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CLT General
Member

Randy S. Wertepny,
P.E.
Kesahavarz and
Associates

Sandra Young
CLT Lessee Member

January 21, 2020

David Brandt, Executive Director
Palm Beach County Housing Finance Authority
100 Australian Avenue, Suite 410
West Palm Beach, Florida 33406

Dear Mr. Brandt,

The Community Land Trust of Palm Beach County, Inc. (CLT of PBC) is requesting to extend the \$1 million dollar loan originally awarded to develop 8 community land trust homes along Kirk Road in Palm Springs. Due to fewer HOME dollars being granted to the project than were applied for, the CLT of PBC only developed 6 of the 8 homes. The first six homes have all been completed and sold first-time homebuyer households with incomes below 80% of the area median income (see attached stories of some of the happy households!)

Recently, the CLT of PBC has been awarded an additional \$185,000 in HOME funding to develop the final two homes off Kirk Road in Palm Springs. As such, the CLT of PBC is requesting to extend the Kirk Road PBCHFA Loan, which expired in December 2019, to cover the costs of fronting the HOME dollars as well as covering construction costs not funded from other sources.

Total projected costs for the last two homes are \$556,680. Sources are \$185,000 in HOME funding from Palm Beach County; a \$16,422 in Impact Fee Assistance Grant already awarded by Palm Beach County; a \$55k grant from the Community Foundation of Palm Beach and Martin Counties already awarded; and PBCHFA construction financing. The lots were previously donated by Palm Beach County for the development of affordable housing.

The requested extension would result in \$500,000 being available in the line of credit with a loan maturity date of January, 2022. It is anticipated draws will be made from April, 2020 to January, 2021.

I hope you will support this request and assist us in our mission to build up a permanent affordable housing infrastructure that will be available to current and future residents of Palm Beach County.

Please call me at (561)318-8430 to discuss this request and/or provide additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cindee", with a long, sweeping underline.

Cindee LaCourse-Blum, Executive Director
Community Land Trust of Palm Beach County, Inc.

4938 Davis Road • Lake Worth, Florida 33461

Phone: (561) 318-8842

<http://cltofabc.org>



Congrats to our Kirk Road CLT homeowners Gilberto Bonachea and Moriama Toledo. Gilberto and Moriama came to the United States with a dream for a better life and on May 20, 2019 they took a step forward when they purchased their first home through the CLT of PBC. They both were so excited about the beautiful home they were buying; they could not even sleep the night before the closing. For three years, the family worked hard to establish their credit and save the needed funds for their home. The reason they wanted to buy this home on Kirk Road, was the professional quality that the CLT provided in service and houses for first time homebuyers.

Now that the Gilberto and Moriama have reached this goal, they are planning for the next phase in their lives. First, they are now focusing on having the space they need to spend time with their family and especially their grandchildren. They are also looking forward to having their parents come to visit from Cuba. Lastly, they both want to obtain their citizenship for the country they call home and have rooted themselves to with their home. In their own words, “this is for us the American Dream.”



Millennial Trina Davis achieved her dream of homeownership by purchasing a 2bd/2ba/1 car garage home through the Community Land Trust of Palm Beach County. As a professional who links private companies with the government to ensure our service men and women have the services they need, she is looking forward to coming home to a place

that is all hers. Trina is very close with her family but she is very excited to move out of the room she grew up in to a place where she can enjoy the peace and quiet that comes with solitary living.

Having taken the first step on the property ladder, Trina is taking her new confidence and is directing it towards advancing herself professionally. She also plans to continue to use the skills that she mastered to buy a home to save for her future. Trina lastly intends to use some of those savings for a well-needed vacation only after she has made her house into her showplace.



On an overcast Monday, Jessica Glasco's outlook could not be brighter! After working hard for over 2 years and including some last minute challenges, Jessica closed on the purchase of her new 2bd/2ba/1 car garage home through the Community Land Trust of PBC. The reason Jessica decided to work towards this goal was so she could provide a quality stable home for her daughter. She was tired of having to change her daughter's school every time they had to move, especially since this was affecting her child's ability to focus on her studies. As most parents do, Jessica wants her daughter to someday graduate from college.

Now that Jessica is a homeowner, she has many plans for her family's future. Of course, she wants to make her new house a home for the two of them. Plus, Jessica is going to ensure her daughter focuses on her education and going to a good university. She is also elated that her new home is located near family whom she is very close with.



Congrats to the Rivera family for completing the Family Self Sufficiency Program with the West Palm Beach Housing Authority and achieving their dream of homeownership at the Kirk Road CLT Homes project!!



Congrats to our last, but certainly not least, homeowner of Phase I of the Kirk Road CLT Homes project, Martine Noel! Ms. Noel has been working hard over the last five years on repairing her credit and saving for a down payment. Now that she has stable and affordable housing close to her job, Ms. Noel plans to go back to school. She is excited about this new journey for her and her family!

Attachment 9 - Development Proforma

See Cost Estimate from Architect on the following page.

PBC HFA Budget

Kirk Road CLT Homes Phase II 2 Martin
Homes 1744 SF
Budget

	Budget	Budget Changes	Current Budget	Invoiced / Spent to Date	Remaining Balance
Hard Costs					
Construction	\$ 401,120.00				
Total Hard Costs	\$ 401,120.00		\$ 401,120.00		\$ 401,120.00
Financing Costs					
Title and Recording-Construction-clos	\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
Closing with Buyers	\$ 7,000.00		\$ 7,000.00		\$ 7,000.00
Construction Period Interest	\$ 5,000.00		\$ 5,000.00		\$ 5,000.00
Total Financing Cost	\$ 17,000.00	\$ -	\$ 17,000.00		\$ 17,000.00
Soft Costs					
Accounting	\$ 1,000.00		\$ 1,000.00		\$ 1,000.00
Architect	In Hard Cost		\$ -		\$ -
Legal	\$ 1,500.00		\$ 1,500.00		\$ 1,500.00
Builders Risk	\$ 4,011.20		\$ 4,011.20		\$ 4,011.20
Project Manager	\$ 20,000.00		\$ 20,000.00		\$ 20,000.00
Marketing	\$ 2,000.00		\$ 2,000.00		\$ 2,000.00
Permit Fees	\$ 10,028.00		\$ 10,028.00		\$ 10,028.00
Impact Fees	\$ 19,541.00		\$ 19,541.00		\$ 19,541.00
Utility Connection Fees	\$ 16,000.00		\$ 16,000.00		\$ 16,000.00
Realtors Fees	\$ 9,480.00		\$ 9,480.00		\$ 9,480.00
Developers Fee	\$ 45,000.00		\$ 45,000.00		\$ 45,000.00
Owner Contingency Hard or Soft	\$ 10,000.00		\$ 10,000.00		\$ 10,000.00
Total Soft Costs	\$ 138,560.20		\$ 138,560.20		\$ 138,560.20
Total Budget	\$ 556,680.20	\$ -	\$ 556,680.20		\$ 556,680.20

Sources of Income

Community Foundation Grant	\$ 55,000.00
Sales @158,340k	\$ 316,680.00
HOME	\$ 185,000.20
TOTAL	\$ 556,680.20





Maurice Menasche, PA
Architecture • Planning • Design

The Martin 3 bedroom, 2 bath, 1 car garage
 1374sf a/c & 1744sf u/r
 Kirk Road and Dale Road- Martin 1

AIA DOCUMENT G703

STUART & SHELBY DEVELOPMENT
 205 George Bush Blvd, Delray Beach, FL 33444

200560

APPLICATION NUMBER: CONTRACT
 APPLICATION DATE: December 12, 2018
 PERIOD TO:
 ARCHITECT'S PROJECT NO:

ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETE			TOTAL COMPLETED AND STORED TO DATE (D+E+F)	BALANCE TO FINISH (C-G)	RETAINAGE	ACTUAL PAYMENT
			FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)				
1	SLAB, BLOCK, BEAM AND TRUSS (30%)	\$60,168.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,168.00	\$0.00	\$0.00
2	FRAMING INSPECTION- ALL ROUGH TRADES COMPLETE/ WINDOWS (15%)	\$30,084.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,084.00	\$0.00	\$0.00
3	DRYWALL SPRAY/ STUCCO (10%)	\$20,056.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,056.00	\$0.00	\$0.00
4	INT & EXT PAINT/ CABINETS/ TILE/ ROOF COMPLETE (20%)	\$40,112.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,112.00	\$0.00	\$0.00
5	FLATWORK/ FINAL TRADES/ IRRIGATION/ LANDSCAPE/ SOD (10%)	\$20,056.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,056.00	\$0.00	\$0.00
6	CARPET/ APPLIANCES (5%)	\$10,028.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,028.00	\$0.00	\$0.00
7	PUNCHOUT/ CERTIFICATE OF OCCUPANCY (10%)	\$20,056.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,056.00	\$0.00	\$0.00
TOTAL STANDARD HOUSE HARD COST @ \$115.00 per sq ft		\$200,560.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,560.00	\$0.00	\$0.00

SOFT COST Based on Real & Projected Costs									
9A	PERMIT FEES	By owner	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10A	COUNTY IMPACT FEES	By owner	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12A	WATER & SEWER ESTIMATE	By owner	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13A	SOIL TESTING AND DENSITY	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00	\$0.00	\$0.00
14A	REMOVE AND DISPOSE OF TREES/ BRUSH + SILT FENCE +CONST ENTRANCE	\$3,150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,150.00	\$0.00	\$0.00
15A	FILL FOR PAD AND PARTIAL SITE	\$8,393.50	\$0.00	\$0.00	\$0.00	\$0.00	\$8,393.50	\$0.00	\$0.00
16A	BUILDERS RISK AND WINDSTORM	By owner	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17A	SURVEY FEE- PLOT PLAN, FINAL SURVEY AND ELEVATION CERTIFICATE	\$950.00	\$0.00	\$0.00	\$0.00	\$0.00	\$950.00	\$0.00	\$0.00
18A	DRAINAGE PLAN FEE	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$0.00	\$0.00
19A	CONSTRUCTION PERMIT SET BY MAURICE MENASCHE @ \$2.25 (2 UNITS)	\$3,924.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,924.00	\$0.00	\$0.00
TOTAL COST BREAKDOWN			\$18,717.50	\$0.00	\$0.00	\$0.00	\$0.00	\$18,717.50	\$0.00
TOTAL CONSTRUCTION COST			\$219,277.50	\$0.00	\$0.00	\$0.00	\$0.00	\$200,560.00	\$0.00

REVIEWED & APPROVED

MAURICE MENASCHE
ARCHITECT
FL. REG. #14891

RESOLUTION NO. R-2020-02

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA; APPROVING THE RENEWAL AND EXTENSION OF A LOAN TO COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC. IN AN AMOUNT NOT TO EXCEED \$500,000,; APPROVING THE FORM OF AND AUTHORIZING ENTERING INTO A FIRST AMENDMENT TO CONSTRUCTION LOAN AGREEMENT WITH COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.; AUTHORIZING ENTERING INTO OTHER LOAN DOCUMENTS CONSISTENT WITH THE CONSTRUCTION LOAN AGREEMENT, AS AMENDMED BY SAID FIRST AMENDMENT; AUTHORIZING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the “Board”), has heretofore enacted an ordinance, as amended, creating the Housing Finance Authority of Palm Beach County, Florida (the “**Authority**”), pursuant to the provisions of Part IV of Chapter 159, Florida Statutes, as amended and supplemented (the “**Act**”); and

WHEREAS, the Board has heretofore adopted a resolution declaring a need for the Authority to function in order to alleviate the shortage of housing and capital for investment in housing within Palm Beach County, Florida (the “**County**”); and

WHEREAS, the Authority, on September 9, 2017, approved a loan (the “**Loan**”) of the Authority’s surplus funds in an amount not to exceed One Million Dollars (\$1,000,000) to the Community Land Trust of Palm Beach County, Inc. (the “**CLT**”) for the construction of up to eight (8) homes along Kirk Road in the Village of Palm Springs, Florida (the “**Project**”) pursuant to the terms and provisions of a Construction Loan Agreement dated as of October 31, 2017, between the Authority and the CLT (the “**Agreement**”); and

WHEREAS, pursuant to the Agreement the CLT constructed and sold six (6) of the eight (8) homes within the time frame provided therein; and

WHEREAS, the CLT has requested that the Authority renew and extend the Loan as provided in the First Amendment to Construction Loan Agreement in substantially the form attached hereto (the “**First Amendment**”); and

WHEREAS, the Authority is agreeable to said request.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA:

Section 1: Recitals. The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution.

