Executive Director/Secretary.

15. The Chairman, the Vice Chairman, and all other Board Members of the Authority and the Executive Director/Secretary and staff of the Authority are hereby authorized and directed to execute any and all certifications or other instruments or documents required by the Trust Indenture, the Loan Agreement, the Bond Purchase Agreement or any other document referred to above as a prerequisite or precondition to the issuance of the Bonds and any representation made therein shall be deemed to be made on behalf of the Authority. All action taken to date by the members of the Authority and the staff of the Authority in furtherance of the issuance of the Bonds is hereby approved, confirmed and ratified.

16. It is hereby found and determined that all formal actions of the governing body of the Authority concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the governing body of the Authority, and that all deliberations of the governing body of the Authority that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

17. This Resolution shall become effective immediately upon its adoption.

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APPROVED AND ADOPTED this 6th day of September 2023.

**ORANGE COUNTY HOUSING FINANCE
AUTHORITY**

[S E A L]

By: _____
Chair

ATTEST:

By: _____
W.D. Morris, Secretary

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
Greenberg Traurig, P.A.
General Counsel

Orange County Housing Finance Authority

Credit Underwriting Report

Millennia Lake County Portfolio

Multifamily Mortgage Revenue Bond Program

Section A Report Summary

Section B Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

August 24, 2023

OAKLEY TERRACE, PLATEAU VILLAGE AND WILDFLOWER OAKS

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Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer" or "Servicer") recommends the Orange County Housing Finance Authority ("OCHFA" or "Authority") fund Tax-Exempt Multifamily Mortgage Revenue Bonds ("MMRB") in the total amount of \$37,000,000 to Oakley Terrace f/k/a Turtle Oaks, Plateau Village f/k/a Oakwood Apartments and Wildflower Oaks f/k/a Little Turtle (collectively "Development" or "Oakley", "Plateau" and "Wildflower") for acquisition, rehabilitation and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: Millennia Lake County Portfolio

Address: (Oakley Terrace) 2311 Griffin Road, Leesburg, 34748
(Plateau Village) 550 Lincoln Avenue, Mount Dora, 32757
(Wildflower Oaks) 1350 Pamela Street, Leesburg, 34748

City: See above Zip Code: See above County: Lake County Size: Medium

Development Category: Acquisition/Rehab Development Type: Garden Apts (1-3 Stories)

Construction Type: Masonry

Demographic Commitment:

Primary: Family for 100% of the Units

Unit Composition:

of ELI Units: 0 ELI Units Are Restricted to AMI, or less. Total # of units with PBRA? 211
 # of Link Units: 0 Are the Link Units Demographically Restricted? No # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
					Oakley Terrace									
1	1.0	24	492	60%			\$933	\$112	\$821	\$1,400	\$1,400	\$1,250	\$1,400	\$403,200
2	1.0	53	615	60%			\$1,120	\$143	\$977	\$1,515	\$1,515	\$1,390	\$1,515	\$963,540
3	1.0	24	792	60%			\$1,293	\$187	\$1,106	\$1,740	\$1,740	\$1,600	\$1,740	\$501,120
					Plateau Village									
1	1.0	18	549	60%			\$933	\$54	\$879	\$1,450	\$1,450	\$1,205	\$1,450	\$313,200
2	1.0	36	665	60%			\$1,120	\$91	\$1,029	\$1,575	\$1,575	\$1,435	\$1,575	\$680,400
3	1.0	18	857	60%			\$1,293	\$114	\$1,179	\$1,850	\$1,850	\$1,645	\$1,850	\$399,600
					Wildflower Oaks									
1	1.0	12	570	60%			\$933	\$81	\$852	\$1,425	\$1,425	\$1,265	\$1,425	\$205,200
2	1.0	16	739	60%			\$1,120	\$96	\$1,024	\$1,570	\$1,570	\$1,415	\$1,570	\$301,440
3	1.5	6	1,056	60%			\$1,293	\$165	\$1,128	\$1,745	\$1,745	\$1,800	\$1,745	\$125,640
4	2.5	4	1,366	60%			\$1,443	\$211	\$1,232	\$1,920	\$1,920	\$2,000	\$1,920	\$92,160
		211	143,123											\$3,985,500

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB	40.0%	86	60%	20
HC	100.0%	211	60%	30
MMRB - Existing	40.0%	86	60%	6

Oakley Terrace

Buildings: Residential - 11 Non-Residential - 0
 Parking: Parking Spaces - 92 Accessible Spaces - 7

Plateau Village

Buildings: Residential - 19 Non-Residential - 0
 Parking: Parking Spaces - 105 Accessible Spaces - 7

Wildflower Oaks

Buildings: Residential - 8 Non-Residential - 0
 Parking: Parking Spaces - 61 Accessible Spaces - 3

There is an existing MMRB Land Use Restriction Agreement ("LURA") with the Public Finance Authority that requires Oakley, Plateau and Wildflower to each restrict at least 40% of the units (86 units total) to be set aside for households earning 60% or less of the Area Median Income ("AMI") through 2029.

Oakley, Plateau and Wildflower currently receive Section 8 Housing Assistance Payments ("HAP") contract rents on 100% of the units (211 units). Through the HUD Mark-Up-To-Market ("MU2M") Renewal Program, HUD has approved the early termination of the existing contracts' rents, which will be replaced with new 20-year contracts at closing. The new Post-Rehab contract rents that will be effective at closing and have been utilized throughout this underwriting report.

Oakley Terrace

Absorption Rate 20 units per month for 1.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments Occupied Rehab

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 8.16 Density: 12.3775 Flood Zone Designation: X
 Zoning: C-2; Community Commercial Flood Insurance Required?: No

Plateau Village

Absorption Rate 20 units per month for 1.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
 Occupancy Comments Occupied Rehab

DDA: No QCT: No Multi-Phase Boost: No QAP Boost: No
 Site Acreage: 7.96 Density: 9.0452 Flood Zone Designation: X
 Zoning: R-3; Multifamily Residential Flood Insurance Required?: No

Wildflower OaksAbsorption Rate 20 units per month for 1.0 months.Occupancy Rate at Stabilization: Physical Occupancy 96.00% Economic Occupancy 95.00%
Occupancy Comments Occupied RehabDDA: No QCT: No Multi-Phase Boost: No QAP Boost: No
Site Acreage: 3.55 Density: 10.7042 Flood Zone Designation: AE
Zoning: R-3; High Density Residential Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Lake FL TC, LP	% Ownership
General Partner	Lake TC Investment, LLC	
Limited Partner	RBC Community Investments, LLC, and/or an affiliate	
Special LP	RBC Community Investments Manager II, Inc., and/or an affiliate	
Construction Completion Guarantor(s):		
CC Guarantor 1:	Lake FL TC, LP	
CC Guarantor 2:	Lake TC Investment, LLC	
CC Guarantor 3:	Millennia Housing Development, Ltd.	
CC Guarantor 4:	Frank T. Sinito	
CC Guarantor 5:	Malisse J. Sinito	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Lake FL TC, LP	
OD Guarantor 2:	Lake TC Investment, LLC	
OD Guarantor 3:	Millennia Housing Development, Ltd.	
OD Guarantor 4:	Frank T. Sinito	
OD Guarantor 5:	Malisse J. Sinito	
Bond Purchaser	Red Stone A7 III LLC or its desingee	
Developer:	Millennia Housing Development, Ltd.	
Principal 1	Frank T. Sinito	
Principal 2	Malisse J. Sinito	
General Contractor 1:	THS National, LLC	
Management Company:	Millennia Housing Management, Ltd.	
Syndicator:	RBC Community Investments, LLC	
Bond Issuer:	Orange County Housing Finance Authority	
Architect:	The Architectural Team, Inc	
Market Study Provider:	Novogradac Consulting	
Appraiser:	Novogradac Consulting	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lender/Grantor	OCHFA / Red Stone A7 III LLC	Seller Notes - Three Developments	Seller Note - Deferred Interest			
Amount	\$34,010,000	\$4,300,000	\$616,000			
Underwritten Interest Rate	6.19%	8.00%	0.00%			
Loan Term	16.0	40.0	N/A			
Amortization	40.0	N/A	N/A			
Market Rate/Market Financing LTV	120.2%	135.4%	137.5%			
Restricted Market Financing LTV	96.1%	108.2%	110.0%			
Loan to Cost - Cumulative	47.4%	53.4%	54.3%			
Debt Service Coverage	1.121	0.978	0.978			
Operating Deficit & Debt Service Reserves	\$1,581,648.00					
# of Months covered by the Reserves	16.1					

Deferred Developer Fee	\$3,471,283
As-Is Land Value	\$2,700,000
As-Is Value (Land & Building)	\$35,400,000
Market Rent/Market Financing Stabilized Value	\$28,300,000
Rent Restricted Market Financing Stabilized Value	\$35,400,000
Projected Net Operating Income (NOI) - Year 1	\$2,640,874
Projected Net Operating Income (NOI) - 15 Year	\$3,311,969
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Private Placement
Housing Credit (HC) Syndication Price	\$0.86
HC Annual Allocation - Qualified in CUR	\$2,641,694
HC Annual Allocation - Equity Letter of Interest	\$2,591,360

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	OCHFA / Red Stone A7 III LLC	\$37,000,000	\$34,010,000	\$161,184.83
Seller Financing	Three Developments	\$4,300,000	\$4,300,000	\$20,379.15
Other	Seller Note - Deferred Interest	\$616,000	\$616,000	\$2,919.43
HC Equity	RBC	\$12,255,907	\$22,283,468	\$105,608.85
Deferred Developer Fee	Developer	\$8,927,196	\$3,471,283	\$16,451.58
Affiliate / Principal	Applicant Equity	\$2,675,000	\$2,675,000	\$12,677.73
Operating Deficit Reserve	RBC	\$1,581,648	\$0	\$0.00
Net Operating Income	Three Developments	\$4,385,236	\$4,385,236	\$20,783.11
TOTAL		\$71,740,987	\$71,740,987	\$340,004.68

Financing Structure:

The Applicant submitted to the OCHFA an application under the OCHFA's MMRB Program. The Development will receive funding from the issuance of OCHFA Tax-Exempt Bonds in the amount of \$37,000,000 (\$17,400,000 for Oakley, \$13,000,000 for Plateau and \$6,600,000 for Wildflower). There will be two tranches, short-term bonds (up to 36 months) in the amount of \$2,990,000 and long-term bonds (optional prepayment prohibited until 16 years after closing) in the amount of \$34,010,000. Based on market conditions and the expected length of the construction period, a longer or shorter maturity or mandatory tender/redemption may be selected provided sufficient eligible funds are deposited with the Trustee to make payment of all principal and interest on the bonds through the earlier to occur of the maturity date or mandatory tender/redemption date. The permanent loan amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such MMRB fully over 40 years.

Strengths:

1. In the Oakley Market Study, Novogradac Consulting LLP ("Novogradac") determined that the average occupancy for the 19 like-kind affordable apartment complexes within a 5-mile radius containing 1,915 units is 99.0%, indicating strong demand in the market for the affordable housing units.
2. In the Plateau Market Study, Novogradac determined that the average occupancy for the 16 like-kind affordable apartment complexes within a 5-mile radius containing 812 units is 97.8%, indicating strong demand in the market for the affordable housing units.
3. In the Wildflower Market Study, Novogradac determined that the average occupancy for the 19 like-kind affordable apartment complexes within a 5-mile radius containing 1,915 units is 99.0%, indicating strong demand in the market for the affordable housing units.
4. Although the Applicant and General Partner entities are newly formed, the principals of the Developer, General Contractor, and the Management Company have sufficient experience and financial resources to develop and operate the proposed Development.

5. Oakley will receive HAP contract rents on all 101 units. The anticipated Oakley Terrace contract rents exceed the maximum allowable HC rents for all unit types, resulting in an increase to its gross potential income of approximately 61%, without increasing costs for the tenants.
6. Plateau will receive HAP contract rents on all 72 units. The anticipated Plateau Village contract rents exceed the maximum allowable HC rents for all unit types, resulting in an increase to its gross potential income of approximately 58%, without increasing costs for the tenants.
7. Wildflower will receive HAP contract rents on all 38 units. The anticipated Wildflower Oaks contract rents exceed the maximum allowable HC rents for all unit types, resulting in an increase to its gross potential income of approximately 77%, without increasing costs for the tenants.

Other Considerations:

1. In 2017, Millennia Housing Development, Ltd. ("MHD") entered a Purchase and Sale Agreement to acquire 37 properties throughout eight states from the Global Ministries Foundation ("GMF"). Three of the properties were located in Lake County, Florida; Oakley Terrace (f/k/a Turtle Oaks), Plateau Village (f/k/a Oakwood Village) and Wildflower Oaks (f/k/a Little Turtle). The current Options to Purchase Real Estate and subsequent Amendments to the Option are between the Borrower, Lake FL TC, LP and the current owners, Turtle Oaks FL, LLC (Oakley Terrace), Oakwood FL, LLC (Plateau Village) and Little Turtle FL, LLC (Wildflower Oaks). The principals of the current owners are MHD and Frank and Malisse Sinito. As part of the total purchase price of \$28,000,000, the current owners will issue Seller Notes to the Borrower totaling \$4,300,000 (\$1,400,000 for Oakley Terrace, \$2,000,000 for Plateau Village and \$900,000 for Wildflower Oaks).

