

JACKSONVILLE HOUSING FINANCE AUTHORITY



Jacksonville Housing Finance Authority Board of Directors Meeting
May 24, 2017 Noon
214 North Hogan Street, 8th Floor

- AGENDA -

- | | |
|---|------------------|
| Call Meeting to Order | Chair |
| Introduction of New JHFA Board Member | Chair |
| Approval of Minutes of April 19, 2017 Meeting | JHFA Board |
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 | |
| I. <u>Public Comments</u> | |
| A. Public Comments | Public |
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 | |
| II. <u>REPORTS</u> | |
| A. "To-Do" List Earlier Meetings | Mark Hendrickson |
| B. Staff and Financial Report | Laura Stagner |
| • Financial Statement | |
| C. Financial Advisor Memo | Mark Hendrickson |
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 | |
| IV. <u>ACTION ITEMS</u> | |
| A. Board Members Declare Conflicts, if any | Board |
| B. Rental Financing | Mark Hendrickson |
| • Consider Final Approval for Oakwood Villa | |
| C. Single Family | Mark Hendrickson |
| • Review Analysis of Sales Price | |
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| V. <u>NEW BUSINESS</u> | |
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| VI. <u>OLD BUSINESS</u> | |
| A. Update on New Multi-Family Financings | Mark Hendrickson |
| B. Update on Single Family Program | Mark Hendrickson |
| C. Update on Existing Rental Properties | Mark Hendrickson |
| • Recent JHFA Activities/Developments | |
| • Occupancy Report | |
| D. Update on 2017 Legislative Effort | Mark Hendrickson |
|
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| VII. <u>ADJOURN JHFA MEETING</u> | Chair |

JACKSONVILLE HOUSING FINANCE AUTHORITY



JACKSONVILLE HOUSING FINANCE AUTHORITY

Board of Directors Meeting

MINUTES

OF

REGULAR MEETING

April 19, 2017

April 19, 2017: JHFA Board Meeting

12:00 pm

214 North Hogan Street, 8th Floor

BOARD MEETING:

Present at the meeting were:

BOARD MEMBERS

Tripp Gulliford, Chair
LaTasha Green-Cobb, Vice Chair
Dee Bumbarger, Member
Spencer Cummings, Member
Ruth Owen, Member
Jeffrey Rosen, Member

PROFESSIONAL STAFF:

Mark Hendrickson, The Hendrickson Company, Financial Advisor
Susan Leigh, Community Concepts Group, Financial Advisor
Priscilla Howard, Community Concepts Group, Financial Advisor
Helen Feinberg, RBC Capital Markets, Investment Banker
Rhonda Bond Collins, Bryant Miller Olive, Bond Counsel
John Sawyer, City of Jacksonville Office of General Counsel

CITY STAFF:

Laura Stagner
Jane Bouda
Julie Adamson

PUBLIC:

Ryan Hoover, Vestcor
Shawn Wilson, Blue Sky Communities
Tourrea Robinson, Aging True

BOARD MEETING

Chairman Gulliford called the meeting to order at 12:04 PM.

Introduction of New Board Member

Chairman Gulliford introduced new Board member Spencer Cummings, who shared some of his background. The Board members and professional team also introduced themselves and explained their respective roles.

Minutes

Ms. Owen moved, with a second by Ms. Bumbarger, that the Board **approve the minutes of January 18, 2017 Board meeting**. The motion passed 6-0.

Public Comments

Mr. Wilson and Ms. Robinson updated the Board on the status of the rehabilitation of the Cathedral Terrace development and invited the Board to a rededication of the development on June 29 at 11 AM. Mr. Ryan Hoover updated the Board on the status of the Mary Eaves, Lofts at LaVilla, and Lofts on Monroe developments, and on the status of FHFC's selection process for 9% Housing Credits.

"To-Do" List

Mr. Hendrickson presented the "to-do" list from previous meetings.

Chairman Gulliford asked staff to provide Mr. Cummings a binder from the Board's Strategic Planning Retreat, and for the FA's to schedule a meeting with Mr. Rosen and Mr. Cummings.

Staff Report and Financial Report

Ms. Stagner presented the financial and staff report. She stated that the existing contracts with the Professional Team expired in September and an additional one year extension was allowed. After discussion, Ms. Green-Cobb moved, with a second by Ms. Owen, that the Board **authorize staff to take the steps necessary to extend the contracts with Bond Counsel, Investment Banker (Underwriter), Trustee, and Financial Advisor** for an additional year. The motion passed 6-0.

Board Member Conflicts

There were no Board conflicts.

2016 & 2017 Bond Allocation

Mr. Hendrickson and Ms. Bond-Collins updated the Board on the 2017 Bond Allocation.

Local Government Contribution Loans

Mr. Hendrickson updated the Board on the status of the FHFC review of applications submitted for 9% Housing Credits, noting that initial scoring from FHFC staff was due later this month. He stated that the Local Government Priority development, Lofts on Monroe, would be funded if it met FHFC threshold requirements.

Rental Financings

Mr. Hendrickson updated the Board on the pending multi-family bond transaction—Oakwood Villa. Ms. Feinberg and Mr. Hendrickson explained the concept of a payment in lieu of an annual fee when the bonds were retired after construction. They proposed a fee of 0.75% of the bond amount, to be paid at redemption of the bonds. After discussion, Ms. Green-Cobb moved, with a second by Ms. Owen, that for the Oakwood Villa development, the Board **approve a payment of 0.75% in lieu of an annual bond fee, to be paid at bond redemption**. The motion passed 6-0.

Single Family

Mr. Hendrickson and Ms. Feinberg reported that a lender in the Single Family Program had requested that the JHFA increase its sales price limit, due to builder product that was available in the price range \$200,000-\$250,000. A discussion followed on the public purpose of the sales price limit, the actual impact of an increase on loan volume, and the available existing housing inventory with prices below \$200,000. The Board **directed the Professional Team to further research the issue and bring back information on the Jacksonville market, the location and price of new home inventory, and the FHFC sales price average and number of homes that were sold with a price above \$200,000**.

Existing Rental Developments

Mr. Hendrickson updated the Board on the occupancy of existing developments, and on the success that the JHFA has had in the past two years.

Legislative Update

Mr. Hendrickson updated the Board on the Sadowski Education Effort for 2017. He also updated the Board on the new Executive Director at FHFC—Trey Price.

Florida ALHFA Conference

Mr. Hendrickson and Ms. Stagner reminded the Board of the upcoming Florida ALHFA Conference in Atlantic Beach (JHFA the “host” HFA). She asked **Board members to inform her if they would be attending the conference so that she could process the registration fees.**

Adjournment

On a motion by Ms. Bumbarger, seconded by Ms. Owen, the Board **voted 6-0 to adjourn the meeting at 1:25 PM.**

JHFA Board Meeting Calendar 2017

JANUARY						
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JHFA Meeting Locations

8th Floor

Meeting Rooms Located at 214 North Hogan Street, 8th Floor, Jacksonville, Florida

Staff and Team Conference Call 8:30 AM

FHFC Meeting Dates & Locations

February 3, 2017, Tampa Airport Marriott

March 24, 2017, Tallahassee City Hall

May 5, 2017 Tallahassee City Hall

June 16, 2017, Orlando Airport Hyatt Regency

July 28, 2017, Miami, Hyatt Regency Coral Gables

September 8, 2017, Tallahassee City Hall

October 27, 2017, Tallahassee City Hall

December 8, 2017, Jacksonville Hyatt Regency

NALHFA Annual Conference, April 26-29, 2017- Park Central Hotel, San Francisco

Florida ALHFA Conference July 12-15, 2017- One Ocean Hotel, Atlantic Beach

Florida Housing Coalition Conference, September 10-13, 2017- Rosen Centre Hotel, Orlando

JHFA Direction to Team
From September 17, 2015, January 18, 2017 & April 19, 2017 Meetings

Board Direction	Staff	Status
September 17, 2015		
Board withdrew approval of earlier MOU for staffing services with City, and directed that new agreement be brought back to them for review and approval of document and staffing commitments.		Waiting for City.
January 18, 2017		
Chairman Gulliford asked staff to provide Mr. Rosen a binder from the Board's Strategic Planning Retreat, and for the FA's to schedule a meeting with Mr. Rosen.	FA & Laura	In progress
April 19, 2017		
Board directed the Professional Team to bring back information on the Jacksonville market, the location and price of new home inventory, and the FHFC sales price average and number of homes that were sold with a price above \$200,000.	FA	Done

THE HENDRICKSON COMPANY &
THE COMMUNITY CONCEPTS GROUP

To: Board of Directors, Jacksonville Housing Finance Authority
From: Mark Hendrickson, Susan Leigh and Priscilla Howard, Financial Advisors
Subject: May 24, 2017 JHFA Meeting
Date: May 12, 2017

I. 2017 Bond Allocation—Informational

1. The 2017 allocation is \$45,010,604, an increase of \$917,642 (2.1%) over 2016:

Year	Single Family Amount	Multifamily Amount	Unallocated	Expiration
2017			\$44,092,962	
2016		\$132,600,000		December 30, 2019
2015	\$ 80,250,000			Carryforward available until December 31, 2018
TOTAL	\$ 80,250,000	\$132,600,000	\$44,092,962	

2. **Recommendation:** None.

II. Local Government Contribution Loans—Informational

1. For the FHFC RFA for large county 9% Housing Credits (RFA 2016-113), the HFA opted to exercise its right to select a development for preference, and also to select another development as a back-up (giving it the lower scoring minimum local government contribution).
2. The Lofts at LaVilla on Monroe was selected for priority funding. Lofts at LaVilla passed FHFC scoring threshold, and will be funded, pending any legal challenges.
3. **Recommendation:** None.

III. Rental Financings—Action

1. **Oakwood Villa** has completed credit underwriting (report attached) and is scheduled to close in early June. Bond Counsel has prepared a Resolution approving the transaction which will be sent to the Board. Ms. Leigh and Ms. Howard have recused themselves from any analysis/participation in this deal.
2. A NOFA for 2017 allocation was published, with an application due date of January 6. No applications were received. The NOFA is now “open” to applications on a first-received first-evaluated basis.

3. The HFA was contacted by the Millenia Companies, who are acquiring the Global Ministries portfolio, including Eureka Gardens and other properties in Jacksonville. They will be submitting an application to the JHFA for bond financing of the acquisition and rehabilitation of the properties, with an estimated bond amount of \$85-\$90 million. The application will be on the June JHFA agenda.
4. **Recommendation: Oakwood Villa:** Approve Final Bond Approval Resolution prepared by bond counsel, which, among other things, authorizes the issuance of the Timberwood Trace bonds in an amount not to exceed \$20,000,000, and authorizes the execution and delivery of the substantially final documents attached to the resolution,.

	Oakwood Villa
Developer/ Location	Southport (David Page) Tampa, Florida
Development Location	8201 Kona Avenue Arlington area
Type	Acquisition & Substantial Rehabilitation Family
Bond Request	\$12,70,000
TEFRA Hearing	10-11-16
TEFRA Approval	11-22-16
Preliminary Agreement	10-1-17
Expiration	
Credit Enhancement/ Housing Equity	Cash Collateralized Prudential MAP Lender for Permanent R4
Credit Underwriter	First Housing
Anticipated Closing Date	Early June 2017
Units	200
Permanent 1st Mortgage Estimate	\$14,750,000 (non-bond) \$69,750
SAIL, ELI, HOME (FHFC)	\$0
City of Jacksonville	\$0
JHFA Loan	\$0
Housing Credits	\$7,663,000 \$38,315/unit
Total Development Cost	\$24,541,199
TDC per unit	\$122,706
Land Cost	\$1,000,000 \$5,000/unit
Acquisition of Building Cost	\$10,400,000 \$52,000/unit
Hard Construction or Rehabilitation Cost	\$6,300,000 \$41.56/square foot \$31,500/unit
Set Aside Period	50 years
Set Aside Levels	100%<60% AMI (all Section 8)

IV. 2013 Single Family Loan Program—Informational

1. The **current program guidelines:**

- 1st mortgage: 3.875%, 1% origination fee, FHA, VA, RD & Freddie Mac loans
- First time homebuyers.
- Income and Sales Price limits identical to bond issue.
- Minimum credit score of 640
- Interest rate set by the HFA of Hillsborough County, with rate set at level that is anticipated to generate a premium when sold.
- Loans purchased by the master servicer (US Bank) and converted into MBS.
- MBS are purchased by the HFA's, with each HFA funding their pro rata share of the cost.
- MBS are sold, with each HFA keeping its pro rata share of any net premium or loss realized from the sale of the MBS.
- Down payment assistance: \$15,000 second mortgage, due on sale of property, or maturity of first mortgage
- Mortgage Credit Certificates providing homebuyers a credit in the amount of 50% of mortgage interest paid annually (up to a \$2,000 annually).

2. **DPA:** \$88,796 was received from FHFC. The JHFA has funded another \$681,010. The JHFA set the DPA amount at \$15,000 in August 2016. Additionally, \$360,000 of SHIP is being allocated by the City for use as DPA by the JHFA.

3. **FHFC DPA and FHLB Atlanta Program:**

- The Federal Home Loan Bank of Atlanta is launching a \$3 million program which will fund \$1 of DPA for every \$2 funded by the HFA. The FHLB loan would be subordinate and forgivable. However, the lender must be a member of FHLB Atlanta. New lenders have signed up for the program and are being trained.
- The FHFC DPA Program is now available. It provides \$15,000 (forgivable loan). The final MOU is being reviewed by counsel and the financial team prior to execution.

4. **Available DPA Funds:** \$850,000 total:

- \$250,000 authorized by the City Council
- At the May 2015 meeting, the Board (using the power granted under the new legislation) increased the amount of available DPA funds by \$200,000.
- In June 2015, the Board authorized the use of an additional \$400,000

5. **Rate Change:** The interest rate was decreased from 4.25% to 3.875% in February 2016.

6. **Program Demographics:**

Sales Price/ # Loans	Loan Amount	Borrower Income	Borrower Age/ Gender	Borrower Family Size	Housing Type	Borrower Ethnicity	MCC Amount
\$116,122 101 loans +6 loans	\$111,524	\$42,195	35.0 42% female	2.3	SF Detached 86% Condo: 0% Townhouse: 14% Existing: 93% New: 7%	Black: 26% White: 42% Hispanic: 15% Mixed: 0% Asian: 13% Other: 5%	\$4,544,127 \$54,096.75 avg. 84 buyers

7. **Lender Originations:** SWBC (59), Academy (19), DHI (4), Fairway (12), Prime (4), Network Funding (2), and Open (1).
8. **MCC's:** The HFA converted \$120 million of bond authority into \$30 million of MCC's. Tranche 1 (\$5.25 million) expired at the end of 2015 with \$1,109,274 not utilized. Tranche 2 (\$10.0 million) expires at the end of 2016, with \$9,668,903 not utilized. Tranche 3 (\$14.75 million) expires at the end of 2018. The average JHFA borrower uses \$53,877 of MCC's.
9. **MCC Program: What Does it Mean to Home Buyer:** With the HFA's average loan of \$105,000 and a 3.875%/30 year mortgage, interest payments in Year 1 = \$4.035. With the 50% MCC rate that the HFA has chosen, **the homebuyer would be able to claim a tax credit of the full \$2,000 per year maximum allowed by federal law** (slightly declining as more of monthly payment is principal) until the home buyers sells or moves from the property. The \$2,000 of tax savings lowers the "functional" mortgage rate for the program from 3.875% to less than 1%.
10. **MCC Program: Outreach to Homeowners:** HFA homebuyers are given information during the application process on MCC's, and are sent the actual document shortly after closing. To help homeowners with their MCC's, eHousing mailed a new MCC to all homebuyers and has opened an MCC hotline.
11. **MBS Sales:** The HFA has executed 39 sales, with net revenues of \$309,011 (net meaning after payments to RBC and counsel) coming to JHFA.
12. **Hedges & Exposure:** Hillsborough County has eight hedges totaling \$7.695 million in place. With full delivery, the projected net revenues are estimated at 139,861 (shared pro rata with counties based upon originations). The unhedged pipeline as of May 11 is \$968,154 (changes daily).
13. **Size of Program:** The initial legislation wherein City Council authorized the program limited it to no more than \$1.5 million of loans in pipeline at any time. In June, the Board changed the authorization to \$1.5 million of unhedged loans. The program total loans originated or in progress is \$8.1 million.

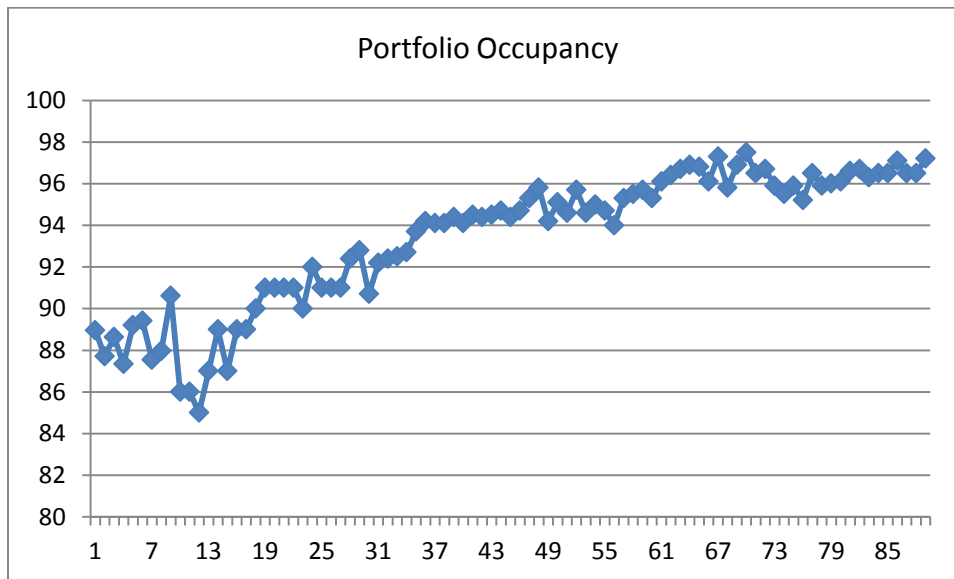
14. **Sales Price Limit:** Some lenders have expressed a desire for the HFA to increase the maximum sales price limit from its current \$199,000. The Board requested staff to analyze the FHFC and JHFA programs to determine if the lack of production in the JHFA program was related to the \$199,000 sales price.
- To date, only 5 of the 101 loans in the JHFA program have had a sales price over \$175,000.
 - From 2016-2017, only 5.4% of the 917 loans in the FHFC program had a sales price over \$199,000.
15. **Recommendation:** None.

V. Update on Existing Rental Properties—Informational

1. JHFA marketed its bonds, JHFA loans, and JHFA local government contributions to developers. As a result, the following has been accomplished in the last three years:

Development	Location	Building Type Demographic	Units	TDC	JHFA Loan
Peyton Ridge	1800 Corporate Square Blvd	3-Story Elevator NC Elderly	120	\$16,894,456	\$115,000
Caroline Oaks	North Main, east side just south of E. 43 rd Street	3-Story Elevator NC Elderly	82	\$14,146,603	\$5.6 million bonds \$2.2 million JHFA loan
Cathedral Terrace	701 N. Ocean St.	High Rise Rehab Elderly	240	\$25,604,057	\$12.5 million bonds \$1.0 million JHFA loan
Mt. Carmel Gardens	5746 Mt. Carmel Terrace	High Rise Rehab Elderly	207	\$21,631,853	\$9.75 million bonds
Mary Eaves	East of intersection of Myrtle Ave. N. & West 16 th St.	Mid-Rise NC Elderly	80	\$13,325,568	\$300,000
Lofts at LaVilla	906 West Bay Street	Mid-Rise NC Family	130	\$23,388,174	\$265,000
Houston Street Manor	615 Houston Street	Mid-Rise NC Elderly	72	\$21,185,213	\$115,000
Timberwood Trace	12250 Atlantic Boulevard	Garden Rehab Family	224	\$31,238,140	\$16.0 million bonds
TOTAL			1,155	\$167,414,064	\$34.1 million bonds \$3.995 million JHFA loans

2. **Occupancy:** The current portfolio occupancy using a weighted average is 97.2% (+0.7%).
3. **Recommendation:** None.



VI. 2017 Legislative Update—Informational

1. Meetings were held with the Governor's Chief of Staff, the House Speaker, the Appropriations Chair in the Senate, the Appropriations Subcommittee Chairs in the House and Senate, and key Appropriations Committee staff.
2. The Doc Stamp Revenue Estimate was updated in March, and showed that \$295.9 million of new money is available for appropriation in FY 17-18. The division is \$207.36 million in the Local Government Housing Trust Fund (SHIP) and \$88.54 million in the State Housing Trust Fund (SAIL and other FHFC programs).
3. The House and Senate have finalized the budget. The estimated SHIP funding for Jacksonville for FY 17-18 is \$3,946,988. The return on investment to the City from the \$15,000 contribution to SEE by the HFA is enormous.

Appropriation of Housing Trust Fund Monies

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET
SAIL	\$10,000,000	In Proviso		In Proviso
FHFC Line 2225		\$ 27,500,000		\$37,000,000 \$28 million from SHTF & \$9 million from LGHTF
SHIP Line 2226	\$34,000,000	\$120,900,000	\$30,000,000	\$100,000,000 (net available for SHIP is \$94.225 million)
TOTAL HOUSING	\$44,000,000	\$162,400,000	\$44,000,000	\$137,000,000
SHTF SWEEP	\$ 64,000,000	\$ 50,000,000	\$ 67,000,000	\$ 59,270,000
LGHTF SWEEP	\$160,000,000	\$ 80,000,000	\$157,000,000	\$ 95,130,000
TOTAL SWEEP	\$224,000,000	\$130,000,000	\$224,000,000	\$154,400,000
Unallocated SHTF	\$ 14,540,000	\$ 1,040,000	\$11,540,000	\$1,270,000
Unallocated LGHTF	\$ 13,360,000	\$ 2,460,000	\$16,360,000	\$3,230,000

Housing Appropriation Proviso & Back of the Bill				
Item	Amount	Line Item	Source	
SAIL	\$113,000,000	Section 85	Guaranty Fund	
SAIL	At least 50% of funds in Line 2225	2225	FHFC	
SAIL	Requires 5%-10% of units in each SAIL development to serve persons with Special Needs			
Housing for Persons with Developmental Disabilities	\$10,000,000	2225	FHFC	
Homeless: Transfer to DCF from LGHTF to fund Challenge Gants	\$5,000,000, of which \$4 million is recurring	2226	SHIP	
Workforce Housing	\$40,000,000	2225 and Section 85	FHFC & Guaranty Fund	
Affordable Housing Workgroup	\$100,000	2225	FHFC	
Catalyst Training & Technical Assistance	\$500,000	2226	SHIP	
Homeless Training	\$200,000	2226	SHIP	
Florida Supportive Housing Coalition	\$75,000	2226	SHIP	

Note: Section 85 of the Appropriations Act acknowledges that FHFC can expend \$113 million of Guarantee Fund monies on SAIL. This Section is not required, as FHFC can expend this money without an appropriation.