Section 2: Approval of Loan. The Authority hereby approves the renewal and extension of the Loan, provided that the aggregate principal amount of renewal note evidencing the Loan (the "**Note**") shall not exceed \$500,000 and the maturity date of the Note shall be not later than January 31, 2022.

Section 3: Approval and Execution of First Amendment to Construction Loan Agreement with the CLT. The Authority is hereby authorized to enter into a First Amendment to Construction Loan Agreement with the CLT in substantially the form attached as Exhibit "A" hereto (the "**First Amendment**"). The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the First Amendment, the execution thereof by the Authority being conclusive evidence of the approval of the form of such First Amendment.

Section 4: Authority to Enter into Other Loan Documents. The Authority is authorized to enter into such other loan documents with the CLT as are usual and customary for a loan of this type, so long as such documents are consistent with the provisions of the Agreement and the First Amendment. Such documents shall be in such form as may be approved by the Chairperson or other member of the Authority executing such documents, with the advice of the Executive Director and of the Authority and general counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

Section 5: No Other Rights Conferred. Except as herein otherwise expressly provided, nothing in this Resolution or in the agreements approved hereby, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority or the CLT, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or such agreements, or any other agreements to which the Authority is a party and which have been approved by the Authority or any provision thereof; this Resolution, such agreements and all of their respective provisions being intended to be and being for the sole and exclusive benefit of the Authority and the CLT.

Section 6: Severability. In case any one or more of the provisions of this Resolution, or of agreements approved hereby or any other agreements to which the Authority is a party and which have been approved by the Authority, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this Resolution or of such agreements.

Section 7: Further Actions; Effectiveness of Approval. The Chairperson, the Vice Chairperson, the Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, the Authority's general counsel, are hereby authorized and directed to do all acts and things required of them by the provisions of this Resolution, the agreements herein approved or any other agreements to which the Authority is a party and which have been approved by the Authority.

Section 8: Headings Not Part of this Resolution. Any headings preceding the texts of the several sections of this Resolution shall be solely for convenience of reference and shall not form a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 9: Resolution Effective. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 14th day of February, 2020.

(SEAL)

**HOUSING FINANCE AUTHORITY OF
PALM BEACH COUNTY, FLORIDA**

ATTEST:

By: _____
Name: _____
Title: Chairperson

By: _____
Name: _____
Title: Secretary

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
Name: Morris G. (Skip) Miller, Esq.
Title: Attorney

EXHIBIT "A"

FORM OF FIRST AMENDMENT TO CONSTRUCTION LOAN AGREEMENT

FIRST AMENDMENT TO CONSTRUCTION LOAN AGREEMENT

THIS FIRST AMENDMENT TO CONSTRUCTION LOAN AGREEMENT is made and entered into on this ____ day of February, 2020 (the "**First Amendment**"), by and between the following parties, to wit: COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC., a Florida Non Profit corporation (the "**Borrower**"), which term as used in every instance shall include Borrower's successors and assigns, either by voluntary act of the parties, or by involuntary operation of law, and the HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, a public body corporate and political entity organized and existing under the State of Florida, and its successors and/or assigns, as their interests may appear (the "**Lender**"), amending in certain respects that certain Construction Loan Agreement between the parties dated October 31, 2017 (the "**Original Agreement**" and, as amended by the First Amendment, the "**Amended Agreement**")

WITNESSETH:

WHEREAS, Borrower and Lender entered into the Original for the purpose of the Lender making a revolving construction loan of \$1,000,000 (the "**Loan**") to Borrower for Borrower to construct upon the Property described in the Original Agreement at least six (6) and as many as eight (8) deed restricted, low-to moderate income single family residences and duplexes (the "**Homes**") and certain other improvements appurtenant thereto (herein collectively referred to as the "**Project**"); and

WHEREAS, the Borrower has completed six (6) of the Homes and has determined to proceed with the construction of the final two Homes, but in order to do so needs extensions of the "Completion Date," the deadline to request draws and the maturity date of the Note, all as set forth herein; and

WHEREAS, Lender is willing to and has agreed to said extensions, subject to the conditions and limitations set forth herein.

NOW, THEREFORE, in consideration of the agreements, covenants, and warranties contained herein, the parties agree to amend the Original Agreement as follows:

SECTION 1. Definitions. The following terms shall have the following meanings when used in the Amended Agreement:

"**Mortgage**" shall mean, collectively, the Original Mortgage and the New Mortgage.

"**New Mortgage**" shall mean the Mortgage and Security Agreement from the Borrower to the Lender dated the date hereof, encumbering the Property on which the last two Homes will be constructed.

"**New Note**" shall mean the Revolving Mortgage Note in the amount of \$500,000 from the Borrower to the Lender dated the date hereof.

"**Note**" shall mean collectively, the Original Note and the New Note.

"**Original Mortgage**" shall mean the Original Mortgage and Security Agreement from the Borrower to the Lender made and entered into on October 31, 2017, and recorded on November 3, 2017 in Official Records Book 29446, Page 0509. Public Records of Palm Beach County, Florida.

"**Original Note**" shall mean the Revolving Mortgage Note in the amount of \$1,000,000 from the Borrower to the Lender, dated October 31, 2017.

SECTION 2. Amendment to Section 2 of Original Agreement. The first paragraph of Section 1 of the Original Agreement is hereby amended to read as follows:

1. Construction Lien Law Compliance. Prior to the first advance on the Note, Borrower shall either (a) execute and deliver to Lender a Notice of Commencement (the "**Notice**") for recording in the public records of Palm Beach County in accordance with the provisions of the Construction Lien Law of Florida (the "Act") and Borrower does hereby authorize and request Lender to cause said Notice to be recorded in accordance with the provisions of the Act, but only after the Mortgage has been recorded, so that the Mortgage shall constitute a first lien on the Property, or (b) provide the Lender with evidence that such Notice has been so recorded. Borrower expressly warrants and agrees that: Borrower has not yet recorded such a Notice (or any such Notices previously recorded have been properly terminated and are of no further force and effect), nor has Borrower yet posted such a Notice on the Property as required by the Act. Borrower shall forthwith cause a certified copy of the Notice being executed simultaneously herewith to be duly posted on the Property in accordance with the provisions of the Act, but only upon and immediately following the recording by Lender of the Mortgage and said Notice; and that under no circumstance shall the Borrower represent to any person or entity that Lender is or will be Borrower's disbursing agent as said term is used in the Act or that Lender is Borrower's agent for any purpose or purposes whatsoever. Borrower further warrants and agrees that no work shall be commenced upon the Property, whether demolition or construction, until said Notice has been recorded and posted in accordance with the foregoing provisions of this Agreement. If the Original Mortgage has been satisfied of record and the Original Note paid in full prior to the commencement of construction of the last two Homes, the Borrower shall execute and deliver to Lender the New Note and the New Mortgage, and prior to the first advance on said new note execute a new notice of commencement in compliance with the provisions of this paragraph.

SECTION 3. Amendment to Section 6 of Original Agreement. The first paragraph of Section 6 of the Original Agreement is hereby amended to read as follows:

6. Construction. Borrower shall enter into a contract with the General Contractor and cause the General Contractor to commence construction of the Project within sixty (60) days from the date of this Agreement (the "**Commencement Date**") and to complete the construction of the Project in strict accordance with the Plans and shall obtain a Certificate of Occupancy for the first six Homes and each of the first six Homes shall be "placed in service" (as required by the County Loan Agreement) on or before September 30, 2019. The Borrower shall obtain a Certificate of Occupancy for the last two Homes and each of the last two Homes shall be "placed in service" (as required by the County Loan Agreement) on or before December 31, 2021 (the "**Completion Date**"). Failure to commence construction prior to the Commencement Date or to complete construction and obtain a Certificate of Occupancy for all of the Homes before the Completion Date shall, at Lender's option, constitute a default hereunder.

SECTION 4. Amendment to Section 16 of Original Agreement. Section 16 of the Original Agreement is hereby amended in its entirety to read as follows:

16. Authorization of Draws. Draws may be requested by the Borrower beginning on the date hereof and ending on July 31, 2019 for the first six homes in accordance with the provisions hereof and of the Original Note, and January 31, 2021 for the last two homes in accordance with the provisions hereof and of the New Note. The Borrower will furnish to the Lender, prior to the first advance on the Original Note, with a letter of authorization for advances, which will contain the names, position in the business and sample signature of all persons authorized to request advances under the Construction Loan. Funding under the Construction Loan is revolving, and the principal amount outstanding under the Note may fluctuate in accordance with such advances and repayments, but, except as provided in the

next succeeding paragraph. The aggregate principal amount outstanding under the Original Note shall not at any time exceed ("Maximum Principal Amount") the principal sum of ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00). Notwithstanding the foregoing, the aggregate principal amount outstanding under the Original Note shall not exceed \$800,000 if only six (6) Homes are going to be built, and if only seven (7) Homes are going to be built the aggregate principal amount outstanding under the Original Note shall not exceed such amount as may be determined by the Lender in its sole discretion. The aggregate principal amount outstanding under the New Note shall not at any time exceed ("Maximum Principal Amount") the principal sum of FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$500,000.00). Subject to the foregoing limitation, the Borrower, in the event of partial or full prepayment, and if not in default, shall have the right to again borrow from the Lender under the Note up to the Maximum Principal Amount (as lesser amount permitted above) until demand by the Lender due to the default of Borrower or the maturity of said Note.

SECTION 5. Agreement to Remain in Full Force and Effect.

The Original Agreement shall remain in full force and effect, as amended hereby.

SECTION 6. Effective Date.

This First Amendment shall take effect as of the day and year first above written.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Construction Loan Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

BORROWER:

COMMUNITY LAND TRUST OF PALM BEACH
COUNTY, INC.

By: _____
Cynthia LaCourse-Blum
Executive Director

LENDER:

HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA

By: _____
Gary Eliopoulos, Chairperson



Bryan Hartnett, President of the General Partner
Federation Gould Preservation LP
Affordable Housing Institute, Inc.
1115 E. Morehead Street, Suite 200
Charlotte, NC 28204

David M. Brandt, Executive Director
Housing Finance Authority of Palm Beach County
West Palm Beach, Florida 33406

1/30/20

David,

Enclosed, please find our Application for Multi-Family Housing Bonds from the Housing Finance Authority of Palm Beach County for our upcoming redevelopment project Gould House (21000 Ruth and Baron Coleman Blvd, Boca Raton, FL 33428). We are very excited to work with you and your team and look forward to moving quickly and diligently through the entire Bond process. Although we do not expect the loan amount to change from \$33 million as expressed in the lender letter, we are requesting bond volume cap not to exceed \$35 million to provide us with extra cushion in case things change.