Waiver Requests/Special Conditions: None

Additional Information:

1. To ensure that the Debt Service Coverage ("DSC") meets or exceeds a minimum DSC of 1.10 to 1.00, based on the projections/estimates and loan amounts in this report, the interest rate of the permanent period First Mortgage loan may not exceed 6.35%. Following the rate lock of the permanent period First Mortgage loan, the Servicer will review and confirm if the Development is still able to support the proposed First Mortgage loan amount of \$37,000,000, or if a further reduction to the loan amount is necessary. The Servicer's DSC confirmation is a condition to close.
2. Seltzer received Draft Plan and Cost Analysis' ("PCAs") from Partner Engineering & Science, Inc. ("Partner") for Oakley, Plateau, and Wildflower, that included recommendations and comments that need to be addressed. Receipt and satisfactory review of the Final PCAs from Partner is a condition to close.
3. An updated survey certified to the Orange County Housing Finance Authority for Oakley, Plateau and Wildflower, is a condition to close.
4. Seltzer received executed Management Agreements with Millennia Housing Management, Ltd. ("MHM") that were not dated. Receipt of the fully executed Management Agreement with a date reflected and terms not substantially different from those utilized in this report is a condition to close.

5. Seltzer received undated and unexecuted Guaranteed Maximum Price ("GMP") Construction Contracts for Oakley, Plateau and Wildflower, separately. Receipt and satisfactory review of the dated and fully executed Construction Contracts with terms and conditions not substantially different from those utilized in this report is a condition to close.
 - a. The GMP amount in the Wildflower construction contract did not match that of the Schedule of Values ("SOV") provided. Receipt of the Wildflower Construction Contract with costs that match the SOV is a condition to close.
6. Per the June 23, 2023, RBC Community Investments, LLC ("RBC") Letter of Intent ("LOI"), \$3,342,520 in equity will be available at closing. In order to meet the Rule requirement of 15% equity at closing, the closing installment needs to be in an amount of at least \$3,342,520.20. Confirmation that at least 15% equity is available at closing is a condition to close.
7. The executed HAP Contract for Oakley, Plateau and Wildflower, reflecting the HUD approved PBV rents was not available during underwriting. Seltzer was provided the Rent Comparability Studies for which the HAP rents will be based on for Oakley, Plateau and Wildflower; however, no approval from HUD has been received. Receipt and satisfactory review of the approved HAP Contract for Oakley, Plateau and Wildflower, with rents not substantially different from those utilized in this report is a condition to close.

Issues and Concerns: None

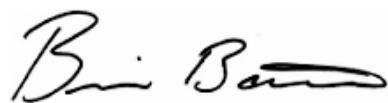
Recommendation:

SMG recommends the OCHFA issue an MMRB in the amount of \$37,000,000 to the Applicant for the construction and permanent financing of the Development.

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

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

Prepared by:



Brian Barth
Senior Credit Underwriter

Reviewed by:



Joshua Scribner
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	OCHFA / Red Stone A7 III LLC	\$37,390,000	\$37,000,000	\$37,000,000	7.19%	\$4,434,820
Second Mortgage	Seller Notes - Three Development	\$7,200,000	\$4,300,000	\$4,300,000	8.00%	\$616,000
Deferred Payments	Seller Note - Deferred Interest	\$650,000	\$616,000	\$616,000	0.00%	\$0
HC Equity	RBC Community Investments, LLC	\$8,847,203	\$12,255,907	\$12,255,907		
Deferred Developer Fee	Developer	\$12,602,660	\$9,443,172	\$8,927,196		
Additional Equity	Developer	\$1,950,000	\$2,675,000	\$2,675,000		
Deferred Oper Resv	RBC	\$1,581,648	\$1,678,824	\$1,581,648		
Net Operating Income	Three Developments	\$2,184,441	\$4,385,236	\$4,385,236		
Total		\$72,405,952	\$72,354,139	\$71,740,987		\$5,050,820

Proposed First Mortgage MMRB:

Per a LOI dated August 18, 2022, Red Stone A7 III LLC ("Red Stone"), or its designee, will purchase up to \$37,390,000 in MMRB issued through OCHFA, currently estimated at \$37,000,000. The proceeds will fund the acquisition and rehabilitation of the Development. The loan will have an interest-only term of 36 months. The interest rate for the loan will be fixed on the date of delivery of the MMRB, equal to the sum of (a) 80% of the Secured Overnight Financing Rate ("SOFR") swap used by Red Stone at closing, plus a spread of 2.95%, subject to a bond rate floor of 4.25%. As of August 22, 2023, the 80% SOFR swap rate was 3.22% (SOFR rate was 4.052%). For any future increases in the SOFR swap rate, Seltzer has included an underwriting cushion of 1.00% for an "all-in" rate of 7.19%.

The annual Issuer Fee (15 basis points) and the annual Trustee Agent Fee estimated at \$4,500 are incorporated in the Operating Pro Forma and DSC calculations in this Report.

Unsecured Co-Sellers' Notes

Three Sellers' Notes, in the combined amount of \$4,300,000 will be provided by the Sellers at closing and will bear an interest rate of 8.00%, compounded annually. The amounts of each Seller's Note per Development are as follows: Oakley in the amount of \$1,400,000, Plateau in the amount of \$2,000,000 and Wildflower in the amount of \$900,000.

Annual payments of interest and principal shall be made from available cash flow. According to the draft Notes, payment of principal and any accrued unpaid interest shall be due and payable approximately 40 years from the effective date of the notes.

Other Construction Sources of Funds:

Additional construction sources of funds for the Development consist of deferred interest on the Sellers' Notes in an amount estimated at \$616,000, income from continued operations estimated at \$4,385,236, HC Equity of \$12,255,907, deferred Developer Fees in the amount of \$8,927,196 (approximately 84.45% of total Developer Fee) and additional Applicant equity of \$2,675,000. See the Permanent Financing section below for details.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	OCHFA / Red Stone A7 III LLC	\$29,260,000	\$34,010,000	\$34,010,000	6.19%	40	16	\$2,299,820
Second Mortgage	Seller Notes - Three Development	\$7,200,000	\$4,300,000	\$4,300,000	8.00%	N/A	40	\$344,000
Deferred Payments	Seller Note - Deferred Interest	\$650,000	\$616,000	\$616,000	0.00%	N/A	N/A	\$0
HC Equity	RBC Community Investments, LLC	\$23,102,210	\$22,283,468	\$22,283,468				
Deferred Developer Fee	Developer	\$5,389,477	\$4,084,435	\$3,471,283				
Additional Equity	Developer	\$2,675,000	\$2,675,000	\$2,675,000				
Net Operating Income	Three Developments	\$4,129,264	\$4,385,236	\$4,385,236				
Total		\$72,405,951	\$72,354,139	\$71,740,987				\$2,643,820

First Mortgage - MMRB Permanent Financing

Per the Red Stone LOI, the size of the first mortgage permanent loan based on the following parameters: i) minimum 1.15x DSC; ii) maximum 90% LTV; iii) minimum 90% occupancy for three consecutive months.

The \$37,000,000 first mortgage loan is expected to be paid down to \$34,010,000 with equity proceeds. During the permanent period, mandatory redemption of the MMRB will occur, in part, on a monthly basis sufficient to fully amortize the MMRB over forty (40) years. Upon the 16th anniversary of stabilization, the bondholder will have the option to require a mandatory tender of the MMRB. The interest rate for the loan will be fixed on the date of delivery of the MMRB, equal to the sum of (a) 80% of the SOFR swap used by Red Stone at closing, plus a spread of 2.95%, subject to a bond rate floor of 4.25%. As of August 22, 2023, the 80% SOFR swap rate was 3.22% (SOFR rate was 4.052%), resulting in an “all-in” rate of 6.19%.

In addition to the interest rate, during the permanent period annual fees will include a 0.15% Issuer Fee on the \$34,010,000 recommended amount of MMRB and a \$4,500 Trustee Fee.

Unsecured Co-Sellers’ Notes

Three Sellers’ Notes, in the combined amount of \$4,300,000 will be provided by the Sellers at closing and will bear an interest rate of 8.00%, compounded annually. The amounts of the Seller’s Note per Development are as follows: Oakley in the amount of \$1,400,000, Plateau in the amount of \$2,000,000 and Wildflower in the amount of \$900,000.

Annual payments of interest and principal shall be made from available cash flow. According to the draft Notes, payment of principal and any accrued unpaid interest shall be due and payable approximately 40 years from the effective date of the notes.

Additional Developer Equity

Seltzer was provided an unexecuted Developer Capital Contribution commitment whereby the Developer, Millennia Housing Development, Ltd. (“MHD”) has committed to make a capital contribution of \$2,675,000 at closing for the rehabilitation of Oakley, Plateau and Wildflower. The capital contribution per Development is as follows: Oakley in the amount of \$1,150,000, Plateau in the amount of \$800,000 and Wildflower in the amount of \$725,000. This capital contribution does not include any repayment terms.

Housing Credits Equity Investment:

After closing on debt and equity, the Applicant will apply to FHFC for non-competitive 4% Housing Credits.

Based upon a June 23, 2023, LOI and subsequent emails, RBC or an affiliate will purchase a 99.99% interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$3,342,520	15.00%	At closing
2nd Installment	\$3,342,520	15.00%	60% construction completion
3rd Installment	\$3,342,520	15.00%	80% construction completion
4th Installment	\$2,228,347	10.00%	99% construction completion
5th Installment	\$3,342,520	15.00%	Final certificates of occupancy
6th Installment	\$6,185,041	27.76%	Final cost certification, 90 days of 90% occupancy and 1.15 DSC
7th Installment	\$500,000	2.24%	Receipt of Forms 8609
Total	\$22,283,468	100.00%	

Annual Tax Credits per Syndication Agreement: \$2,591,360

Total HC Available to Syndicator (10 years): \$25,911,268

Syndication Percentage (limited partner interest): 99.991%

Calculated HC Exchange Rate (per dollar): \$0.86

Proceeds Available During Construction: \$12,255,907

The syndicator has stated they will ensure that sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the equity investment have been received, the Developer will have to defer \$3,471,283 (approximately 32.84%) of the total \$10,602,897 in Developer Fees.

Uses of Funds*

**Since this is a single bond transaction, and although there are three separate GC contracts, the following pages contain one combined summary of uses for all three properties. The percentage of the combined total development costs attributable for Oakley is 47%, Plateau with 35% and Wildflower with 18%.*

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				\$0	
Off-Site Work				\$0	\$0
Recreational Amenities				\$0	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units	\$18,945,609	\$16,270,180	\$15,327,902.31	\$72,644	
Site Work			\$942,277.45	\$4,466	\$47,114
Constr. Contr. Costs subject to GC Fee	\$18,945,609	\$16,270,180	\$16,270,179.76	\$77,110	\$47,114
General Conditions		\$976,210	\$976,210.79	\$4,627	
Overhead		\$325,403	\$325,403.59	\$1,542	
Profit		\$976,210	\$976,210.79	\$4,627	
Builder's Risk Insurance				\$0	
General Liability Insurance		\$244,053	\$244,052.70	\$1,157	
Payment and Performance Bonds		\$203,377	\$203,377.25	\$964	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$18,945,609	\$18,995,433	\$18,995,434.88	\$90,026	\$47,114
Hard Cost Contingency		\$1,724,639	\$1,724,639	\$8,174	
FF&E paid outside Constr. Contr.		\$210,000	\$210,000	\$995	
Other: Predevelopment Costs		\$314,873	\$314,873	\$1,492	
Other: Additional costs during construction	\$6,380,026	\$314,245	\$314,245	\$1,489	
Other:				\$0	
Total Construction Costs:	\$25,325,635	\$21,559,190	\$21,559,192	\$102,176	\$47,114

Notes to the Construction Costs:

- The Borrower provided three, unexecuted and undated, AIA Document A102-2017 Standard Form of Agreements Between the Owner and Contractor, THS National, LLC ("THS"), where the basis of payment is the Cost of Work Plus a Fee with a Guaranteed Maximum Price ("GMP"). The GMP for Oakley is in the amount of \$8,693,525.13, the Plateau GMP is in the amount of \$6,909,288.85 and the Wildflower GMP is in the amount of \$3,392,620.89, for combined construction budget of \$18,995,434.88. The GMPs state that retainage of ten percent (10%) will be withheld on all work performed up to 50% completion, then no retainage will be deducted thereafter, unless the Owner determines in its sole discretion to decline to reduce retainage or reinstate retainage at ten percent (10%) at any time after retainage may have been reduced.

The date of commencement shall be a mutually agreeable date set forth in a notice to proceed issued by the Owner. Substantial completion is expected to occur as follows for each Development:

- The Oakley GMP specifies that the Contractor shall achieve Substantial Completion of the entire work not later than 388 days (approximately 13 months) from the date of commencement.
- The Plateau GMP specifies the Contractor shall achieve Substantial Completion of the entire work not later than 403 days (approximately 13.5 months) from the date of commencement.
- The Wildflower GMP specifies the Contractor shall achieve Substantial Completion of the entire work not later than 388 days (approximately 13 months) from the date of commencement.