Additional Homeless Funding				
Item	Amount	Line Item	Source	Agency
Challenge Grants	\$5,000,000	342	Grants & Donations TF—comes from SHIP	DCF
Federal Emergency Shelter Grant Program	\$6,203,876	343	Federal Grants TF & Welfare Transition TF	DCF
Homeless Housing Assistance Grants	\$3,840,000	344	GR	DCF
Homeless Housing Assistance Grants Proviso	\$100,000 from line 344 for Love & Action in Hope (LAHIA) Homeless Shelter Kitchen Repair Martin County (HB 2177)	344		DCF
Homeless Housing Assistance Grants Proviso	\$100,000 from line 344 for The Transition House—Residential Recovery for Homeless Veterans Funds for services to clients Osceola County (HB 4335)	344		DCF
Homeless Housing Assistance Grants Proviso	\$140,800 from line item 344 for Citrus Health Network Safe Haven\ for Homeless Youth Funds for services to Clients Miami-Dade County (HB 4123)	344		DCF
Homeless Housing Assistance Grants Proviso	\$500,000 from line 344 for Comprehensive Emergency Services Center— (CESC) Homeless Services & Residential Support Funds for Admin & Client Services Leon County (HB 3253)	344		DCF
Tampa-Hillsborough Community Housing Solutions Center (HB 2917)	\$250,000 Tampa-Hillsborough Housing Initiative Funds for facility acquisition, rehab, and/or construction Hillsborough County	2224M	GR	DEO
City of Ft. Lauderdale Rapid Rehousing Program (HB 2337)	\$400,000 Funds to City for rental assistance & case management Broward County	2224M	GR	DEO
Other Member Projects				
Item	Amount	Line Item	Source	Agency
Neighborworks Florida Collaborative: Senate Proviso	\$450,000	2224M	GR	DEO
Building Homes for Heroes (HB 2571)	\$1,000,000 Building or renovating homes for veterans: Statewide	2224M	GR	DEO

4. Editorials were written by the newspapers in Orlando, Ft. Lauderdale, Jacksonville, Bradenton, and Naples. A press conference calling for full funding was held on March 2, with excellent press coverage. News coverage of the issue was extremely high this year, partly due to the housing crisis in the state (particularly the lack of affordable apartments).

5. **Recommendation:** None.

Jacksonville Housing Finance Authority

Credit Underwriting Report

Oakwood Villa

Tax-Exempt Multifamily Mortgage Revenue Bonds ("MMRB")

Section A: Report Summary

Section B: MMRB Loan Conditions

Section C: Supporting Information and Schedules

Prepared by

First Housing Development Corporation of Florida

Draft REPORT

May 16, 2017

Oakwood Villa

TABLE OF CONTENTS

	<u>Page</u>
Section A	
Report Summary	
Recommendation	A1-A6
Overview	A7-A10
Use of Funds	A11-A15
Operating Pro Forma	A16-A18
Section B	
MMRB Loan Conditions	B1-B6
Section C	
Supporting Information & Schedules	
Additional Development & Third Party Information	C1-C8
Applicant Information	C9-C12
Guarantor Information	C13
General Contractor Information	C14-C15
Syndicator Information	C16
Property Management Information	C17-C18
Exhibits	
15 Year Pro Forma	Exhibit 1
50% Test	Exhibit 2
Features and Amenities	Exhibit 3

Section A

Report Summary

Recommendation

First Housing Development Corporation (“First Housing”) recommends Multifamily Mortgage Revenue Bonds in the amount of up to \$12,700,000 to finance the acquisition/rehabilitation and permanent financing of Oakwood Villa (“Subject” or “Development”).

DEVELOPMENT & SET-ASIDES									
Development Name:	<u>Oakwood Villa</u>								
RFA/Program Numbers:	<u> </u> / <u> </u>								
Address:	<u>8201 Kona Ave</u>								
City:	<u>Jacksonville</u>	Zip Code:	<u>32211</u>	County:	<u>Duval</u>	County Size:	<u>Large</u>		
Development Category:	<u>Acquisition/Rehab</u>			Development Type:	<u>Quadraplex</u>				
Construction Type:	<u>Concrete</u>								
Demographic Commitment:									
Primary:	<u>Family</u>			for	<u>100%</u>		of the Units		
Unit Composition:									
# of ELI Units:	<u>30</u>	ELI Units Are Restricted to	<u>28%</u>	AMI, or less.	Total # of units with PBRA?	<u>200</u>			

Jacksonville MSA / Duval County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	600	28%			\$338	\$80	\$ 258	\$ 715	\$ 715	\$ 825	\$ 715	\$ 42,900
1	1.0	2	600	50%			\$604	\$80	\$ 524	\$ 715	\$ 715	\$ 825	\$ 715	\$ 17,160
1	1.0	26	600	60%			\$725	\$80	\$ 645	\$ 715	\$ 715	\$ 825	\$ 715	\$ 223,080
2	1.0	20	750	28%			\$406	\$107	\$ 299	\$ 810	\$ 810	\$ 925	\$ 810	\$ 194,400
2	1.0	6	750	50%			\$725	\$107	\$ 618	\$ 810	\$ 810	\$ 925	\$ 810	\$ 58,320
2	1.0	108	750	60%			\$870	\$107	\$ 763	\$ 810	\$ 810	\$ 925	\$ 810	\$ 1,049,760
3	1.0	5	900	28%			\$469	\$130	\$ 339	\$ 930	\$ 930	\$ 1,025	\$ 930	\$ 55,800
3	1.0	2	900	50%			\$837	\$ 130	\$ 707	\$ 930	\$ 930	\$ 1,025	\$ 930	\$ 22,320
3	1.0	26	900	60%			\$1,005	\$ 130	\$ 875	\$ 930	\$ 930	\$ 1,025	\$ 930	\$ 290,160
		200	150,000											\$ 1,953,900

First Housing has reviewed a draft Project-Based Section 8 Housing Assistance Payments (“HAP”) Renewal Contract for a Mark-Up-To- Market Project. The HAP Contract indicates that the renewal contract will begin on the first day of the first month following closing of the loan and will run for a period of twenty (20) years. The HAP Contract includes the contract rents and utility allowances used in the above chart. An executed HAP Contract with the same terms as anticipated in this CUR is a condition to closing.

The appraiser utilized the achievable market rents for the property in the appraisal, since it was assumed that the HAP Contract would be renewed at the higher rents. Since this is a HUD transaction, we are only considering the market valuations for this analysis.

Buildings: Residential - 50 Non-Residential - 1
 Parking: Parking Spaces - 194 Accessible Spaces - 8

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	MMRB	100.0%	200	60%	50
	HC	100.0%	200	60%	30
	SAIL	15.0%	30	28%	34
	SAIL	5.0%	10	50%	34
	SAIL	80.0%	160	60%	34

Absorption Rate 200 units per month for 1.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 95.00%
 Occupancy Comments As of Feb 2017, currently 99.0% occupied.

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: Yes - 30%
 Site Acreage: 15.50 Density: 12.9032 Flood Zone Designation: X
 Zoning: RMD-E, Residential Medium Density Flood Insurance Required?: No

According to the current site plan, the Development has a total of 202 parking spaces of which 8 spaces are designated handicap parking spaces. The appraisal indicates that in order to be compliant with the current zoning requirements, the Development would need to offer 400 parking spaces. First Housing has reviewed a zoning letter from the City of Jacksonville which indicates that since the property no longer conforms to the current zoning regulations, it is considered a legal nonconforming structure. In the case of legal nonconforming structure, repairs not exceeding thirty-five percent of the current just value of the structure may be made in any twelve month period. Receipt of verification that the Development's planned rehabilitation is in conformance with the local zoning requirements is a condition to closing.

The Development currently has a Land Use Restriction Agreement ("LURA") related to a previous SAIL loan. The LURA will be assumed by the Applicant at closing. The set-asides required by the SAIL LURA are detailed in the table above. The original SAIL LURA compliance period has approximately 34 years remaining.

DEVELOPMENT TEAM		
Applicant/Borrower:	SP OV Apartments LLC	% Ownership
Manager	SP OV Manager LLC	
Limited Partner	R4 OV Acquisition LLC	
Construction Completion Guarantor(s):		
CC Guarantor 1:	SP OV Apartments LLC	
CC Guarantor 2:	SP OV Manager LLC	
CC Guarantor 3:	J. David Page	
CC Guarantor 4:	SP and MS LLC	
CC Guarantor 5:	Southport Development Services, Inc. ("Southport")	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	SP OV Apartments LLC	
OD Guarantor 2:	SP OV Manager LLC	
OD Guarantor 3:	J. David Page	
OD Guarantor 4:	SP and MS LLC	
OD Guarantor 5:	Southport	
Bond Purchaser		
Developer:	Southport	
General Contractor 1:	Vaughn Bay Construction, Inc. ("VBC")	
Management Company:	Cambridge Management, Inc. dba Cambridge Management of Washington, Inc.	
Syndicator:	R4 Capital LLC or affiliate ("R4")	
Architect:	Architectonics Studio, Inc.	
Market Study Provider:	Novogradac & Company LLP ("Novogradac")	
Appraiser:	Novogradac	

PERMANENT FINANCING INFORMATION

	1st Source
Lien Position	First
Lender/Grantor	Prudential
Amount	\$14,786,700
Underwritten Interest Rate	3.48%
All In Interest Rate	3.48%
Loan Term	35
Amortization	35
Market Rate/Market Financing LTV	85%
Loan to Cost - Cumulative	63%
Debt Service Coverage	1.15
Operating Deficit & Debt Service Reserves	\$430,000
# of Months covered by the Reserves	5.1

Deferred Developer Fee	\$562,430
As-Is Land Value	\$1,700,000
As-Is Value (Land & Building)	\$9,200,000
Market Rent/Market Financing Stabilized Value	\$17,300,000
Projected Net Operating Income (NOI) - Year 1	\$847,005
Projected Net Operating Income (NOI) - 15 Year	\$942,815
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Public Offering
Housing Credit (HC) Syndication Price	\$0.92
HC Annual Allocation - Equity Letter of Interest	\$828,123

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
First Mortgage	Prudential/HUD	\$14,786,700	\$14,786,700	\$73,934
Seller Note	My Fort Pierce, L.L.C.	\$750,000	\$750,000	\$3,750
Housing Credit Equity	R4	\$5,828,263	\$7,391,226	\$36,956
Deferred Developer Fee	Southport	\$1,695,393	\$562,430	\$2,812
Deferred Reserves	Southport	\$430,000	\$0	\$0
TOTAL		\$23,490,356	\$23,490,356	\$117,452
Cash Collateral Source(s):				
Bonds	JHFA	\$12,700,000		
GRAND TOTAL		\$36,190,356		

Strengths:

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

Other Considerations:

None

Mitigating Factors:

None

Waiver Requests/Special Conditions:

None

Additional Information:

None

Issues and Concerns:

None

Recommendation:

First Housing recommends Tax-Exempt MMRB in an amount up to \$12,700,000 to finance the acquisition/rehabilitation and permanent financing of the Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the MMRB Loan Conditions (Section B).

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

The reader is cautioned to refer to these sections for complete information.

Prepared by:

DRAFT

Taylor Stephens

Junior Credit Underwriter

Reviewed by:

DRAFT

Ed Busansky

Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
First Mortgage	Prudential/ HUD/JHFA	\$13,950,000	\$14,786,700	\$14,786,700	3.475%	\$730,777
Seller Note	My Fort Pierce, L.L.C.	\$0	\$750,000	\$750,000	6.00%	\$45,000
Housing Credit Equity	R4	\$8,961,136	\$6,007,083	\$5,828,263	N/A	N/A
Deferred Developer Fee	Southport	\$1,630,064	\$2,925,282	\$1,695,393	N/A	N/A
Deferred Reserves	Southport	\$0	\$430,000	\$430,000	N/A	N/A
Total		\$24,541,200	\$24,899,065	\$23,490,356		\$775,777

First Mortgage:

The Applicant has requested \$12,700,000 in tax exempt bonds to be issued by JHFA for the acquisition and rehabilitation of the Development. The release of the bond proceeds to fund acquisition and rehabilitation of the Subject will be restricted, contingent upon a like sum being funded to the trustee and placed in a collateral account (cash collateralized at all times). The cash collateral account will be funded from proceeds from the sale of GNMA securities, draws on a warehouse line available to Prudential or other funds of Prudential that do not constitute proceeds of the FHA mortgage. These proceeds will be used to pay off the bonds at construction completion. The bonds will bear interest based on current market conditions. The bond interest rate is currently expected to be 1.50%, for a term of 24 months from closing or their earlier date of redemption. In addition, an annual servicing fee in the amount of 2.3 basis points of the outstanding principal balance shall be due and an annual compliance fee in the amount of 4 basis points of the original bond amount shall be due. Since the bonds will be paid off prior to the end of the qualified project period, the compliance fee will be set at the minimum of \$3,024 until the period has ended. The bonds will be fully drawn at closing and funded to the Trustee. The FHA first mortgage will be fully funded at closing as well.

First Housing has reviewed a commitment letter from HUD, dated January 13, 2017, which indicates a loan amount of up to \$14,786,700. The term of the loan will be thirty-five (35) years and amortization will occur on a 35-year schedule. The commitment letter indicates that the current permanent interest rate will be 3% per annum plus a mortgage insurance premium ("MIP") percentage rate of 0.25%. First Housing has reviewed a letter from Prudential, dated May 12, 2017, which indicates that the interest rate for the FHA loan has been locked. According to the letter, the loan has been placed with an interest rate of 3.225%. Including the MIP rate, the overall interest rate is 3.475%.

First Housing also received a firm commitment extension letter which extends the above referenced commitment until July 12, 2017.

Seller Note:

First Housing received a draft Surplus Cash Note between SP OV Apartments, LLC and My Fort Pierce, L.L.C. ("Seller"). In the Note, the Applicant promises to pay to the Seller the sum of \$750,000. The loan will bear interest at 6% per annum and will be payable annually, commencing on July 1, 2018, and thereafter on the first day of July until the entire debt has been paid. Any interest not so paid shall not create any default in the terms of the Note, but shall accrue and be payable in full on the maturity date. The maturity date of the Note shall be six months after the first mortgage maturity date. The Note also indicates that payments will be based on 75% of available Surplus Cash. An executed Surplus Cash Note with the same terms as described above is a condition to closing.

Housing Credit Equity:

First Housing has reviewed a Schedule A, dated May 15, 2017, provided by R4. According to the Schedule, the annual HC allocation is estimated to be in the amount of \$828,123 and the syndication rate is \$0.92 per dollar. R4 anticipates a net capital contribution of \$7,618,000 and has committed to make available \$6,007,083 or 78.85% of the total net equity during construction. An additional \$1,610,917 will be available after construction completion, stabilization, and upon receipt of the Form 8609.

First Housing has estimated that based on the current eligible basis, the project will receive annual HC allocation of \$803,474. Utilizing the same syndication rate of \$0.92, First Housing estimates that the total capital contribution will be \$7,391,226. Using the same pay-in schedule depicted in Schedule A, First Housing estimates that \$5,828,263 in equity proceeds will be available during construction, with an additional \$1,562,963 available after construction completion, stabilization, and upon receipt of 8609s.

Deferred Reserves:

To balance the sources and uses of fund during construction, the Developer is required to defer 100% of the Operating Deficit Reserves, or \$430,000.

Deferred Developer Fee:

During construction, the Developer will be required to defer 91.64% of the Developer Fee which is not being used to pay for the land acquisition or \$1,695,393.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
First Mortgage	Prudential/HUD	\$13,950,000	\$14,786,700	\$14,786,700	35	35	3.475%	\$730,777
Seller Note	My Fort Pierce, L.L.C.	\$0	\$750,000	\$750,000	0	0	6.00%	\$45,000
Housing Credit Equity	R4	\$8,961,136	\$7,692,129	\$7,391,226	N/A	N/A	N/A	N/A
Deferred Developer Fee	Southport	\$1,630,064	\$1,657,735	\$562,430	N/A	N/A	N/A	N/A
Total		\$24,541,200	\$24,886,564	\$23,490,356				\$775,777

First Mortgage:

First Housing has reviewed a commitment letter from HUD, dated January 13, 2017, which indicates a loan amount of up to \$14,786,700. The term of the loan will be thirty-five (35) years and amortization will occur on a 35-year schedule. The permanent interest rate will be 3% per annum plus a mortgage insurance premium percentage rate of 0.25%. First Housing has reviewed a letter from Prudential, dated May 12, 2017, which indicates that the interest rate for the FHA loan has been locked. According to the letter, the loan has been placed with an interest rate of 3.225%. Including the MIP rate, the overall interest rate is 3.475%.

First Housing also received a firm commitment extension letter which extends the above referenced commitment until July 12, 2017.

Seller Note:

First Housing received a draft Surplus Cash Note between SP OV Apartments, LLC and My Fort Pierce, L.L.C. ("Seller"). In the Note, the Applicant promises to pay to the Seller the sum of \$750,000. The loan will bear interest at 6% per annum and will be payable annually, commencing on July 1, 2018, and thereafter on the first day of July until the entire debt has been paid. Any interest not so paid shall not create any default in the terms of the Note, but shall accrue and be payable in full on the maturity date. The maturity date of the Note shall be six months after the first mortgage maturity date. The Note also indicates that payments will be based on 75% of available Surplus Cash. An executed Surplus Cash Note with the same terms as described above is a condition to closing.

Housing Credit Equity:

The Applicant will apply to Florida Housing Finance Corporation ("FHFC") to receive 4% Housing Credits directly from the U.S. Treasury in conjunction with tax exempt financing.

Based on Schedule A, dated May 15, 2017, R4 will provide HC equity as follows:

Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$1,523,600	20.00%	Admission of the Investor to the Company
2nd Installment	\$3,199,560	42.00%	Latest of 50% Completion or January 1, 2018
3rd Installment	\$1,283,923	16.85%	Latest of 99% Completion or June 1, 2018
4th Installment	\$1,180,917	15.50%	Latest of Rental Achievement or May 1, 2019
5th Installment	\$430,000	5.64%	May 1, 2024
Total	\$7,618,000	100.00%	

Annual Credit Per Syndication Agreement \$828,123

Calculated HC Exchange Rate \$0.92

Limited Partner Ownership Percentage 99.99%

Proceeds Available During Construction \$6,007,083

First Housing has also received a letter of interest from R4, dated March 23, 2017, which indicates that a maximum supplemental capital contribution of \$374,000 will be distributed to the Applicant if the federal corporate income tax rate does not change from 35% to 20% prior to January 1, 2018. Based on an email from R4, dated May 16, 2017, this term has not changed.

First Housing has estimated that based on the current eligible basis, the project will receive annual HC allocation of \$803,474. Utilizing the same syndication rate of \$0.92, First Housing estimates that the total capital contribution will be \$7,391,226, which is utilized in the permanent uses table above.

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent phase, the Developer is required to defer 30.40% of the Developer Fee or \$562,430.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Rehab of Existing Rental Units	\$6,300,000	\$6,449,471	\$6,054,476	\$30,272
Site Work	\$0	\$0	\$394,995	\$1,975
Constr. Contr. Costs subject to GC Fee	\$6,300,000	\$6,449,471	\$6,449,471	\$32,247
General Conditions	\$882,000	\$902,925	\$128,988	\$645
Overhead	\$0	\$0	\$386,968	\$1,935
Profit	\$0	\$0	\$386,968	\$1,935
Total Construction Contract/Costs	\$7,182,000	\$7,352,396	\$7,352,395	\$36,762
Hard Cost Contingency	\$718,200	\$644,947	\$735,239	\$3,676
PnP Bond paid outside Constr. Contr.	\$98,753	\$73,524	\$73,524	\$368
FF&E paid outside Constr. Contr.	\$0	\$10,000	\$10,000	\$50
Total Construction Costs:	\$7,998,953	\$8,080,867	\$8,171,158	\$40,856

Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract dated November 2, 2016, in the amount of \$7,352,395.37. This is a Standard Form of Agreement between SP OV Apartments LLC ("Owner") and Vaughn Bay Construction Inc. ("Contractor") where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price. Per the contract, substantial completion is to be achieved by no later than July 30, 2018. The Owner will make monthly progress payments to the Contractor, based upon Applications for Payment approved by the Architect. The contract calls for a minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and no retainage thereafter.
2. Hard Cost Contingency was included at 10% of the construction contract, which is less than the maximum of 15% of the total construction costs.
3. The General Contractor fee is within the maximum 14% of hard costs allowed. The GC fee stated herein is for credit underwriting purposes only, and the final GC fee will be determined pursuant to the final cost certification process.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	\$30,000	\$25,000	\$25,000	\$125
Appraisal	\$5,000	\$5,000	\$4,000	\$20
Architect's Fee - Site/Building Design	\$162,500	\$162,500	\$162,500	\$813
Building Permits	\$79,002	\$79,973	\$79,973	\$400
Builder's Risk Insurance	\$25,000	\$12,500	\$12,500	\$63
Capital Needs Assessment/Rehab	\$0	\$0	\$3,650	\$18
Engineering Fees	\$35,000	\$40,000	\$40,000	\$200
Environmental Report	\$15,000	\$15,000	\$15,000	\$75
FHFC Administrative Fees	\$81,000	\$81,000	\$72,325	\$362
FHFC Application Fee	\$6,000	\$0	\$3,000	\$15
FHFC Credit Underwriting Fee	\$12,500	\$12,500	\$11,696	\$58
FHFC Compliance Fee	\$200,000	\$138,843	\$141,736	\$709
Lender Inspection Fees / Const Admin	\$12,500	\$76,700	\$76,700	\$384
Insurance	\$95,000	\$95,000	\$95,000	\$475
Legal Fees - Organizational Costs	\$222,500	\$177,500	\$177,500	\$888
Market Study	\$5,000	\$5,000	\$4,500	\$23
Plan and Cost Review Analysis	\$17,500	\$15,000	\$2,400	\$12
Property Taxes	\$45,000	\$20,000	\$20,000	\$100
Survey	\$15,000	\$10,000	\$10,000	\$50
Tenant Relocation Costs	\$0	\$112,500	\$112,500	\$563
Title Insurance and Recording Fees	\$105,000	\$72,500	\$72,500	\$363
Soft Cost Contingency	\$100,000	\$100,000	\$59,374	\$297
Other: Tax and Insurance Escrow	\$25,000	\$45,000	\$45,000	\$225
Total General Development Costs:	\$1,293,502	\$1,301,516	\$1,246,854	\$6,234

Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: FHFC Credit Underwriting, FHFC Application Fee, Market Study, Plan and Cost Review, and Capital Needs Assessment.
3. The FHFC Administrative Fee is based on 9% of the expected annual HC allocation of \$803,474. This amount is subject to changed based on credit underwriting for FHFC.
4. The FHFC HC Compliance Fee is based on a 30 year set-aside period.
5. First Housing adjusted the Soft Cost Contingency to be 5% of the General Development Costs less the contingency, as allowed for rehabilitation developments.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Origination Fee	\$139,500	\$0	\$0	\$0
Construction Loan Commitment Fee	\$41,850	\$44,360	\$0	\$0
Construction Loan Closing Costs	\$5,000	\$0	\$0	\$0
Construction Loan Interest	\$95,000	\$155,884	\$433,501	\$2,168
Permanent Loan Origination Fee	\$139,500	\$221,801	\$221,801	\$1,109
Permanent Loan Closing Costs	\$5,000	\$5,000	\$5,000	\$25
Local HFA Application Bond Fee	\$0	\$8,000	\$10,500	\$53
Local HFA Bond Underwriting Fee	\$0	\$0	\$13,970	\$70
Local HFA Bond Cost of Issuance	\$225,000	\$279,300	\$269,025	\$1,345
Placement Agent/Underwriter Fee	\$65,000	\$0	\$0	\$0
FHA MIP (Prepayment)	\$100,000	\$36,967	\$36,967	\$185
FHA Exam Fee	\$0	\$0	\$44,360	\$222
Other: Misc	\$25,000	\$0	\$0	\$0
Other: One Month Reserves	\$5,000	\$0	\$0	\$0
Other: Equity Warehouse	\$0	\$52,000	\$52,000	\$260
Other: Local HFA Redemption Fee	\$0	\$95,250	\$95,250	\$476
Total Financial Costs:	\$845,850	\$898,562	\$1,182,374	\$5,912
Dev. Costs before Acq., Dev. Fee & Reserves	\$10,138,305	\$10,280,945	\$10,600,386	\$53,002

Notes to the Financial Costs:

1. The Construction Loan Interest is based on 13 month construction period, an interest rate of 1.50%, and an outstanding bond balance of \$12,700,000. Construction loan interest also includes thirteen months of the required monthly HUD loan payments of \$60,898. First Housing has assumed that a portion of the required HUD loan payments can be paid from available cash flow during construction. First Housing has netted \$564,549 from the required HUD loan payments. This amount represents the projected cash flow during construction assuming the Development operates at 80% occupancy.
2. The Local HFA Bond Application Fee is comprised of a \$7,500 application fee and a \$3,000 feasibility analysis fee.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Building Acquisition Cost	\$9,400,000	\$9,400,000	\$7,500,000	\$37,500
Developer Fee on Non-Land Acq. Costs	\$1,692,000	\$1,692,000	\$1,350,000	\$6,750
Total Non-Land Acquisition Costs:	\$11,092,000	\$11,092,000	\$8,850,000	\$44,250

Notes to the Non-Land Acquisition Costs:

1. First Housing reviewed a Purchase and Sale Agreement between My Fort Pierce, L.L.C. ("Seller") and SP OV Apartments, LLC ("Purchaser"). The purchase price is \$10,400,000 with a closing date of on or before December 2016. First Housing also received an Amendment to Purchase and Sale Agreement, a Second Amendment to Purchase and Sale

Agreement, a Third Amendment to Purchase and Sale Agreement, and a Fourth Amendment to Purchase and Sale Agreement. The closing date has been extended and is currently to occur on or before June 30, 2017. The Third Amendment to Purchase and Sale Agreement also recognizes that a Seller Note will be provided in the amount of \$750,000. The Fourth Amendment to Purchase and Sale Agreement indicates that in the event the HUD loan is not funded within 5 business days after recording of documents, then the Purchase shall re-convey the property to the Seller.