Additionally, we are currently in the process of closing two additional local Housing Finance Authority deals, as well as the recent closing of two deals with Florida Housing, so we would like to request to use similar deal teams to try and help expedite and ease the process for all parties involved. Our preferences are the following:

Bond Counsel:

Bryant Miller Olive P.A. – Jason Breth

Credit Underwriter:

Seltzer Management Group, Inc. – Ben Johnson

Bond Placement Agent:

RBC Capital Markets – Helen Feinberg

All these professionals are very familiar with our organization / structure and have been good partners to us as we continue to acquire and redevelop affordable housing across the State of Florida.

Please let us know if you have any comments, questions or concerns. We look forward to working with you.

Thank You,

Federation Gould Preservation LP

By: 
Name: Bryan Hartnett
Title: President of the General Partner

The Affordable Housing Institute, Inc.
2121 Camden Road, Suite B
Orlando, FL 32803

THE AFFORDABLE HOUSING INSTITUTE (AHI)

The Affordable Housing Institute is a Florida not-for-profit corporation, established in 1993 to undertake a wide range of housing-industry related research projects for corporations, governmental agencies, academic institutions, legislative committees and individuals. Shortly after its creation, AHI received an IRS 501 (c) 3 tax exemption, with a mission of fostering low income housing to families and seniors for charitable purposes. Over the past 25 years, AHI has narrowed its focus to developing and participating with for profit developers of multifamily affordable housing.

MULTIFAMILY EXPERIENCE:

Landings at Sea Forest (Pasco County, Florida) a 200-unit apartment complex, owned by a limited partnership of which AHI is the general partner. Funding was achieved with tax credits, multifamily bonds, SAIL loan, and local government contributions. The project is 99.5% occupied as of June 27, 2016. The property has had no major issues since its development and is well positioned for on-going success. A recent refinancing has replaced the original first mortgage and bond debt with a conventional Fannie Mae loan and restructured the SAIL funding for long term amortization, ensuring the project's continued viability.

Praxis at Deerfield (Broward County, Florida) is a 224 unit development in Deerfield Beach. It was recently acquired in a new partnership with AHI as the General Partner. Originally financed with tax exempt bonds and tax credits, it was acquired with a conventional Fannie Mae loan to create a structure to ensure long term viability and affordability. No significant rehabilitation was required at acquisition. It is a welcome addition to the AHI portfolio.

Cabana Club (Dade County, Florida) is a 320 unit affordable housing development serving seniors in low and very low income categories. Recently acquired with tax exempt bond financing with 4% tax credits. Rehabilitation efforts have included upgrades to units on the property as a

The Affordable Housing Institute, Inc.
2121 Camden Road, Suite B
Orlando, FL 32803

whole. The development is an exciting acquisition for the AHI portfolio as we look to increase the affordable housing options for seniors and families.

Banyan Grove (Monroe County, Florida) is a 48 unit development on Stock Island (Key West) in the Florida Keys. AHI co-developed this community in 2013 with an award of 9% tax credits from the Florida Housing Finance Corporation. The development is home to families in the 50% and 60% AMI categories. The Florida Keys are an expensive housing market and we are proud to offer an affordable alternative for the region's work force.

Caroline Arms (Duval County, Florida) is a 204 unit family development in Jacksonville, Florida. Recently acquired in 2018, Caroline Arms is in the process of undergoing a rehabilitation effort to preserve affordable housing in the Jacksonville/Duval County market. Upon completion, the community will serve families and individuals in the 50% and 60% AMI income levels. We look forward to construction completion and offer the improved product to the market place.

PAST PROJECTS:

Granada Bay Apartments at Melbourne (Florida) a 160-unit apartment that we operated at 95% occupancy. AHI acquired this property with a tax exempt bond issue, rehabilitated it and subsequently sold the project. Under the original owner's management, years of deferred maintenance had turned into serious problems jeopardizing the projects long term viability. AHI was able to correct the physical needs and bring the property into a strong, thriving community, taking a market rate apartment complex and re-tenanting it to serve the housing needs of the lower income residents.

Stratford Landings at Tallahassee (Florida) a 192 units, that we operated at an average occupancy of 93%. Similar to Granada Bay, AHI acquired rehabilitated and sold this project, again taking a market rate and converting it to serve lower income families. It was acquired

The Affordable Housing Institute, Inc.
2121 Camden Road, Suite B
Orlando, FL 32803

under the same bond issue as Granada Bay. Similarly, it had some physical needs that AHI addressed. After a successful rehabilitation, it was sold with Granada Bay into a portfolio of affordable housing properties.

EXECUTIVE MANAGEMENT:

Bryan Hartnett- President for AHI, Bryan over-seeing the acquisitions and new development of multifamily projects for the company. Bryan has been in the Affordable Housing industry since his tenure at Florida Housing Finance Corporation (FHFC) beginning 1997 where he quickly became the Multifamily Bond Program Administrator, over seeing loans for an average of 25 properties per year in excess of \$220,000,000 in debt and close to \$90,000,000 in the associated 4% tax credits. In addition to the Bond Program, Bryan also ran the State's HOME Program while at FHFC. Bryan's current role includes site selection and development of new products in the Georgia market and Florida. Graduating from Duke University with state and local government focus in his Public Policy Studies major in 1996, he subsequently received his MBA at Georgia State University's J. Mack Robinson School of Business.

Robert C. Hartnett- The AHI co-founder and current vice-president, Bob is a former member of the Florida Legislature, where he served as a three-term chairman of the House Banking & Finance Committee. He was president of Franklin Savings & Loan (South Florida), the first integrated banking institution in the south. A licensed real estate broker with an extensive background in the real estate industry, he has assisted a wide variety of clients in creating and executing unique and successful real estate-related programs. Combining his unique background in real estate, banking, and government, Mr. Hartnett operates as a highly respected legislative consultant in these areas. Among his clients have been Cardinal Industries, Inc., at the time the nation's largest home builder, producing 25,000 dwelling units a year for the rental markets in 22 states. Under his leadership, AHI has been successfully developed multifamily products and single family homes for Florida's low income residents.

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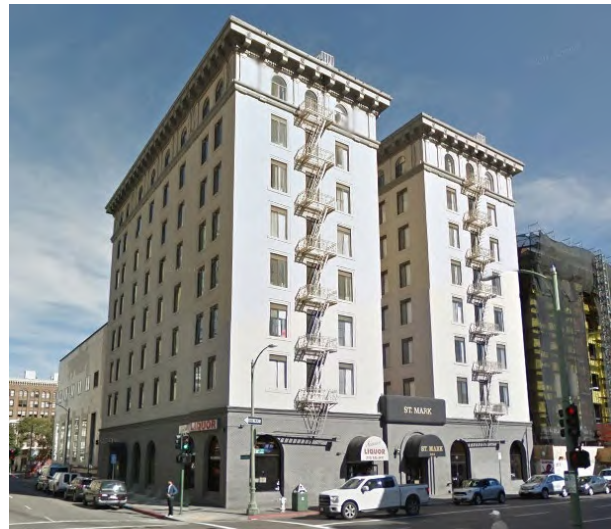
Euclid Beach Villa | Cleveland, OH | 559 units | Section 8 / LIHTC



St. Nicholas Manor | Manhattan, NY | 112 units | Section 8



Savoy Park | Manhattan, NY | 1,800 units | Workforce / Affordable



St. Marks | Oakland, CA | 102 units | Section 8 / LIHTC

Fairstead Affordable, a Fairstead subsidiary, specializes in the acquisition, rehabilitation and preservation of affordable and mixed-income housing across the US.

Fairstead is a real estate investor, developer and operator specializing in multifamily housing. Fairstead owns over 10,000 market rate, workforce and affordable rental units across the U.S.

Through its disciplined investment approach, Fairstead has acquired nearly \$3 billion in real estate since 2013.

For More Information Contact:

John Tatum
Partner, Fairstead Affordable
Tel: 212.798.4081
John.Tatum@Fairstead.com

Bobby Byrd
Vice President, Fairstead Affordable
Tel: 212.798.4083
Bobby.Byrd@Fairstead.com

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Jeffrey Goldberg is the Managing Partner of Fairstead where he currently directs day-to-day operations, including all investment and operational decision making. He has extensive experience in developing, owning and operating multifamily real estate and has acquired more than \$3.5 billion in real estate over the past 20 years.

Will Blodgett is a Partner of Fairstead where he has directed the acquisition of more than \$3 billion in multifamily rental properties since 2013. With a focus on New York, Will leads the team in overseeing the portfolio of 12,000 units in twelve markets including market-rate, mixed-use, commercial as well as affordable and supportive housing developments. Previously Will managed the acquisition, financing and development of over 4,500 units for The Related Companies' Affordable Housing Group. He also served as Special Assistant to NYCHA's Executive Department. Will serves on the board of the Children's Museum of Manhattan and the American Institute for Stuttering and holds an undergraduate bachelor's degree from Yale University and an MBA from MIT.

John Tatum is a Partner of Fairstead and leads Fairstead's Affordable group where he focuses on the acquisition, rehabilitation and preservation of affordable housing across the US. Previously, John held positions at Jonathan Rose Companies, The Related Companies and Bank of America Merrill Lynch. John has been directly involved in the acquisition of over 20,000 units of affordable housing, about half of which have been acquired and rehabilitated with 4% or 9% tax credits. John earned both his BA in Urban Studies and his Master of City and Regional Planning (Dual Degree: Urban Design and Real Estate Development) from the University of Pennsylvania.

Yehuda Kestenbaum joined Fairstead as its Chief Financial Officer in 2018. Yehuda was previously the Senior Vice President and Chief Financial Officer of HAP Investments. Prior to HAP, he served as Chief Financial Officer of Macklowe Properties and SG2 Properties as well as the Chief Financial Officer at Rockrose Development. During his more than 20 years of experience in the real estate industry, Yehuda has overseen all the financial and accounting aspects of more than 13 million square feet of office and retail properties and over 20,000 apartment units. He is a Certified Public Accountant in New York State and holds a BS in Accounting from Townson University.

Seth Hoffman is a Senior Vice President and General Counsel of Fairstead where he oversees all legal aspects of the firm, including all transactions, corporate activities, and risk management. Previously, Seth served as the Chief Operating Officer and General Counsel of HighBrook Investors, a real estate fund, where he led the firm's largest transactions and played an integral role in the firm's \$2.5B of transactions. Seth was also an attorney with the law firms Jones Day and Fried, Frank, Harris, Shriver & Jacobson LLP, representing real estate and corporate clients in affordable housing, private equity fundraising and transactions, and capital markets. He represented clients in over \$1B of low-income housing rehabilitation and new construction financed by HDC, HFA, HPD, NYC HHS, HUD, LIHTC investors, and the largest private lenders through bond issuances and direct loans. Seth earned a BA from State University of New York at Buffalo and his JD from Fordham University. He serves as Chairman of advisory board for the Schools That Can New York.

Bobby Byrd is a Vice President at Fairstead Affordable where he focuses on the acquisition, rehabilitation and preservation of affordable housing with a focus on the Mid-Atlantic region of the US. His professional experience has spanned corporate, entrepreneurial, and public sectors. Prior to joining Fairstead, Bobby worked on market-rate development for the Bozzuto Group and formed the non-profit organization Community Development Partners where he oversaw the development of over \$80M of new construction affordable housing. In addition, Bobby held positions at Microsoft and served five years as an Army Engineer Officer after graduating from the United States Military Academy, West Point. Bobby holds a BS in Aerospace Engineering, an MMP in Public Policy from the University of Michigan and an MBA from MIT.