Upon final completion, retainage shall be released with the final payment, no later than 30 business days after the issuance of the Architect's final Certificate of Payment.

THS also provided an executed General Contractor Certification of Requirements, whereby the General Contractor acknowledges and commits to adhere to all requirements related to a General Contractor as published within Rule Chapter 67-21 ("Rule"), Florida Administrative Code.

The Oakley GMP Contract includes \$574,570, or 6.6%, in allowance items, itemized as follows:

• Concrete stair tread repair	\$30,000
• Repoint brick and mortar joints	\$12,100
• Roof decking replacement	\$760
• Terrazzo repairs	\$4,800
• Wall and ceiling texture	\$19,000
• Leasing office upgrades	\$25,000
• Pavilion	\$40,000
• Laundry room finishes	\$5,000
• Playground equipment	\$25,000
• ADA unit upgrades	\$9,000
• Unit re-piping	\$247,000
• Sewer line repairs	\$60,000
• New underground water line to Pavilion	\$3,500
• Replace building shut-off valves	\$7,150
• CCTV upgrades at leasing office	\$15,000
• Install new cable in living rooms	\$26,260
• Landscaping	\$45,000

The Plateau GMP Contract includes \$346,100, or 5.0%, in allowance items, itemized as follows:

• Termite damage	\$25,000
• Rood deck replacement	\$7,600
• Wall and ceiling texture	\$14,400
• Leasing office upgrades	\$25,000
• Laundry room finishes	\$15,000
• Pavilion	\$40,000
• Sports court surface	\$10,000

• Playground upgrades	\$25,000
• ADA unit upgrades	\$6,000
• New underground water line to Pavilion	\$3,500
• Plumbing re-line / repairs	\$149,600
• Sewer line repairs	\$25,000

The Wildflower GMP Contract includes \$315,400, or 10.2%, in allowance items, itemized as follows:

• General concrete repair	\$15,000
• Masonry wall infill	\$5,000
• Patching and repair of stucco	\$15,000
• Wall and ceiling texture	\$14,400
• Leasing office upgrades	\$55,000
• Covered mail center	\$20,000
• Laundry room finishes	\$5,000
• Pavilion	\$40,000
• Playground upgrades	\$18,000
• ADA unit upgrades	\$3,000
• New underground water line to Pavilion	\$5,000
• Jetting and scoping	\$5,000
• Sewer line repairs	\$50,000
• Landscaping	\$65,000

Partner notes that the amount of allowances exceed the threshold they typically recommend. Partner recommends that the Contractor solicit firm bids to reduce the allowances to less than 2% of the total hard cost budget.

2. General Contractor fees as stated are within the 14% maximum per Rule.
3. The Hard Cost Contingency is within the 15% maximum as established by the Rule.
4. The cost of the payment and performance bond is inside the GC Contract.
5. FF&E paid outside the Construction Contract will provide FF&E for the community rooms, office spaces, office lobbies, and mail rooms.
6. Predevelopment costs reflect the cost for exploratory investigations by a third-party contractor to identify an accurate scope of work and assess the conditions of the Developments. This was completed as part of Millennia's due diligence based on the age of the Developments. Receipt and review of invoices from non-affiliate third parties will be a condition of the Housing Credit Cost Certification.
7. Additional Costs during Construction reflects the cost of maintenance at the property relating to items not included in the rehabilitation scope, security at the property and sewer scopes to determine the extent of sewer repairs as needed. The Applicant notes that the sewer scopes were required by RBC prior to closing and were paid for outside the construction contract.

8. SMG engaged and received a PCA from Partner. Complete results are set forth in Section B of this report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees		\$45,000	\$45,000	\$213	\$22,500
Appraisal		\$33,500	\$33,500	\$159	
Architect's and Planning Fees				\$0	
Architect's Fee - Site/Building Design	\$1,495,920	\$437,858	\$437,858	\$2,075	
Architect's Fee - Supervision		\$184,448	\$184,448	\$874	
Building Permits		\$125,648	\$125,648	\$595	
Builder's Risk Insurance		\$141,950	\$141,950	\$673	
Capital Needs Assessment/Rehab		\$6,600	\$6,600	\$31	
Engineering Fees		\$174,999	\$174,999	\$829	
Environmental Report		\$157,980	\$157,980	\$749	
FHFC Administrative Fees		\$234,712	\$237,753	\$1,127	\$237,753
FHFC Application Fee		\$10,500	\$9,000	\$43	\$9,000
FHFC Credit Underwriting Fee		\$45,000	\$41,577	\$197	\$41,577
FHFC Compliance Fee		\$374,151	\$374,151	\$1,773	\$374,151
Impact Fee				\$0	
Lender Inspection Fees / Const Admin		\$48,000	\$48,000	\$227	
Green Building Cert. (LEED, FGBC, NGBS)				\$0	
Insurance				\$0	
Legal Fees - Organizational Costs	\$714,443	\$199,659	\$199,659	\$946	\$99,830
Market Study		\$55,375	\$55,375	\$262	\$55,375
Marketing and Advertising				\$0	\$0
Plan and Cost Review Analysis		\$13,500	\$13,500	\$64	
Property Taxes				\$0	
Soil Test				\$0	
Survey		\$58,672	\$58,672	\$278	\$14,668
Tenant Relocation Costs		\$336,001	\$336,001	\$1,592	
Title Insurance and Recording Fees		\$381,500	\$381,500	\$1,808	\$95,375
Utility Connection Fees				\$0	
Soft Cost Contingency		\$75,000	\$75,000	\$355	
Other:				\$0	
Total General Development Costs:	\$2,210,363	\$3,140,053	\$3,138,171	\$14,873	\$950,229

Notes to the General Development Costs:

1. Appraisal figure reflects the cost of the reports co-engaged by Seltzer and Red Stone.
2. Architect's Fees for Site/Building Design and Supervision are based on the executed AIA B108, Standard Form of Agreement between Owner and Architect, The Architectural Team, Inc. ("ATI"), dated June 22, 2020, for Oakley, Plateau and Wildflower, respectively.
3. Engineering Fees reflect the estimated engineering services per the below agreements:
 - Seltzer received executed proposals for Civil Engineering Design Services between ATI and Florida Engineering Group, Inc. dated November 4, 2019, for Oakley, Plateau and Wildflower, respectively.

- Seltzer received an executed proposal for Mechanical, Plumbing and Electrical Engineering Design from Melling Engineering, PC dated November 17, 2019.
4. Capital Needs Assessment fees the cost of the reports co-engaged by Seltzer and Red Stone.
 5. 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 for 4% HC for Oakley, Plateau and Wildflower, respectively. The 2023 FHFC Credit Underwriting Fee is \$13,859 per Development. The FHFC Compliance Monitoring Fee is the estimate future compliance fees based on the FHFC Compliance Fee Model for Oakley, Plateau and Wildflower, respectively.
 6. Plan and Cost Review Analysis reflects the cost of the report co-engaged by Seltzer and Red Stone.
 7. Tenant Relocation Costs are based on the Temporary Relocation Plan provided by MHD for Oakley, Plateau and Wildflower, separately.
 8. Soft cost contingency is within the 5% as allowed per Rule.
 9. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee				\$0	
Construction Loan Origination Fee		\$370,000	\$277,500	\$1,315	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs	\$921,353	\$48,000	\$48,000	\$227	
Construction Loan Interest		\$4,576,634	\$4,434,820	\$21,018	\$886,964
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee		\$370,000	\$370,000	\$1,754	\$370,000
Permanent Loan Closing Costs		\$48,000	\$48,000	\$227	\$48,000
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Application Bond Fee		\$32,340	\$32,340	\$153	\$32,340
Local HFA Bond Underwriting Fee		\$35,759	\$32,979	\$156	\$32,979
Local HFA Bond Subsidy Layering Rev.				\$0	\$0
Local HFA Bond Origination Fee				\$0	\$0
Local HFA Bond Commitment Fee		\$462,500		\$0	\$0
Local HFA Bond Trustee Fee		\$13,500		\$0	\$0
Local HFA Bond Credit Enh. Fee				\$0	\$0
Local HFA Bond Rating Fee		\$128,978		\$0	\$0
Local HFA Bond Cost of Issuance		\$35,000	\$807,740	\$3,828	\$807,740
Local HFA Bond Closing Costs				\$0	\$0
Local HFA Bond Interest				\$0	\$0
Local HFA Bond Servicing Fee				\$0	\$0
Local HFA Legal - Bond Counsel		\$72,000		\$0	\$0
Local HFA Legal - Borrower's Counsel		\$70,328		\$0	\$0
Local HFA Legal - Issuer's Counsel		\$100,000		\$0	\$0
Local HFA Legal - Lender's Counsel		\$113,333		\$0	\$0
Local HFA Legal - U/W's Counsel				\$0	\$0
Misc Loan Underwriting Fee		\$16,200	\$16,200	\$77	
Misc Loan Interest		\$616,000	\$616,000	\$2,919	\$114,667
Legal Fees - Financing Costs	\$6,299,970			\$0	
Placement Agent/Underwriter Fee		\$75,500	\$75,500	\$358	\$75,500
Initial TEFRA Fee				\$0	\$0
Other: Tax Credit Fees	\$673,631			\$0	
Other: Syndication Fee		\$100,000	\$100,000	\$474	\$100,000
Other:				\$0	
Total Financial Costs:	\$7,894,954	\$7,284,072	\$6,859,079	\$32,507	\$2,468,190
Dev. Costs before Acq., Dev. Fee & Reserves	\$35,430,952	\$31,983,315	\$31,556,442	\$149,557	\$3,465,532

Notes to the Financial Costs:

1. Construction Commitment Fee represents Red Stone's Construction Loan Administration Fee of 0.75% of the construction loan amount.

2. Construction loan interest reflects Seltzer's estimate based on a 20-month construction/stabilization period, based on a fully funded construction loan in the amount of \$37,000,000.
3. Permanent Loan Origination Fee is equal to 1.00% of the construction loan amount, in accordance with the Red Stone LOI.
4. Local HFA Bond Underwriting Fee is based on the fee paid to Seltzer.
5. Local HFA Bond Cost of Issuances reflects the estimate provided by the bond underwriter.
6. Misc Loan Interest represents the Applicant's estimate of interest accrued during construction on the Sellers' Notes – Three Developments.
7. Other Financial Costs are based on the Borrower's estimates, which appear reasonable.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building			\$0	\$0	
Building Acquisition Cost	\$28,650,000	\$25,300,000	\$27,348,547	\$129,614	
Developer Fee on Non-Land Acq. Costs			\$4,922,738	\$23,331	
Other:				\$0	
Total Non-Land Acquisition Costs:	\$28,650,000	\$25,300,000	\$32,271,285	\$152,944	\$0

Notes to the Non-Land Acquisition Costs

1. Seltzer reviewed an Option to Purchase Real Estate ("Option") for each Development as noted below:
 - a. An Amendment to the Option for Oakley in the amount of \$13,900,000 dated August 17, 2023. The Option expires on December 31, 2023.
 - b. An Amendment to the Option for Plateau in the amount of \$9,400,000 dated August 17, 2023. The Option expires on December 31, 2023.
 - c. An Amendment to the Option for Wildflower in the amount of \$4,700,000 dated August 17, 2023. The Option expires on December 31, 2023.
 - d. The portion of total acquisition allocated to Non-Land Acquisition Costs is \$27,348,547.

The combined acquisition amount of \$28,000,000 is supported by the combined appraised values as reflected in the appraisals dated June 26, 2023, prepared by Novogradac, which reflect a combined restricted value (with HAP rents) "as renovated" in the amount of \$35,400,000.

2. Developer Fee on Non-Land Acquisition Costs reflects 18% of the building acquisition costs, established by the Rule.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$8,325,000	\$10,660,000	\$5,648,159	\$26,769	
DF to Brokerage Fees - Land			\$0	\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Other: Organization Expense		\$32,000	\$32,000	\$152	
Other:				\$0	
Total Other Development Costs:	\$8,325,000	\$10,692,000	\$5,680,159	\$26,920	\$0

Notes to the Other Development Costs:

1. Developer Fee on Non-Acquisition Costs complies with the maximum Developer Fee of 18% established by the Rule, exclusive of land acquisition, Developer Fee, and Reserves.
2. Organization Expenses reflect the Applicant's estimate for certain general, office, and administrative expenses that Seltzer has categorized as a subset of Developer Fee.

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		\$2,700,000	\$651,453	\$3,087	\$651,453
Other:				\$0	\$0
Total Acquisition Costs:	\$0	\$2,700,000	\$651,453	\$3,087	\$651,453

Notes to the Land Acquisition Costs:

1. Land Acquisition Costs for the Development reflect the combined land values from the Lake Property Appraiser, because it was less than of the land value established in the appraisals.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (Lender)				\$0	\$0
Operating Deficit Reserve (Syndicator)		\$1,678,824	\$1,581,648	\$7,496	\$1,581,648
Debt Service Coverage Reserve (Lender)				\$0	\$0
Debt Service Coverage Reserve (Syndicator)				\$0	\$0
Replacement Reserves (Lender)				\$0	\$0
Replacement Reserves (Syndicator)				\$0	\$0
Other:				\$0	\$0
Total Reserve Accounts:	\$0	\$1,678,824	\$1,581,648	\$7,496	\$1,581,648

Notes to the Reserve Accounts Costs:

1. Operating Deficit Reserve (Syndicator) – Per RBC's LOI, a reserve of approximately will be funded upon conversion to permanent period financing.