- The Subject's hypothetical leased fee market value assuming achievable market rents "As Is" as of September 14, 2016 is \$9,200,000. The difference between the purchase price and the appraised value has been included as a subset of Developer fee in the below chart.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$1,860,895	\$1,886,120	\$499,969	\$2,500
DF to Excess Bldg Acquisition Costs	\$0	\$0	\$1,400,000	\$7,000
Total Other Development Costs:	\$1,860,895	\$1,886,120	\$1,899,969	\$9,500

Notes to the Developer Fee:

- The total other development costs represents the portion of the recommended Developer Fee which is the difference between the purchase price and the appraised value. The recommended Developer fee does not exceed 18% of total development cost before developer fee, operating deficit reserves and escrows.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Brokerage Fees - Land	\$200,000	\$200,000	\$200,000	\$1,000
Land Acquisition Cost	\$1,000,000	\$1,000,000	\$1,500,000	\$7,500
Total Acquisition Costs:	\$1,200,000	\$1,200,000	\$1,700,000	\$8,500

Notes to Acquisition Costs:

- First Housing reviewed a Purchase and Sale Agreement between My Fort Pierce, L.L.C. ("Seller") and SP OV Apartments, LLC ("Purchaser"). The purchase price is \$10,400,000 with a closing date of on or before December 2016. First Housing also received an Amendment to Purchase and Sale Agreement, a Second Amendment to Purchase and Sale Agreement, a Third Amendment to Purchase and Sale Agreement, and a Fourth Amendment to Purchase and Sale Agreement. The closing date has been extended and is

currently to occur on or before June 30, 2017. The Third Amendment to Purchase and Sale Agreement also recognizes that a Seller Note will be provided in the amount of \$750,000. The Fourth Amendment to Purchase and Sale Agreement indicates that in the event the HUD loan is not funded within 5 business days after recording of documents, then the Purchase shall re-convey the property to the Seller.

- The appraiser valued the vacant land at \$1,700,000. Therefore First Housing has applied \$1,700,000 of the total purchase price to the land acquisition cost.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserve (Syndicator)	\$250,000	\$430,000	\$430,000	\$2,150
Replacement Reserves (Lender)	\$0	\$10,000	\$10,000	\$50
Total Reserve Accounts:	\$250,000	\$440,000	\$440,000	\$2,200

- An Operating Deficit Reserve (“ODR”) in an amount estimated to be \$430,000 is required by R4. The ODR will be funded from the fifth capital contribution of the equity proceeds.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	\$24,541,200	\$24,899,065	\$23,490,356	\$117,452

Notes to Total Development Costs:

- The total development costs have decreased by \$1,050,844 or 4.3%, from \$24,541,200 to \$23,490,356 since the Application. This is mainly due to a reduction in the building and land purchase price based on the appraised value of the property.

Operating Pro Forma – Oakwood Villa

FINANCIAL COSTS:				Year 1	Year 1 Per Unit
OPERATING PRO FORMA					
INCOME:	Gross Potential Rental Income			\$1,953,900	\$9,770
	Other Income				
	Ancillary Income			\$6,000	\$30
	Gross Potential Income			\$1,959,900	\$9,800
	Less:				
	Physical Vac. Loss	Percentage:	3.00%	\$58,797	\$294
	Collection Loss	Percentage:	2.00%	\$39,198	\$196
Total Effective Gross Income				\$1,861,905	\$9,310
EXPENSES:	Fixed:				
	Real Estate Taxes			\$193,024	\$965
	Insurance			\$70,000	\$350
	Other				\$0
	Variable:				
	Management Fee	Percentage:	4.00%	\$74,476	\$372
	General and Administrative			\$100,000	\$500
	Payroll Expenses			\$177,400	\$887
	Utilities			\$150,000	\$750
	Maintenance and Repairs/Pest Control			\$190,000	\$950
	Reserve for Replacements			\$60,000	\$300
Total Expenses				\$1,014,900	\$5,075
Net Operating Income				\$847,005	\$4,235
Debt Service Payments					
First Mortgage - HUD/Prudential/JHFA				\$730,777	\$3,654
Second Mortgage - Seller Note				\$45,000	\$225
First Mortgage Fees -				\$3,024	\$15
Total Debt Service Payments				\$778,801	\$3,894
Cash Flow after Debt Service				\$68,204	\$341
Debt Service Coverage Ratios					
DSC - First Mortgage plus Fees				1.15x	
DSC - First and Second Mortgages plus Fees				1.09x	
DSC - All Mortgages and Fees				1.09x	
Financial Ratios					
Operating Expense Ratio				54.51%	
Break-even Economic Occupancy Ratio (all debt)				91.72%	

Notes to the Operating Pro Forma and Ratios:

- Under the JHFA Bond Program, the Applicant has committed to set aside 40% of the units (80 units) at 60% AMI for 50 years. The Applicant has also committed to set aside

100% of the units at 60% AMI for 30 years under the HC program. Below is the rent roll for the subject property:

Jacksonville MSA, Duval County, FL

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	5	600	28%			\$338	\$80	\$ 258	\$ 715	\$ 715	\$ 825	\$ 715	\$ 42,900
1	1.0	2	600	50%			\$604	\$80	\$ 524	\$ 715	\$ 715	\$ 825	\$ 715	\$ 17,160
1	1.0	26	600	60%			\$725	\$80	\$ 645	\$ 715	\$ 715	\$ 825	\$ 715	\$ 223,080
2	1.0	20	750	28%			\$406	\$107	\$ 299	\$ 810	\$ 810	\$ 925	\$ 810	\$ 194,400
2	1.0	6	750	50%			\$725	\$107	\$ 618	\$ 810	\$ 810	\$ 925	\$ 810	\$ 58,320
2	1.0	108	750	60%			\$870	\$107	\$ 763	\$ 810	\$ 810	\$ 925	\$ 810	\$ 1,049,760
3	1.0	5	900	28%			\$469	\$130	\$ 339	\$ 930	\$ 930	\$ 1,025	\$ 930	\$ 55,800
3	1.0	2	900	50%			\$837	\$ 130	\$ 707	\$ 930	\$ 930	\$ 1,025	\$ 930	\$ 22,320
3	1.0	26	900	60%			\$1,005	\$ 130	\$ 875	\$ 930	\$ 930	\$ 1,025	\$ 930	\$ 290,160
		200	150,000											\$ 1,953,900

- The appraisal estimates a total vacancy loss of 3.00% for the restricted Section 8 scenario, since the appraisal assumes that collection loss for this scenario will be negligible. However, the appraisal estimates a vacancy and collection loss of 5% for the restricted LIHTC and unrestricted scenarios. First Housing has utilized a 5% vacancy and collection loss in order to be conservative.
- Other Income is typically comprised of revenue from late charges, community laundry facilities, and other tenant charges. Total other income of \$30 per unit/per year is supported by the appraisal.
- Based upon operating data from comparable properties, third-party reports (appraisal and market study) and the First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
- The Applicant has submitted a draft Management Agreement which reflects a management fee of 4% of the gross rental income actually collected during the month. The appraisal utilized a management fee of 6% for the restricted scenario and 5% for the unrestricted scenario. First Housing has utilized a management fee of 4% based on the draft management agreement.
- The tenant is responsible for electric. The landlord is responsible for water, sewer, trash expenses and pest control.
- Utility expenses for the development are expected to decrease since the rehabilitation includes plumbing upgrades and energy efficient fixtures including new low flow toilets, showerheads, and faucets.
- Replacement Reserves of \$300 per unit per year are recommended. Based on the replacement reserve table, the inflated capital costs from year 1 through year 10 is

approximately \$87,703. This would require deposits of \$44 per unit per year; therefore, First Housing has recommended that the minimum requirements of \$300 be utilized.

9. Refer to Exhibit I, Page 1 for a 15-Year Pro Forma, which reflects rental income increasing at an annual rate of 2%, and expenses are increasing at an annual rate of 3%.

Section B

MMRB Loan Conditions

Special Conditions

This recommendation is contingent upon the review and approval of the following items by JHFA, its Counsel, and First Housing **at least 30 days prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the Note pricing date and/or closing date. For competitive Note sales, these items must be reviewed and approved prior to issuance of the notice of Note sale:

1. Satisfactory receipt and review of updated financials within 90 days of closing, or audited financials for the last fiscal year end for the Guarantors and the Developer.
2. Receipt and satisfactory review of final signed, sealed “approved for construction” plans and specifications by the construction consultant and the Servicer.
3. An executed Surplus Cash Note with terms consistent with the CUR.
4. Firm loan commitment from Prudential which indicate first mortgage loan terms that are consistent with this report, if available.
5. Receipt and satisfactory review of the final interest rate on the bonds during the construction period.
6. Receipt of verification that the Development’s planned rehabilitation is in conformance with the local zoning requirements.
7. Compliance with the Operations and Maintenance Plan produced by Greenfield Environmental, Inc., dated July 15, 2015, will be required during construction.
8. Receipt and satisfactory review of the assignment and assumption related to the SAIL LURA.
9. An executed HAP Contract with the same terms as anticipated in this CUR.
10. After final uses are confirmed during closing, if developer equity is still required to balance the sources and uses, then the full amount of the equity required must be deposited with the Trustee.
11. Any other reasonable requirements of the Servicer, JHFA, or its legal counsel.

General Conditions

This recommendation is contingent upon the review and approval of the following items by JHFA, its Counsel, and First Housing **at least 30 days prior to Real Estate Loan Closing**. Failure to submit and to receive approval of these items within this time frame may result in postponement of the closing date:

1. Payment of any outstanding arrearages to JHFA, its legal counsel, or the Servicer.
2. GLE is to act as construction inspector during the construction phase.
3. At all times there will be undisbursed loan funds (collectively held by JHFA, the first mortgage lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development Costs or to deposit additional equity with JHFA which is sufficient (in JHFA's judgment) to complete the Development before additional loan funds are disbursed. This condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to JHFA in its sole discretion.
4. During construction/ rehabilitation, the Developer is only allowed to draw a maximum of 50% of the total Developer fee but in no case more than the payable Developer fee during construction/rehabilitation, which is determined to be "Developer's overhead". No more than 35% of "Developer's overhead" will be funded at closing. The remainder of the "Developer's overhead" will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the development, as approved and reviewed by JHFA and the Servicer. The remaining unpaid Developer fee (if applicable) shall be considered attributable to "Developer's profit", and may not be funded until the development has achieved 100% lien free completion, and only after retainage has been released.
5. Signed and sealed survey, dated within 90 days of loan closing, unless otherwise approved by JHFA, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to JHFA, Florida Housing, and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of JHFA.

6. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, the Water Management District, Department of Transportation, etc.) or a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.
7. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report must be bound within the final plans and specifications, if applicable.
8. Final sources and uses of funds schedule itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction loan interest based upon the final draw schedule, documentation of the closing costs, and draft loan closing statement must also be provided.
9. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. The closing draw must include appropriate backup and ACH wiring instructions.
10. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting JHFA as Loss Payee/Mortgagee, with coverage, deductibles, and amounts satisfactory to JHFA.
11. A 100% Payment and Performance Bond or a Letter of Credit (LOC) in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the GC and the Borrower. In either case, JHFA must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-" by A.M. Best & Co with a financial size category of at least FSC VI. FHFC, and/or legal counsel must approve the source, amount(s) and all terms of the P&P bonds, or LOC. If the LOC option is utilized, the LOC must include "evergreen" language and be in a form satisfactory to FJHFA, its Servicer and its Legal Counsel.
12. Architect, Construction Consultant, and Developer Certifications will be required for both design and as built with respect to Section 504 of the Rehabilitation Act, Americans with Disabilities Act, and the Federal Fair Housing Act requirements, if applicable.

13. Borrower is to comply with any and all recommendations noted in the Plan and Cost Review prepared by GLE.
14. 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 JHFA debt; if there is no JHFA loan debt on the Development at the end of the compliance period, any remaining balance shall be used to pay any outstanding JHFA 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 amount to the Applicant or the Developer from the Reserve account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations. Any and all terms and conditions of the ODR must be acceptable to JHFA, its Servicer, and its legal counsel.

This recommendation is contingent upon the review and approval by JHFA, and its legal counsel, and Servicer **at least 30 days prior to Real Estate Loan Closing**. Failure to receive approval of these items, along with all other items listed on Florida Housing counsel's due diligence, within this time frame may result in postponement of the loan closing date.

1. Award of HC and purchase of HC by R4 or an affiliate under terms consistent with the assumptions of this report.
2. An acceptable updated Environmental Audit Report, together with a reliance letter to JHFA and FHFC, prepared within 90 days of closing, unless otherwise approved by JHFA, and legal counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations and remediation restrictions noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable.
3. JHFA and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. JHFA shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.
4. UCC Searches for the Borrower, its partnerships, as requested by counsel.

Additional Conditions

This recommendation is also contingent upon satisfaction of the following additional conditions:

1. The operating agreement from R4 or an affiliate shall be in a form and of financial substance satisfactory to JHFA, JHFA's Counsel and FHDC.
2. All amounts necessary to complete construction must be deposited with the Fiscal Agent prior to closing, or any phased HC Equity pay-in amount necessary to complete construction shall be contingent upon an obligation of the entity providing payments, regardless of any default under any documents relating to the HC's, as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 15% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by the Credit Underwriter) shall be deposited with the Fiscal Agent at the MMRB Loan closing unless a lesser amount is approved by JHFA prior to closing. If bridge loan proceeds are used in lieu of HC equity funding during construction, said loan must close simultaneously or prior to the MMRB loan, and sufficient amounts will be drawn from the bridge loan at MMRB Loan closing in order to satisfy the 15% requirement.
3. Guarantors to provide the standard JHFA Construction Completion Guarantee, to be released upon lien-free completion, as approved by the Servicer.
4. For the MMRB, Guarantors are to provide the standard JHFA Operating Deficit Guarantee. If requested in writing by the Applicant, 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 ratio on the MMRB Loan as determined by the Corporation or its agent and 90 percent occupancy and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all certified by an independent Certified Public Accountant, and verified by the Credit Underwriter. The calculation of the debt service coverage ratio shall be made by the Corporation or its agent. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.
5. Guarantors to provide the Standard JHFA Environmental Indemnity.
6. Guarantors to provide the Standard JHFA Guaranty of Recourse Obligations.
7. Property tax and hazard insurance escrow are to be established and maintained by the First Mortgagee Lender, Trustee, or the Servicer. In the event the reserve account is held by JHFA's Loan(s) servicing agent, the release of funds shall be at JHFA's sole discretion.

8. Replacement Reserves in the amount of \$300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee or JHFA's Loan(s) servicing agent.
9. A minimum of 10% retainage holdback on all construction draws until the Development is 50% complete, and 0% retainage thereafter is required. The GC contract indicates a 10% retainage holdback through 50% completion then no further retainage holdback thereafter, which satisfies the minimum requirement.
10. Closing of all funding sources prior to or simultaneous with the MMRB loan.
11. Any other reasonable requirements of the Servicer, JHFA, or its legal counsel.

Section C

Supporting Information & Schedules

Additional Development & Third Party Supplemental Information

Site Inspection:	<p>First Housing conducted a site inspection on May 3, 2017. At the time of the inspection the property was in poor condition. The property is located in a mixed use area. Directly west of the property is another Section 8 multifamily housing apartment complex in fair condition. Directly south of the complex is a community park and an elementary school. Directly north and east of the Subject was vacant land. The remaining surrounding area to the south east and south west is single family residential homes in fair condition. A variety of shopping and dining locations are within 4 miles of the Development. Overall, the development seems to be well positioned for a family demographic.</p>
Appraised Value:	<p>First Housing reviewed an appraisal of the Development, dated September 14, 2016 (Effective Date), prepared by Novogradac. The estimated market value of the fee simple interest in the Subject “as if vacant and encumbered”, free and clear of financing, as of September 14, 2016 is \$1,700,000. The Subject’s leased fee market value assuming current Section 8 encumbrances “As Is”, as of September 14, 2016 is \$7,700,000. The hypothetical leased fee market value of the real estate assuming achievable market rents “As Is”, as of September 14, 2016 is \$9,200,000. The hypothetical leased fee market value of the real estate assuming achievable market rents “as proposed”, as of September 14, 2016, is \$17,300,000. The Market Valuation was signed by Rana Barnes. Her Florida Temporary Practice Permit number is 6936.</p>
Market Study:	<p>Novogradac prepared a market study for the Development property, dated September 14, 2016 (effective date). The subject is located at 8201 Kona Avenue in Jacksonville, Florida. The subject site is irregular in shape and contains 15.50 acres.</p> <p>The Development consists of 200 apartment units within fifty (50), two-story garden style apartment buildings. Unit amenities includes dishwasher, garbage disposal, microwave, oven, refrigerator, and washer/dryer hookups. Common Amenities includes computer lab/center, car wash, community room, exercise facility, central laundry, picnic area, playground, and volleyball court.</p>

The Development's immediate surroundings is primarily residential. Oak Hammock is a Section 8 multifamily property immediately west of the subject and single-family homes are to the southwest and south east of the subject. Immediately south of the Subject is a public park and Woodland Acres elementary School. Immediately east of the Subject is an electric transformer substation and vacant wooded land. North of the Subject is a strip of vacant land, Royal Estates Apartments, and Arlington Expressway. Improvement surrounding the Subject range in condition from fair to good. Health services, schools, shopping, public transportation, and major employers are located in close proximity to the subject. The Subject is accessible from Kona Avenue, North Bowlan Street, and Acme Street, which are light to moderately traveled neighborhood streets with two lanes. The Subject is located deep in a residential neighborhood; therefore, it has limited accessibility and light traffic flow.

The Jacksonville International Airport (JAX) is located approximately 12.5 miles northwest of the Development. JAX is served by airlines such as Allegiant Air, American Airlines, Delta Air Lines, Jet Blue Airways, Southwest Airlines, and United Airlines. The closest public transit bus stop is located at the intersection of Kona avenue and north Bowlan Street, adjacent to the Subject.

The Jacksonville area is served by Baptist Medical Venter, an 884-bed hospital located 5.7 miles west of the Subject. This general medical and surgical facility featured 39,762 admissions in the most recent year reported. In addition, the University of North Florida, a public university, is located roughly seven miles southeast of the Development. The University of North Florida offers 53 undergraduate degree programs and 28 graduate degree programs, organized into five colleges. The university enrolls roughly 16,134 students per year.

The Development is located in the Jacksonville, FL Metropolitan Statistical Area ("Jacksonville MSA").

The Primary Market Area (PMA) is generally defined as Fort Caroline Road to the north, Highway 113 and 115 to the east, Highway 90 to the south and Highway 109 to the west. This area was

defined based on Novogradac's interviews with local participants and local property managers, including the Subject's. Many of the local property managers indicated that most residents originated from the local area but stated that a small percentage of tenants also come from various points within Jacksonville and surrounding communities. Therefore, Novogradac has estimated that 10% of the tenants come from outside the PMA boundaries.

The 2016 population of the PMA was 57,730 which grew 0.8% annually since 2010 and is expected to grow 1% annually until 2021. The project population of the PMA for 2021 is 60,613. The PMA population has increased at lower rates compared to Jacksonville, but is similar to the growth rates of the nation between 2010 and 2016. The growth rate of the PMA is expected to exceed the nation's growth rate between 2016 and 2021.

Total employment in the MSA has increased eight of the past ten years, with decreases in 2008 and 2009. Total employment decreased 5.2% in 2009, due to the national recession. Comparatively, the nation increased seven of the past ten years, with decreases in 2008 through 2010, and a total decrease of 3.8% in 2009. Total employment in the MSA increased 2.8% from August 2015 to August 2016, while employment in the nation as a whole increased 1.7% over the same time period.

The unemployment rate for Duval county was 4.8% in February 2017. The statewide unemployment rate was 4.8% while the national unemployment rate was 4.7%.

Novogradac estimates that there are a total of 2,735 income eligible renter households in the PMA. The Subject would need to capture 6.9% of these households in order to stabilize at 95% occupancy in the LIHTC- only scenario. For the scenario assuming Section 8 subsidies, the Subject would need to capture 2.5% of the eligible households in the PMA in order to stabilize at 95% occupancy. However, this analysis is hypothetical since the Subject is currently operating at stabilized occupancy.

According to the Florida Housing Finance Corporation's website, there are no FHFC Guarantee Fund Development within a five-mile radius of the Subject.

There are thirteen LIHTC comparable properties in the submarket. Only ten of thirteen properties provided occupancy rates; therefore, the overall weighted average physical occupancy of the ten LIHTC comparables is 96.0%. There are six market rate comparable properties which have an overall weighted average occupancy of 95%. Overall, the weighted average physical occupancy of the comparables is 95.5%, which meets the FHFC requirement that the submarket must have an average physical occupancy rate of 92.0% or greater.

The Development's achievable market rents will have a rent advantage averaging 121% when compared to the Development's highest proposed LIHTC rents. As required by FHFC, the average market rental rate in the submarket based on unit mix and annualized rent concessions is 110% or greater of the applicable maximum housing credit rental rate.

Environmental Report: First Housing reviewed a Phase I Environmental Site Assessment ("ESA") dated April 18, 2017, prepared by Dominion Due Diligence Group ("D3G") and prepared in conformance with the scope and limitations of ASTM Practice E 1527-13. The apartment community is developed with a total of 50 two-story apartment buildings. The facility was constructed in 1972, during a time of asbestos containing building material usage. An accredited asbestos inspector visited the site and collected appropriate samples. Based on the report, friable and non-friable asbestos was found at the Development site. Asbestos containing materials which are to be impacted by renovation activities should be removed by a licensed asbestos abatement contractor in accordance with applicable regulations. Any remaining asbestos containing materials should be managed under the existing site-specific Operations and Maintenance Plan produced by Greenfield Environmental, Inc., dated July 15, 2015. Additionally a lead-based paint inspection was performed by Greenfield Environmental in May 2015. The results of the inspection indicate that none of the sampled components contained lead-based paint.