Joe Moreno is a Vice President at Fairstead Affordable. Prior to joining Fairstead, he was responsible for underwriting potential equity investments in market-rate and affordable housing properties, including multifamily, senior and student housing across the US for Reliant Group Management, a real estate private equity firm with over \$3B under management in over 14,000 properties. He has also held positions at Acacia, an affordable housing developer in the Bronx as well as the New York City Department of Housing Preservation and Development (HPD). Joe earned both his BA in Political Science and MA in Urban Planning from Columbia University. He has also earned an MBA from the University of Southern California.

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Victoria Gousse is an Associate at Fairstead Affordable where she focuses on the acquisition and redevelopment of affordable multifamily housing across New York City. Prior to joining Fairstead, Victoria was at Jonathan Rose Companies where she managed the firm's Affordable Housing Preservation Fund, oversaw successful execution of acquisition and disposition transactions, and all capital improvements. She also held positions at The Related Companies where she managed both ground-up affordable and mixed-income development projects. Victoria holds a BS in Accounting from Fordham University, a MS in Real Estate Development from Baruch College, and serves on the board of the Baruch College Alumni Association.

Estelle Chan is an Associate at Fairstead Affordable. Prior to Fairstead, Estelle was with Omni New York where she was responsible for the development of over 1,300 units of affordable and mixed-income housing in New York and New Jersey. She also held a position with JTC Corporation, the largest industrial and commercial developer in Singapore, where she was certified as an AICP-certified planner and oversaw the permitting of office park projects totaling \$8B in value. Estelle received a BA in Urban Studies from Columbia University and MS degree in Real Estate Development from MIT.

Jordan Capellino is an Associate at Fairstead Affordable where he focuses on the acquisition, rehabilitation, and preservation of affordable and workforce housing, with a focus on markets outside of New York City. Since joining Fairstead in 2014, he has helped acquire \$3B in multifamily real estate, including one of Fairstead's largest acquisitions, Savoy Park, an 1,800-unit workforce housing complex in Harlem. Jordan earned his BA in History from Yale University.

Lauren Jensen is an Associate at Fairstead Affordable where she focuses on the acquisition, rehabilitation, and preservation of affordable housing across the US. Prior to joining Fairstead, Lauren worked at The Michaels Organization (Michaels Development Company) as an Acquisitions Analyst where she helped facilitate acquisition, rehabilitation and new construction multifamily projects utilizing both 4% and 9% tax credits, totaling over 3,000 units. Lauren earned her BS in Industrial & Systems Engineering from Lehigh University's P.C. Rossin College of Engineering and Applied Science.

Billy Kreinik is an Associate at Fairstead focusing on the acquisition of market-rate and affordable housing across the US. During his time at Fairstead, he has helped facilitate the acquisition of \$3B billion in multifamily real estate, including the firm's largest acquisition to date, the Caiola Portfolio (~1,000 multifamily units in New York City). Prior to joining Fairstead, Billy was an Investment Banking Analyst at Goldman Sachs. Billy holds an BBA in Business Administration from the University of Michigan's Ross School of Business.

Josh Feldman is an Analyst at Fairstead where he focuses on both market-rate and affordable acquisitions across the US. Prior to joining Fairstead, Josh was with Brookfield Property Group in Chicago where he dealt with the redevelopment and repositioning of multiple assets in their portfolio. Josh holds a BBA in Real Estate and Urban Land Economics from The Wisconsin School of Business at The University of Wisconsin-Madison.

Adam Sussi is an Associate at Fairstead where he focuses on the acquisition and asset management of the market-rate portfolio across the US. Prior to joining Fairstead, Adam was with Jamestown Properties where he was the Director of Asset Management at Industry City, a 6 million square-foot, 35-acre mixed-used complex along the South Brooklyn waterfront. In this role, Adam oversaw the \$650M refinancing of the portfolio, deployment of a ~\$350M development budget, and several development-intensive commercial leases, including the Brooklyn Nets \$60M practice facility and corporate headquarters. Adam was also involved in the leasehold acquisition of the South Brooklyn Marine Terminal, an adjacent 70-acre port facility. Adam holds a BBA in Finance, Investment & Banking from Wisconsin School of Business and a MS in Real Estate Finance & Investment from NYU's Schack Institute of Real Estate.

Kristen Samuelson is an Associate at Fairstead where she focuses on the acquisition and asset management of market-rate housing across the US. During her time at Fairstead, she has helped manage a portfolio of \$3B in multifamily real estate including Savoy Park, an 1,800-unit workforce housing complex in Harlem. Kristen

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previously worked at JP Morgan Chase in the Real Estate Banking group. Kristen holds an BS in Applied Accounting and Finance from Fordham University Gabelli School of Business.

Roumen Gadelev is the Controller of Fairstead Affordable. He oversees the day-to-day and period-end accounting close and reporting for all stabilized, newly developed, and newly acquired properties. He also coordinates all construction accounting and annual audits. Previously, he held Controller positions at BRIDGE Housing Corporation, one of California's leading affordable housing nonprofits, and at a non-traded public REIT. He also notably worked at Deloitte and Touché as an auditor for real estate and investment management clients. Roumen is an active CPA and a member of the AICPA and the CalCPA.

Tyler McIntyre is the Director of Construction for Fairstead and Fairstead Affordable. In this capacity, Tyler focuses on the development, construction, and rehabilitation multifamily housing. Previously, Tyler held positions at Tetra Tech, Lend Lease, and RockFarmer Capital where he focused on design and construction of commercial, multifamily and healthcare. Tyler earned both his undergraduate degrees from Dartmouth College (BE in Mechanical Engineering and a BA in Economics). In addition, Tyler graduated from the Whiting School of Engineering at Johns Hopkins University with a degree in Urban Planning and Construction Management.

FOUNDING PARTNERS BIOS

Stephen Siegel is the Founding Partner at Fairstead as well as CBRE's Chairman of Global Brokerage. Steve began his career in Cushman and Wakefield's mail room at the age of seventeen. Twenty years later, he was their CEO. He went on to mastermind Insignia/ESG's global expansion and was named by Crain's as one of New York City's 100 Most Influential Business Leaders. Steve is widely regarded as one of the industry's most prolific professionals and his relationships, expertise and ability to identify and capitalize on opportunity is second to none.

Andrew Goldberg is the Founding Partner at Fairstead as well as CBRE's Vice Chairman. With more than 25 years of experience, Andrew has completed, on behalf of his clients, several hundred deals with a total valuation over \$5B. Andrew is widely recognized as one of the industry's top retail professionals and has earned numerous industry accolades, including REBNY's Most Creative Deal and Retail Deal of the Year twice. As Fairstead's commercial real estate veteran, Andrew's expert advisory has helped to create tremendous value.

APPLICATION

**HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA
MULTIFAMILY RENTAL HOUSING BOND PROGRAM
PROJECT APPLICATION FORM**

A. Developer Information:

1. Applicant Name: Federation Gould Preservation LP
2. Name of Owner for Inducement Resolution: Federation Gould Preservation LP
3. Type of Entity (e.g. Florida corporation, limited partnership, etc): Florida Limited Partnership Ownership chart of the Entity including individual principals is provided as “**Exhibit A**”.
4. Address: 250 West 55th Street, 35th Fl., New York, NY 10019
5. Contact Person: Billy Kreinik
6. Telephone: 212-586-3411
7. E-mail address: billy.kreinik@fairstead.com

B. Project Information

1. Project Name: Gould House

NOTE: After Inducement, Project name MAY NOT BE CHANGED OR ALTERED WITHOUT CONSENT OF THE AUTHORITY. If available, provide the actual trade, 'marking' or d/b/a name.
2. Project Street Address/Zip Code (if new construction, give street names, city and zip code): 21000 Ruth and Baron Coleman Blvd, Boca Raton, FL 33428
3. County Commission District in which Project is Located: County Commission District 5

C. Project Category and Population:

1. Choose all that apply:
New Construction Acquisition Remarketing
Rehabilitation Refunding Acquisition/Rehab

(a) If acquisition or acquisition/rehab was selected, is the project occupied?

No Yes If yes include plan for temporary relocation of existing tenants as “**Exhibit B**”

2. Is the Project designated to serve a specific target group (i.e. elderly, disabled)? No Yes If yes, please specify and indicate an minimum age requirements of household members: Elderly; 62 and over

D. Project Status:

Has construction begun? No Yes Date permits issued

Is the project complete? No Yes Date CO issued

E. Number of Units:

Total Number of Units: 101

Number of Residential Units: 100

Number of Set-Aside Units:100

Percent of Set-Aside Units: 99%

F. Manager/Employee Units:

Are there one or more manager or employee units in the Project?

No Yes If yes, how many? 1 Unit Type(s): 2 BD/1 BA

G. Breakdown of Units by Square Footage and Monthly Rent Charged.

All units in the Project must be listed including all manager/employee units. Indicate manager/employee units with an asterisk.

# of Bedrms /Unit	# of Baths /Unit	Sq. Ft. /Unit	# of Units Per BR/BA type	% of Area Median Income	Monthly Gross Rent for Set- Aside Units*	Less Utility Allow. (for LIHTC Project)	Net Rent for Set- Aside Units	Monthly Market Rent+
0	1	500	26	60	1921	51	1870	1870
1	1	600	74	60	2167	67	2100	2100
2*	1*	750*	1*					

* NOTE: For any Project anticipating the use of tax credits, gross rents include the net rent plus the allowance for tenant-paid utilities for set-aside units. These rents may not exceed the allowable rents for the chosen set-aside as shown on the applicable rent charts by the FHFC. Rents will be capped based on set-aside chosen below or if lower due to other funding source(s).

Utility allowance of \$ 1 bedroom 2 bedroom 3 bedroom 4 bedroom

+ NOTE: Answer for market rate units only.

H. Proposed minimum Set-aside required for Tax Exempt Bond Financing.

CHOOSE ONLY ONE:

20% of units at 50% of area median income

40% of units at 60% of area median income

I. Describe Project:

Gould House is an existing 101-unit age-restricted Project-Based Section 8 multifamily development in Boca Raton, Florida. It is a four-story building built in 1990, comprising of 100 residential units and 1 manager unit. The property lies on 4.0 acres of land located on the campus of the Jewish Federation of South Palm Beach County.

J. Describe Project Features, Amenities and any Resident Programs that will be provided:

The property offers studio and one-bedroom units, all with screened patios and balconies, as well as meeting and recreational spaces within the building, including a community room, courtyard and central laundry. Post renovations, the property will offer a business center, exercise facility and common area wi-fi. In-unit amenities include blinds, luxury vinyl tile floors, central air conditioning, dishwashers and refrigerators. The residents have full access to the adjacent Jewish Community Center which has a swimming pool, fitness center, pottery room and organized activities. The community center also offers a range of senior services including bereavement support groups, CareLink Geriatric case management, geriatric assessments and senior companion services. Transportation services are also offered to the subject's residents, free of charge. Additionally, the property is located within the Jewish Federation of South Palm Beach campus, which is guarded and gated, providing added security to its residents.

K. Will any units be accessible to the handicapped?

Yes No How many? 6 units (5%) will be designated as ADA units and 3 units (2%) will be designated as HVI units

L. Type of Building(s):

Elevator Walkup Townhouse
Detached Semi-detached

M. Style of building(s), number of buildings and number of stories:

The property is a four-story concrete building with a painted stucco façade and a flat roof.