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 OCHFA loan debt; if there is no OCHFA loan debt on the proposed Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding OCHFA 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 OCHFA, its Servicer and its Legal Counsel.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$72,405,952	\$72,354,139	\$71,740,987	\$340,005	\$5,698,633

Notes to the Total Development Costs:

1. Since submission of the application, anticipated Total Development Costs have decreased by \$664,965, from \$72,405,952 to \$71,740,987 (approximately 0.92%), due mainly to a decreases in construction costs, financial costs and acquisition costs offset by increases in general development costs, Developer Fee and the inclusion of an operating reserve.

Operating Pro forma

OPERATING PRO FORMA			ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income		\$3,985,500	\$18,889
	Rent Subsidy (ODR)		\$0	\$0
	Other Income:			
	Ancillary Income-Parking		\$0	\$0
	Miscellaneous		\$33,913	\$161
	Washer/Dryer Rentals		\$0	\$0
	Cable/Satellite Income		\$0	\$0
	Gross Potential Income		\$4,019,413	\$19,049
	Less:			
	Economic Loss - Percentage:	0.0%	\$0	\$0
EXPENSES	Physical Vacancy Loss - Percentage:	4.0%	(\$160,777)	(\$762)
	Collection Loss - Percentage:	1.0%	(\$40,194)	(\$190)
	Total Effective Gross Revenue		\$3,818,442	\$18,097
	Fixed:			
	Real Estate Taxes		\$27,220	\$129
	Insurance		\$108,665	\$515
	Other		\$0	\$0
	Variable:			
	Management Fee - Percentage:	4.4%	\$167,930	\$796
	General and Administrative		\$72,812	\$345
	Payroll Expenses		\$363,211	\$1,721
	Utilities		\$137,178	\$650
	Marketing and Advertising		\$0	\$0
	Maintenance and Repairs		\$237,253	\$1,124
	Grounds Maintenance and Landscaping		\$0	\$0
	Resident Programs		\$0	\$0
	Contract Services		\$0	\$0
	Security		\$0	\$0
	Reserve for Replacements		\$63,300	\$300
	Total Expenses		\$1,177,569	\$5,581
	Net Operating Income		\$2,640,874	\$12,516
	Debt Service Payments			
DEBT SERVICE	First Mortgage - OCHFA / Red Stone A7 III LLC		\$2,299,820	\$10,900
	Second Mortgage - Seller Notes - Three Developments		\$344,000	\$1,630
	All Other Mortgages -		\$0	\$0
	First Mortgage Fees - OCHFA / Red Stone A7 III LLC		\$55,515	\$263
	Second Mortgage Fees - Seller Notes - Three Developm		\$0	\$0
	All Other Mortgages Fees -		\$0	\$0
	Total Debt Service Payments		\$2,699,335	\$12,793
	Cash Flow After Debt Service		(\$58,461)	(\$277)

Debt Service Coverage Ratios		
	DSC - First Mortgage plus Fees	1.121
	DSC - Second Mortgage plus Fees	0.978
	DSC - All Mortgages and Fees	0.978
Financial Ratios		
	Operating Expense Ratio	30.8%
	Break-Even Ratio	96.7%

Notes to the Operating Pro forma and Ratios:

1. The Development will be utilizing Housing Credits in conjunction with the MMRB financing, both of which will impose rent restrictions. As restricted by the MMRB and HC programs, 100% of the units (211 units) will be set aside for households earning 60% or less of the Area Median Income ("AMI"). The compliance period for the MMRB program is 20 years and the compliance period for the HC program is 30 years.
2. There is an existing MMRB LURA with HUD that requires Oakley, Plateau and Wildflower to each restrict at least 40% of the units (86 units total) to be set aside for households earning 60% or less of the AMI through 2029. These restrictions do not impact the operating pro forma.
3. The Development's rent structure is based on the MU2M Renewal and Rent Determination letters from HUD, in which HUD provides the contract rents that will be implemented at closing. Rents are net of the utility allowances as reflect in HUD Determination letter.
4. The break-even ratio when calculated with all debt is 96.7%. The break-even ratio, exclusive of the cashflow contingent Sellers' Notes, is 88.1%.

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

MSA/County: Orlando – Kissimmee – Sanford MSA / Lake County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
Oakley Terrace														
1	1.0	24	492	60%			\$933	\$112	\$821	\$1,400	\$1,400	\$1,250	\$1,400	\$403,200
2	1.0	53	615	60%			\$1,120	\$143	\$977	\$1,515	\$1,515	\$1,390	\$1,515	\$963,540
3	1.0	24	792	60%			\$1,293	\$187	\$1,106	\$1,740	\$1,740	\$1,600	\$1,740	\$501,120
Plateau Village														
1	1.0	18	549	60%			\$933	\$54	\$879	\$1,450	\$1,450	\$1,205	\$1,450	\$313,200
2	1.0	36	665	60%			\$1,120	\$91	\$1,029	\$1,575	\$1,575	\$1,435	\$1,575	\$680,400
3	1.0	18	857	60%			\$1,293	\$114	\$1,179	\$1,850	\$1,850	\$1,645	\$1,850	\$399,600
Wildflower Oaks														
1	1.0	12	570	60%			\$933	\$81	\$852	\$1,425	\$1,425	\$1,265	\$1,425	\$205,200
2	1.0	16	739	60%			\$1,120	\$96	\$1,024	\$1,570	\$1,570	\$1,415	\$1,570	\$301,440
3	1.5	6	1,056	60%			\$1,293	\$165	\$1,128	\$1,745	\$1,745	\$1,800	\$1,745	\$125,640
4	2.5	4	1,366	60%			\$1,443	\$211	\$1,232	\$1,920	\$1,920	\$2,000	\$1,920	\$92,160
		211	143,123											\$3,985,500

5. Residents will pay for electricity and cable while the Applicant will pay for water, sewer, trash disposal, pest control, and common area electricity.

6. The Appraiser estimates a physical vacancy and collection loss of 5%. Seltzer has allocated 4% to vacancy for a stabilized physical occupancy of 96% and 1% to collection loss for a stabilized economic occupancy of 95%.
7. Real Estate Tax expenses reflect the Appraiser's estimates.
8. Insurance expense is based on a letter from United Agencies Insurance Group reflecting the premium for insuring Oakley, Plateau and Wildflower under MHM's insurance program.
9. Applicant provided SMG with an unexecuted Property Management Agreements between the Applicant and MHM, an affiliate of the Applicant, as the on-site Property Manager and Leasing Agent for Oakley, Plateau and Wildflower. The management fee shall be in an amount equal to the greater of four percent (4.0%) of adjusted total revenue, or the Maximum Allowable per unit, per month ("PUPM") Fee computed according to HUD guidelines. In addition, the Development will be charged \$6.00 PUPM for the payroll, corresponding taxes and benefits and electronic data processing expenses associated MHM's centralized staff performing front-line accounting and reporting functions for the Development. The overall management fee, when including the PUPM fee, equals approximately 4.4% of effective gross revenue.
10. Other operating expense estimates are based on market comparables and are supported by the appraisal.
11. Replacement Reserves were estimated at \$300 per unit per year, escalating 3% per year starting in Year-2, as required by RBC, which meets the minimum required by Rule.
12. A 15-year income and expense projection estimates an increasing debt service coverage ("DSC") through year fifteen (15). This projection is attached to this report as Exhibit 1.

Section B

Supporting Information and Schedules

Additional Development and Third Party Supplemental Information

Appraised Value:

Oakley Terrace (f/k/a Turtle Oaks)

As reported in the full narrative appraisal dated June 26, 2023, with an effective date of February 2, 2023, performed by Novogradac Consulting LLP ("Novogradac"). Abby Cohen, State Certified General Appraiser, holds Florida License No. RZ4143. The appraised values for Oakley, based on market financing and stabilized occupancy, are:

- As-is, based on market rents: \$11,100,000
- As-is, based on restricted/HAP rents at closing: \$17,400,000
- As renovated, based on market rents: \$14,000,000
- As renovated, based on restricted/HAP rents: \$17,400,000

Novogradac appraised the vacant land value at \$1,300,000. The purchase price of \$13,900,000 is supported by the As-is value at closing of \$17,400,000.

Plateau Village (f/k/a Oakwood Apartments)

As reported in the full narrative appraisal dated June 26, 2023, with an effective date of February 2, 2023, performed by Novogradac. Abby Cohen, State Certified General Appraiser, holds Florida License No. RZ4143. The appraised values for Plateau, based on market financing and stabilized occupancy, are:

- As-is, based on market rents: \$7,500,000
- As-is, based on restricted/HAP rents at closing: \$11,600,000
- As renovated, based on market rents: \$9,500,000
- As renovated, based on restricted/HAP rents: \$11,600,000

Novogradac appraised the vacant land value at \$1,000,000. The purchase price of \$9,400,000 is supported by the As-is value at closing of \$11,600,000.

Wildflower Oaks (f/k/a Little Turtle Apartments)

As reported in the full narrative appraisal dated June 26, 2023, with an effective date of February 2, 2023, performed by Novogradac. Abby Cohen, State Certified General Appraiser, holds Florida License No. RZ4143. The appraised values for Wildflower, based on market financing and stabilized occupancy, are:

- As-is, based on market rents: \$3,700,000
- As-is, based on restricted/HAP rents at closing: \$6,400,000

- As renovated, based on market rents: \$4,800,000
- As renovated, based on restricted/HAP rents: \$6,400,000

Novogradac appraised the vacant land value at \$400,000. The purchase price of \$4,700,000 is supported by the As-is value at closing of \$6,400,000.

Combined Values

The combined values and Loan To Value ("LTV") ratios are as follows:

- As-is, based on market rents: \$22,300,000
- As-is, based on restricted/HAP rents at closing: \$35,400,000
- As renovated, based on market rents: \$28,300,000, resulting in a first mortgage LTV of 120.2%.
- As renovated, based on restricted/HAP rents: \$35,400,000, resulting in a first mortgage LTV of 96.1%.

Market Study:

Oakley Terrace (f/k/a Turtle Oaks)

A Market Study was prepared for the Oakley Terrace by Novogradac, dated April 11, 2023, with an effective date of February 2, 2023. Novogradac indicated the site was approximately 8.31 acres and according to FEMA Flood Map Panel, appears to be outside the 100-year flood plain zone (Zone "X"). Mandatory flood insurance does not appear to apply.

The Market Study confirms that Oakley Terrace is not located within a Qualified Census Tract ("QCT"), Difficult to Develop Area ("DDA"), Geographic Area of Opportunity ("GAO") or Small Area Difficult to Develop Area ("SADDA").

Oakley Terrace is located in the city of Leesburg, in Lake County, which is considered the Orlando-Kissimmee-Sanford Metropolitan Statistical Area ("MSA"). Novogradac notes that the site has good access and is convenient to neighborhood shopping, employment and educational facilities. Overall, Novogradac states that the site is considered to be in a good location for its current affordable multifamily use.

The Primary Market Area ("PMA") is considered to be an area of approximately 84 square miles, with Highway 42 as the northern boundary, Route 452 and State Route 19 to the east, the Florida Turnpike and State Route 48 to the south and State Route 471 and U.S. 301 to the west. Oakley Terrace's PMA contains 19 like-kind existing HC properties with a total of 1,915 units. The weighted average physical occupancy of the comparable properties in the PMA is 99.0% (more than the 92% minimum required by Rule). Novogradac states that there are no

proposed or under construction multifamily developments within the PMA.

Novogradac notes that Oakley Terrace keeps an extensive waiting list and has reported generally stable historical vacancy and collection loss rates; therefore, Novogradac anticipates that Oakley Terrace will have minimal impact on existing affordable housing in the PMA. The capture rates are low within the PMA at 1.6% as a HC development with contract rents and 4.4% absent of the subsidy. These low capture rates indicated that there is sufficient demand for the subject units. Novogradac states that there are no FHFC Guarantee Fund developments within the PMA.

Novogradac estimates an average absorption of approximately 20 units per month to achieve a stabilized occupancy of 96%. It is noted that as part of the planned renovations, Oakley Terrace will intentionally be held at 85% occupancy and it is Novogradac's opinion that the property will reach a stabilized occupancy rate within one month following renovations.

Novogradac projects that Oakley Terrace would obtain maximum allowance 2022 HC rents. According to FHFC requirements, the average market rent must be 10% greater than the average maximum HC rent. In Novogradac's analysis, the estimated overall weighted average market rent for the one-bedroom is 46% greater, the two-bedroom is 35% greater and the three-bedroom is 31% greater.