The Phase I ESA revealed no evidence of Recognized Environmental Conditions (“REC”) with respect to the Site. The following were noted at the site, but are not considered a REC or an environmental concern:

- JEA Oakwood Villa Pump, located adjacent to the east-northeast and topographically down-gradient from the subject property, is listed as a UST and AST facility involving one 2,000-gallon diesel in use AST, one 500-gallon diesel removed AST, and one 2,000-gallon diesel removed UST. Petroleum releases have not been reported at the UST and AST facility. Based on the current regulatory status and lack of reported releases, as well as the topographic relationship, D3G has determined that the regulatory file for the adjacent UST and AST facility is not warranted.
- Jacksonville Electric Authority, located adjacent to the east-southeast and topographically down-gradient from the subject property, is listed as a RCRA conditionally exempt small quantity generator of hazardous waste. No handling violations are listed in the EDR report. Based on the current regulatory status, topographic relationship, and lack of handling violations, D3G has determined that the regulatory file for the adjacent RCFA facility is not warranted.
- Ranger Transportation Inc. located adjacent to the north-northwest and topographically cross-gradient from the subject property, is listed as a RCRA NON GEN and FL SITE. No handling violations are listed in the EDR report. The FL SITE is for hazardous waste and associated with the RCRA. Based on the current regulatory status and the lack of handling violations, D3G has determined that the regulatory file for the adjacent RCRA NON GEN facility is not warranted.
- Located at the subject property is a propane underground storage tank which is utilized to fuel the dryers in the laundry room. Propane is not an environmental hazard; however, it is an explosion hazard due to its extreme flammability. Based on observed subject property conditions, the propane UST is not suspected to present an environmental concern to the subject property.
- Paint and cleaning supplies are stored in the maintenance areas. None of the stored materials were observed to be leaking

or to have had signs of major spillage. No floor drains or other potential receptors for the release of hazardous materials were observed within the areas of material storage. The on-site chemicals are commercially available, stored in limited quantities, and are not believed to present an environmental concern to the subject property.

- Located at exterior locations of the property are ten pad-mounted electrical transformers which are owned and maintained by Jacksonville Electric Authority. Several of the on-site electrical transformers were affixed with “Non-PCB” stickers. The remaining on-site electrical transformers were not affixed with “Non-PCB” stickers and are therefore assumed to contain regulated levels of PCBs. However, leakage was not visually observed on or around the transformers and in their current physical condition, they are not believed to present environmental concerns to the subject property.
- Various dumped debris was observed throughout the subject property. The dumped debris was observed in de minimis amounts and is considered non-hazardous in nature. Based on the non-hazardous nature and the de minimis amounts, the on-site dumped debris is not suspected to present an environmental concern to the subject property.

Physical Needs
Assessment:

First Housing reviewed a Physical Needs Assessment (“PNA”), dated April 28, 2017, prepared by GLE. Oakwood Villa consists of 50 two-story apartment buildings and one-story office/community center building. The property contains a total of 200 units which were constructed in 1972. At the time of the inspection, the complex was 95% occupied and in poor condition. GLE estimated the total immediate needs costs to be approximately \$5.8 million. The immediate need items include, but are not limited to, replace roof covering on 45 buildings, replace windows, replace vinyl siding and trim, replace kitchen and bathroom cabinets and countertops, replace HVAC equipment, replace galvanized sanitary pipes in 107 units, replace plumbing fixtures, and replace appliances. GLE noted that fully compliant Section 504 units are not feasible as the required clear floor space in the bathroom and the kitchen would require moving load bearing walls and electrical panels.

Plan and Cost Review: First Housing reviewed a Plan and Cost Review (“PCR”), dated May 5, 2017, prepared by GLE.

The architectural drawings indicate that the renovation of the existing buildings will include the complete removal of the existing roof covering, windows, exterior doors, vinyl siding, select interior doors, interior light fixtures, wall tile, plumbing fixtures, mechanical equipment, and appliances, as well as kitchen and bathroom cabinets and countertops. Portions of the interior partitions will be removed to provide compliant door openings. The community room/office will include a fitness center, resident lounge, computer room, breakroom, library, equipment storage, restrooms, and offices.

The architectural drawings also indicate that the asphalt paved parking will receive a one inch overlay to be restriped. All damaged sidewalks will be repaired or replaced and new compliant curb ramps will be provided throughout the site. New concrete masonry unit dumpster enclosures will be provided throughout the site. A new tot lot will be located at the north portion of the site and a new shuffleboard court will be located at the northeast portion of the site. Car care will be located at the northeast portion of the site. New mail kiosks will be located west of the office/community center building.

GLE has reviewed the plans and specifications for the Development and finds that the plans appear satisfactory. GLE has also confirmed that all recommendation noted within the capital needs assessment have been included within the plans and specifications.

An executed Standard Form of Agreement Between Owner and Contractor where the basis of payment is the Work Plus a Fee with a Guaranteed Maximum Price (“GMP”) (AIA Document A102-2007), dated November 2, 2016 was provided to GLE for review. The GMP is \$7,352,395.37 or \$36,762 per unit. It is GLE’s opinion that the cost is at the low end of acceptable range as compared to similar type projects.

Features, Amenities & Resident Programs: The Applicant committed to provide Features, Amenities, and Resident Programs which are listed in Exhibit B of this report. GLE

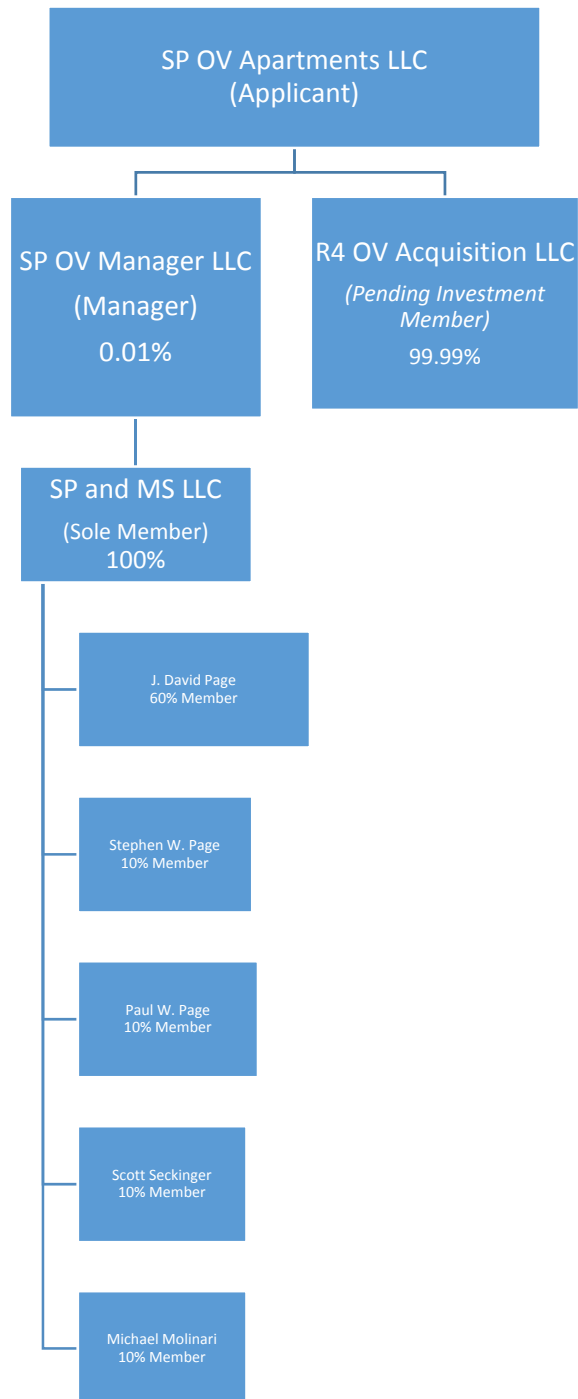
has confirmed that all committed Features and Amenities are included within the plans and specifications.

Applicant Information

Applicant: SP OV Apartments LLC

Type: A Florida Limited Liability Company

Ownership
Structure:



SP OV Apartments LLC was formed on June 10, 2016; the Manager, with 0.01% interest in the Applicant is SP OV Manager LLC which was formed on June 10, 2016. The Developer is Southport Development Inc. doing business as Southport Development Services, Inc.

Contact

Person: Brianne Heffner
5403 West Gray Street
Tampa, FL 33609
(813) 288-6988 Telephone
(813) 288-1522 Facsimile
FHFCcontact@sphome.com

Experience: The Applicant and Manager are newly-formed entities with no development experience and SP and MS LLC is a pass through entity where financial benefits flow through to the manager, J. David Page. Mr. Page is also the president of Southport. Therefore, the development experience lies with the Developer and David Page. To date, Southport and its affiliates have developed or acquired over 14,000 apartments units. Over 10,000 of these units have involved tax credit and/or tax-exempt bond financing.

Mr. Page graduated Cum Laude from Harvard University with a degree in economics and did graduate work at the University of Washington. In 1979, Mr. Page started developing single family subdivisions and apartment properties located primarily in Washington State. In 1995, Mr. Page founded Southport Financial Services, Inc. which expanded his apartment development and acquisition activities to the states of California, Hawaii, Arizona, New Jersey, New York, Kansas, Missouri, Virginia, Illinois, and Florida. Southport Development, Inc. has the same principals as Southport Financial Services, Inc. and operates in a similar capacity.

Credit

Evaluation: The Applicant and Manager are newly formed single purpose entities. There was a D&B report available for the Applicant; however, it contains no significant information. No Dun and Bradstreet Report was available for SP and MS LLC. A D&B Report was not available for the Developer entity. First Housing received a satisfactory credit report for J. David Page dated May 10, 2017.

Bank/Trade

References: Bank and trade references for the Applicant and the Manager are not available (single purpose entities). Also, bank or trade references are not available for SP

and MS LLC since it is a pass through entity. First Housing received a satisfactory bank reference for J. David Page and Southport as well as two satisfactory trade references for Southport.

Financial

Statements: The Applicant and Manager are newly formed single purpose entities; therefore, financial statements and tax returns are not available. First Housing received the 2014 and 2015 tax returns for Southport Development, Inc., SP and MS LLC and J. David Page. According to the Applicant, Southport does not have any financial statements to provide.

First Housing reviewed the following satisfactory financial statements for J. David Page:

J. David Page Personal Financial Statement March 31, 2017	
Cash & Equivalents	\$200,000
Total Assets	\$69,775,000
Total Liabilities	\$2,345,000
Total Equity	\$67,430,000

First Housing reviewed a Statement of Financial/Credit Affairs executed by J. David Page on November 30, 2016. The statement indicates that Mr. Page was partner in an affordable housing multifamily transaction, Oak Creek Apartments, which executed a deed-in-lieu agreement in 2011. Oak Creek Apartments, located in Missouri, had been underperforming for several years due to the over building of new LIHTC properties in the immediate area.

Contingent

Liabilities: The Applicant, Manager, Developer, and SP and MS LLC provided statements indicating they had no Contingent Liabilities. Mr. J. David Page provided a schedule of contingent liabilities which included 25 multifamily developments that are currently actively operating as of December 7, 2016. Six (6) developments are currently under construction or under rehabilitation wherein Mr. Page has guaranteed construction completion and unlimited operating deficits. These ten developments have approximately \$42,819,000 in remaining construction outstanding. There are an additional 19 developments with existing operating deficit guarantees outstanding. They are all stabilized and carry debt service coverage ratios of 1.18 to 3.36 except for one development that currently

carries a .89 to 1.00 debt service coverage. The Operating Deficit Guarantee for this development is limited to \$500,000.

Summary: Based upon its review of the Financial Statements and the Schedule of Contingent Liabilities, First Housing concludes that J. David Page has the requisite financial strength to complete rehabilitation and to operate the development.

Guarantor Information

Guarantor Name: SP OV Manager LLC, Southport Development Services, Inc., SP and MS LLC, and J. David Page

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

For the MMRB, Guarantors are to provide the standard JHFA Operating Deficit Guarantee. If requested in writing by the Applicant, 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 ratio on the MMRB Loan as determined by the Corporation or its agent and 90 percent occupancy and 90 percent of the gross potential rental income, net of utility allowances, if applicable, for a period equal to 12 consecutive months, all certified by an independent Certified Public Accountant, and verified by the Credit Underwriter. The calculation of the debt service coverage ratio shall be made by the Corporation or its agent. Notwithstanding the above, the operating deficit guarantee shall not terminate earlier than three (3) years following the final certificate of occupancy.

Financial Statements: Financial Statements for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Contingent Liabilities: Contingent Liabilities for the Guarantors were summarized in the “Applicant Information” section of this credit underwriting report.

Summary: Based upon review of the financial statements and contingent liabilities, First Housing concludes that the above referenced Guarantors have sufficient net worth for the purpose of collateralizing the JHFA Guarantees.

General Contractor Information

General Contractor: Vaughn Bay Construction, Inc.

Type: A State of Washington Profit Corporation licensed to do business in the State of Florida

Contact: Paul Page, Vice President and General Manager
(Florida Certified General Contractor License Number CBC1255653 is valid through August 31, 2018)

1911 65th Avenue West
Tacoma, WA 98466
(253) 460-3000 Telephone
(253) 564-2762 Facsimile

Experience: Vaughn Bay Construction was formed by W. D. and Patricia Page in 1991. Their sons Steve and Paul Page are now the President and Vice President, respectively, of the company.

In 1994 under the direction of the General Manager Paul Page, Vaughn Bay provided construction management services for 130 units of Low Income Housing Tax Credit Housing. These units represent three communities located in the Washington State. Over the next five years, Vaughn Bay completed 17 new construction projects and 7 renovations, representing over 1,000 units in projects located in California, South Dakota, Oregon, and Florida.

Today Vaughn Bay continues to develop housing and commercial projects in a variety of construction mediums from small rural garden style projects to complex midrise urban projects. As the complexity of affordable housing development increases, Vaughn Bay continues to build quality resources in financing, insurance, and Green Construction.

Credit Evaluation: First Housing has reviewed a satisfactory Dun & Bradstreet Business Information Report, dated May 10, 2017, for Vaughn Bay Construction, Inc.

References: First Housing received a satisfactory bank reference and two satisfactory trade references for Vaughn Bay Construction, Inc.

Financial Statements: The General Contractor provided an unaudited statement for Vaughn Bay Construction, dated December 31, 2016 and tax returns for 2014 and 2015. A summary of the unaudited financials is below:

Vaughn Bay Construction Inc. Unaudited Balance Sheet December 31, 2016	
Cash and Equivalents	\$3,995,834
Total Assets	\$11,113,327
Total Liabilities	\$6,437,202
Total Equity	\$4,676,125

Summary: First Housing recommends that Vaughn Bay Construction Inc. be accepted as the contractor for the rehabilitation of this development. A 100% Payment and Performance Bond will be required.

Syndication Information

Syndicator Name: R4 Capital LLC

Contact Person: Jay Segel
155 Federal street, Suite 1004
Boston, MA 02110

Experience: R4 is a national affordable housing investment firm founded in 2011 by its President and CEO, Marc Schnitzer and Regis Group of London, a UK based residential investment firm. R4 manages more than \$1.4 billion of LIHTC equity investments on behalf of 55 institutional investors in ten multi-investor funds and five proprietary funds. R4's LIHTC equity portfolio includes 165 properties located in 34 states, the District of Columbia, Puerto Rico, and the Northern Mariana Islands, with approximately 19,600 units of affordable housing.

Financial Statements:

R4 Capital LLC Unaudited Balance Sheet December 31, 2015	
Cash and Cash Equivalents	\$6,401,147
Total Assets	\$26,887,913
Total Liabilities	\$30,583,934
Equity	(\$3,696,021)

The liabilities primarily consist of \$14.4 million of deferred revenue. Deferred revenue consists of the accrual of partnership management fee for services relating to fund management, acquisition fees and expenses and expense allowances for services rendered or to be rendered in connection with selecting and evaluating properties for the investments, and asset management and local administrative fees prepayments for its funds, which are recognized as revenue equally over the credit compliance period.

Summary: R4 has demonstrated that it has the experience and financial strength to serve as the syndicator for this development.

Property Management Information

Management

Company: Cambridge Management, Inc. dba Cambridge Management of Washington, Inc.

FEI: 91-1378358

Contact: Mr. Doug Selin,
Cambridge Management, Inc.
5403 West Gray Street
Tampa, Florida 33609
(813) 867-7353 Telephone

Experience: Cambridge Management, Inc. ("Cambridge") was founded in 1987. It was originally organized as a fee management company and built up a portfolio of 5,000 units by 1991. The projects ranged in size from 80 to 400 units. Beginning in 1994, it was decided to only have Cambridge manage properties in which Cambridge or its principals and affiliates have an economic interest.

The current portfolio has over 9,000 units in 5 states. Cambridge is headquartered in Tacoma, Washington with 138 staff members. The current portfolio includes 39 Developments within 26 different Florida cities representing over 4,900 units financed with HOME and LIHTC sources and supported by HUD Section 8 rental assistance. Nationally Cambridge manages 21 MMRB financed developments within the State of Florida and 30 nationwide.

Management

Agreement: First Housing received a draft Management Agreement between Cambridge Management, Inc. and SP OV Apartments LLC. The Agreement reflects a management fee of 4% of gross rental income actually collected during the month.

Management Plan: The applicant has submitted a Preliminary Management Plan, which outlines the various policies and procedures to be implemented in managing the subject development.

Summary: The management company has an acceptable amount of experience in the management of affordable multifamily housing. First Housing recommends Cambridge as the management entity in the subject development.

TAX-EXPENT MMRB UNDERWRITING REPORT

FHDC

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME:	Gross Potential Rental Income	\$1,953,900	\$1,992,978	\$2,032,838	\$2,073,494	\$2,114,964	\$2,157,263	\$2,200,409	\$2,244,417	\$2,289,305	\$2,335,091	\$2,381,793	\$2,429,429	\$2,478,018	\$2,527,578	\$2,578,130
	Other Income															
	Ancillary Income	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624	\$6,757	\$6,892	\$7,030	\$7,171	\$7,314	\$7,460	\$7,609	\$7,762	\$7,917
	Gross Potential Income	\$1,959,900	\$1,999,098	\$2,039,080	\$2,079,862	\$2,121,459	\$2,163,888	\$2,207,166	\$2,251,309	\$2,296,335	\$2,342,262	\$2,389,107	\$2,436,889	\$2,485,627	\$2,535,340	\$2,586,046
	Less:															
	Physical Vac. Loss Percentage: 3.00%	\$58,797	\$59,973	\$61,172	\$62,396	\$63,644	\$64,917	\$66,215	\$67,539	\$68,890	\$70,268	\$71,673	\$73,107	\$74,569	\$76,060	\$77,581
	Collection Loss Percentage: 2.00%	\$39,198	\$39,982	\$40,782	\$41,597	\$42,429	\$43,278	\$44,143	\$45,026	\$45,927	\$46,845	\$47,782	\$48,738	\$49,713	\$50,707	\$51,721
	Total Effective Gross Income	\$1,861,905	\$1,899,143	\$1,937,126	\$1,975,868	\$2,015,386	\$2,055,694	\$2,096,807	\$2,138,744	\$2,181,518	\$2,225,149	\$2,269,652	\$2,315,045	\$2,361,346	\$2,408,573	\$2,456,744
	Fixed:															
	Real Estate Taxes	\$193,024	\$198,815	\$204,779	\$210,923	\$217,250	\$223,768	\$230,481	\$237,395	\$244,517	\$251,853	\$259,408	\$267,190	\$275,206	\$283,462	\$291,966
EXPENSES:	Insurance	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786	\$81,149	\$83,584	\$86,091	\$88,674	\$91,334	\$94,074	\$96,896	\$99,803	\$102,797	\$105,881
	Variable:															
	Management Fee Percentage: 4.00%	\$74,476	\$76,710	\$79,012	\$81,382	\$83,824	\$86,338	\$88,928	\$91,596	\$94,344	\$97,175	\$100,090	\$103,092	\$106,185	\$109,371	\$112,652
	General and Administrative	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392	\$138,423	\$142,576	\$146,853	\$151,259
	Payroll Expenses	\$177,400	\$182,722	\$188,204	\$193,850	\$199,665	\$205,655	\$211,825	\$218,180	\$224,725	\$231,467	\$238,411	\$245,563	\$252,930	\$260,518	\$268,333
	Utilities	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$173,891	\$179,108	\$184,481	\$190,016	\$195,716	\$201,587	\$207,635	\$213,864	\$220,280	\$226,888
	Maintenance and Repairs/Pest Control	\$190,000	\$195,700	\$201,571	\$207,618	\$213,847	\$220,262	\$226,870	\$233,676	\$240,686	\$247,907	\$255,344	\$263,004	\$270,895	\$279,021	\$287,392
	Reserve for Replacements	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556
	Total Expenses	\$1,014,900	\$1,043,547	\$1,073,054	\$1,103,445	\$1,134,749	\$1,166,991	\$1,200,201	\$1,234,407	\$1,269,639	\$1,305,928	\$1,345,106	\$1,385,459	\$1,427,023	\$1,469,834	\$1,513,929
	Net Operating Income	\$847,005	\$855,596	\$864,072	\$872,423	\$880,637	\$888,703	\$896,607	\$904,337	\$911,879	\$919,221	\$924,546	\$929,586	\$934,323	\$938,739	\$942,815
Debt Service Payments																
First Mortgage - HUD/Prudential/JHFA		\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777	\$730,777
Second Mortgage - Seller Note		\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
First Mortgage Fees -		\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024	\$3,024
Total Debt Service Payments		\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801	\$778,801
Cash Flow after Debt Service		\$68,204	\$76,795	\$85,272	\$93,623	\$101,837	\$109,902	\$117,806	\$125,536	\$133,079	\$140,420	\$145,745	\$150,785	\$155,522	\$159,938	\$164,015
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.15	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.27	1.28	1.28
DSC - First and Second Mortgages plus Fees		1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.19	1.20	1.21	1.21
DSC - All Mortgages and Fees		1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.19	1.20	1.21	1.21
Financial Ratios																
Operating Expense Ratio		54.51%	54.95%	55.39%	55.85%	56.30%	56.77%	57.24%	57.72%	58.20%	58.69%	59.26%	59.85%	60.43%	61.03%	61.62%
Break-even Economic Occupancy Ratio (all debt)		91.72%	91.32%	90.94%	90.59%	90.25%	89.93%	89.63%	89.36%	89.10%	88.86%	88.71%	88.58%	88.47%	88.38%	88.30%

50% Test**50% Test for Acquisition Rehab.**

Tax-Exempt Bond Amount	\$12,700,000
Less: Debt Service Reserve Funded with Tax Exempt Bond Proceeds	\$0
Less Proceeds Used for Cost of Issuance	\$0
Other:	\$0
Equals Net Tax-Exempt Bond Amount	\$12,700,000
Total Depreciable Cost	\$12,774,086
Plus Building/Land Cost	\$9,200,000
Aggregate Basis	\$21,974,086
Net Tax-Exempt Bond to Aggregate Basis Ratio	57.80%

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

Features and Amenities – Oakwood Villa

In addition to meeting all building code, Fair Housing Act, and Americans with Disabilities Act requirement, the following are also required amenities:

- Air conditioning
- Cable TV hook-up
- Full sized appliances in all units
- Exterior lighting for all buildings and parking areas
- Window Treatment: *mini-blinds*

Unit amenities (in addition to those required) include:

- Laundry hook-ups and space for washer/dryer
- Ceramic tile bathroom floors
- Microwave
- Dishwasher
- Garbage disposal
- Steel entry door frames
- Development amenities include:
 - 30-year expected life roofing
 - Termite prevention/detection system
 - Exercise room with appropriate equipment
 - Community center
 - Playground/tot lot
 - Car care area
 - Library /study room with minimum of 100 books and 5 magazine subscriptions
 - Outside recreation area: Shuffleboard/activity court
- Mandatory Energy Conservation features:
 - Energy Star qualified refrigerator;
 - Energy Star qualified dishwasher;
 - Minimum SEER of 14 for unit air conditioners (excluding buildings with a central chiller system);
 - Caulk, weather strips, seal hole, cracks, etc. for rehabilitation developments
 - Sealed and insulated heating and cooling system ducts for rehabilitation developments