N. Does the current Land Use and Zoning permit the proposed development at the proposed Density?

Yes No

If no, explain:

O. Project Financing And Proposed Structure:

1. Overview of Proposed Financing Summary:

NOTE: Material changes in the proposed structure after submittal of the application may result in delay of consideration by the Authority or loss of priority

	Check If app.	Amount	% of Project Cost
Tax-exempt Bonds	<input checked="" type="checkbox"/>	33,000,000	67.00%
Taxable Bonds	<input type="checkbox"/>		
SAIL	<input type="checkbox"/>		
HOME (State Funds)	<input type="checkbox"/>		
HOME (Identify Local Funds)	<input type="checkbox"/>		
CDBG	<input type="checkbox"/>		
SHIP	<input type="checkbox"/>		
LIHTC Equity (4% credits)	<input checked="" type="checkbox"/>	14,127,000	28.68%
Other	<input checked="" type="checkbox"/>	2,125,921	4.32%
Total	<input type="checkbox"/>		

Briefly describe sources listed above:

The project will receive tax-exempt bond financing through a Freddie Mac tax-exempt loan in the

amount of \$33,000,000, in conjunction with an allocation of 4% tax credit equity in the amount of \$14,127,000. \$2,125,921 will be the deferred developer fee.

2. Subordinate Financing:

- (a) If SAIL, HOME, CDBG, FHLB, SHIP and/or other funding is shown as already committed, attach a letter from the appropriate governmental entity detailing the commitment, including the dollar amount, source of funding, conditions of funding (including income and/or rent restrictions), whether the funding is a loan or a grant, and if a loan, the interest rate, loan terms, amortization, and payback schedule. Attach the letter(s) as an exhibit. Said letter shall be attached hereto as **“Exhibit N/A.”**
- (b) If SAIL, HOME, CDBG FHLB, SHIP and/or other funding is shown and is not firmly committed, attach an explanation of how the development will be completed without those funds. Said explanation shall be attached as **“Exhibit N/A.”**
- (c) Does the Applicant firmly commit to complete the bond financing if those funds are not received? Yes No

3. Tax Credits - If the Project receives Bond financing, will LIHTC be used?

Yes No

- (a) If yes, LIHTC Requested Amount \$14,127,000
- (b) If yes, name of Syndicator: Citibank

A preliminary commitment letter, including general terms such as a description of how the syndication funding will be paid out during construction and following completion, must be attached hereto. Said letter shall be attached hereto as **“Exhibit C (to follow).”**

- (c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes No
If yes evidence of such designations are attached as **“Exhibit’s D.”**
- (d) If the project is subject to a FHFC location restriction (LDA) area attach a description as **“Exhibit N/A.”**

4. Rental Assistance. Is project-based rental assistance anticipated for this Project?

No Yes

If yes, check all that apply:

Moderate Rehab

RD 515

Section 8 Other

Number of units receiving assistance: 100

Number of years remaining on rental assistance contract: 5 years

Number of years expected for new rental assistance contract: 20-year HAP contract

5. Credit Enhancement or bond purchaser:

Describe any letter of credit, third party guarantor, bond purchaser, private placement agent, housing program funding (FHA-insured loan, Fannie Mae or Freddie Mac), surety bond or other financing enhancements anticipated for this project, including, but not limited to the name of the party providing such financing/credit enhancement, the rating of such provider and the term of such financing/credit enhancement:

Berkadia will arrange for a Fixed Rate TEL Immediate-funding Loan to finance the acquisition and rehabilitation of the property. The loan will be provided by Freddie Mac under their Mod Rehab Program via their Targeted Affordable Housing Program. In providing the loan, Freddie Mac requires full debt service payments to begin immediately at closing, which include the full amortization payments. The proposed loan terms include a loan amount of \$33,000,000 with a term of 16 years and a 35 or 40 year amortization period, subject to Freddie Mac approval. The loan is underwritten to a minimum DSCR of 1.15x and maximum LTV of 90%.

A preliminary commitment letter/term sheet from the provider of such financing/credit enhancement shall be attached hereto as **“Exhibit E”**

6. Proposed bond structure:

Type of interest rate expected: fixed floating

Term of Bonds including option put: 16 year loan term, 35 or 40 year amortization

Estimated interest terms: 3.58% all in estimated rate

Placement structure: private placement public offering

7. Economic Feasibility of the Project:

A description of the Project feasibility structure shall be attached hereto as **“Exhibit F”** including, at a minimum, the following:

- (a) Pro forma cash flows at maximum interest rate at which Project will work;
- (b) Detailed sources and uses, including developer's fees, overhead and all hard and soft costs.

- (c) The maximum annual debt service at which the Applicant commits to proceed: \$1,579,517
- (d) The minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$33,000,000

P. Proposed Project Schedule

<u>Activity</u>	<u>Date</u>
HFA board meeting to consider application	02/14/2020
Final site plans & architectural drawings	02/07/2020
Complete third party credit underwriting	04/01/2020
Approval of subordinate financing	N/A
All other necessary local approvals	N/A
Obtain Credit Enhancement/Bond Purchase Commitment	05/04/2020
HUD approvals (if applicable)	05/18/2020
Issue bonds	06/01/2020
Start construction or rehabilitation	07/01/2020
Complete construction or rehabilitation	06/30/2021
Start rent-up	N/A
Complete rent-up	In-place Rehab

Q. Ability To Proceed

Each Application shall be reviewed for feasibility and ability of the Applicant to proceed with construction of the Project.

1. Site Control

Site Control must be demonstrated by the Applicant through bond closing or termination of the Memorandum of Agreement. At a minimum, a Contract for Purchase and Sale or long-term lease must be held by the Applicant for the proposed site. A purchase contract must include the following: (i) the remedy for default on the part of the seller must include or be specific performance, (ii) the buyer MUST be the Applicant and, (iii) other than clear title, the only permissible contingency for seller or assignor to transfer the site to the Applicant is the award of bond financing.

Site is controlled by: Federation-Gulfstream Housing, Inc.

Evidence of Site Control shall be attached hereto as “**Exhibit G**” and shall be in the form of either:

- (a) Contract for Purchase and Sale or long-term land lease agreement (a Title Insurance Commitment may be requested to show marketable title in the name of the Seller).

- (b) Deed (a Title Insurance Policy Showing marketable title in the name of the Applicant may be requested).

2. Zoning and Land Development Regulations:

NOTE: Applicant must provide documentation that the site is appropriately zoned and consistent with local land use regulations regarding density and intended use.

- (a) Is the site appropriately zoned for the proposed Project?
No Yes
- (b) Indicate zoning designation(s): "RTS" Residential Transitional Suburban within a Planned Unit Development
- (c) Current zoning permits 25 units per acre, or 101 units for the site (PUD).
- (d) Total number of Units in Project: 101
- (e) A letter from the appropriate local government official verifying i.) the zoning designation, ii.) that the proposed number of units and intended use are consistent with current land use regulations and referenced zoning designation shall be attached hereto as **"Exhibit H"**

3. Site Plan:

- (a) New Construction: Has the preliminary or conceptual site plan been approved by the appropriate local government authority?

Yes No

If yes, a copy of the approved site plan shall be attached hereto as **"Exhibit N/A."**

If no, local approval is expected on: N/A and a letter from the appropriate local government official indicating preliminary or conceptual site plan, or if no neither preliminary or conceptual approval is given prior to final site plan approval, a description of status of the local government review of the Project shall be attached hereto as **"Exhibit N/A"**

- (b) Rehabilitation: Was site plan approval required by local governmental authorities at the time this Project was originally placed in service?

Yes No

4. Environmental:

Has an Environmental Assessment been completed and if so describe any required remedial action necessary: **A Phase I Environmental Site Assessment has been completed and found no major recognized environmental conditions in connection with the property. The assessment did observe a diesel fuel aboveground storage tank (AST) associated with an emergency generator at the property. In accordance with Freddie Mac guidelines, an Operations & Maintenance (O&M) program will be implemented for the AST on the subject property.**

5. Concurrency:

Project-specific letters from the local government or provider verifying availability of infrastructure and capacity (water, sewer, road, and school) for the proposed Project shall be attached hereto as **“Exhibit’s N/A.”**

R. Other Information:

- (a) Do you presently have an application for this project submitted elsewhere or has this project been denied financing elsewhere?

Yes No

- (b) How many and what type of projects have you completed in the Palm Beach County? None to date

- (c) Applicant/borrower GP:
Firm: Federation Gould Preservation LP (GP: Affordable Housing Institute, Inc.)
Phone: 212-586-3411
Natural principals: Bryan Hartnett
Contact Person: Billy Kreinik

- (d) Developer:
Firm: FA Developer FL LLC
Phone: 212-586-3411
Natural principals: Jeffrey C. Goldberg & John Tatum
Contact Person: Billy Kreinik

- (e) Proposed Architect:
Firm: Synalovski Romanik Saye
Phone: 954-961-6806
Contact Person: Manny Synalovski

- (f) Proposed Managing Agent:
Firm: Sharkey & Associates, Inc. (current manager; will remain in place)

Phone: 954-647-7215
Contact Person: John Sharkey

- (g) Proposed General Contractor:
Firm: TBD
Phone:
Contact Person:
- (h) Proposed Developer's Attorney:
Firm: Stearns Weaver Miller Weissler Alhadeff and
Sitterson, P.A.
Phone: 305-789-3350
Contact Person: Brian McDonough & Brook Perlyn
- (i) Proposed Investment Banker (see Authority "Bond Underwriter
Selection Policy") or private placement bond purchaser:
Firm: RBC Capital Markets
Phone: 727-895-8892
Contact Person: Helen Hough Feinberg
- (j) Proposed Credit Underwriter:
Firm: Seltzer Management Group, Inc.
Phone: 850-233-3616
Contact Person: Ben Johnson
- (k) Provide the following for the property/project seller or lessor:
Entity: Jewish Federation of South Palm Beach
County
Phone: 561-852-3140
Contact Person: Mel Lowell & Wes Finch

[Remainder of page intentionally left blank]

Certificate of Understanding

I, Bryan Hartnett, representing Affordable Housing Institute, Inc., have read and understand the federal requirements and the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby adhere thereto. Furthermore, I hereby certify that the information contained in the Application is true and correct to the best of my knowledge.