Plateau Village (f/k/a Oakwood Apartments)

A Market Study was prepared for the Plateau Village by Novogradac, dated April 11, 2023, with an effective date of February 2, 2023. Novogradac indicated the site was approximately 7.71 acres and according to FEMA Flood Map Panel, appears to be outside the 100-year flood plain zone (Zone "X"). Mandatory flood insurance does not appear to apply.

The Market Study confirms that Plateau Village is not located within a QCT, DDA, GAO or SADDA.

Plateau Village is located in the city of Mount Dora, in Orange County, which is considered the Orlando-Kissimmee-Sanford MSA. Novogradac notes that the site has good access and is convenient to neighborhood shopping, employment and educational facilities. Overall, Novogradac states that the site is considered to be in a good location for its current affordable multifamily use.

The PMA is considered to be an area of approximately 213 square miles, with Southeast Highway 42 as the northern boundary, Highway 437 and Highway 439 to the east, Sadler Avenue, U.S. Route 441 and Highway 46 to the south and Lake Harris and Lake Griffin to the west. Plateau Village's

PMA contains 16 like-kind existing HC properties with a total of 812 units. The weighted average physical occupancy of the comparable properties in the PMA is 97.8% (more than the 92% minimum required by Rule). Novogradac states that there are two proposed and one under construction multifamily developments within the PMA.

Novogradac notes that Plateau Village keeps an extensive waiting list and has reported generally stable historical vacancy and collection loss rates; therefore, Novogradac anticipates that Plateau Village should not have a negative impact on existing affordable housing in the PMA. The capture rates are low within the PMA at 1.6% as a HC development with contract rents and 4.5% absent of the subsidy. These low capture rates indicated that there is sufficient demand for the subject units. Novogradac states that there are no FHFC Guarantee Fund developments within the PMA.

Novogradac estimates an average absorption of approximately 20 units per month to achieve a stabilized occupancy of 96%. It is noted that as part of the planned renovations, Plateau Village will intentionally be held at 85% occupancy and it is Novogradac's opinion that the property will reach a stabilized occupancy rate within one month following renovations.

Novogradac projects that Plateau Village would obtain maximum allowance 2022 HC rents. According to FHFC requirements, the average market rent must be 10% greater than the average maximum HC rent. In Novogradac's analysis, the estimated overall weighted average market rent for the one-bedroom is 43% greater, the two-bedroom is 32% greater and the three-bedroom is 32% greater.

Wildflower Oaks (f/k/a Little Turtle Apartments)

A Market Study was prepared for the Wildflower Oaks by Novogradac, dated April 11, 2023, with an effective date of February 2, 2023. Novogradac indicated the site was approximately 3.56 acres and according to FEMA Flood Map Panel, appears to be inside the 100-year flood plain zone (Zone "AE"). Mandatory flood insurance does appear to apply.

The Market Study confirms that Wildflower Oaks is not located within a QCT, DDA, GAO or SADD.

Wildflower Oaks is located in the city of Leesburg, in Lake County, which is considered the Orlando-Kissimmee-Sanford MSA. Novogradac notes that the site has good access and is convenient to neighborhood shopping, employment and educational facilities. Overall, Novogradac states that the site is considered to be in a good location for its current affordable multifamily use.

The PMA is considered to be an area of approximately 84 square miles, with Highway 42 as the northern boundary, Route 452 and State Route 19 to the east, the Florida Turnpike and State Route 48 to the south and State Route 471 and U.S. 301 to the west. Wildflower Oak's PMA contains 19 like-kind existing HC properties with a total of 1,915 units. The weighted average physical occupancy of the comparable properties in the PMA is 99.0% (more than the 92% minimum required by Rule). Novogradac states that there are no proposed or under construction multifamily developments within the PMA.

Novogradac notes that Wildflower Oaks keeps an extensive waiting list and has reported generally stable historical vacancy and collection loss rates, therefore, Novogradac anticipates that Wildflower Oaks should not have a negative impact on existing affordable housing in the PMA. The capture rates are low within the PMA at 0.6% as a HC development with contract rents and 1.5% absent of the subsidy. These low capture rates indicated that there is sufficient demand for the subject units. Novogradac states that there are no FHFC Guarantee Fund developments within the PMA.

Novogradac estimates an average absorption of approximately 20 units per month to achieve a stabilized occupancy of 96%. It is noted that as part of the planned renovations, Wildflower Oaks will intentionally be held at 85% occupancy and it is Novogradac's opinion that the property will reach a stabilized occupancy rate within one month following renovations.

Novogradac projects that Wildflower Oaks would obtain maximum allowance 2022 HC rents. According to FHFC requirements, the average market rent must be 10% greater than the average maximum HC rent. In Novogradac's analysis, the estimated overall weighted average market rent for the one-bedroom is 41% greater, the two-bedroom is 32% greater, the three-bedroom is 33% and the four-bedroom is 35% greater.

Environmental Report:

Oakley Terrace (f/k/a Turtle Oaks)

Partner Assessment Corporation ("PAC") performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-13. The ESA indicates an inspection date of February 21, 2023, and a report issue date of February 28, 2023. PAC's assessment revealed no evidence of any Recognized Environmental Conditions ("RECs"), Controlled RECs, or Historical RECs in connection with the subject property.

PAC detected Asbestos-Containing Materials ("ACM") in building materials at the property as well as suspect Lead Based Paint ("LBP"). As a result, PAC made several recommendations, including the following:

- Management of ACM remaining in place under an asbestos Operations & Maintenance (“O&M”) Plan. An asbestos O&M Plan was previously completed under separate cover for the property. All procedures should be followed as provided in the asbestos O&M plan prior to disturbance from construction or maintenance activities.
- O&M Plan should be implemented in order to safely manage any suspect LBP located at the property. An LBP O&M Plan was previously completed under separate cover for the property. All procedures should be followed as provided in the LBP O&M Plan prior to any renovation and/or demolition activities that could impact these materials.

Plateau Village (f/k/a Oakwood Apartments)

PAC performed a Phase I ESA in accordance with ASTM Standard E-1527-13. The ESA indicates an inspection date of February 22, 2023, and a report issue date of February 28, 2023. PAC’s assessment revealed no evidence of any Recognized Environmental Conditions (“RECs”), Controlled RECs, or Historical RECs in connection with the subject property.

PAC detected Asbestos-Containing Materials (“ACM”) in building materials, suspected Lead Based Paint (“LBP”) and noted the property is located in Zone 3 of the EPA Map of Radon Zones. As a result, PAC made several recommendations, including the following:

- Management of ACM remaining in place under an asbestos Operations & Maintenance (“O&M”) Plan. All procedures should be followed as provided in the asbestos O&M plan prior to disturbance from construction or maintenance activities.

Wildflower Oaks (f/k/a Little Turtle Apartments)

PAC performed a Phase I ESA in accordance with ASTM Standard E-1527-13. The ESA indicates an inspection date of February 21, 2023, and a report issue date of February 28, 2023. PAC’s assessment revealed no evidence of any RECs, Controlled RECs, or Historical RECs in connection with the subject property.

PAC detected ACM in building materials, suspected LBP and noted the property is located in Zone 3 of the EPA Map of Radon Zones. As a result, PAC made several recommendations, including the following:

- An asbestos O&M Plan should be implemented in order to safely manage the presumed ACMs located at the subject property until such a time when the presumed ACM is removed by a licensed abatement contractor. All procedures should be followed as provided in the asbestos O&M plan.

Capital Needs Assessment: Oakley Terrace (f/k/a Turtle Oaks)

SMG is in receipt of a Capital Needs Assessment ("CNA") (aka Property Condition Report) from Partner Engineering & Science, Inc. ("Partner"), dated June 26, 2023, with an inspection date of January 23, 2023.

The CNA was prepared in general conformance with ASTM E2018-15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process and as specified in the engagement agreement that initiated this work.

The purpose of the CNA is to provide information to evaluate the condition of the subject in order to facilitate completion of due diligence by the addressee. This is accomplished by describing the primary systems and components of the subject, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. Based on the systems and components observed during the site visit, the subject appeared to be in fair condition for its age and usage.

Critical Repairs are defined as "repairs and replacements that significantly impact habitability, value, income or marketability and that must be corrected before Freddie Mac will proceed with the transaction". Partner identified the following Critical Repairs:

- None

Priority repairs are defined as "repairs and replacements that are significant and must be addressed as soon as possible". These include non-imminent life safety hazards, code violations, material deficiencies and significant deferred maintenance items. Partner identified the following Priority Repairs totaling \$998,260:

- Asphalt Sealcoat, Striping and Repairs - \$43,160
- Subject Property Signage - \$5,000
- Barren Lawns - \$40,000
- Dumpster Pads - \$4,500
- ADA Issue, Van Accessible Parking - \$250
- ADA Issue, Leasing Office Ramp - \$5,000
- UFAS Issue, Mobility Unit Accessible Parking - \$10,500
- Exterior Maintenance, Painting, Sealing, etc. - \$40,400
- Window Replacement - \$234,000
- Exterior Stair Railings - \$40,000

- ADA Issue, Leasing Office Threshold - \$500
- UFAS Issue, Laundry Threshold - \$500
- UFAS Issue, Laundry Folding Table - \$1,000
- Walkway and Stair Refurbishment - \$82,500
- Roof Replacement - \$240,500
- Laundry Water Heater - \$10,000
- Dwelling Water Heaters - \$19,800
- Electrical Panel Maintenance - \$10,100
- Smoke Detectors (Bedrooms) - \$5,050
- Down Unit G-4 - \$10,000
- UFAS Issue, Mobility Units - \$180,000
- UFAS Issue, Sensory Units - \$7,500
- Water Intrusion & Suspect Growth - \$8,000

Operational Repairs are defined as “repairs and replacements that consist of minor deficiencies and minor deferred maintenance that are expected to be completed by the Borrower as part of a repairs and maintenance budget and that cannot be reasonably addressed as routine maintenance. Partner identified the following Operational Repairs:

- None

Partner also provided a 15-year replacement reserve analysis in the CNA. Replacement reserve costs are typically defined as significant capital expenditures, replacements or repairs that are anticipated to occur within the loan term plus two years. Based on the 15-year replacement reserve projection prepared by Partner, Oakley Terrace will need to fund reserves in the amount of \$925,848.94 or \$611.12 per unit per year in inflated dollars (3% per year inflation factor).

Per Rule 67-21, in the case of rehabilitation, the greater of \$300 per unit per year or the amount identified in the PCA will be used. Per the PCA noted below, Partner provided an updated 15-year replacement reserve projection which reflects reserves in the amount of \$289.41 per unit per year in inflated dollars. Therefore, Seltzer has utilized the \$300 minimum requirement per Rule.

Plateau Village (f/k/a Oakwood Apartments)

SMG is in receipt of a CNA (aka Property Condition Report) from Partner dated June 19, 2023, with an inspection date of January 24, 2023.

The CNA was prepared in general conformance with ASTM E2018-15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process and as specified in the engagement agreement that initiated this work.

The purpose of the CNA is to provide information to evaluate the condition of the subject in order to facilitate completion of due diligence by the addressee. This is accomplished by describing the primary systems and components of the subject, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. Based on the systems and components observed during the site visit, the subject appeared to be in fair condition for its age and usage.

Critical Repairs are defined as “repairs and replacements that significantly impact habitability, value, income or marketability and that must be corrected before Freddie Mac will proceed with the transaction”. Partner identified the following Critical Repairs:

- None

Priority repairs are defined as “repairs and replacements that are significant and must be addressed as soon as possible”. These include non-imminent life safety hazards, code violations, material deficiencies and significant deferred maintenance items. Partner identified the following Priority Repairs totaling \$380,285:

- Asphalt Mill and Overlay - \$19,620
- Asphalt Sealcoat, Striping and Repairs - \$6,540
- Tree Trimming - \$2,000
- Clean and Paint Fencing - \$2,000
- UFAS Issue, Accessible Parking - \$1,750
- UFAS Issue, Mail Center - \$5,000
- ADA Issue, Laundry Entry Ramp - \$1,500
- UFAS Issue, Laundry Emergency Exit Ramp - \$2,000
- Gable End Siding, T1-11 Wood Panel Replacement - \$20,000
- Exterior Maintenance, Painting, Sealing, etc. - \$23,400
- Roofing Replacement (Bldg 3, 6, 8, 16, 18) - \$27,125
- ADA Issue, Leasing Office Entry Threshold - \$500
- ADA Issue, Leasing Office & Restroom Knob Hardware - \$250

- ADA Issue, Restroom Door - \$1,000
- ADA Issue, Office Restroom - \$5,000
- UFAS Issue, Laundry Entry Door Threshold - \$500
- UFAS Issue, Laundry Folding Table - \$1,000
- USAS Issue, Laundry Room Sink - \$500
- Water Heater Replacement - \$18,000
- Service Overloaded Breaker (Unit 50) - \$2,000
- Replace FPE Stab-Lok Panels - \$57,600
- Replace Smoke Detectors (Bedrooms) - \$7,200
- Down Units (54 and 55) - \$50,000
- Repair Damaged Unit Finishes - \$800
- UFAS Issue, Mobility Units - \$120,000
- UFAS Issue, Sensory Units - \$5,000

Operational Repairs are defined as “repairs and replacements that consist of minor deficiencies and minor deferred maintenance that are expected to be completed by the Borrower as part of a repairs and maintenance budget and that cannot be reasonably addressed as routine maintenance. Partner identified the following Operational Repairs:

- None

Partner also provided a 15-year replacement reserve analysis in the CNA. Replacement reserve costs are typically defined as significant capital expenditures, replacements or repairs that are anticipated to occur within the loan term plus two years. Based on the 15-year replacement reserve projection prepared by Partner, Plateau Village will need to fund reserves in the amount of \$592,651.29 or \$548.75 per unit per year in inflated dollars (3% per year inflation factor).