- Low-VOC paint for all interior walls (50 grams per liter or less for flat paint; 150 grams per liter or less for non-flat paint);
- Low-flow water fixtures in bathrooms--WaterSense labeled products or the following specifications:
 - Toilets: 1.6 gallons/flush or less
 - Faucets: 1.5 gallons/minute or less
 - Showerheads: 2.2 gallons/minute or less.
- Programmable thermostat in each unit
- Other energy conservation features:
 - Energy Star qualified roofing material or coating
 - Energy Star exhaust fans in all bathrooms
 - Energy Star rating for all windows
 - Install daylight sensors, timers or motion detectors on all outdoor lighting attached to buildings
 - FL Yards and Neighborhoods certification on all landscaping
- Resident Programs:
 - Health Care Screening
 - Resident Activities
 - On Site Voter Registration
 - Homeownership Opportunity Program
 - First Time Homebuyer Seminars

A RESOLUTION OF THE JACKSONVILLE HOUSING FINANCE AUTHORITY APPROVING AND AUTHORIZING THE ISSUANCE OF JACKSONVILLE HOUSING FINANCE AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS (OAKWOOD VILLA), SERIES 2017 IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,700,000 FOR THE PURPOSE OF ACQUIRING, REHABILITATING AND EQUIPPING A MULTIFAMILY RESIDENTIAL HOUSING FACILITY LOCATED IN THE CITY OF JACKSONVILLE, FLORIDA, COMMONLY KNOWN AS "OAKWOOD VILLA"; APPOINTING THE UNDERWRITER NAMED HEREIN FOR THE SALE OF THE BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A LOAN AGREEMENT TO SECURE PAYMENT OF SUCH BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LAND USE RESTRICTION AGREEMENT; DESIGNATING FIRST HOUSING DEVELOPMENT CORPORATION OF FLORIDA AS THE INITIAL ISSUER SERVICER AND COMPLIANCE AGENT AND APPROVING THE FORMS AND AUTHORIZING THE EXECUTION AND DELIVERY OF A COMPLIANCE MONITORING AGREEMENT AND CONSTRUCTION AND LOAN SERVICING AGREEMENT; APPROVING A CREDIT UNDERWRITING REPORT; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; APPROVING A NEGOTIATED SALE OF THE BONDS TO RBC CAPITAL MARKETS, LLC, AS UNDERWRITER; APPOINTING A TRUSTEE; APPROVING THE FORM OF AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT PERTAINING TO SAID BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PROJECT COMPLETION FUNDS DISBURSEMENT AGREEMENT; AUTHORIZING ALL OTHER NECESSARY ACTIONS, AGREEMENTS, CERTIFICATES OR INSTRUMENTS REQUIRED TO ISSUE AND DELIVER THE BONDS; AND PROVIDE AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida (the "State") has enacted the Florida Housing Finance Authority Law, Sections 159.601 through 159.623 Part IV, 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 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, the Jacksonville Housing Finance Authority (the "Issuer") is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition,

construction and development of multifamily rental housing for persons of low and moderate income at prices or rentals they can afford; and

WHEREAS, the Issuer has the power to issue revenue bonds for the purposes described in the Act, including, without limitation, to refund outstanding obligations of the Issuer, to finance the purchase of mortgage loans originated to persons of low and moderate income and to stimulate the acquisition, construction and rehabilitation of housing within the County; and

WHEREAS, the Issuer has determined that there exists a shortage of safe and sanitary housing for persons and families of moderate middle and lesser income within Duval County, Florida; and

WHEREAS, pursuant to the Act, and the Trust Indenture by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), dated as of June 1, 2017 (the "Indenture"), the Borrower has requested that the Issuer issue its Multifamily Housing Revenue Bonds (Oakwood Villa), Series 2017; and

WHEREAS, the Issuer has determined to issue, sell, and deliver its not to exceed \$12,700,000 Multifamily Housing Revenue Bonds (Oakwood Villa), Series 2017 (the "Bonds") for the purpose of funding the loan; and

WHEREAS, the Issuer authorized the issuance of the Bonds pursuant to that certain Resolution adopted by the Issuer on September 21, 2016; and

WHEREAS, to secure payment of the Bonds, the Issuer and the Trustee will enter into the Indenture to provide for, among other things, the security for the Bonds; and

WHEREAS, the Issuer and the Borrower will enter into the hereinafter described Loan Agreement (the "Bond Loan Agreement") with respect to the Bonds, pursuant to which a loan to the Borrower in the amount of the Bonds (the "Loan") for the financing of the acquisition, rehabilitation and equipping of the project (the "Project") will be made and secured; and

WHEREAS, as a condition of facilitating the Loan and in connection with the issuance of the Bonds, the Issuer, the Trustee and the Borrower will enter into the hereinafter described Land Use Restriction Agreement in order to preserve the tax-exempt status of the Bonds; and

WHEREAS, the Loan shall be evidenced by a promissory note (the "Note"); and

WHEREAS, the Issuer desires to assign certain of its rights under the Bond Loan Agreement and the Note to the Trustee; and

WHEREAS, the Issuer has determined that a negotiated sale of the Bonds is in the best interest of the Issuer; and

WHEREAS, in connection with the negotiated sale of the Bonds, the Issuer desires to enter into a Bond Purchase Agreement by and among the Issuer, the Borrower and RBC Capital Markets, LLC, as Underwriter (the "Underwriter"); and

WHEREAS, in connection with the offering and sale of the Bonds, the Issuer desires to approve the distribution of the Preliminary Official Statement, a form of which is attached hereto as **EXHIBIT A**, delegate the authority to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities Exchange Act of 1943, as amended (the "Rule"), and authorize the execution and delivery of a final Official Statement with respect to the Bonds (the "Official Statement"); and

WHEREAS, in order to further secure payment of the Bonds, certain guaranties will be provided by SP OV Manager LLC, SP and MS LLC, Southport Development, Inc., d/b/a in Florida as Southport Development Services, Inc. and J. David Page, individually, in favor of the Issuer; and

WHEREAS, the Issuer, the Borrower, Prudential Huntoon Paige Associates, LLC, R4 OV Acquisition LLC as tax credit investor, and the Trustee shall enter into a Project Completion Funds Disbursement Agreement (the "Disbursement Agreement") to set forth, among other things, details of the disbursement of funds to the Borrower; and

WHEREAS, the Issuer desires to appoint The Bank of New York Mellon Trust Company, N.A. as Trustee; and

WHEREAS, First Housing Development Corporation of Florida, a Florida corporation ("First Housing") will initially be the issuer servicer and compliance monitoring agent with respect to the Bonds; and

WHEREAS, the Issuer desires to approve the Credit Underwriting Report prepared by First Housing for the Issuer dated the date thereof (the "Credit Underwriting Report"); and

WHEREAS, the Issuer desires to grant to its appropriate officers the authority to do and perform and execute all other documents and instruments, not mentioned herein, necessary to issue the Bonds; and

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

Section 1. Findings and Determinations. The Issuer hereby finds and determines that:

(a) All statements and provisions of the foregoing recitals are incorporated herein as findings and determinations of the Issuer.

(b) A negotiated sale of the Bonds is in the best interest of the Issuer in light of the prevailing unsettled condition of the bond market, and the necessity of complying with provisions of the Internal Revenue Code of 1986, as amended, which make it essential that the Issuer have maximum flexibility in structuring the Bonds, which flexibility would not be possible in competitive bidding.

(c) Based upon such findings, the Issuer approves the negotiated sale of the Bonds to the Underwriter.

(d) Prior to executing and delivering the Indenture, the Issuer shall have received disclosure statements from the Underwriter setting forth the information required by Section 218.385, Florida Statutes, as amended.

(e) In addition to the words and terms defined or described herein, and unless the context otherwise requires, the terms defined in the documents identified and described in the foregoing recitals and in this Resolution (collectively, the "Financing Documents") shall have the meanings herein that are ascribed to them in the Financing Documents.

Section 2. Authorization and Details of the Bonds. The Issuer hereby authorizes the issuance of not to exceed \$12,700,000 total aggregate principal amount of the Bonds to be designated as "Jacksonville Housing Finance Authority Multifamily Housing Revenue Bonds, (Oakwood Villa), Series 2017", or such other name or series designation as may be determined by the Issuer. The Bonds shall bear interest payable at such times and in such manner, and shall have maturity dates (not to exceed 25 months from the date of issuance of the Bonds) and shall be subject to redemption, all as described in the Indenture. The Bonds are issuable only as fully registered bonds in the denominations as provided in the Indenture.

Section 3. Approval of Preliminary Official Statement. The Issuer hereby approves the form and content of the draft Preliminary Official Statement attached hereto as **EXHIBIT A**, and authorizes the Chair, Vice Chair or any member of the Issuer to make or approve such changes, modifications and revisions to the draft Preliminary Official Statement as he or she may deem necessary or desirable and hereby authorizes the Chair, Vice Chair or any member of the Issuer to deem "final" the Preliminary Official Statement, as so amended and approved by him or her, for purposes of the Rule; and approves the use of the Preliminary Official Statement in the marketing of the Bonds. The Chair and Vice Chair or any member of the Issuer are hereby authorized to execute, on behalf of the Issuer, the final Official Statement relating to the Bonds with such changes from the Preliminary Official Statement in accordance with the Rule, as they may approve, such execution to be conclusive evidence of such approval, and such final Official Statement is hereby authorized to be used and distributed in connection with the marketing and sale of the Bonds.

Section 4. Approval of Indenture. The Issuer hereby approves the form and content of the Indenture between the Issuer and the Trustee attached hereto as **EXHIBIT B**. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Indenture on behalf of the Issuer, and the Secretary or Assistant Secretary of the Issuer is authorized to attest thereto, in substantially the form attached hereto as **EXHIBIT B**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 5. Approval of Bond Loan Agreement. The Issuer hereby approves the form and content of the Bond Loan Agreement by and between the Issuer and the Borrower attached hereto as **EXHIBIT C**. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Bond Loan Agreement on behalf of the Issuer, and the Secretary or Assistant Secretary of the Issuer is authorized to attest thereto, in substantially the form attached hereto as **EXHIBIT C**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 6. Approval of Amended and Restated Land Use Restriction Agreement. The Issuer hereby approves the form and content of the Amended and Restated Land Use Restriction Agreement by and among the Issuer, the Borrower and the Trustee attached hereto as **EXHIBIT D** (the "Land Use Restriction Agreement"). The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the Issuer, and the Secretary or Assistant Secretary of the Issuer is authorized to attest thereto, in substantially the form attached hereto as **EXHIBIT D**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 7. Approval of Compliance Monitoring Agreement, Construction and Loan Servicing Agreement and Credit Underwriting Report. First Housing is hereby appointed to perform the duties of compliance monitoring agent pursuant to the Compliance Monitoring Agreement by and among the Issuer, the Borrower, the Trustee and First Housing (the "Compliance Monitoring Agreement") and the duties of Issuer Servicer under the Indenture, the Bond Loan Agreement, the Land Use Restriction Agreement and the Construction and Loan Servicing Agreement by and among the Issuer, the Borrower, the Trustee and First Housing (the "Servicing Agreement"). The forms of the Compliance Monitoring Agreement and the Servicing Agreement attached hereto as **EXHIBITS E and F**, respectively, are hereby approved. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Compliance Monitoring Agreement and Servicing

Agreement on behalf of the Issuer, and the Secretary or Assistant Secretary of the Issuer is authorized to attest thereto, in substantially the forms attached hereto as **EXHIBITS E and F**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer. The Issuer hereby approves the Credit Underwriting Report prepared by First Housing in connection with the Project and delivered to the Issuer.

Section 8. Approval of Bond Purchase Agreement. The Issuer hereby approves the form and content of the Bond Purchase Agreement by and among the Issuer, RBC Capital Markets, LLC and the Borrower attached hereto as **EXHIBIT G** (the "Bond Purchase Agreement"). The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Issuer, and the Secretary or Assistant Secretary of the Issuer is authorized to attest thereto, in substantially the form attached hereto as **EXHIBIT G**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 9. Approval of Disbursement Agreement. The Issuer hereby approves the form and content of the Disbursement Agreement. The Chair, Vice Chair or any member of the Issuer is hereby authorized to execute and deliver the Disbursement Agreement on behalf of the Issuer, and the Secretary or Assistant Secretary of the Issuer is authorized to attest thereto, in substantially the form attached hereto as **EXHIBIT H**, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer, with the advice of Bond Counsel and the Office of the General Counsel may deem necessary and appropriate. Such execution and delivery shall be conclusive evidence of the approval thereof by the Issuer.

Section 10. Execution of Bonds. The Chair, Vice Chair or any member of the Issuer and Secretary or Assistant Secretary of the Issuer are hereby authorized and directed to execute, by manual or facsimile signature, the Bonds in definitive form. The Bonds shall be in substantially the form set forth in the Indenture, with such changes, modifications, insertions and deletions as the Chair, Vice Chair or any member of the Issuer may deem necessary and appropriate. The execution and delivery of the Bonds by the aforementioned persons shall be conclusive evidence of the Issuer's approval and authorization thereof.

Section 11. Authentication and Delivery of Bonds. Upon their execution in the form and manner set forth in the Indenture, the Issuer shall deliver the Bonds to the Trustee for authentication, and the Trustee is hereby authorized and directed to authenticate and to deliver said Bonds to the designated purchaser or purchasers of the Bonds.

Section 12. Appointment of Underwriter and Trustee. RBC Capital Markets, LLC is hereby appointed as Underwriter in connection with the issuance of the Bonds and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee.

Section 13. Authorizations and Further Actions. The Chair, Vice Chair or other member of the Issuer, the Finance Director and such other officers and employees or agents of the Issuer as may be designated by the Chair, are each designated as agents of the Issuer in connection with the issuance and delivery of the Bonds and are authorized and empowered, collectively or individually, to take all actions and steps, to approve, execute and deliver, if appropriate, all contracts, agreements and such other instruments, to approve the form of and approve such changes and complete all omissions and blank spaces in such instruments, documents and contracts, including the exhibits thereto, and to take such other and further actions as they may deem necessary or desirable to accomplish the intent thereof, including the sale, issuance and delivery of the Bonds, including, but not limited to, in consultation with the Issuer's Financial Advisors, Bond Counsel and the Office of the General Counsel, executing and delivering certain additional documents as may be necessary; provided, however, that such terms and conditions set forth in such additional documents shall not be inconsistent with the provisions of this Resolution.

Notwithstanding anything in this Resolution to the contrary, the approvals granted in this Resolution shall be conditioned on receipt by the Issuer of approval of the issuance of Bonds by the City Council of the City of Jacksonville, Florida.

Section 14. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 15. Repealing Clause. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 16. Effective Date. This Resolution shall take effect immediately upon its adoption.

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APPROVED AND ADOPTED by the Jacksonville Housing Finance Authority this 24th day of May, 2017.

**JACKSONVILLE HOUSING FINANCE
AUTHORITY**

ATTEST:

By: _____
William I. Gulliford, III, Chair

By: _____
Name: _____
Title: Assistant Secretary

FORM APPROVED:

By: _____
Office of the General Counsel

EXHIBIT LIST

EXHIBIT A	FORM OF PRELIMINARY OFFICIAL STATEMENT
EXHIBIT B	FORM OF TRUST INDENTURE
EXHIBIT C	FORM OF LOAN AGREEMENT
EXHIBIT D	FORM OF LAND USE RESTRICTION AGREEMENT
EXHIBIT E	FORM OF COMPLIANCE MONITORING AGREEMENT
EXHIBIT F	FORM OF CONSTRUCTION AND LOAN SERVICING AGREEMENT
EXHIBIT G	FORM OF BOND PURCHASE AGREEMENT
EXHIBIT H	FORM OF PROJECT COMPLETION FUNDS DISBURSEMENT AGREEMENT

EXHIBIT A
FORM OF PRELIMINARY OFFICIAL STATEMENT

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EXHIBIT G
FORM OF BOND PURCHASE AGREEMENT

EXHIBIT H

FORM OF PROJECT COMPLETION FUNDS DISBURSEMENT AGREEMENT

Jacksonville Portfolio

Company Overview:

The Millennia Companies (“Millennia”) is a vertically integrated real estate company headquartered in Cleveland, Ohio. The family of companies is comprised of Millennia Housing Management (“MHM”), Millennia Housing Development (“MHD”), Millennia Housing Capital (“MHC”), and American Preservation Builders (“APB”). Millennia specializes in the acquisition, rehabilitation and management of affordable and market rate multifamily communities. Frank T. Sinito, principal and Chief Executive Officer, founded Millennia in 1995 to meet the mission of owning, managing, and transforming multifamily housing communities. As a company, our purpose is to provide the highest quality of standards in the management, operation, and development of rental housing, thereby striving to enrich the quality of life for our residents.

Millennia’s portfolio includes myriad property types including garden, townhouse, mid-rise and high-rise apartments. A large number of these properties provide tenants with rental assistance. In addition, a significant portion of these properties are recipients of Low Income Housing Tax Credits (“LIHTC”). Of the nearly 23,000 units the company manages, over 20,000 of these are identity of interest management with the remainder being fee management.

Property Overview:

Earlier this year, Millennia entered into a Purchase and Sale Agreement to acquire 37 properties throughout eight states from the Global Ministries Foundation. Six of these properties are located in Jacksonville, Florida, and it is our goal to acquire and preserve these properties utilizing Low Income Housing Tax Credits and Bonds. These properties are in desperate need of a substantial rehabilitation, and the residents deserve a place they are proud to call home. The Jacksonville Portfolio includes the following properties:

Property Name	New Name	Street Address	City	State	Units
Eureka Gardens Apartments	Valencia Way	1214 Labelle Street	Jacksonville	FL	400
Market Street Apartments	Sunray Estates	1205 N. Market Street	Jacksonville	FL	17
Moncrief Village Apartments	Estuary Estates	1650 Moncrief Village North	Jacksonville	FL	94
Southside Apartments	Oyster Pointe	2414 Westmont Street	Jacksonville	FL	74
Springfield Residential One Apartments	Palmetto Ledges	1411 N. Jefferson Street	Jacksonville	FL	51
Washington Heights Apartments	Charlesfort Commons	4229 Moncrief Road W	Jacksonville	FL	200

Financing Strategy & Scope of Work:

Since executing the Purchase and Sale Agreement, Millennia in conjunction with APB and our Architectural Teams have conducted an extensive amount of due diligence on the six properties. We have established a scope of work we feel meets the needs of the properties and enhances the quality of life for the residents. The average per unit construction costs across all six properties is \$72,000. The chart below shows are estimated Bonds, Debt and Equity for each project.

Property Name	Estimated Bonds	Lender	Estimated Total Debt	Syndicator/Investor	Estimated Total Equity	Total Development Cost	Total Construction Costs
Eureka Gardens Apartments	\$41,700,000	R4	\$41,170,000	R4	\$19,769,714	\$65,009,258	\$21,358,434
Market Street Apartments	\$1,590,000	R4	\$1,590,000	R4	\$492,397	\$2,252,442	\$1,056,273
Moncrief Village Apartments	\$9,190,000	R4	\$9,190,000	R4	\$4,242,648	\$14,327,577	\$4,605,581
Southside Apartments	\$7,290,000	R4	\$7,290,000	R4	\$3,453,875	\$11,630,809	\$6,286,057
Springfield Residential One Apartments	\$4,040,000	R4	\$4,040,000	R4	\$1,855,613	\$6,455,241	\$6,158,864
Washington Heights Apartments	\$21,430,000	R4	\$21,430,000	R4	\$10,581,304	\$35,214,646	\$13,058,993

Timeline:

Below is our approximate timeline with a closing scheduled for October. We feel confident we can meet these target dates and begin construction at the end of the year.

Property Name	80% Architectural Plans Due	100% Architectural Plans Due	Debt Submission	HFA Submission	Debt Commitment	HFA LIHTC Approvals	Closing
Eureka Gardens Apartments	07/31/17	08/21/17	07/03/17	07/03/17	10/06/17	10/13/17	10/31/17
Market Street Apartments	07/31/17	08/21/17	07/03/17	07/03/17	10/06/17	10/13/17	10/31/17
Moncrief Village Apartments	07/31/17	08/21/17	07/03/17	07/03/17	10/06/17	10/13/17	10/31/17
Southside Apartments	07/31/17	08/21/17	07/03/17	07/03/17	10/06/17	10/13/17	10/31/17
Springfield Residential One Apartments	07/31/17	08/21/17	07/03/17	07/03/17	10/06/17	10/13/17	10/31/17
Washington Heights Apartments	07/31/17	08/21/17	07/03/17	07/03/17	10/06/17	10/13/17	10/31/17

Florida Housing Finance Corporation
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Atlantic Beach	5	\$776,148.00	0.55%
Baldwin	1	136,090.00	0.11%
Jacksonville	910	116,964,692.86	99.24%
Jacksonville Beach	1	188,237.00	0.11%
TOTAL	917	\$118,065,167.86	100.00%

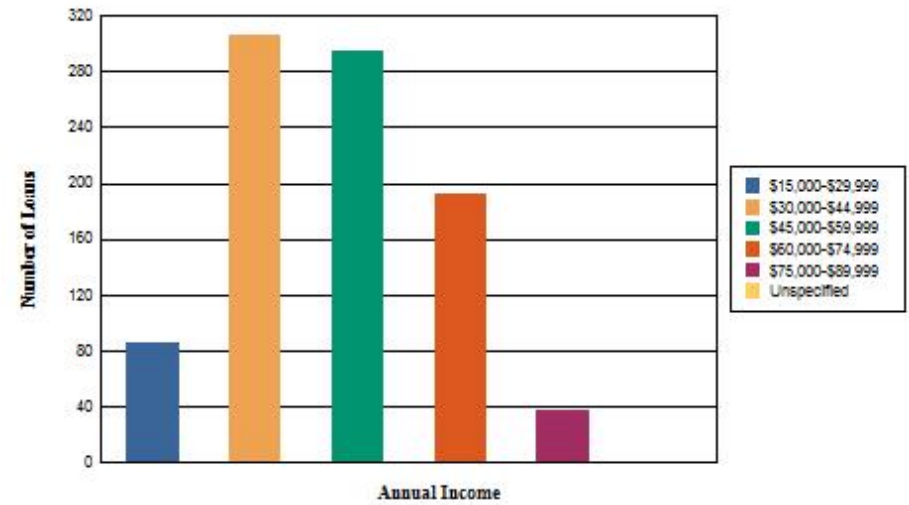
COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Duval	917	\$118,065,167.86	100.00%
TOTAL	917	\$118,065,167.86	100.00%

HOUSEHOLD ANNUAL INCOME REPORT

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

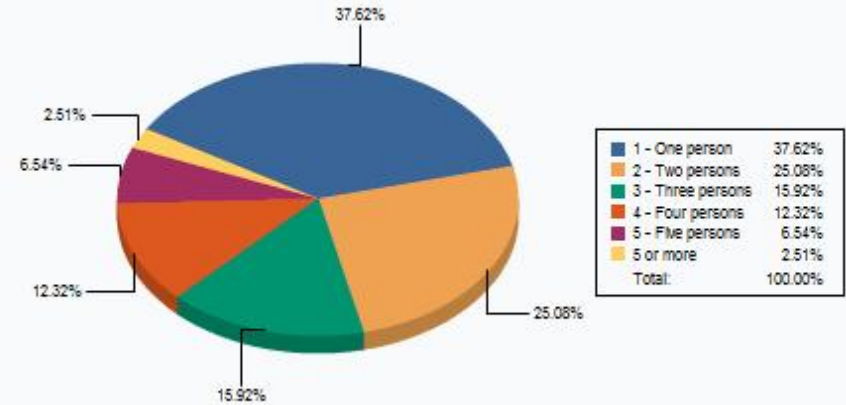


ANNUAL INCOME	LOANS	% OF TOTAL
\$15,000-\$29,999	86	9.38%
\$30,000-\$44,999	306	33.37%
\$45,000-\$59,999	295	32.17%
\$60,000-\$74,999	192	20.94%
\$75,000-\$89,999	38	4.14%
TOTAL	917	100.00%