Dated on this 29th day of January, 2020

By: 
Printed Name: Bryan Hartnett
Title: Authorized Signatory

Credit Enhancer/Bond Purchaser Certificate of Understanding

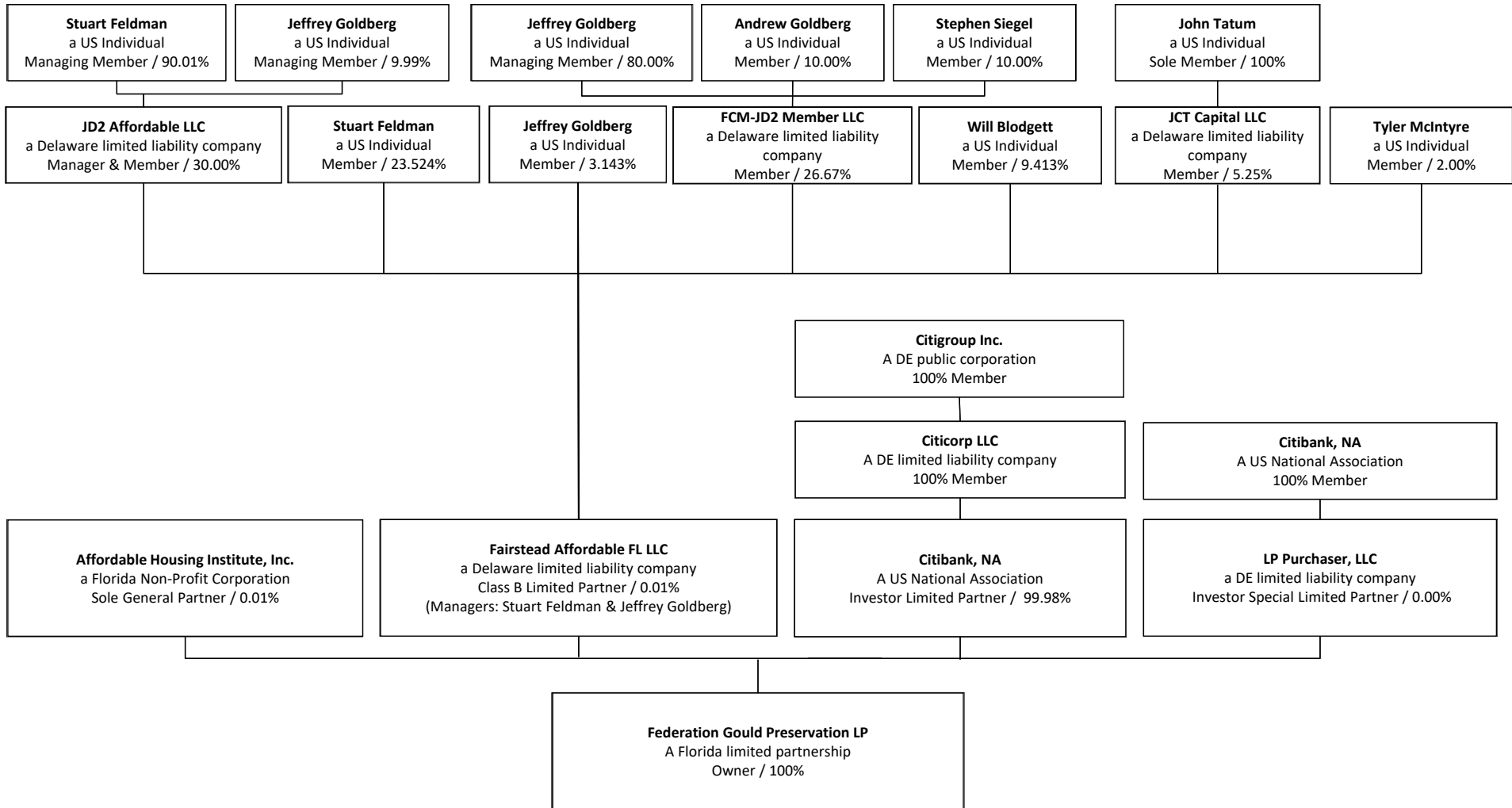
I, Matthew Napoleon, representing Berkadia Commercial Mortgage LLC, have read and understand the Housing Finance Authority of Palm Beach County, Florida's Guidelines for Issuance of Multi-Family Housing Revenue Bonds, and hereby agree to adhere thereto.

Dated on this 29th day of January, 2020 .

By: 
Printed Name: Matthew Napoleon
Title: ~~Managing Director~~

Senior Managing Director

Property Owner – Tax Credit



*** Note ***

1. There are no individuals or entities excluded from the organizational chart which are either Non-U.S. Equity Holders or own a 25% or greater aggregate direct or indirect ownership interest in Borrower.

FAIRSTEAD // AFFORDABLE

RELOCATION PLAN GOULD HOUSE BOCA RATON, FL

JANUARY 2020

FEDERATION GOULD PRESERVATION LP

c/o FAIRSTEAD AFFORDABLE FL LLC

250 West 55th Street, 35th Floor

New York, NY 10019

INTRODUCTION

The purpose of this relocation plan is to discuss the guidelines and parameters by which the applicable residents of the Gould House (“Project”) project will be temporarily relocated.

The partners of Federation Gould Preservation LP (“LP” or “Developer”) are Fairstead Affordable FL LLC (“Fairstead”) and Affordable Housing Institute, Inc. (“AHI”). Fairstead has acquired over 12,000 units and is continuing to exponentially expand its reach across the nation as an affordable housing provider. AHI is a not-for-profit corporation which partners with for profit developers to facilitate the acquisition, rehabilitation and preservation of affordable housing. Fairstead and AHI will undergo an extensive rehabilitation of the Project after acquisition with prospective funding sources inclusive of 4% low income housing tax credits (“FHFC”), a Freddie Tax-Exempt loan, and a 20-year HAP contract renewal.

GOULD HOUSE PROJECT

The Project is located at 21000 Ruth and Baron Coleman Blvd, Boca Raton, Florida 33428-1748. The regional location, site location, and aerial view of the Project is illustrated in Exhibit A.

The Project is made up of 26 studios and 74 one-bedroom units of which all 100 units will be provided as affordable housing to seniors or low-income tenants earning less than [60%] of the Area Median Income (“AMI”). The Project is subsidized with a Project Based Section 8 (“HAP”) contract which will be extended by Fairstead and AHI.

The Developer will rehabilitate the existing property with an approximate \$4,000,000 hard cost construction budget. The rehabilitation will comprise of ADA and HVAC upgrades to the common area as well as upgrades to hallways and common amenity spaces. In addition, the roof will be upgraded and energy efficient windows will be installed. Last but not least, the cabinetry, appliances, flooring, and bathrooms will be upgraded.

RELOCATION PLAN

This Relocation Plan (“Plan”) will ensure a safe rehabilitation process for the households being temporarily relocated. As most of the rehabilitation will be tenant-in-place, only ADA units will need to be temporarily relocated during the rehabilitation. Depending on the number of vacancies, up to 8 households will be temporarily relocated one or two at a time. The Developer will provide relocation assistance in a fair manner for all eligible relocated households.

All eligible relocated household tenants will be interviewed with general questions such as the tenants' primary language, disabilities and health issues needing attention, and general preferences related to temporary replacement housing.

The Plan follows the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as well as the affiliated funding agencies' regulations inclusive of HUD Handbook 1378.

A. TYPES OF TEMPORARY RELOCATION

The relocation processes will primarily be implemented as temporary in-place rehabilitation except for the ADA units. The ADA units to be rehabilitated will be subject to temporary on-site rehabilitation. In the rare event that temporary on-site rehabilitation is not available, temporary off-site rehabilitation will be used as an alternative solution.

1. TEMPORARY IN-PLACE REHABILITATION

This relocation process will apply to all rehabilitated units aside from ADA units. During the prearranged construction of interior work in the units, subject households will be provided residential hospitality units located in the community space for temporary use between two and eight hours a day. The hospitality units will be equipped with telephones, furniture, television, drinks, food, and other amenities to further accommodate the households' needs.

A contractor, with specialized experience in in-place rehabilitations, will implement a work schedule which will limit disruptions to a bare minimum for residents. In addition, extra care will be given to the residents' belongings during the construction by measures such as moving the residents' belongings from the work area to another area in the unit or by covering the belongings.

2. TEMPORARY ON-SITE REHABILITATION

This relocation process will apply to ADA units subject to relocation. The households will be relocated to an on-site location for approximately two to three weeks. The number of relocated households will depend on the availability of on-site vacant units.

3. TEMPORARY OFF-SITE REHABILITATION

This relocation process will apply to ADA units which were not able to be accommodated through temporary on-site rehabilitation. The household will be relocated to an off-site location for approximately two to three weeks at a maximum of 12 months.

B. TENANT NOTICES AND MEETINGS

1. GENERAL INFORMATION NOTICE

This notice will be sent to all residents at a minimum of 90 days prior to the execution of the relocation process notifying them of the rehabilitation process. In addition, this notice will inform residents of their rights and options with regards to the relocation process. Please refer to Exhibit B for a sample.

2. NOTICE OF NONDISPLACEMENT NOTICE

This notice will be sent to residents once the rehabilitation is confirmed to take place. The notice will notify residents that they will not be relocated permanently. It will also inform residents they're rights to reimbursement if the circumstances necessitate temporary relocation.

3. 30 DAY NOTICE

This notice will be sent to all households being relocated 30 days prior to execution of any relocation process. It also notifies subject residents to pack their belongings in the unit so that the belongings do not get damaged during the rehabilitation. In addition, the subject residents are notified of the anticipated dates of which the rehabilitation will begin and end. In order to accommodate the needs of the subject residents on a more personalized basis, a *Resident Needs Survey* will be included along with this notice. Please refer to Exhibit B for a sample.

4. MOVE-IN/OUT NOTICE

This notice will be sent to all households being temporarily relocated on-site or off-site after the 30-day notice is sent. This will inform the residents exactly when the move will occur and the logistical details in connection

with the move. The Management's office contact information will be included for any additional questions. Please refer to Exhibit B for a sample.

C. RELOCATION ASSISTANCE PROGRAM

In order to further facilitate a smooth relocation process, temporarily displaced tenants will be supported by relocation staff to whom they can ask relocation related inquiries. Relocation staff can be contacted at (561)487-5840 from 9:00 AM to 5:00 PM, Monday through Friday. Relocation staff is located adjacent to the site at 21100 95th Ave S, Boca Raton, FL 33428.

D. RELOCATION BENEFIT CATEGORIES

The Developer will provide relocation benefits ("Benefits") for eligible households in accordance with the requirements and regulations indicated in the URA, the Guidelines, and all any other applicable regulations. Benefits will be paid to the eligible household as long as the approved procedure is observed, and the required claim forms or documentation are submitted.

The housing costs, incurred by the temporary move of eligible households due to temporary on-site rehabilitation activities, will be compensated by residential moving payments as per the guidelines outlined above. The payments will be limited to their current rent plus utilities. Moving expenses can also be compensated as long as an invoice is provided by the licensed professional moving service and the payment is made directly to the moving service. Accommodations will also be made for storage of personal property as necessary.

In the case of in-place rehabilitation activities, eligible households will be provided moving services or a moving allowance in order to move their belongings as needed. In the event that the kitchen is unusable within a unit, a per-diem allowance will be provided. In the event that the bathroom is not operational, the eligible household will be provided the option of either staying at a local motel or provided a per-diem allowance while off-site.

At the end of each day, the Developer is responsible for ensuring that each unit complies with the guidelines and is "Decent Safe and Sanitary" as provided in Section 24.2 (a) (8) of the Uniform Act.

E. PROJECTED DATES OF DISPLACEMENT

Rehabilitation will begin approximately in July 2020 and will be completed approximately by July 2021.

F. ESTIMATED RELOCATION COSTS

In order to ensure the successful completion of the project, Fairstead Affordable and the Developer will appropriate the needed funds on a timely manner.