Per Rule 67-21, in the case of rehabilitation, the greater of \$300 per unit per year or the amount identified in the PCA will be used. Per the PCA noted below, Partner provided an updated 15-year replacement reserve projection which reflects reserves in the amount of \$188.22 per unit per year in inflated dollars. Therefore, Seltzer has utilized the \$300 minimum requirement per Rule.

Wildflower Oaks (f/k/a Little Turtle Apartments)

SMG is in receipt of a CNA (aka Property Condition Report) from Partner dated June 15, 2023, with an inspection date of January 23, 2023.

The CNA was prepared in general conformance with ASTM E2018-15 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process and as specified in the engagement agreement that initiated this work.

The purpose of the CNA is to provide information to evaluate the condition of the subject in order to facilitate completion of due diligence by the addressee. This is accomplished by describing the primary systems and components of the subject, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. Based on the systems and components observed during the site visit, the subject appeared to be in fair condition for its age and usage.

Critical Repairs are defined as “repairs and replacements that significantly impact habitability, value, income or marketability and that must be corrected before Freddie Mac will proceed with the transaction”. Partner identified the following Critical Repairs:

- None

Priority repairs are defined as “repairs and replacements that are significant and must be addressed as soon as possible”. These include non-imminent life safety hazards, code violations, material deficiencies and significant deferred maintenance items. Partner identified the following Priority Repairs totaling \$195,190:

- Asphalt Pavement Replacement - \$47,250
- Asphalt Sealcoat and Striping - \$4,725
- Damaged Flatwork and Trip Hazards - \$5,000
- Play Area Surface - \$20,000
- ADA Issue, Van Accessible Parking - \$150
- UFAS Issue, Mobility Unit Accessible Parking - \$3,500
- UFAS Issue, Accessible Route to Playground - \$1,750
- Exterior Maintenance, Painting, Stucco Repairs, etc. - \$12,350
- Roof Replacement (Bldg 5) - \$16,500
- ADA Issue, Office Door Threshold - \$500
- ADA Issue, Accessible Signage - \$500
- ADA Issue, Water Fountain - \$500
- ADA Issue, Lavatory Exposed Piping - \$65

- ADA Issue, Bathroom Accessories - \$50
- ADA Issue, Bathroom Turning Radius and Accessible Water Closet - \$5,000
- UFAS Issue, Laundry Folding Table - \$1,000
- Electrical Panels Investigation and Servicing - \$3,900
- GFCI Outlets - \$1,900
- Smoke Detectors - \$6,300
- Unit Finish Repairs - \$1,500
- UFAS Issue, Mobility Units - \$60,000
- UFAS Issue, Sensory Units - \$2,500

Operational Repairs are defined as “repairs and replacements that consist of minor deficiencies and minor deferred maintenance that are expected to be completed by the Borrower as part of a repairs and maintenance budget and that cannot be reasonably addressed as routine maintenance. Partner identified the following Operational Repairs:

- None

Partner also provided a 15-year replacement reserve analysis in the CNA. Replacement reserve costs are typically defined as significant capital expenditures, replacements or repairs that are anticipated to occur within the loan term plus two years. Based on the 15-year replacement reserve projection prepared by Partner, Wildflower Oaks will need to fund reserves in the amount of \$402,780.37 or \$706.63 per unit per year in inflated dollars (3% per year inflation factor).

Per Rule 67-21, in the case of rehabilitation, the greater of \$300 per unit per year or the amount identified in the PCA will be used. Per the PCA noted below, Partner provided an updated 15-year replacement reserve projection which reflects reserves in the amount of \$223.54 per unit per year in inflated dollars. Therefore, Seltzer has utilized the \$300 minimum requirement per Rule.

Pre-Construction Analysis:

Oakley Terrace (f/k/a Turtle Oaks)

SMG has received a PCA from Partner dated August 11, 2023.

The PCA report states that the plans and specifications appear to be adequately prepared and provide the information necessary to satisfactorily complete the construction. Partner states that all documents provided have been reviewed for completeness and general conformance with applicable building codes and standard construction practices including ASTM standards. Partner also indicates that all FHFC

Features and Amenities have been included in the plans and specifications.

The PCA states that the Development has been designed to comply with applicable 2020 Florida Building Code, 2020 Florida Accessibility Code, Florida Fire Prevention Code, Fair Housing Act, Section 504, and the Americans with Disabilities Act.

The total construction cost provided by THS National, LLC ("THS") totals \$8,693,525, or \$101.60 per square foot and \$86,075 per unit. Partner estimated the total construction costs at \$8,966,487, or \$104.80 per square foot and \$88,777 per unit, a variance of 3.1%. Partner's opinion is that the cost is within an acceptable range for the scope of work indicated.

Partner notes the contract indicates the following allowances:

• Concrete stair tread repair	\$30,000
• Repoint brick and mortar joints	\$12,100
• Roof decking replacement	\$760
• Terrazzo repairs	\$4,800
• Wall and ceiling texture	\$19,000
• Leasing office upgrades	\$25,000
• Pavilion	\$40,000
• Laundry room finishes	\$5,000
• Playground equipment	\$25,000
• ADA unit upgrades	\$9,000
• Unit re-piping	\$247,000
• Sewer line repairs	\$60,000
• New underground water line to Pavilion	\$3,500
• Replace building shut-off valves	\$7,150
• CCTV upgrades at leasing office	\$15,000
• Install new cable in living rooms	\$26,260
• Landscaping	\$45,000
• Total	\$574,570

Partner indicated the allowances total 6.6% of the construction contract amount which exceeds Partner's typical recommendation of 2.0%. Partner recommends that the Contractor solicit firm bids to reduce the allowances to less than 2.0% of the total hard cost.

The construction schedule indicates project substantial completion in 588 days. The contract indicates the Contractor will achieve substantial completion in 433 days from the Date of Commencement. Partner recommends that the construction schedule and agreement be aligned.

Receipt and satisfactory review of the Final PCA from Partner with all recommendations contained therein being resolved is a condition to close.

Plateau Village (f/k/a Oakwood Apartments)

SMG has received a PCA from Partner dated August 16, 2023.

The PCA report states that the plans and specifications appear to be adequately prepared and provide the information necessary to satisfactorily complete the construction. Partner states that all documents provided have been reviewed for completeness and general conformance with applicable building codes and standard construction practices including ASTM standards. Partner also indicates that all FHFC Features and Amenities have been included in the plans and specifications.

The PCA states that the Development has been designed to comply with applicable 2020 Florida Building Code, 2020 Florida Accessibility Code, Florida Fire Prevention Code, Fair Housing Act, Section 504, and the Americans with Disabilities Act.

The total construction cost provided by THS totals \$6,909,289, or \$109.77 per square foot and \$95,962 per unit. Partner estimated the total construction costs at \$7,120,606, or \$113.13 per square foot and \$98,897 per unit, a variance of 3.1%. Partner's opinion is that the cost is within an acceptable range for the scope of work indicated.

Partner notes the contract indicates the following allowances:

• Termite damage	\$25,000
• Rood deck replacement	\$7,600
• Wall and ceiling texture	\$14,400
• Leasing office upgrades	\$25,000
• Laundry room finishes	\$15,000
• Pavilion	\$40,000
• Sports court surface	\$10,000
• Playground upgrades	\$25,000
• ADA unit upgrades	\$6,000
• New underground water line to Pavilion	\$3,500
• Plumbing re-line / repairs	\$149,600
• Sewer line repairs	\$25,000
• Total	\$346,100

Partner indicated the allowances total 5.0% of the construction contract amount which exceeds Partner's typical recommendation of 2.0%. Partner recommends that the Contractor solicit firm bids to reduce the allowances to less than 2.0% of the total hard cost.

The construction schedule indicates project substantial completion in 485 days. The contract indicates the Contractor will achieve substantial completion in 403 days from the Date of Commencement. Partner recommends that the construction schedule and agreement be aligned.

Receipt and satisfactory review of the Final PCA from Partner with all recommendations contained therein being resolved is a condition to close.

Wildflower Oaks (f/k/a Little Turtle Apartments)

SMG has received a PCA from Partner dated August 15, 2023.

The PCA report states that the plans and specifications appear to be adequately prepared and provide the information necessary to satisfactorily complete the construction. Partner states that all documents provided have been reviewed for completeness and general conformance with applicable building codes and standard construction practices including ASTM standards. Partner also indicates that all FHFC Features and Amenities have been included in the plans and specifications.

The PCA states that the Development has been designed to comply with applicable 2020 Florida Building Code, 2020 Florida Accessibility Code, Florida Fire Prevention Code, Fair Housing Act, Section 504, and the Americans with Disabilities Act.

The total construction cost provided by THS totals \$3,392,621, or \$100.86 per square foot and \$89,280 per unit. Partner estimated the total construction costs at \$3,505,954, or \$104.23 per square foot and \$92,262 per unit, a variance of 3.3%. Partner's opinion is that the cost is within an acceptable range for the scope of work indicated.

Partner notes the contract indicates the following allowances:

• General concrete replacement	\$15,000
• Masonry wall infill	\$5,000
• Patching and repair of stucco	\$15,000
• Wall and ceiling texture	\$14,400
• Leasing office upgrades	\$55,000
• Covered mail center	\$20,000
• Laundry room finishes	\$5,000
• Pavilion	\$40,000
• Playground upgrades	\$18,000
• ADA unit upgrades	\$3,000
• New underground water line to Pavilion	\$5,000
• Jetting and scoping	\$5,000
• Sewer line repairs	\$50,000

- Landscaping \$65,000
- Total \$315,400

Partner indicated the allowances total 10.2% of the construction contract amount which exceeds Partner's typical recommendation of 2.0%. Partner recommends that the Contractor solicit firm bids to reduce the allowances to less than 2.0% of the total hard cost.

The construction schedule indicates project substantial completion in 525 days. The contract indicates the Contractor will achieve substantial completion in 388 days from the Date of Commencement. Partner recommends that the construction schedule and agreement be aligned.

Receipt and satisfactory review of the Final PCA from Partner with all recommendations contained therein being resolved is a condition to close.

Site inspection:

Oakley Terrace (f/k/a Turtle Oaks)

Inspector

Tina Doran

Date Inspection Conducted

February 24, 2023

Description of Site

This site is an existing apartment community built in 1969, with 101 units in 11 buildings. The community consists of one, two, and three-bedroom apartments.

Location of Site

2311 Griffin Road, Leesburg, FL 34748 (Lake County)

Proximity to Major Highways, Public Transportation, Airports

US Hwy 441 is East of the property, approximately 1.6 miles. A bus stop is located 0.2 miles West of the property.

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

The Police and Fire Departments are located 2.5 miles South East. A hospital is located 3 miles South East. Several churches are located within 2 miles North and South, and two community centers are within 1 mile East. There are numerous businesses, retail, grocery stores and restaurants within 2.5 miles North and South of the site. Two elementary schools are within 1.5 miles East and West, two middle schools are within

2.6 miles East and South, and two high schools within 2 miles North and South of site.

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

There are 3 Family affordable housing communities (Crossings at Leesburg, Cypress Oaks and Lakeside Pointe) within 4 miles of the property. There is 1 Elderly affordable housing community (Silver Pointe at Leesburg) within 1.5 miles of the property.

Adverse Conditions

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

Plateau Village (f/k/a Oakwood Apartments)

Inspector

Tina Doran

Date Inspection Conducted

February 24, 2023

Description of Site

This site is an existing apartment community built in 1972, with 72 units in 19 buildings. The community consists of one, two and three-bedroom apartments.

Location of Site

550 Lincoln Avenue, Mount Dora, FL 34748 (Lake County)

Proximity to Major Highways, Public Transportation, Airports

US Hwy 441 is East of the property, approximately 0.9 mile. A bus stop is located 33 feet North of the property.

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

The Police and Fire Departments are located 0.3 mile East. A hospital is located 1.9 miles North East. Several churches are located within 1.5 miles South, and two community centers are within 1 mile North East and South. There are numerous businesses, retail, grocery stores and restaurants within 3 miles North of the site. One elementary school is located 0.6 mile South, one middle school is 0.5 mile East, and two high schools within 1 mile West and South of site.

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

There are 2 Family affordable housing communities (Independence Home and Spring Harbor) within 3 miles of the property.

Adverse Conditions

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

Wildflower Oaks (f/k/a Little Turtle Apartments)

Inspector

Tina Doran

Date Inspection Conducted

February 24, 2023

Description of Site

This site is an existing apartment community built in 1981, with 38 units in 8 buildings. The community consists of two, three and four-bedroom apartments.