HOUSEHOLD SIZE REPORT

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

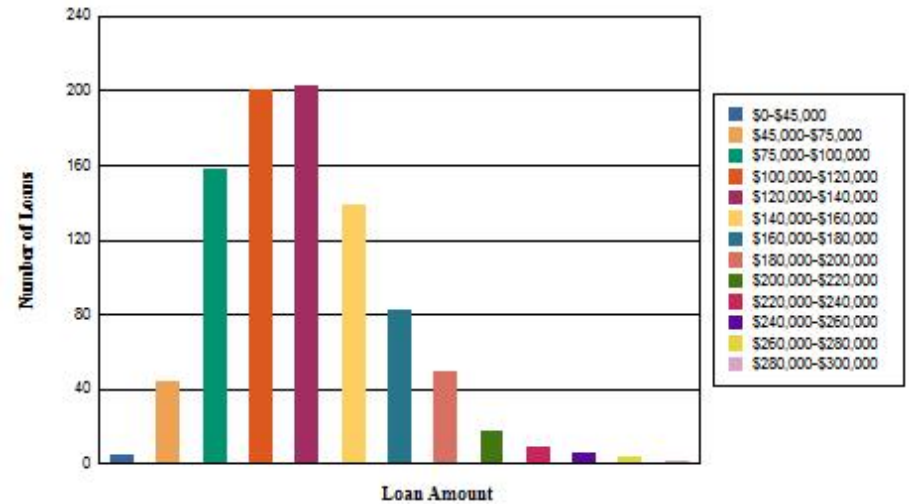


HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	345	37.62%
2 - Two persons	230	25.08%
3 - Three persons	146	15.92%
4 - Four persons	113	12.32%
5 - Five persons	60	6.54%
6 - Six persons	14	1.53%
7 - Seven persons	4	0.44%
8 - Eight or more persons	5	0.55%
TOTAL	917	100.00%

LOAN AMOUNT REPORT

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

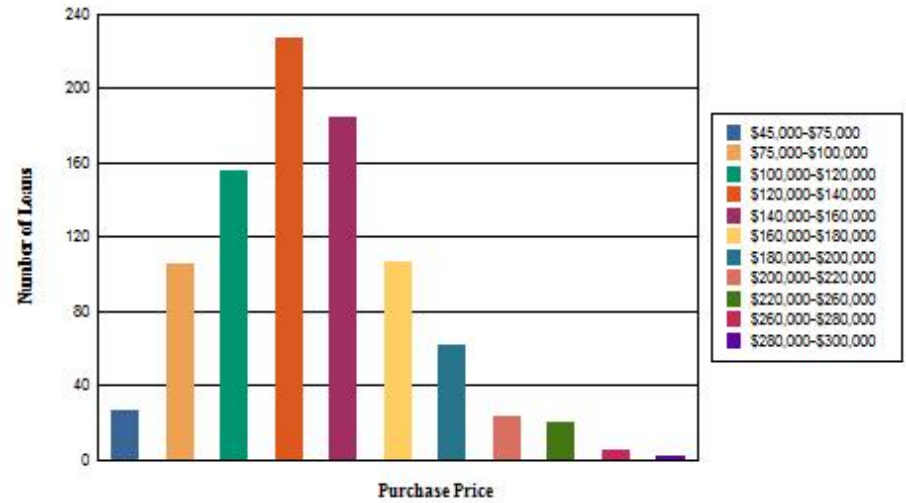


LOAN AMOUNT	LOANS	% OF TOTAL
\$0-\$45,000	5	0.55%
\$45,000-\$75,000	44	4.80%
\$75,000-\$100,000	158	17.23%
\$100,000-\$120,000	200	21.81%
\$120,000-\$140,000	203	22.14%
\$140,000-\$160,000	139	15.16%
\$160,000-\$180,000	82	8.94%
\$180,000-\$200,000	49	5.34%
\$200,000-\$220,000	17	1.85%
\$220,000-\$240,000	9	0.98%
\$240,000-\$260,000	6	0.65%
\$260,000-\$280,000	4	0.44%
\$280,000-\$300,000	1	0.11%
TOTAL	917	100.00%

PURCHASE PRICE REPORT

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

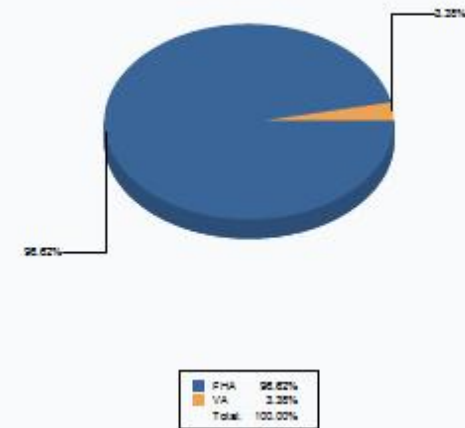


PURCHASE PRICE	LOANS	% OF TOTAL
\$45,000-\$75,000	27	2.94%
\$75,000-\$100,000	105	11.45%
\$100,000-\$120,000	155	16.90%
\$120,000-\$140,000	227	24.75%
\$140,000-\$160,000	184	20.07%
\$160,000-\$180,000	107	11.67%
\$180,000-\$200,000	62	6.76%
\$200,000-\$220,000	23	2.51%
\$220,000-\$260,000	20	2.18%
\$260,000-\$280,000	5	0.55%
\$280,000-\$300,000	2	0.22%
TOTAL	917	100.00%

LOAN TYPE REPORT

Florida Housing Finance Corporation
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

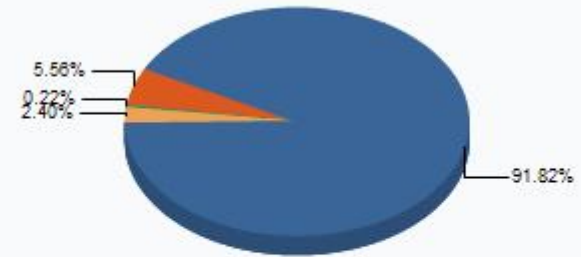


LOAN TYPE	LOANS	% OF TOTAL
FHA	886	96.62%
VA	31	3.38%
TOTAL	917	100.00%

PROPERTY TYPE REPORT

Florida Housing Finance Corporation Demographic Analysis Report

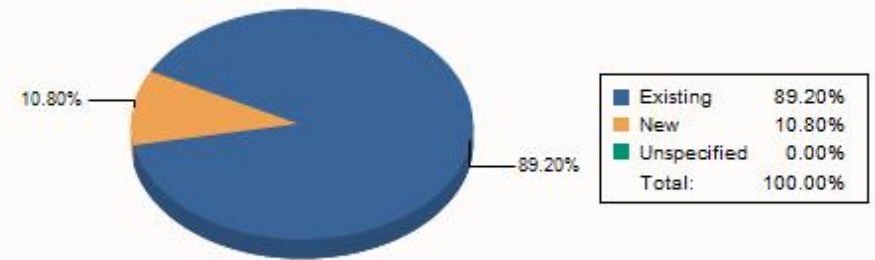
Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017



PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Detached	842	91.82%
Condo	22	2.40%
Duplex	2	0.22%
Townhouse	51	5.56%
TOTAL	917	100.00%

Florida Housing Finance Corporation
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

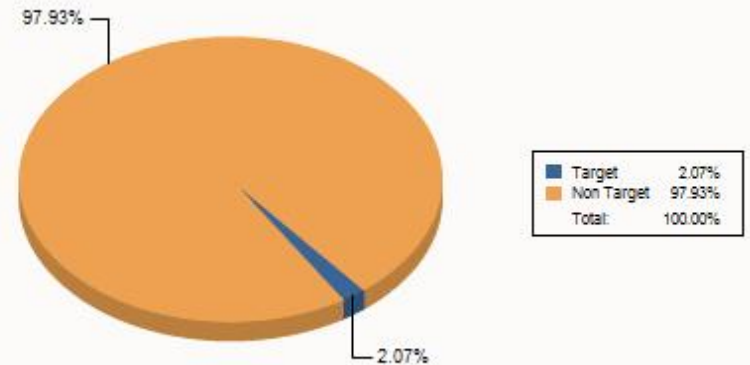


CATEGORY TYPE REPORT

TYPE	LOANS	% OF TOTAL
Existing	818	89.20%
New	99	10.80%
Unspecified	0	0.00%
TOTAL	917	100.00%

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017



TARGET/NON TARGET REPORT

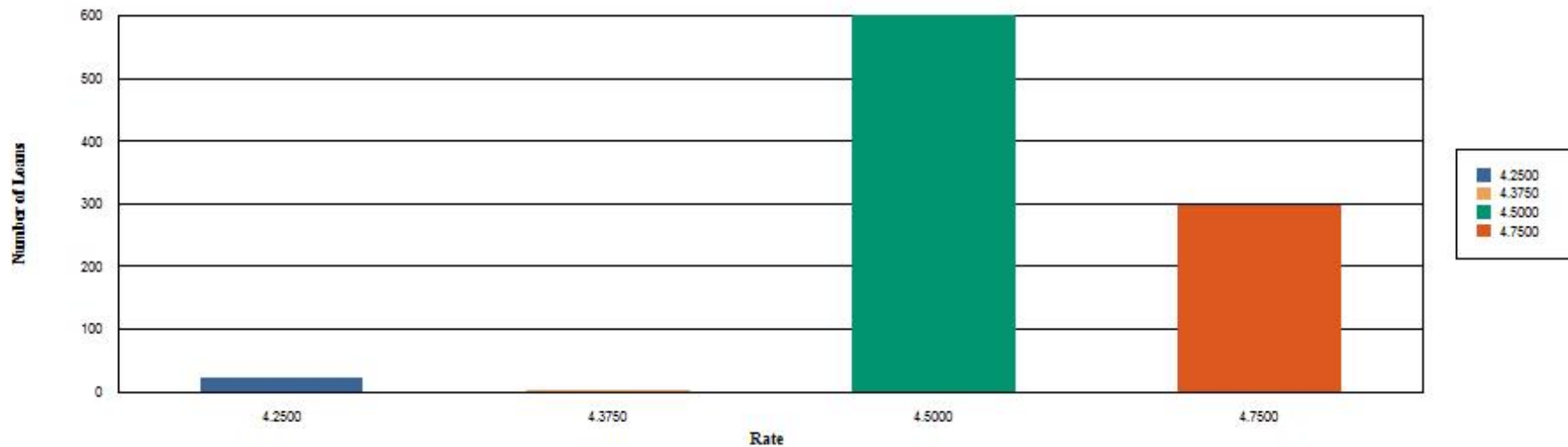
TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	19	\$1,906,500.00	2.07%
NON TARGET	898	\$116,158,667.86	97.93%
TOTAL	917	\$118,065,167.86	100.00%

INTEREST RATE LISTING REPORT

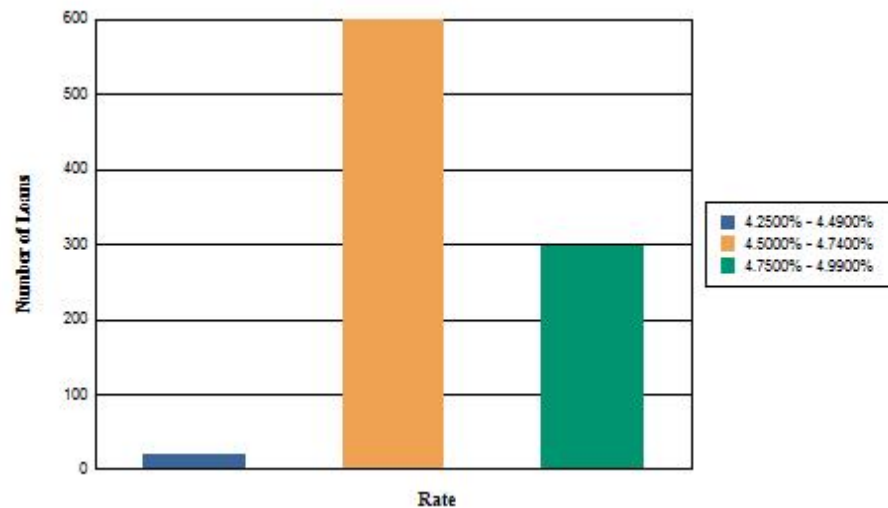
RATE	COUNT	AMOUNT	% OF TOTAL
4.2500%	20	\$2,659,236.00	2.18%
4.3750%	1	\$127,747.00	0.11%
4.5000%	599	\$76,328,626.00	65.32%
4.7500%	297	\$38,949,558.86	32.39%
TOTAL	917	\$118,065,167.86	100.00%

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017



INTEREST RATE RANGES REPORT



RATE

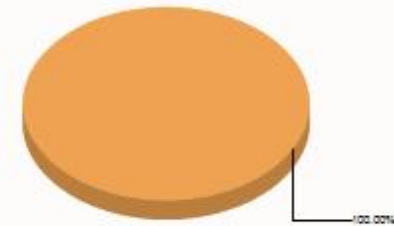
LOANS

% OF TOTAL

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

4.2500% - 4.4900%	21	2.29%
4.5000% - 4.7400%	599	65.32%
4.7500% - 4.9900%	297	32.39%
TOTAL	917	100.00%



No	0.00%
Yes	100.00%
Total:	100.00%

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	0	0.00%
Yes	917	100.00%
TOTAL	917	100.00%

ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM

LOANS

AMOUNT

AVERAGE LOAN AMOUNT

**Florida Housing Finance Corporation
Demographic Analysis Report**

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

HHF DPA up to 15k \ HHF - 2016 SF Series 2 MRB	193	\$2,895,000.00	\$15,000.00
HHF DPA up to 15k \ HHF TBA/FHFC Owned 2016	418	\$6,269,300.00	\$14,998.33
HHF DPA up to 15k \ HHF TBA/FHFC Owned 2017	304	\$4,547,990.34	\$14,960.49

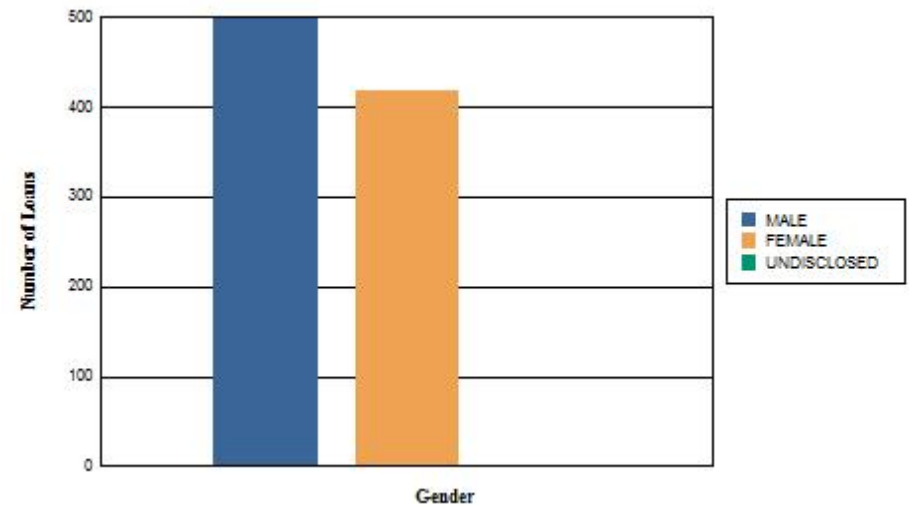
**Florida Housing Finance Corporation
Demographic Analysis Report**

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

GENDER REPORT

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

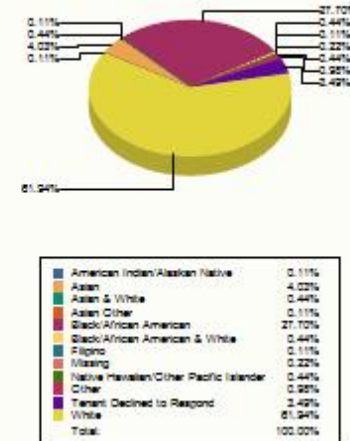


GENDER	LOANS	% OF TOTAL
MALE	498	54.31%
FEMALE	419	45.69%
UNDISCLOSED	0	0.00%
TOTAL	917	100.00%

RACE REPORT

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017



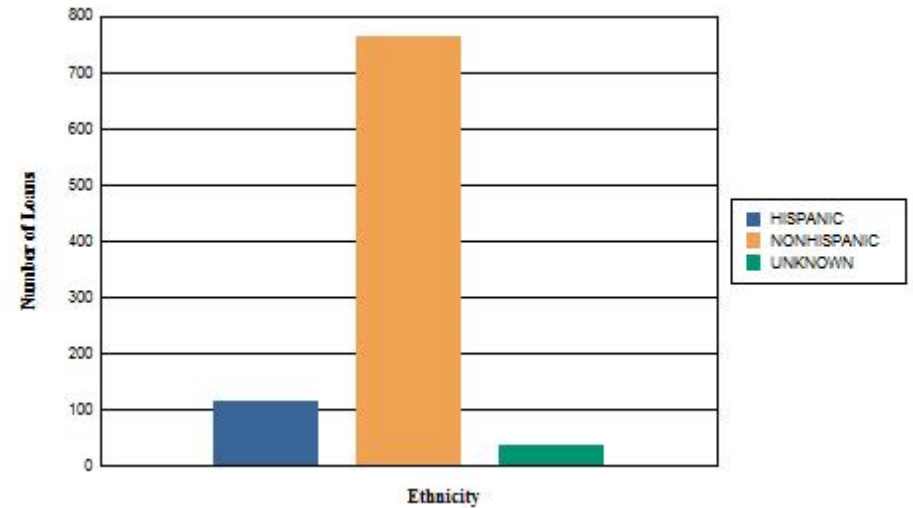
This graphic displays race combinations representing more than 10% of the population.

DESCRIPTION	LOANS	% OF TOTAL
American Indian/Alaskan Native	1	0.11%
Asian	37	4.03%
Asian & White	4	0.44%
Asian Other	1	0.11%
Black/African American	254	27.70%
Black/African American & White	4	0.44%
Filipino	1	0.11%
Missing	2	0.22%
Native Hawaiian/Other Pacific Islander	4	0.44%
Other	9	0.98%
Tenant Declined to Respond	32	3.49%
White	568	61.94%
TOTAL	917	100.00%

ETHNICITY REPORT

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017



ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	116	\$14,811,014.00	12.65%
NON HISPANIC	763	\$98,471,645.86	83.21%
OTHER	38	\$4,782,508.00	4.14%
TOTAL	917	\$118,065,167.86	100.00%

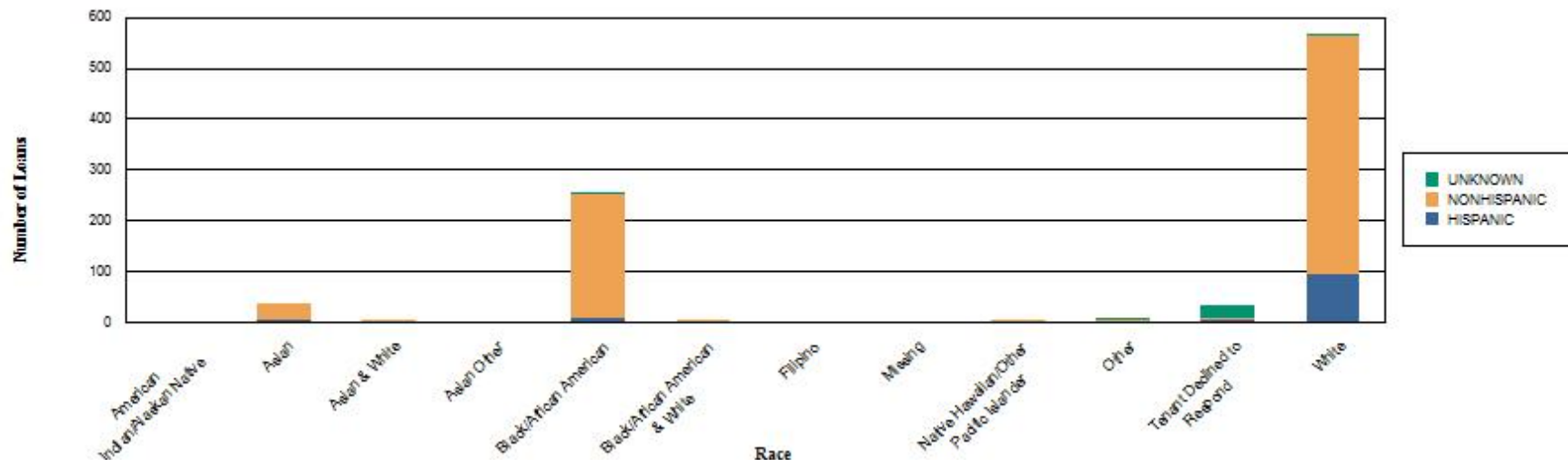
RACE BY ETHNICITY REPORT

RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
American Indian/Alaskan Native	0	1	0	1	0.11%
Asian	4	33	0	37	4.03%
Asian & White	0	4	0	4	0.44%
Asian Other	0	1	0	1	0.11%
Black/African American	7	244	3	254	27.70%
Black/African American & White	1	3	0	4	0.44%
Filipino	0	1	0	1	0.11%

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

Missing	2	0	0	2	0.22%
Native Hawaiian/Other Pacific Islander	1	3	0	4	0.44%
Other	2	2	5	9	0.98%
Tenant Declined to Respond	5	3	24	32	3.49%
White	94	468	6	568	61.94%
TOTAL	116	763	38	917	100.00%

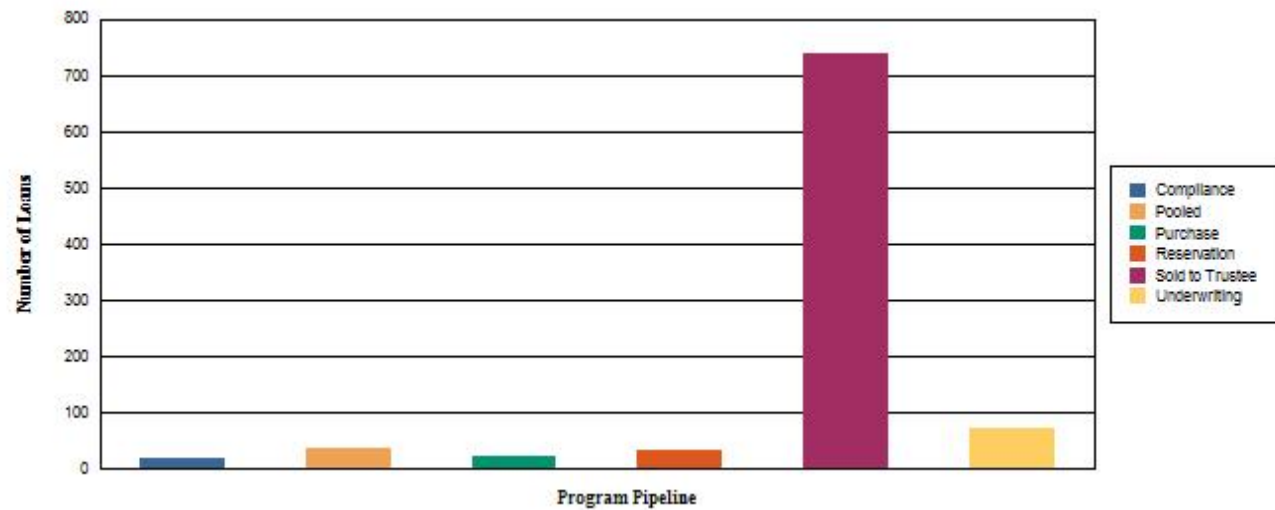


PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
Reservation	31	\$3,903,990.86	3.38%
Underwriting	71	\$8,966,511.00	7.74%
Compliance	19	\$2,337,351.00	2.07%
Purchase	23	\$3,301,225.00	2.51%
Pooled	36	\$5,131,274.00	3.93%
Sold to Trustee	737	\$94,424,816.00	80.37%
TOTAL	917	\$118,065,167.86	100.00%