The anticipated budget is as follows:

Temporary Relocation- 9 Households

Moving Assistance – 9 households	\$18,400.00
Per-Diem Contingency	\$4,800.00
Motel Contingency	\$7,200.00
Relocation Services	\$35,000.00
Contingencies	\$212,100.00
Total	\$277,500.00

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EXHIBIT A

Project Site Maps

Figure 1 – Regional Location

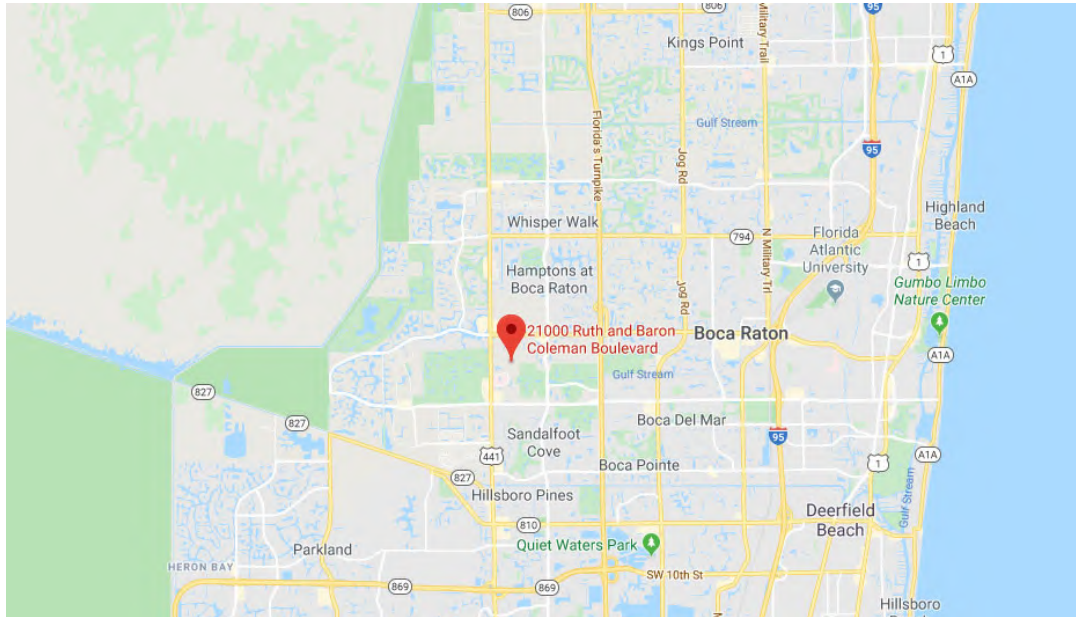


Figure 2 – Site-specific Location

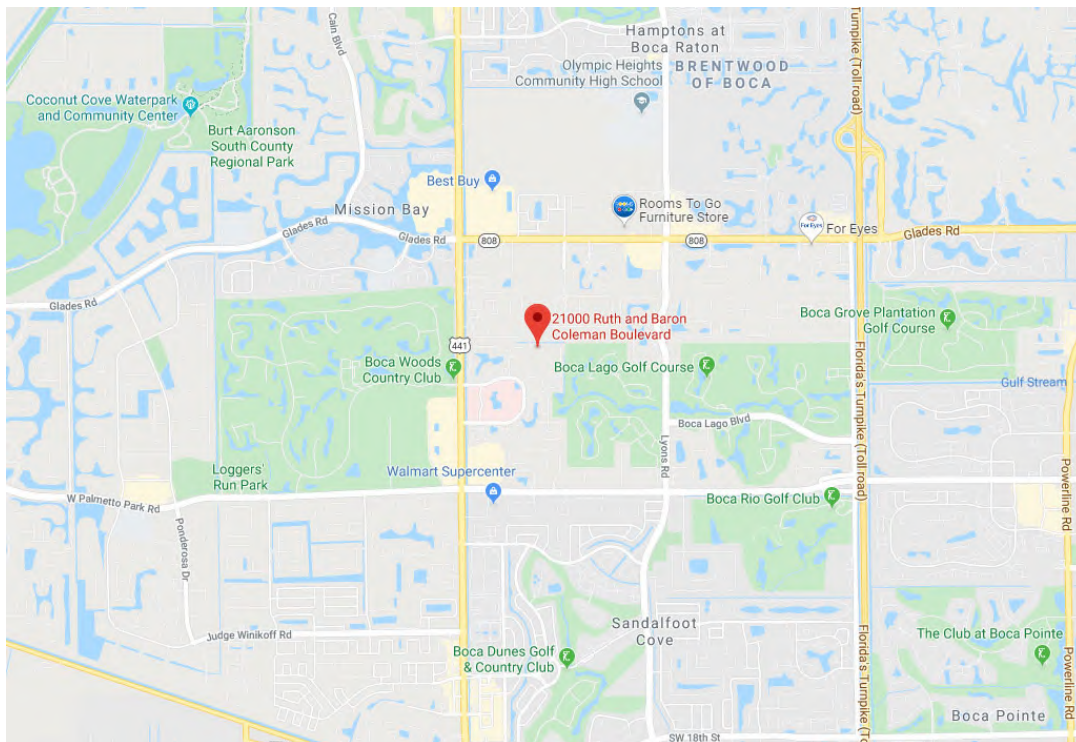


Figure 3 – Aerial View

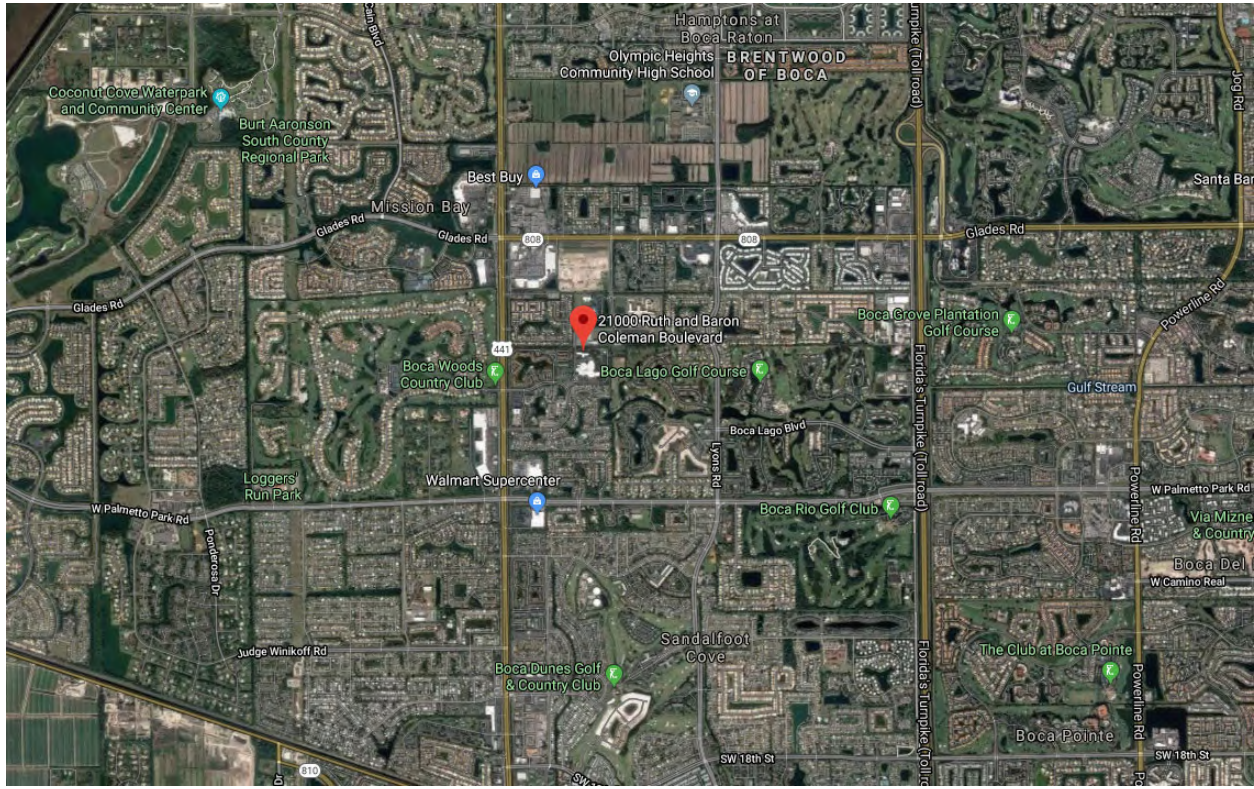


EXHIBIT B

General Information Notice

Notice of Non-displacement Notice

30 Day Notice

Resident Needs Survey

Move-out Notice

Move-in Notice

General Information Notice

Date:

Dear Gould House Resident:

Fairstead Affordable FL LLC (Fairstead) is interested in rehabilitating the property you currently occupy at 21000 Ruth and Baron Coleman Blvd, Boca Raton, Florida 33428-1748 for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project.

If the project application is approved and federal financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will need to continue to pay your rent and comply with all other lease terms and conditions.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex under reasonable terms and conditions. *

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections for persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA. This assistance would be in addition to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

- **This is not a notice to vacate the premises.**

- This is not a notice of relocation eligibility.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact:

[Name of Manager], Manager
21100 95th Ave S
Boca Raton, FL 33428
(561)487-5840
Office Hours 9:00 AM – 5:00 PM

Sincerely,

(name and title)

Notice of Non-Displacement Notice

Date:

Dear Gould House Resident:

On [Date of GIN], Fairstead Affordable FL LLC (Fairstead) notified you of proposed plans to rehabilitate the property you currently occupy at Federation Sunrise for a project which could receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program. On [Date of Project Approval], the project was approved and will receive federal funding. Repairs will begin soon.

- **This is a notice of non-displacement.** You will not be required to move permanently as result of the rehabilitation.

This notice guarantees you the following:

1. Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex under reasonable terms and conditions. *
2. If you must move temporarily so that the rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from temporary housing and any increased interim housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because federal funding is involved in this project, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Of course, you must continue to comply with the terms and conditions of your lease.

If you have any questions, please contact the Property Management office at (561)487-5840. This letter is important to you and should be retained.

Sincerely,

(name and title)

30 Day Notice

Date:

To: [Resident Name]

From: Management

Re: Upcoming Renovation Work & Resident Temporary Relocation

Dear [Resident Name],

Please be advised that we anticipate the renovations in your apartment will begin in the next 3 to 4 weeks ahead. Most of the work will involve complete kitchen updates, bathroom updates, window upgrades, flooring, plumbing, electrical and various other upgrades to the common areas of the building. This will require that you be relocated temporarily while the work is being done in your current unit.

We have provided you with a Resident Needs Survey attached. Please complete and return it to the Management Office no later than [Deadline Date of Survey Submission by Tenant] so we may assist you with your accommodations during this time. This work will require that you pack up all of your belongings in your apartment. We anticipate that you will be moved on or around [Date]. We anticipate that you will be able to return to your current unit on or around [Date of Move-in].

We will have movers available to assist you with placing your belongings temporarily in a POD which will be placed on site. To assist with the costs associated with the move, we will provide you with packing supplies. Please stop by the management office for the packing supplies (boxes/tape, etc.) to pack all of your belongings.

We will continue to keep you informed as we receive additional information. Please contact the management office to confirm you have received this notice and discuss any concerns you may have.

As always, we appreciate your cooperation during this transition.

Thank you!

Property Name Management team

Resident Needs Survey

Gould House

Rehab Project Resident Needs Survey

Name: _____

Apt. #: _____ Telephone: _____

Please check of one of following:

_____ I will be staying with family or friends during the apartment rehab project and my rent will be pro-rated as such.

_____ I will be **unable to stay** elsewhere during the apartment rehab project and will need to be accommodated with alternative housing arrangements.

Do you require a handicap accessible hotel room? Yes_____ No_____

Do you require a handicap accessible bathroom (roll-in shower) in your hotel?

Yes_____ No_____

Do you have an assistance animal? Yes_____ No_____ If yes, please indicate the type of animal you have: _____.

Do you need transportation to/from the hotel? Yes_____ No_____

Do you currently use the RIDE Para transit services? Yes_____ No_____

Do you have any other special needs that management should be aware of?

(oxygen, home care services, live in aid, etc.)

Residents Signature: _____

Date: _____

Move-out Notice

Date

Name

Address

Address

Dear Resident,

I wanted to advise you that I have scheduled Name of Moving Company to move the contents of your unit into a POD that will be stored on-site on the following date:

Date of Move:

Estimated return:

A team of movers will arrive early in the morning at approximately [TIME OF MOVERS ENTERING UNIT]. Sometimes unexpected traffic or travel with the bridge can cause delays but they will do their best to meet our pre-arranged schedule(s).

ALL items will be removed from your apartment and placed into the POD. The POD will be locked, and the key retained at the management office. Please be sure to take the time to plan accordingly to separately pack those items you want to take with you during your temporary in-place rehabilitation. It will be very difficult to locate any items that have been stored in the POD once it has been packed by the movers.