Location of Site

1350 Pamela Street, Leesburg, FL 34748 (Lake County)

Proximity to Major Highways, Public Transportation, Airports

US Hwy 441 is East of the property, approximately 1.6 miles. A bus stop is located .2 miles West of the property.

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

The Police and Fire Departments are located 2.5 miles South East. A hospital is located 3 miles South East. Several churches are located within 2 miles North and South, and two community centers are within 1 mile East. There are numerous businesses, retail, grocery stores and restaurants within 2.5 miles North and South of the site. Two elementary schools are within 1.5 miles East and West, two middle schools are within 2.6 miles East and South, and two high schools within 2 miles North and South of site.

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

There are 3 Family affordable housing communities (Crossings at Leesburg, Cypress Oaks and Lakeside Pointe) within 4 miles of the property. There is 1 Elderly affordable housing community (Silver Pointe at Leesburg) within 1.5 miles of the property.

Adverse Conditions

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

Borrower Information

Applicant/Borrower Name: Lake FL TC, LP ("Lake FL TC" or "Applicant")

Applicant/Borrower Type: Florida Limited Partnership

Ownership Structure: The Applicant is a Florida Limited Partnership that registered with the State of Florida on March 12, 2020. Seltzer confirmed with the Florida Department of State's Division of Corporations that the Applicant is active and in good standing with the State of Florida.

Per the Agreement of Limited Partnership for Lake FL TC effective March 12, 2020, the General Partner is Lake TC Investment, LLC ("Lake TC Investment") and the Limited Partner is Millennia Housing Capital, Ltd. ("MHC") with ownership interests in the partnership of 0.01% and 99.99%, respectively. Lake TC Investment is a Florida Limited Liability Company registered with the State of Florida on March 5, 2020. MHC is an Ohio Limited Liability Company, which serves as a temporary "placeholder" until it is replaced by the Syndicator at closing (further detailed below).

The General Partner, Lake TC Investment, is owned by Frank T. Sinito (90%) and Malisse Sinito (10%). The current Limited Partner, MHC, is a wholly-owned subsidiary of MHD.

According to an RBC equity LOI dated June 23, 2023, and subsequent emails, at or before closing the Applicant entity is anticipated to consist of Lake TC Investments (General Partner) with 0.009% ownership, RBC with 99.99% ownership (Limited Partner) and RBC Community Investments Manager II, Inc. or an affiliate with 0.001% ownership (Special Limited Partner).

Contact Information: Stephanie Sinito

Telephone: (216) 236-0443

E-Mail: ssinito@mhmltd.com

Address: 4000 Key Tower
127 Public Square
Cleveland, OH 44114-1309

Federal Employer ID: 85-0519482

Experience: The Applicant and Lake TC Investment are single-purpose entities, created for the purpose of developing, constructing and operating the Development, and MHC is a pass-through entity. In and of themselves, they have no development experience, therefore, do not have resumes, trade references, previous multifamily ownership, deposit accounts, financial statements, or contingent liabilities. MHD, however, has extensive experience in developing single-family and multifamily

residential housing throughout the nation, including affordable housing communities in the State of Florida.

The developer of Oakley Terrace, Plateau Village and Wildflower Oaks is MHD, a Cleveland, Ohio firm registered on July 17, 2017, as a foreign business to do business in the State of Florida. MHD was formed in 1995 by Frank T. Sinito, President. MHD is part of a larger organization known as The Millennia Companies. The Millennia Companies is the name given to the combination of the following entities: MHD, MHM, MHC, and American Preservation Builders, LLC, all of which are wholly owned by Frank and Malisse Sinito.

The Millennia Companies has a dedicated staff of over 1,000 people and have years of experience in preserving and managing affordable housing for thousands of residents. The Millennia Companies have grown with operations in twenty-three states – Ohio, Kentucky, Michigan, Indiana, Illinois, Iowa, Arkansas, Missouri, Kansas, Oklahoma, Texas, Mississippi, Alabama, Florida, Georgia, South Carolina, North Carolina, Tennessee, Virginia, West Virginia, Maryland, Pennsylvania and New York. Since 2004, MHD has developed approximately 8,500 apartment units throughout the country.

Credit Evaluation:

An August 18, 2023, Business Credit Reports, Inc. Commercial Credit Report Plus for the Applicant reflected no credit activity.

An August 18, 2023, Business Credit Reports, Inc. Commercial Credit Report Plus for Lake FL TC Investment, LLC reflected no credit activity.

An August 18, 2023, Business Credit Reports, Inc. Commercial Credit Report Plus for the MHD reflected two trade lines with a total balance in the low five-figures. There was one UCC filing noted.

An August 11, 2023, ACRAnet Merged Beacon, FICO and Fair Isaac Credit Report for Frank T. Sinito reflected a total of 37 active or closed trade lines with a total outstanding balance in the low eight-figures. All credit reflects payments on time, no collections, judgements, tax liens, or bankruptcies.

An August 21, 2023, ACRAnet Merged Beacon, FICO and Fair Isaac Credit Report for Malisse Sinito reflected a total of 38 active or closed trade lines with a total outstanding balance in the low eight-figures. All credit reflects payments on time, no collections, judgements, tax liens, or bankruptcies.

References:

Bank and business references for MHD, and Frank and Malisse Sinito are satisfactory.

SMG received bank deposit account statements for Frank and Malisse Sinito as follows:

Frank T. Sinito and Malisse Sinito provided bank account statements ending June 30, 2023, supporting the cash reflected in their Certified Personal Financial Statement ("CPFS").

Financial Statements:

Frank and Malisse Sinito:

Cash and Equivalents:	\$4,793,500
Cash Held in Affiliated Partnerships:	\$7,505,000
Total Assets:	\$576,261,800
Total Liabilities:	\$44,724,800
Equity:	\$531,537,000

Financial data for Frank and Malisse Sinito was provided in a CPFS dated March 31, 2023. Seltzer received a no material change letter from Frank and Malisse Sinito dated June 30, 2023. Major assets other than Cash and Equivalents are Listed Securities, Partnerships, Notes Receivables, Real Estate Owned, Investments in closely-held businesses, and Personal Property. SMG was also provided with 2020 and 2021 Form 1040 Federal Tax Return for Frank and Malisse Sinito along with the 2022 extension.

Contingent Liabilities:

A notation within the CPFS referenced above states that commitments and contingencies of Frank and Malisse Sinito, as a general partner in some of the partnerships, include contingent liabilities, which totals approximately \$296,838,100.

Summary:

The Applicant, through its principals (MHD and Frank and Malisse Sinito), and its management company (MHM), appears to have adequate development experience and financial resources to rehabilitate and operate Oakley Terrace, Plateau Village and Wildflower Oaks.

Guarantor Information

Guarantor Name:	Lake FL TC, LP, Lake TC Investment, LLC, Millennia Housing Development, Ltd., and Frank T. Sinito and Malisse Sinito, individually
Contact Information:	Stephanie Sinito
Telephone	(216) 236-0443
E-Mail:	ssinito@mhmltd.com
Address:	4000 Key Tower 127 Public Square Cleveland, OH 44114-1309
Nature of the Guarantee:	<p>The Guarantors will sign standard OCFHA Construction Completion, Environmental Indemnity, Recourse Obligation and Operating Deficit Guarantees. The Construction Completion Guaranty will be released upon 100% lien-free completion as approved by the Seltzer.</p> <p>For the MMRB Loan, Guarantors are to provide the standard OCHFA Operating Deficit Guaranty. If requested in writing by Applicant, the Loan Servicer will consider a recommendation to release the Operating Deficit Guarantee if all conditions are met, including achievement of a 1.15x Debt Service Coverage ("DSC") Ratio on the MMRB Loan, as determined by the OCHFA or its agent and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant ("CPA"). The calculation of the DSC Ratio shall be made by OCHFA or the Loan Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy ("C/O").</p>
Financial Statements:	Please refer to the Borrower Information section of this Credit Underwriting Report.
Contingent Liabilities:	Please refer to the Borrower Information section of this Credit Underwriting Report.
Summary:	Lake FL TC, LP, and Lake TC Investment, LLC, through its common principals MHD and Frank and Malisse Sinito appear to have adequate financial strength to serve as Guarantors for the Development.

Syndicator Information

Syndicator Name: RBC Community Investments, LLC ("RBC")

Contact Person: Dan Kierce, Managing Director

Telephone: 216-875-2626

E-mail: daniel.kierce@rbc.com

Address: 600 Superior Avenue, Suite 2300
Cleveland, OH 44114

Experience: RBC is a Canadian investment bank, which is part of the Royal Bank of Canada, Toronto, Canada. Operating since 1869, the Royal Bank of Canada is the 10th largest bank in the U.S., with offices in 23 states. The tax credit equity group was formed in July 1997 to provide equity capital for the development of affordable housing. RBC is a leading syndicator of Low-Income Housing Tax Credits, Workforce/Impact Housing, Renewable Energy Tax Credits, Historic Tax Credits, and State Tax Credits. As of December 2021, they have closed over \$12.8 billion in equity through 126 active funds with 95 institutional investors and 1,067 affordable housing tax credit assets under administration and over 96,601 affordable homes in 48 states, Washington D.C. and Puerto Rico.

Financial Statements: Royal Bank of Canada (in Canadian dollars)

Cash:	\$99,199,000,000
Total Assets:	\$1,940,302,000,000
Liabilities:	\$1,828,948,000,000
Equity:	\$111,354,000,000

Financial information for the Royal Bank of Canada was obtained from their quarterly report for the period ended April 30, 2023, available at www.rbc.com.

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

General Contractor Information

General Contractor Name: THS National, LLC (“THS”)

Type: A North Carolina Limited Liability Company, authorized to transact business in the State of Florida

Contact Persons: Vinny Conforte

Telephone: (866) 794-8210

E-Mail: vinny.conforte@thsnational.com

Principal Address: 1050 Classic Road, Suite 100
Apex, NC 27539

Experience: THS was founded by Kevin Higgins in 2007. THS is a Foreign Limited Liability Company registered with the State of Florida on February 11, 2011. THS is an experienced General Contractor in the multi-family renovation industry with local representation throughout the Southeast, mid-Atlantic and Midwest, consisting of a team of over 100 construction professionals. THS has 14 local branches, across 10 states, that provide construction services for new construction and rehabilitation of affordable housing communities. THS holds GC Licenses in North Carolina, New Jersey, Tennessee, DC, Georgia, Florida, South Carolina, Virginia, Alabama, Maryland, Ohio, Arkansas and West Virginia. THS provided an executed A305 Qualifications Statement, dated April 12, 2023, reflecting that they have completed over 4,500 construction projects since 2016. Currently, THS has over \$66 million in combined contracts under construction.

Florida Certified General Contractor’s license No. CGC1525046 is in the name of Kevin W. Higgins and THS, and expires August 31, 2024.

Credit Evaluation: An August 18, 2023, Business Credit Reports, Inc. Commercial Credit Report Plus for THS reflected acceptable credit history with no collections, judgements, bankruptcies, or liens. There are three standard UCC filings securing furniture, fixtures, and equipment.

References: References for THS are considered satisfactory.

Financial Statements: THS has provided a surety letter in lieu of financial statements.

Surety: THS provided a bonding letter issued by First National Insurance Agency, LLC dated June 22, 2023, stating that THS has a total bonding capacity of approximately \$50,000,000 (\$20,000,000 per project), through Travelers Casualty and Surety Company of America (“Travelers”). Travelers is rated as A++ (superior) by AM Best with a Financial Size of XV (\$2 billion or greater).

Summary: SMG recommends that THS be approved as the General Contractor for Oakley Terrace, Plateau Village and Wildflower Oaks, subject to the conditions, if any, listed in the Recommendations section of this report.

Property Manager Information

Property Manager Name: Millennia Housing Management, Ltd (“MHM”)

Type: An Ohio corporation, registered to do business in the State of Florida

Contact Information: Frank T. Sinito

Telephone: (216) 520-1250

Address: 127 Public Square
Cleveland, OH 44114

Experience: MHM was established in December 1995 to manage a newly acquired portfolio and to build an organization with executives in both HUD subsidized and Low-Income Housing Tax Credit (“LIHTC”) housing. MHM currently manages over 250 multifamily communities and scattered sites, consisting of over 27,000 apartment units, in Alabama, Arkansas, Florida, Georgia, Iowa, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Missouri, Mississippi, North Carolina, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia. Over 50% of all residential units under management are designated for elderly and/or disabled residents. About 70% of all MHM properties are Section 8 housing.

MHM’s portfolio includes a wide variety of property types including garden, mid-rise and high-rise apartments, as well as flats and scattered site homes. Many of these properties provide tenants with rental assistance such as HUD project-based Section 8 Contracts or USDA Rental Assistance Contracts. Additionally, many of these properties are also subject to various regulatory reporting requirements as they are encumbered by HUD insured mortgages or RD insured mortgages. A significant portion of these properties are also recipients of Low Income Housing Tax Credits.

Management Agreement: The Applicant provided SMG with an undated, executed Draft Property Management Agreement between the Applicant and MHM, for Oakley Terrace, Plateau Village and Wildflower Oaks, separately, to be executed prior to closing. The agreement shall commence as of the effective date of the agreement and ending on the tenth (10th) anniversary of the effective date, and shall be automatically extended for five (5) year periods thereafter, subject to certain conditions detailed within the agreement.