Florida Housing Finance Corporation Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017



PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$128,751.55
AVERAGE PURCHASE PRICE:	\$137,713.22
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$48,981.83
AVERAGE DPA AMOUNT:	\$14,986.11
AVERAGE AGE OF PRIMARY BORROWER:	36
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1

Report Selection Criteria

Florida Housing Finance Corporation
Demographic Analysis Report

Reservation Stage Approved Date Between 01/01/2016 and 05/12/2017

Counties

CODE	NAME
	Duval

Programs

CODE	NAME
FLZI	HHF - 2015 SF Series A MRB
FLZN	HHF - 2016 SF Series 2 MRB
flzi-	HHF TBA/FHFC Owned 2016
--	HHF TBA/FHFC Owned 2017
flzi-	HHF TBA/FHFC Owned 2015

**Demographic Analysis Report
Hillsborough 2012 SF Program**

ORIGINATION SUMMARY REPORT

ORIGINATOR SUMMARY	LOANS	AMOUNT	% OF TOTAL
Academy Mortgage Corporation	19	\$2,337,051.00	18.81%
DHI Mortgage Co., Ltd.	4	503,593.30	3.96%
Fairway Independent Mortgage Corporation	12	1,544,292.00	11.88%
Network Funding, L.P.	2	273,984.00	1.98%
Open Mortgage, LLC	1	185,954.00	0.99%
PrimeLending, a Plains Capital Company	4	463,157.00	3.96%
SWBC Mortgage Corporation	59	5,955,935.00	58.42%
TOTAL	101	\$11,263,966.30	100.00%

**Demographic Analysis Report
Hillsborough 2012 SF Program**

CITY SUMMARY

CITY	LOANS	AMOUNT	% OF TOTAL
Jacksonville	100	\$11,157,689.30	99.01%
Jacksonville Beach	1	106,277.00	0.99%
TOTAL	101	\$11,263,966.30	100.00%

**Demographic Analysis Report
Hillsborough 2012 SF Program**

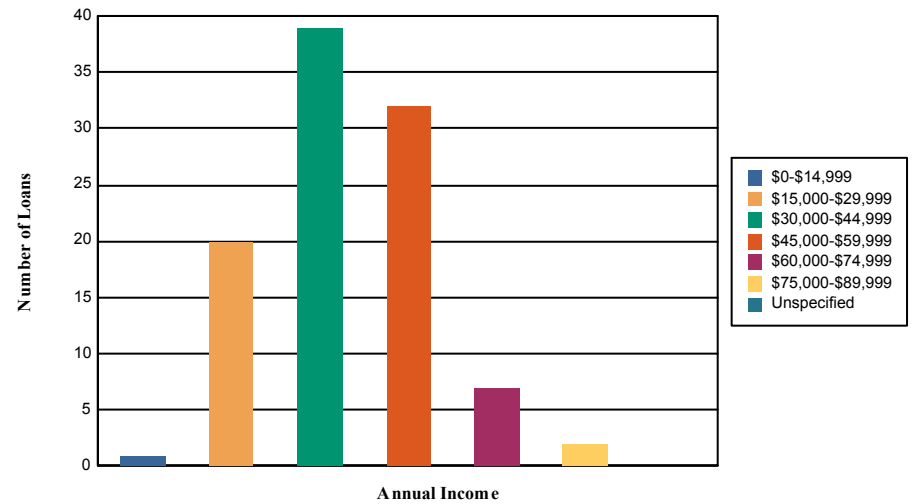
COUNTY SUMMARY

COUNTY	LOANS	AMOUNT	% OF TOTAL
Duval	101	\$11,263,966.30	100.00%
TOTAL	101	\$11,263,966.30	100.00%

Demographic Analysis Report Hillsborough 2012 SF Program

HOUSEHOLD ANNUAL INCOME REPORT

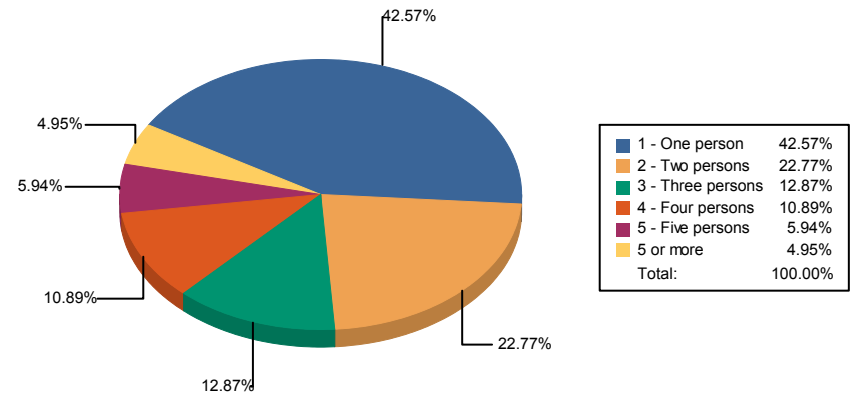
ANNUAL INCOME	LOANS	% OF TOTAL
\$0-\$14,999	1	0.99%
\$15,000-\$29,999	20	19.80%
\$30,000-\$44,999	39	38.61%
\$45,000-\$59,999	32	31.68%
\$60,000-\$74,999	7	6.93%
\$75,000-\$89,999	2	1.98%
TOTAL	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

HOUSEHOLD SIZE REPORT

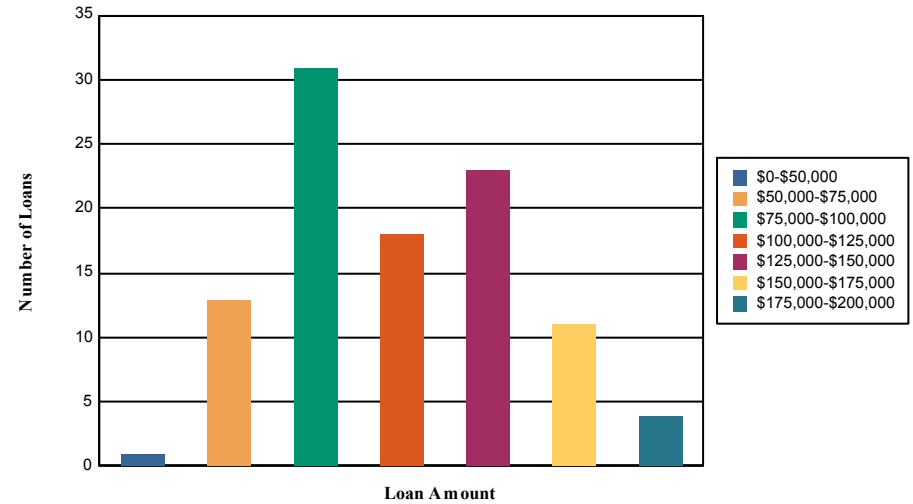
HOUSEHOLD SIZE	LOANS	% OF TOTAL
1 - One person	43	42.57%
2 - Two persons	23	22.77%
3 - Three persons	13	12.87%
4 - Four persons	11	10.89%
5 - Five persons	6	5.94%
6 - Six persons	3	2.97%
7 - Seven persons	1	0.99%
8 - Eight or more persons	1	0.99%
TOTAL	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

LOAN AMOUNT REPORT

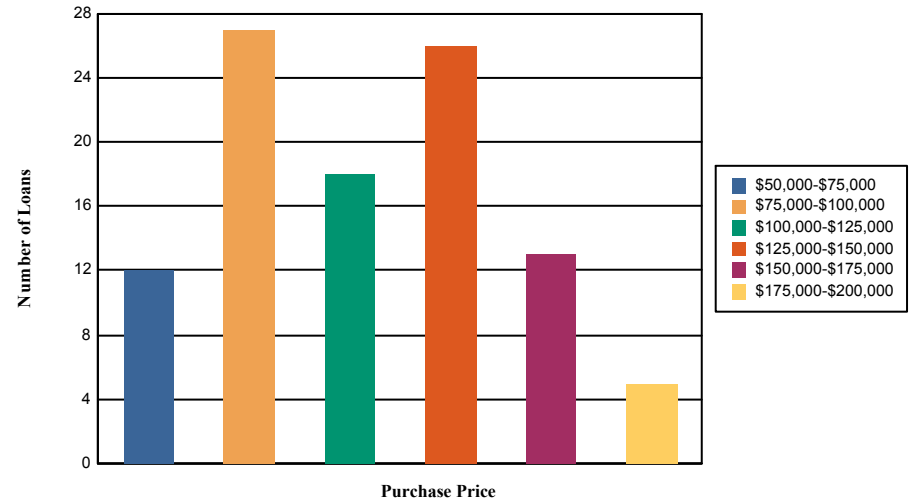
LOAN AMOUNT	LOANS	% OF TOTAL
\$0-\$50,000	1	0.99%
\$50,000-\$75,000	13	12.87%
\$75,000-\$100,000	31	30.69%
\$100,000-\$125,000	18	17.82%
\$125,000-\$150,000	23	22.77%
\$150,000-\$175,000	11	10.89%
\$175,000-\$200,000	4	3.96%
TOTAL	101	100.00%



Demographic Analysis Report
Hillsborough 2012 SF Program

PURCHASE PRICE REPORT

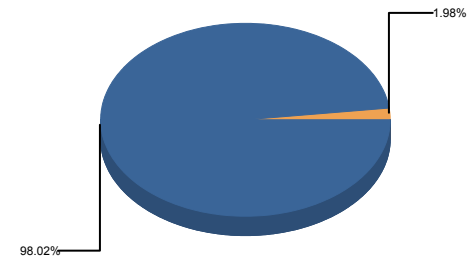
PURCHASE PRICE	LOANS	% OF TOTAL
\$50,000-\$75,000	12	11.88%
\$75,000-\$100,000	27	26.73%
\$100,000-\$125,000	18	17.82%
\$125,000-\$150,000	26	25.74%
\$150,000-\$175,000	13	12.87%
\$175,000-\$200,000	5	4.95%
TOTAL	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

LOAN TYPE REPORT

LOAN TYPE	LOANS	% OF TOTAL
FHA	99	98.02%
FreddieMac HFA Advantage	2	1.98%
TOTAL	101	100.00%

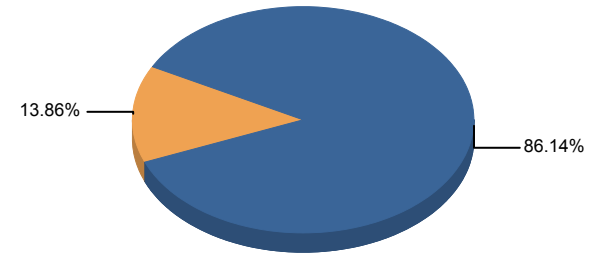


FHA	98.02%
FreddieMac HFA Advantage	1.98%
Total:	100.00%

**Demographic Analysis Report
Hillsborough 2012 SF Program**

PROPERTY TYPE REPORT

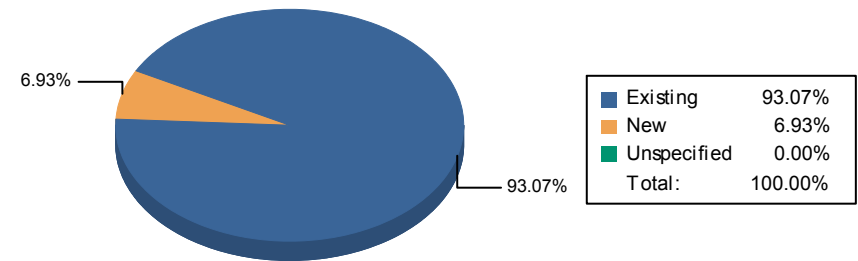
PROPERTY TYPE	LOANS	% OF TOTAL
1 Unit Single Family Detached	87	86.14%
Townhouse	14	13.86%
TOTAL	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

CATEGORY TYPE REPORT

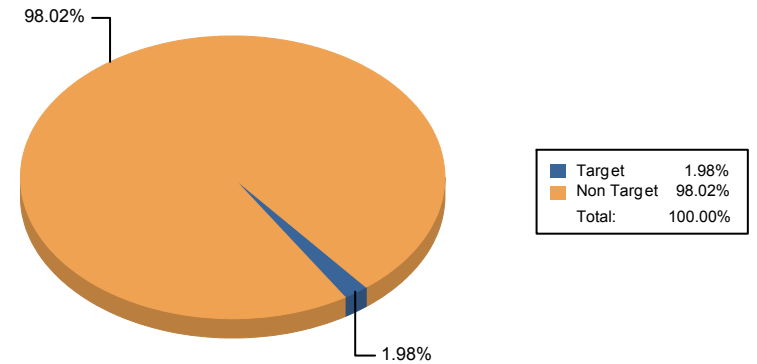
TYPE	LOANS	% OF TOTAL
Existing	94	93.07%
New	7	6.93%
Unspecified	0	0.00%
TOTAL	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

TARGET/NON TARGET REPORT

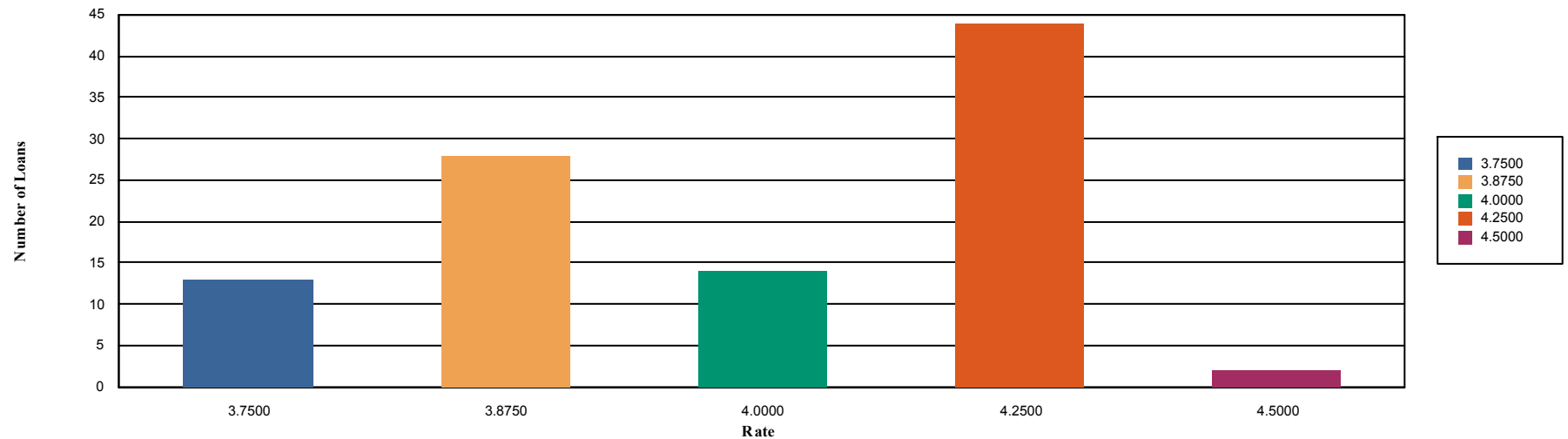
TYPE	LOANS	AMOUNT	% OF TOTAL
TARGET	2	\$151,123.00	1.98%
NON TARGET	99	\$11,112,843.30	98.02%
TOTAL	101	\$11,263,966.30	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

INTEREST RATE LISTING REPORT

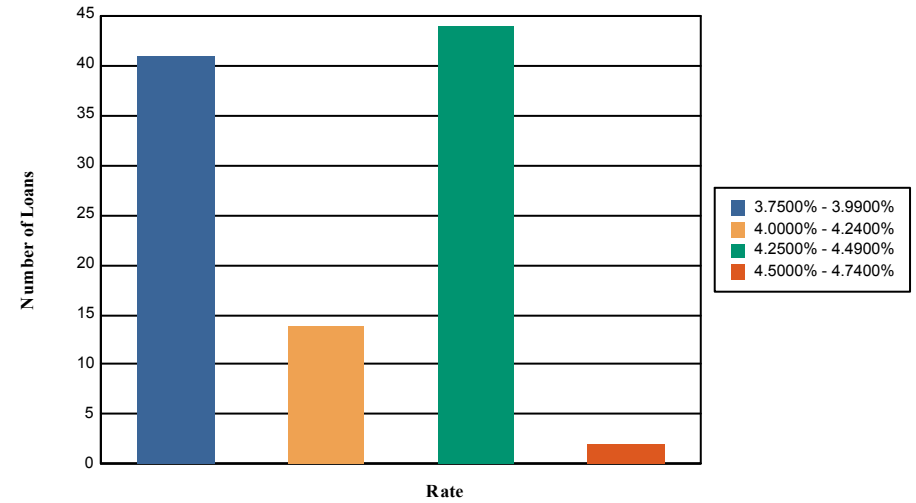
<u>RATE</u>	<u>COUNT</u>	<u>AMOUNT</u>	<u>% OF TOTAL</u>
3.7500%	13	\$1,592,026.30	12.87%
3.8750%	28	\$3,401,187.00	27.72%
4.0000%	14	\$1,517,481.00	13.86%
4.2500%	44	\$4,471,022.00	43.56%
4.5000%	2	\$282,250.00	1.98%
TOTAL	101	\$11,263,966.30	100.00%



Demographic Analysis Report
Hillsborough 2012 SF Program

INTEREST RATE RANGES REPORT

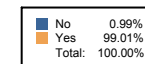
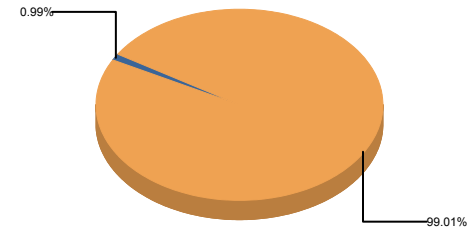
RATE	LOANS	% OF TOTAL
3.7500% - 3.9900%	41	40.59%
4.0000% - 4.2400%	14	13.86%
4.2500% - 4.4900%	44	43.56%
4.5000% - 4.7400%	2	1.98%
TOTAL	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

FIRST TIME HOMEBUYER REPORT

FIRST TIME HOMEBUYER	LOANS	% OF TOTAL
No	1	0.99%
Yes	100	99.01%
TOTAL	101	100.00%



**Demographic Analysis Report
Hillsborough 2012 SF Program**

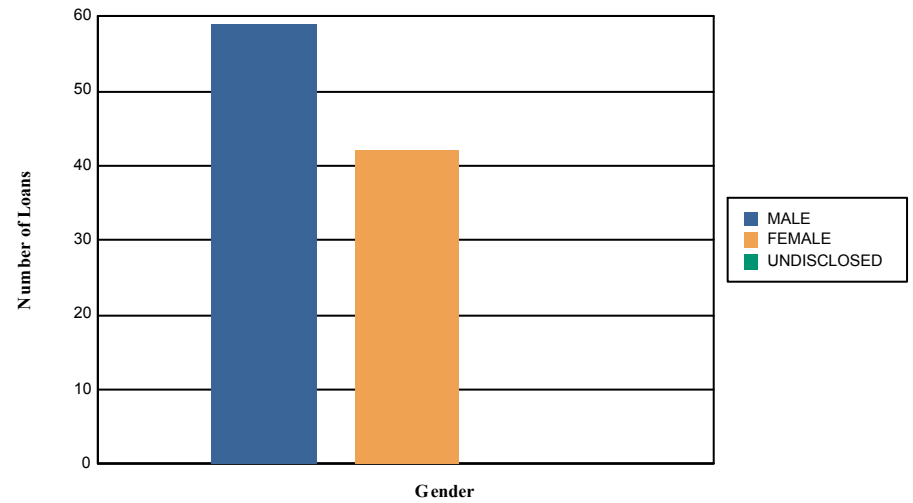
ADDITIONAL MORTGAGE REPORT

ADDTL MTG PROGRAM \ PRIMARY MTG PROGRAM	LOANS	AMOUNT	AVERAGE LOAN AMOUNT
Hillsborough 2012 DPA Programs \ Hillsborough 2012 SF Program	101	\$1,019,660.00	\$10,095.64

Demographic Analysis Report
Hillsborough 2012 SF Program

GENDER REPORT

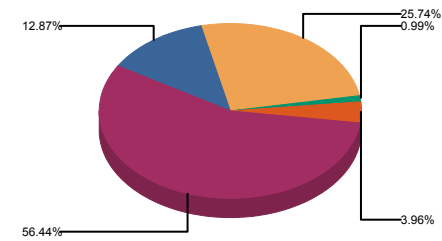
GENDER	LOANS	% OF TOTAL
MALE	59	58.42%
FEMALE	42	41.58%
UNDISCLOSED	0	0.00%
TOTAL	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

RACE REPORT

DESCRIPTION	LOANS	% OF TOTAL
Asian	13	12.87%
Black/ African American	26	25.74%
Other	1	0.99%
Tenant Declined to Respond	4	3.96%
White	57	56.44%
TOTAL	101	100.00%



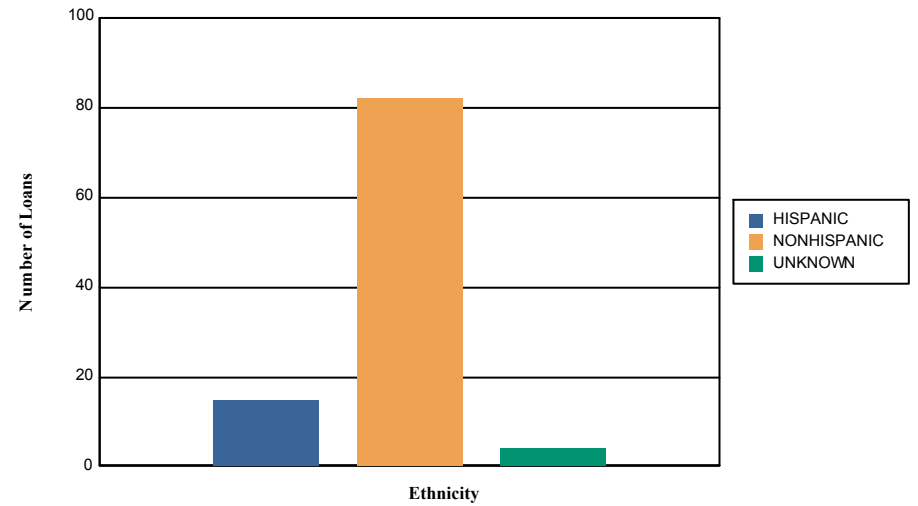
Asian	12.87%
Black/ African American	25.74%
Other	0.99%
Tenant Declined to Respond	3.96%
White	56.44%
Total:	100.00%

This graphic displays race combinations representing more than 10% of the population