MHM will receive payment for its services in accordance with HUD requirements. The Management Fee shall be in an amount equal to the greater of Four Percent (4.0%) of Adjusted Total Revenue, or the Maximum Allowable Per-Unit-Per-Month (“PUPM”) Fee computed according to HUD guidelines. In addition, the Development will be

charged \$6.00 PUPM for the payroll, corresponding taxes and benefits and electronic data processing expenses associated with Agent's centralized staff performing front-line accounting and reporting functions for the building; this amount will be charged without imposition of a surcharge or other administrative fee and reimbursed to Agent from the Project's Operating Account.

Management Plan: The Applicant provided SMG a copy of a Management Plan for the Development that appears satisfactory.

Relocation Plan: The Applicant provided SMG a copy of a Relocation Plan for the Oakley Terrace, Plateau Village and Wildflower Oaks, separately, that states that they plan to rehabilitate one building at a time so that residents will not have to leave the property. If any residents need to be displaced, they will be relocated to comparable, decent, safe and sanitary housing within the local area following all Uniform Relocation Assistance and Real Property Acquisition Act ("URA") guidelines at the owner's expense. No resident will be permanently displaced or displaced outside of the property. These Relocation Plans appears satisfactory.

Summary: MHM has demonstrated experience in the successful management of multifamily affordable housing. The OCHFA must approve the Applicant's selection of MHM as the property manager for the Development. Continued approval is subject to ongoing satisfactory performance.

Exhibit 1
Millennia Lake County Portfolio
15 Year Income and Expense Projection

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$3,985,500	\$4,065,210	\$4,146,514	\$4,229,444	\$4,314,033	\$4,400,314	\$4,488,320	\$4,578,087	\$4,669,648	\$4,763,041	\$4,858,302	\$4,955,468	\$5,054,578	\$5,155,669	\$5,258,783
	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	\$33,913	\$34,591	\$35,283	\$35,989	\$36,709	\$37,443	\$38,192	\$38,955	\$39,734	\$40,529	\$41,340	\$42,167	\$43,010	\$43,870	\$44,747
	Washer/Dryer Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Potential Income	\$4,019,413	\$4,099,801	\$4,181,797	\$4,265,433	\$4,350,742	\$4,437,757	\$4,526,512	\$4,617,042	\$4,709,383	\$4,803,571	\$4,899,642	\$4,997,635	\$5,097,588	\$5,199,539	\$5,303,530
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 4.0%	(\$160,777)	(\$163,992)	(\$167,272)	(\$170,617)	(\$174,030)	(\$177,510)	(\$181,060)	(\$184,682)	(\$188,375)	(\$192,143)	(\$195,986)	(\$199,905)	(\$203,904)	(\$207,982)	(\$212,141)
	Collection Loss - Percentage: 1.0%	(\$40,194)	(\$40,998)	(\$41,818)	(\$42,654)	(\$43,507)	(\$44,378)	(\$45,265)	(\$46,170)	(\$47,094)	(\$48,036)	(\$48,996)	(\$49,976)	(\$50,976)	(\$51,995)	(\$53,035)
Total Effective Gross Revenue		\$3,818,442	\$3,894,811	\$3,972,707	\$4,052,162	\$4,133,205	\$4,215,869	\$4,300,186	\$4,386,190	\$4,473,914	\$4,563,392	\$4,654,660	\$4,747,753	\$4,842,708	\$4,939,562	\$5,038,354
EXPENSES	Fixed:															
	Real Estate Taxes	\$27,220	\$28,037	\$28,878	\$29,744	\$30,636	\$31,555	\$32,502	\$33,477	\$34,481	\$35,516	\$36,581	\$37,679	\$38,809	\$39,973	\$41,173
	Insurance	\$108,665	\$111,925	\$115,283	\$118,741	\$122,303	\$125,973	\$129,752	\$133,644	\$137,654	\$141,783	\$146,037	\$150,418	\$154,930	\$159,578	\$164,366
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Variable:															
	Management Fee - Percentage: 4.4%	\$167,930	\$171,288	\$174,714	\$178,208	\$181,773	\$185,408	\$189,116	\$192,898	\$196,756	\$200,692	\$204,705	\$208,799	\$212,975	\$217,235	\$221,580
	General and Administrative	\$72,812	\$74,996	\$77,246	\$79,564	\$81,951	\$84,409	\$86,941	\$89,550	\$92,236	\$95,003	\$97,853	\$100,789	\$103,813	\$106,927	\$110,135
	Payroll Expenses	\$363,211	\$374,107	\$385,331	\$396,890	\$408,797	\$421,061	\$433,693	\$446,704	\$460,105	\$473,908	\$488,125	\$502,769	\$517,852	\$533,388	\$549,389
	Utilities	\$137,178	\$141,293	\$145,532	\$149,898	\$154,395	\$159,027	\$163,798	\$168,712	\$173,773	\$178,986	\$184,356	\$189,886	\$195,583	\$201,451	\$207,494
	Marketing and Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Maintenance and Repairs	\$237,253	\$244,371	\$251,702	\$259,253	\$267,030	\$275,041	\$283,292	\$291,791	\$300,545	\$309,561	\$318,848	\$328,414	\$338,266	\$348,414	\$358,866
	Grounds Maintenance and Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Reserve for Replacements	\$63,300	\$63,300	\$63,300	\$63,300	\$63,300	\$63,300	\$63,300	\$63,300	\$63,300	\$63,300	\$65,199	\$67,155	\$69,170	\$71,245	\$73,382
Total Expenses		\$1,177,569	\$1,209,317	\$1,241,985	\$1,275,599	\$1,310,185	\$1,345,774	\$1,382,394	\$1,420,076	\$1,458,850	\$1,498,749	\$1,541,705	\$1,585,909	\$1,631,398	\$1,678,210	\$1,726,384
Net Operating Income		\$2,640,874	\$2,685,494	\$2,730,722	\$2,776,563	\$2,823,019	\$2,870,095	\$2,917,792	\$2,966,114	\$3,015,063	\$3,064,643	\$3,112,955	\$3,161,844	\$3,211,310	\$3,261,352	\$3,311,969
DEBT SERVICE	Debt Service Payments															
	First Mortgage - OCHFA / Red Stone A7 III LLC	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820	\$2,299,820
	Second Mortgage - Seller Notes - Three Developments	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000	\$344,000
	All Other Mortgages -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	First Mortgage Fees - OCHFA / Red Stone A7 III LLC	\$55,515	\$55,215	\$54,895	\$54,555	\$54,194	\$53,810	\$53,401	\$52,966	\$52,503	\$52,011	\$51,487	\$50,930	\$50,338	\$49,708	\$49,038
	Second Mortgage Fees - Seller Notes - Three Developments	\$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		\$2,699,335	\$2,699,034	\$2,698,715	\$2,698,375	\$2,698,014	\$2,697,629	\$2,697,220	\$2,696,785	\$2,696,323	\$2,695,831	\$2,695,307	\$2,694,750	\$2,694,158	\$2,693,528	\$2,692,858
Cash Flow After Debt Service		(\$58,461)	(\$13,541)	\$32,007	\$78,188	\$125,006	\$172,465	\$220,572	\$269,329	\$318,741	\$368,812	\$417,648	\$467,094	\$517,152	\$567,824	\$619,112
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.121	1.140	1.160	1.179	1.199	1.219	1.240	1.261	1.282	1.303	1.324	1.345	1.366	1.388	1.410
DSC - Second Mortgage plus Fees		0.978	0.995	1.012	1.029	1.046	1.064	1.082	1.100	1.118	1.137	1.155	1.173	1.192	1.211	1.230
DSC - All Mortgages and Fees		0.978	0.995	1.012	1.029	1.046	1.064	1.082	1.100	1.118	1.137	1.155	1.173	1.192	1.211	1.230
Financial Ratios																
Operating Expense Ratio		30.8%	31.0%	31.3%	31.5%	31.7%	31.9%	32.1%	32.4%	32.6%	32.8%	33.1%	33.4%	33.7%	34.0%	34.3%
Break-Even Ratio		96.7%	95.6%	94.5%	93.4%	92.3%	91.3%	90.3%	89.4%	88.5%	87.5%	86.7%	85.9%	85.1%	84.3%	83.5%

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Oakley Terrace / Plateau Village / Wildflower Oaks

DATE: August 24, 2023

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

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satisfactory	
2. Final site plan and/or status of site plan approval.	Satisfactory	
3. Permit Status.	Satisfactory	
4. Pre-construction analysis ("PCA").	Unsatis	1
5. Survey.	Satisfactory	2
6. Complete, thorough soil test reports.	Satisfactory	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satisfactory	
8. Market Study separate from the Appraisal.	Satisfactory	
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.	Satisfactory	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in the Rule for credit enhancers, Borrower, general partner, principals, guarantors and General Contractor.	Satisfactory	

11. Resumes and experience of Borrower, General Contractor and management agent.	Satisfactory	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satisfactory	
13. Management Agreement and Management Plan.	Satisfactory	3
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satisfactory	
15. Firm commitment letter from the syndicator, if any.	Satisfactory	
16. Firm commitment letter(s) for any other financing sources.	Satisfactory	
17. Updated sources and uses of funds.	Satisfactory	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satisfactory	
19. Fifteen-year income, expense, and occupancy projection.	Satisfactory	
20. Executed general construction contract with "not to exceed" costs.	Unsatis	4
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Unsatis	5
22. Any additional items required by the credit underwriter.	Unsatis	6

NOTES AND APPLICANT'S RESPONSES:

1. Receipt and satisfactory review of the final PCAs from Partner is a condition to close.
2. An updated survey certified to the OCHFA is a condition to close.
3. Fully executed Management Agreement was provided however did not include a date for the Agreement. Receipt of the fully executed Management Agreement with a date reflected and terms not substantially different from those utilized in this report is a condition to close.
4. An undated and unexecuted Construction Contract was provided for Oakley, Plateau and Wildflower, separately. Receipt and satisfactory review of the dated and executed Construction Contract with terms and conditions not substantially different from those utilized in this report is a condition to close.
5. Per the June 23, 2023, RBC LOI, \$3,342,520 in equity will be available at closing. In order to meet the Rule requirement of 15% equity at closing, the closing equity installment needs to be in an amount of at least \$3,342,520.20. Confirmation of at least 15% equity at closing is a condition to close.
6. The executed HAP Contract for Oakley, Plateau and Wildflower, reflecting the HUD approved HAP rents were not available during underwriting. Seltzer was provided with Rent Comparability Studies for which the HAP rents will be based on for Oakley, Plateau and Wildflower; however, no approval from HUD has been received. Receipt and satisfactory review of the approved HAP Contract for Oakley, Plateau and Wildflower is a condition to close.

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$71,740,987
Less Land Cost	(\$651,453)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$5,047,180)
Less Disproportionate Standard	\$0
Acquisition Eligible Basis	\$32,271,285
Rehabilitation Eligible Basis	\$33,771,069
Total Eligible Basis	\$66,042,354
Applicable Fraction	100.00%
DDA/QCT Basis Credit	100.00%
Acquisition HC Percentage	4.00%
Rehabilitation HC Percentage	4.00%
Annual HC on Acquisition	\$1,290,851
Annual HC on Rehabilitation	\$1,350,843
Annual Housing Credit Allocation	\$2,641,694

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of site work and accounting fees, FHFC administrative fees, FHFC application, credit underwriting, and compliance fees, a portion of legal fees, market study fee, a portion of title and recording fees, the portion of construction interest accrued during lease-up (SMG estimate), permanent loan fees, local HFA Bond application and underwriting fee, local HFA bond cost of issuance, placement agent/underwriting fee, and all reserves.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Developments, Oakley, Plateau and Wildflower, are not located in a Qualified Census Tract, Difficult to Develop Area, Small Area DDA or Geographic Area of Opportunity. Therefore, the 130.00% basis credit has not been applied.
4. Per the FY 2021 Omnibus Consolidated Appropriations Act passed by Congress as of December 21, 2020, a permanent 4% minimum HC rate was established. For purposes of this report, a total HC percentage of 4.00% has therefore been applied.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$71,740,987
Less Mortgages	(\$38,310,000)
Less Grants	\$0
Equity Gap	\$33,430,987
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.8600
HC Required to Meet Gap	\$38,877,128
Annual HC Required	\$3,887,713

Notes to the Gap Calculation:

1. Mortgages include the First Mortgage provided by OCHFA MMRB / Red Stone and the Sellers' Notes – Three Developments.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the June 23, 2023, LOI from RBC.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$66,042,354
Plus Land Cost	\$651,453
Aggregate Basis	\$66,693,807
Tax-Exempt Bond Amount	\$37,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$37,000,000
Proceeds Divided by Aggregate Basis	55.48%

Notes to 50% Test:

1. SMG estimates the MMRB amount to be 55.48% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the MMRB amount is less than 50%, Developer Fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Qualified Basis	\$2,641,694
HC per Gap Calculation	\$3,887,713
Annual HC Recommended	\$2,641,694

Notes to the Summary:

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