Demographic Analysis Report
Hillsborough 2012 SF Program

ETHNICITY REPORT

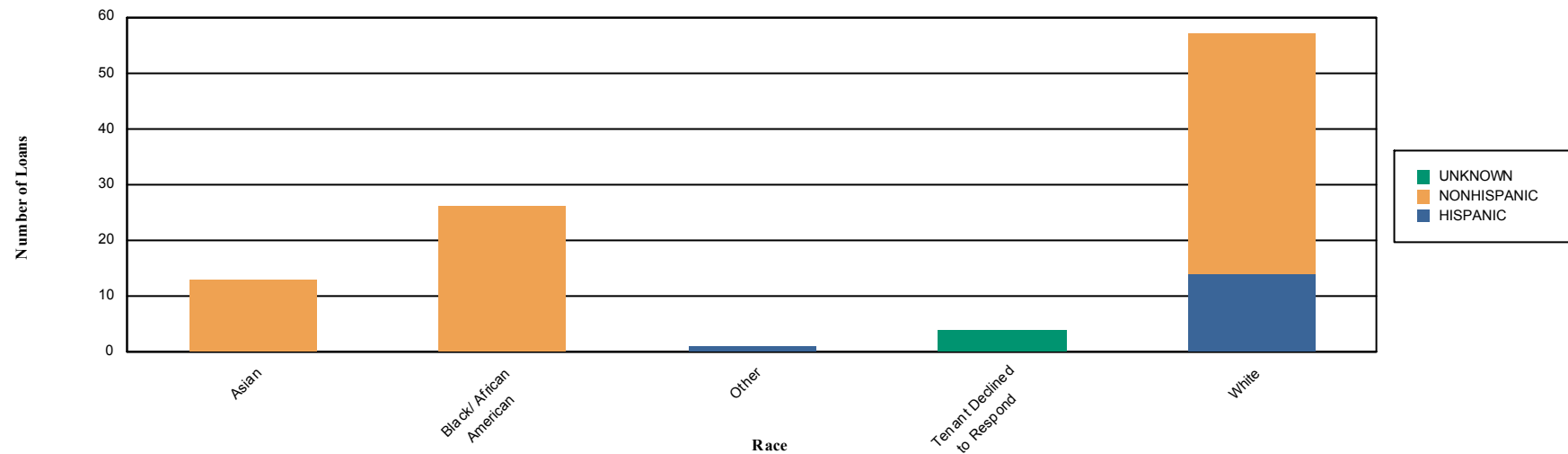
ETHNICITY	LOANS	AMOUNT	% OF TOTAL
HISPANIC	15	\$1,510,639.00	14.85%
NON HISPANIC	82	\$9,254,721.30	81.19%
OTHER	4	\$498,606.00	3.96%
TOTAL	101	\$11,263,966.30	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

RACE BY ETHNICITY REPORT

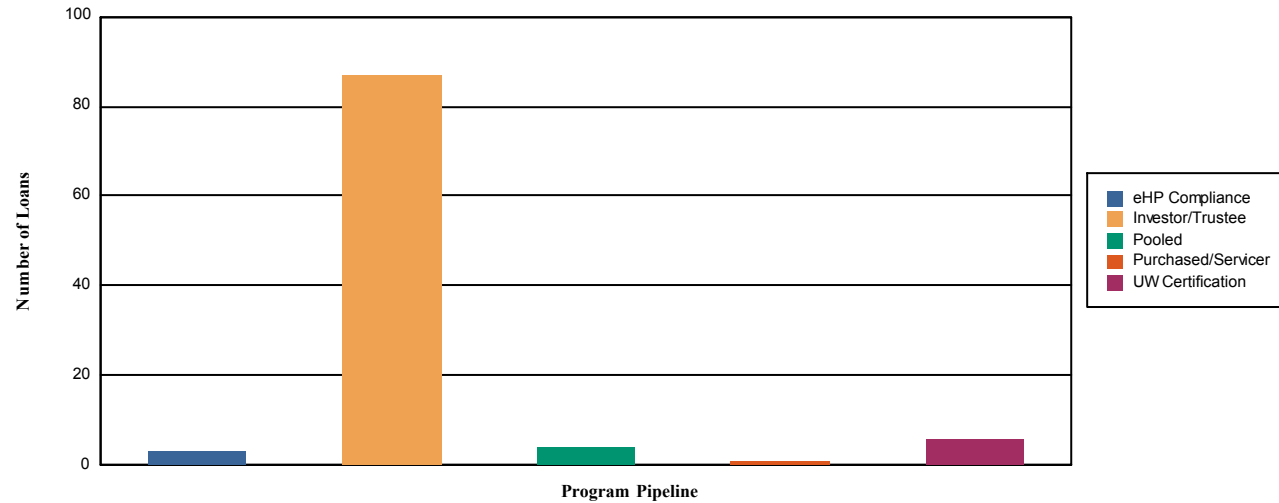
RACE	HISPANIC	NONHISPANIC	OTHER	LOANS	% OF TOTAL
Asian	0	13	0	13	12.87%
Black/ African American	0	26	0	26	25.74%
Other	1	0	0	1	0.99%
Tenant Declined to Respond	0	0	4	4	3.96%
White	14	43	0	57	56.44%
TOTAL	15	82	4	101	100.00%



Demographic Analysis Report Hillsborough 2012 SF Program

PIPELINE REPORT

PROGRAM PIPELINE	LOANS	AMOUNT	% OF TOTAL
UW Certification	6	\$712,961.00	5.94%
eHP Compliance	3	\$383,544.00	2.97%
Purchased/Servicer	1	\$140,415.00	0.99%
Pooled	4	\$558,175.00	3.96%
Investor/Trustee	87	\$9,468,871.30	86.14%
TOTAL	101	\$11,263,966.30	100.00%



**Demographic Analysis Report
Hillsborough 2012 SF Program**

PROGRAM SUMMARY

AVERAGE PRINCIPAL MORTGAGE:	\$111,524.42
AVERAGE PURCHASE PRICE:	\$116,121.52
AVERAGE HOUSEHOLD ANNUAL INCOME:	\$42,194.88
AVERAGE DPA AMOUNT:	\$10,095.64
AVERAGE AGE OF PRIMARY BORROWER:	35
AVERAGE HOUSEHOLD SIZE:	2
AVERAGE EMPLOYED IN HOUSEHOLD:	1

**Demographic Analysis Report
Hillsborough 2012 SF Program**

Report Selection Criteria

Agencies

CODE	NAME
	Jacksonville Housing Finance Authority
	HFA of Hillsborough County

Counties

CODE	NAME
	Duval

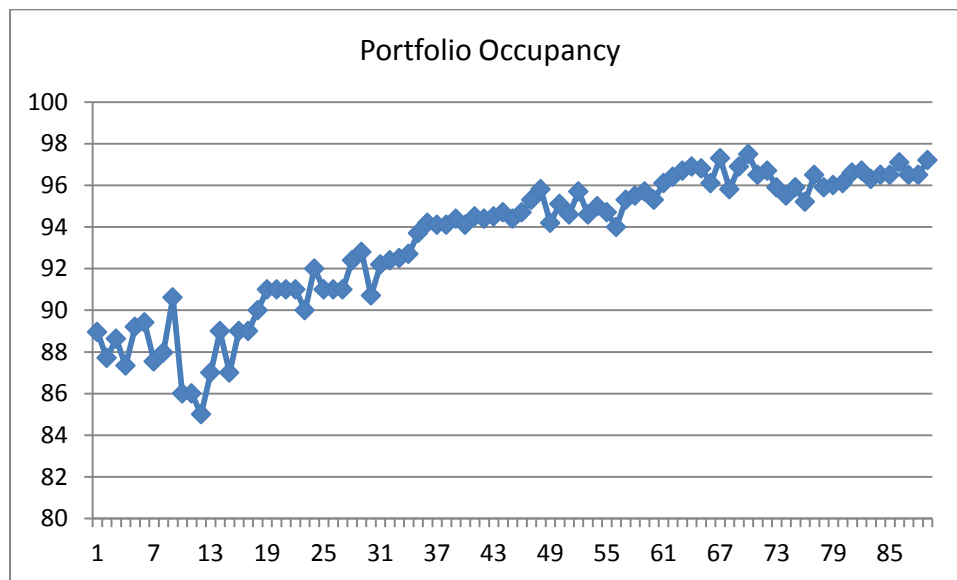
OCCUPANCY LEVELS

3-31-17

Active Rental Developments—Bond Financed by DCHFA or JHFA

Development & Address	Developer	Original Bonds & Issue Date	Units & Occupancy
Bennett Creek 3585 Salisbury Drive 32216	Richman	\$21,600,000 12-21-10	264 96% (+2%)
Brookwood Forest Apartments 1251 Fromage Way 32225	CED	\$10,000,000 2005	168 96% (+2%)
Camri Green Apartments 3820 Losco Road 32257	Vestcor	\$9,200,000 2003	184 97% (-1%)
Caroline Oaks	Vestcor	\$5,600,000 4-22-15	82 99% (-1%)
Cathedral Terrace	Blue Sky	\$12,500,000 1-21-16	200 98% (+3%)
Christine Cove 3730 Soutel Dr 32208	Carlisle	\$6,000,000 2006	96 100% (+0%)
Hartwood (AKA Hampton Ridge) 11501 Harts Road 32218	Southport	\$5,840,000 2006	110 94% (-1%)
Lindsey Terrace Apartments 6455 Argyle Forest Blvd. 32244	Vestcor	\$12,645,000 2001	336 97% (+0%)
Mt. Carmel Gardens 5846 Mt. Carmel Terrace 32216	BREC	\$9,750,000 8-19-16	207 Rolling Rehab 86%
Timberwood Trace 12250 Atlantic Blvd. 32225	Southport	\$16,000,000 2-1-17	224
Timuquana Park Apartments 5615 Seaboard Ave. 32244	Southport	\$4,300,000 2004	100 100% (+0%)

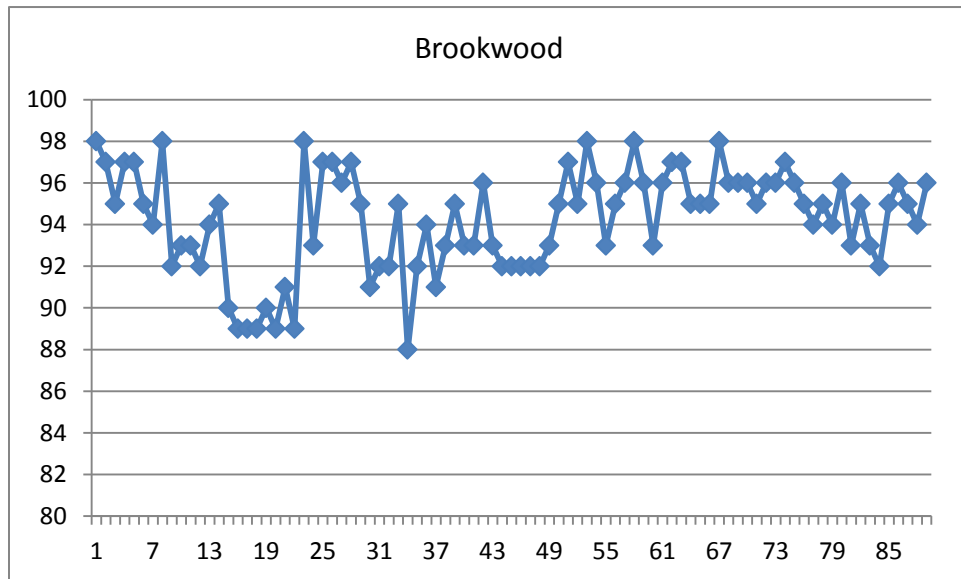
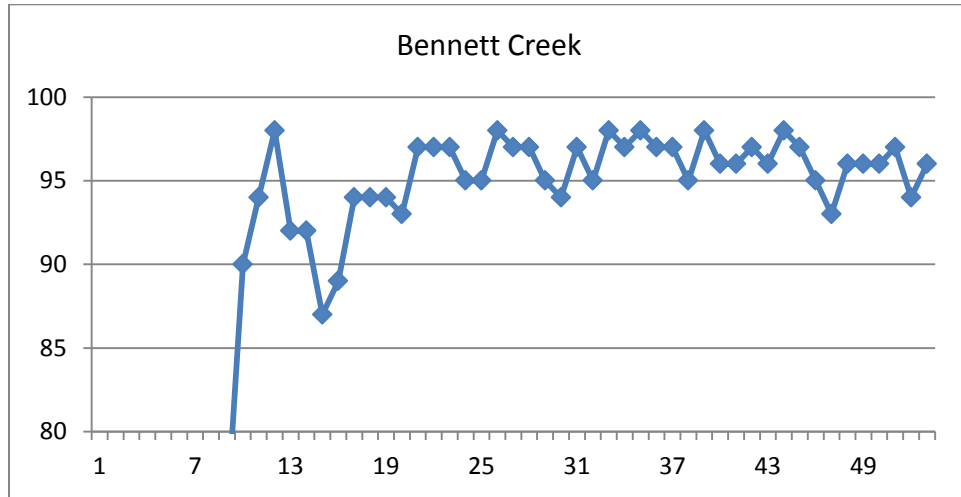
89 Month Occupancy Levels—Entire Portfolio Average Occupancy



OCCUPANCY LEVELS

3-31-17

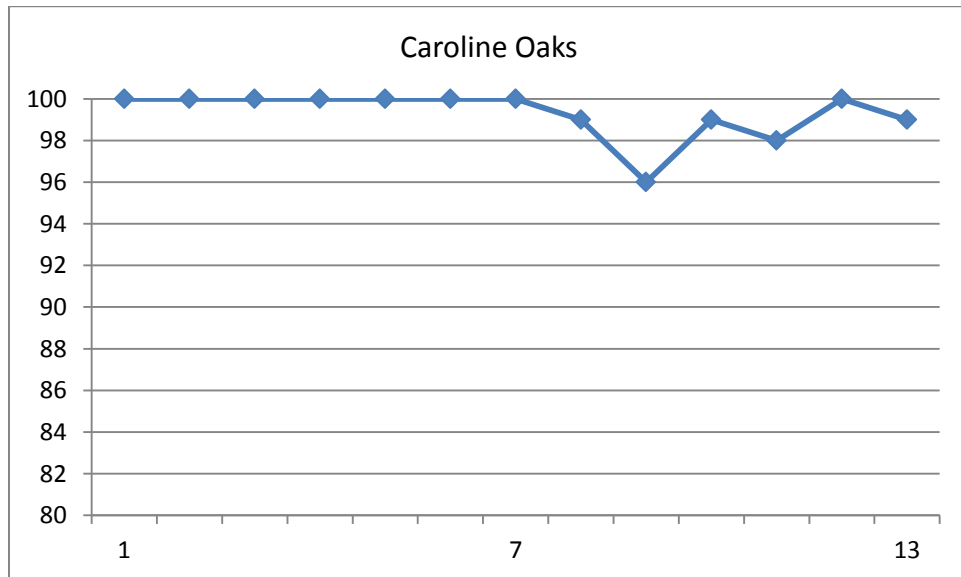
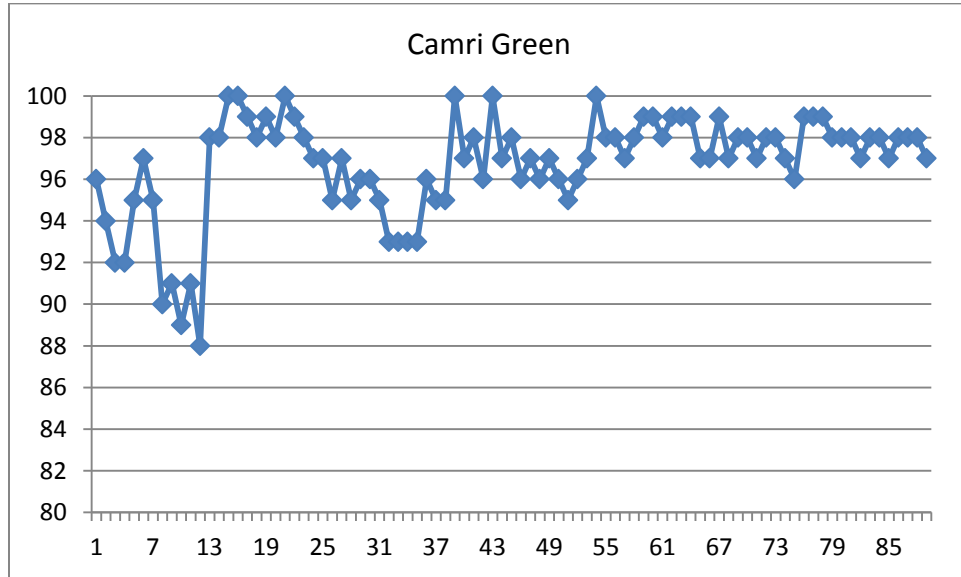
Average Occupancy by Development



OCCUPANCY LEVELS

3-31-17

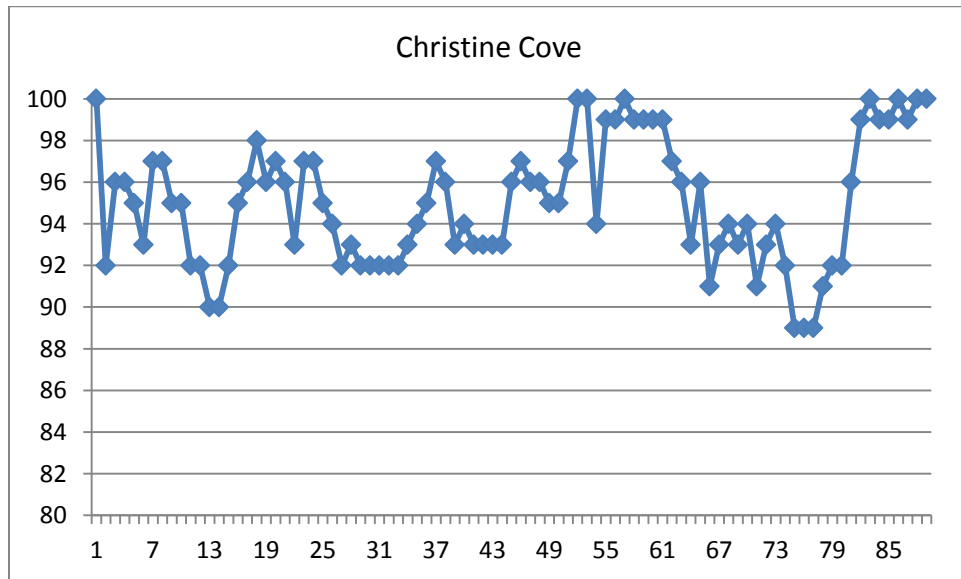
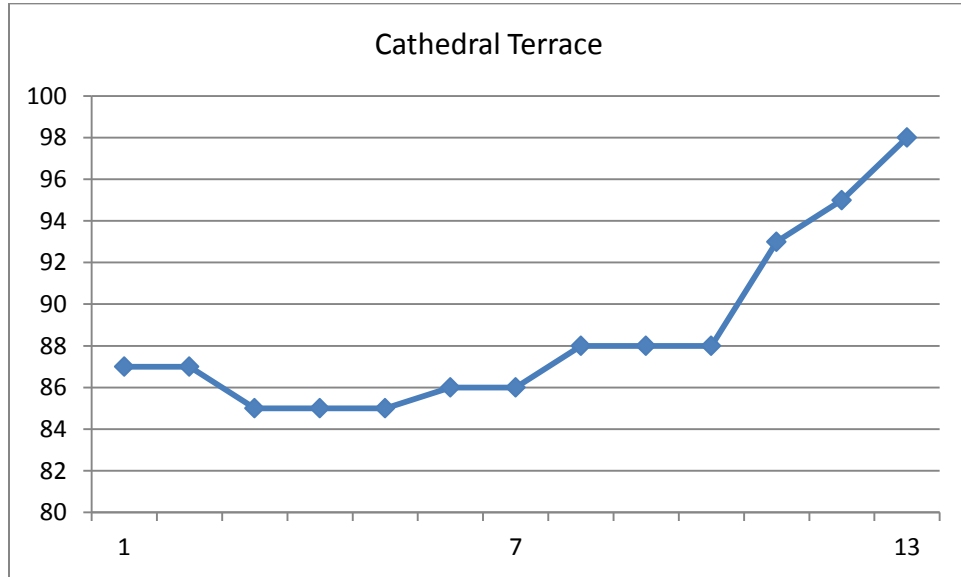
Average Occupancy by Development



OCCUPANCY LEVELS

3-31-17

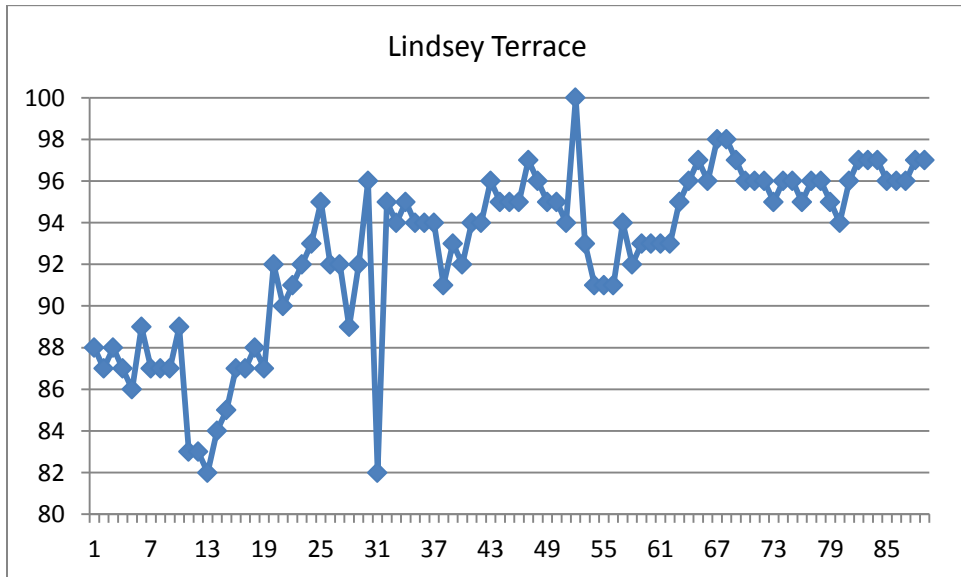
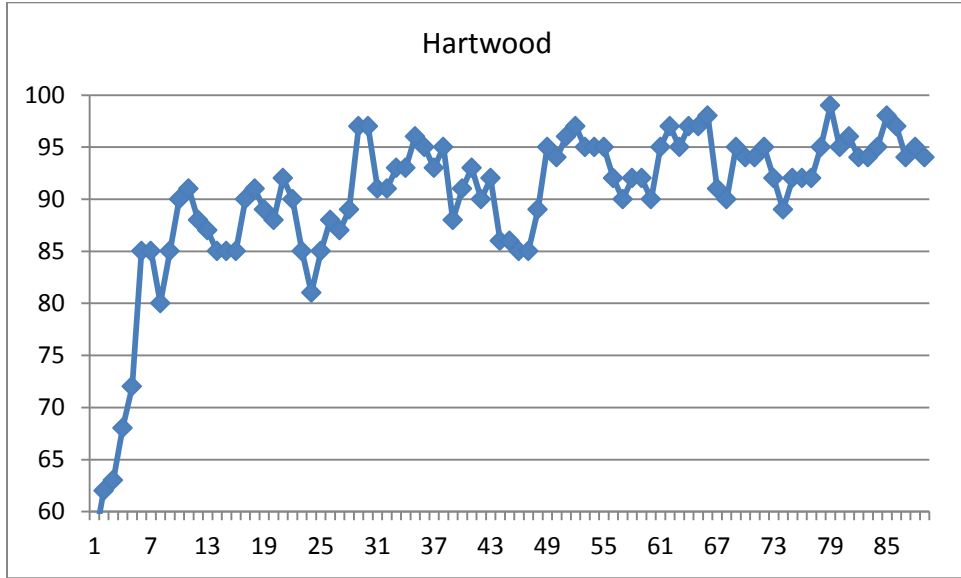
Average Occupancy by Development



OCCUPANCY LEVELS

3-31-17

Average Occupancy by Development



OCCUPANCY LEVELS

3-31-17

Average Occupancy by Development