If you have questions, please do not hesitate to call me at the office: telephone number. I am here to support you through this transition.

Thank you,

Management.

Move-in Notice

Date:

To:

From: Property Manager

Re: Completion of your unit Rehab and Scheduled Return to the Property

Dear Resident,

This letter is to advise you that the anticipated completion of the interior work in your unit is _____ . We are working with the moving company to make arrangements to relocate the contents of your POD back to your unit on Date at Time.

We will have the movers available to assist you with placing your belongings back into your unit on Date at Time. If you need assistance moving your belongings back, please advise before close of business on Date.

Please contact the management office to discuss any concerns you may have.

As always, we appreciate your cooperation, and welcome home.

Thank you!



February 5, 2020

Mr. John Tatum
Federation Gould Preservation LP
250 West 55th Street, 35th Floor
New York, New York 10019

Re: Acquisition of LIHTC Interest in Shirley Gould House located in Boca Raton, Palm Beach County, Florida (the "Project")

Dear Mr. Tatum:

Citibank, N.A., ("Citi" or "Buyer") may be interested in purchasing a 99.98% interest in the Project ("Purchase") based on preliminary analysis and on the projections provided by Federation Gould Preservation LP. Buyer currently estimates that \$14,582,971 in federal low income housing tax credits ("LIHTC") generated by the Project (which is 99.98% of \$14,585,888 in total projected LIHTC) could result in gross proceeds for the financing of the Project in the amount of **\$13,562,163**. The estimated gross proceeds are equivalent to **\$0.930** for each \$1.00 of LIHTC allocated to the Project (subject to change based on final projections, including final debt sizing).

Citi is assuming is assuming the following in its preliminary projections:

1. Tax credit delivery to the Limited Partner (99.98% of Total):

- o \$1,458,297 annually, 2021 through 2030

2. Equity pay-in schedule:

- o **First Installment: \$6,400,000 (47%)** to be paid simultaneously with the closing of all construction financing on the Project
- o **Second Installment: \$750,000 (6%)** to be paid at the later of 25% Construction Completion and August 15, 2020
- o **Third Installment: \$1,350,000 (10%)** to be paid at the later of 50% Construction Completion and October 15, 2020
- o **Fourth Installment: \$1,450,000 (11%)** to be paid at the later of 75% Construction Completion and February 15, 2021
- o **Fifth Installment: \$400,000 (3%)** to be paid at the later of 100% Construction Completion and July 15, 2021
- o **Sixth Installment: \$2,912,163 (21%)** to be paid at the later of stabilization and September 15, 2021
- o **Seventh Installment: \$300,000 (2%)** to be paid upon the later of receipt of Project 8609's and March 15, 2022

3. Development Fee schedule: \$5,308,239 – Total Fee

- o \$2,391,194 to be paid simultaneously with the Sixth Installment
- o \$300,000 to be paid simultaneously with the Seventh Installment
- o \$4,149,299 to be paid as deferred developer fee

Due to a gap between the total permanent sources and uses, a portion of the development fee estimated to be \$4,149,299 shall be deferred and dedicated as a permanent source of funds. The actual amount of deferred development fee, if any, will be determined upon stabilization.

4. Underwriting. Citi has assumed a 3% vacancy rate on all units to be consistent with the Sponsor projections. This assumption will be subject to further underwriting.

5. Guarantees. Citi will require its standard guarantees during construction and through compliance, as further outlined in the Letter of Intent and Limited Partnership Agreement. Guarantors must be acceptable to Citi.

6. Asset Management. Citi plans to engage a third-party asset manager to assist with the management and oversight of Citi's investment in the Partnership and, as such, requires an Annual Asset Management Fee ("Investor Services Fee") to be paid by the Partnership, subject to the availability of cash flow, in the amount of \$20,000 per year commencing at Citi's admission to the Partnership and will be adjusted by 3% annually. After stabilization, the amount will be reduced to \$15,000 and will be adjusted by 3% annually. Citi anticipates that TCAM will serve as its third-party asset manager.

Buyer shall not pay, or be liable for, any fees or provide any other financial or other substantive benefit to a developer unless all such fees or benefits are fully and completely disclosed in an executed Letter of Intent, if one is entered into subsequent to this letter.

This letter is not intended to be, and shall not constitute a commitment to lend, syndicate a financing, underwrite or purchase securities or LIHTC associated with the Project, commit capital, or provide or arrange any portion of the financing for the Project. Such obligations would arise only under separate written agreements acceptable to Citi in its sole discretion. Furthermore, any such commitments would be subject to, among other things, (a) the satisfactory completion of Citi's customary due diligence review; (b) approval by Citi internal committees; (c) the receipt of any necessary governmental, contractual and regulatory consents or approvals in connection with the Project and the related financings; (d) the negotiation and documentation of the financings, including the terms and conditions of the financing, in form and substance satisfactory to Citi and its counsel; and (e) there not having occurred any disruption of or change in financial, banking or capital market conditions that, in Citi's judgment, could make it inadvisable or impractical to proceed with the Purchase.

Neither Citi nor any of its affiliates shall have any liability (whether direct or indirect, or in contract, tort or otherwise) to Federation Towers Preservation LP, the Project or any other person, claiming through Federation Towers Preservation LP or the Project, as the case may be, for or in connection with the delivery of this letter.

In connection with the proposed Purchase, Citi will be acting solely as a principal and not as your agent, advisor or fiduciary. Citi has not assumed a fiduciary responsibility with respect to the proposed Purchase, and nothing in this letter or in any prior relationship between Federation Towers Preservation LP and Citi will be deemed to create an advisory, fiduciary or agency relationship between us in respect of the Project or the proposed Purchase. Federation Towers Preservation LP should consider carefully whether it would like to engage an independent advisor to represent or otherwise advise it in connection with the Project, if it has not already done so.

Sincerely,

CITIBANK, N.A.

Zineb Morabet
Vice President

Signed:

Federation Gould Preservation LP

Name:
Title:



February 5, 2020

Federation Gould Preservation LP
C/o Mr. John Tatum
Fairstead
250 West 55th Street
35th Floor
New York, NY 10019

**RE: Letter of Intent for funding Fixed Rate Tax Exempt Mortgage Loan
Freddie Mac Multifamily Tax Exempt Loan ("TEL") Program
Property: Gould House Apartments
101 Senior (62+) units located at 21000 Ruth and Baron Coleman Blvd., Boca Raton, FL 33428
Berkadia Loan Number: 237657**

Dear Mr. Tatum:

This letter will serve as a Letter of Intent and constitute a Term Sheet ("**Term Sheet**") from Berkadia Commercial Mortgage LLC ("**Funding Lender**") to provide a first mortgage tax exempt loan ("**Loan**") through the Freddie Mac Tax Exempt Loan Program ("**Freddie Mac Program**"). The Loan is requested by Federation Gould Preservation LP., A Florida Limited Partnership ("**Borrower**") and will be used to purchase and moderately rehabilitate the property identified above ("**Property**") pursuant to requirements of any Federal, State or local requirements concerning the proposed tax exempt private activity allocation and/or Low Income Housing Tax Credit requirements.

Lender will fund such Loan ("**The Funding**") only if Borrower and the Loan satisfy all terms and conditions of the Loan Commitment and certain additional requirements of Freddie Mac, including but not limited to consent for receipt of the requisite tax exempt bond allocation and Section 42 providers and necessary tax exempt opinions as well as eligibility under the specific Freddie Mac Tax Exempt Loan Program.

On behalf of Berkadia Commercial Mortgage LLC, we appreciate the opportunity to provide this Term Sheet. If you should have any questions, please feel free to call me at (617) 531-8911 or email gemma.geldmacher@berkadia.com.

NOTE: THIS LETTER OF INTENT AND TERM SHEET IS FOR A LOAN UNDER FREDDIE MAC'S TAX EXEMPT LOAN PROGRAM. BORROWER ACKNOWLEDGES THAT THIS LOAN WILL BE SOLD TO FREDDIE MAC AND THAT FREDDIE MAC INTENDS TO SELL THIS LOAN INTO A COMMERCIAL TAX EXEMPT MORTGAGED-BACKED SECURITIZATION OR SIMILAR TYPE EXECUTION ("SECURITIZED"), AND THAT THE LOAN WILL NOT BE HELD IN FREDDIE MAC'S PORTFOLIO. THUS, THE REQUIREMENTS AND PROVISIONS IN THIS TERM SHEET AND IN THE LOAN DOCUMENTS ARE ANALOGOUS TO THOSE FOR A SECURITIZED CONDUIT LOAN. PLEASE CONTACT THE LENDER REPRESENTATIVE LISTED IN THIS TERM SHEET IF YOU HAVE ANY QUESTIONS CONCERNING THE TAX EXEMPT CAPITAL MARKETS EXECUTION PROGRAM OR REQUIREMENTS.

Berkadia Commercial Mortgage LLC

By: 
Gemma Geldmacher
Authorized Representative

Acknowledged:

Federation Gould Preservation LP

By: X _____

Its: _____

Name: _____

BERKADIA.COM

EXHIBIT A
SALIENT TERMS

Loan Program:	Freddie Mac Immediate Funding Tax Exempt Loan (“TEL”)
Proposed Loan Amount:	\$33,040,000 (tax-exempt; some portion may be taxable)
Permanent Loan Term:	204 Months (17 Years)
Amortization:	480 Months (40 Years)
Prepayment Type:	120 Month Lockout Period followed by 78 Month Yield Maintenance Period followed by 3 Month 1% Prepayment Period followed by 3 Month Par Prepayment Period.
Maximum LTV:	90.0% of the final underwritten value of the Property.
Minimum Actual DSCR:	1.15x, as underwritten at the estimated interest rate set forth below.
Interest Rate:	As of the date of this Term Sheet, estimated to be 3.53%. Additionally, there may be Issuer and Trustee fees which have not been included in the aforementioned Interest Rate. Final interest rate is subject to market conditions and determined prior to Closing.
Interest Accrual:	Actual/360
Due Diligence Deposit:	Refundable Portion of Due Diligence Deposit: \$30,150 Non-Refundable Underwriting Fee: \$4,850 Total Due Diligence Deposit: \$35,000
Origination Fee:	1.05% of the final Loan Amount. See Exhibits B and C for additional terms and conditions.
Freddie Mac Application Fee:	0.10% of the final Loan Amount
Rate Lock Deposit:	1.0% of the loan amount, refundable at Closing.
Lender and Freddie Mac Outside Counsel Fees:	It is estimated that the fees of Lender’s counsel for the initial closing of the Transaction (e.g., the issuance of the Bonds) will be approximately \$65,000 plus expenses and the fees of Freddie Mac’s outside counsel will be approximately \$35,000 plus expenses. A portion of the Due Diligence Deposit may be applied to initial Lender and Freddie Mac counsel fees. Loan Parties agrees that it shall be responsible for the payment of all legal fees incurred whether or not the Commitment or the Bonds are issued.
Underwritten NOI:	\$1,774,549 If the final approved NOI is less than the amount noted above, the Loan Amount may be reduced and/or a higher interest rate may be required.

Recourse: Non-recourse to Borrower, Key Principal(s), and Non-Recourse Guarantor(s), except for standard Freddie Mac recourse carve-outs.

Key Principal(s): Fairstead Affordable FL LLC and Fairstead Affordable LLC

Guarantor(s): The Key Principal(s) will execute the standard Freddie recourse carve-outs and indemnities.

Lender reserves the right, based on Lender's due diligence results, to identify additional individuals or entities as Key Principal(s)/ Guarantor(s) in addition to those listed above.

Tax Credit Equity Provider: Citibank

Collection of Impounds/Escrows:

Real Estate Taxes:	Required
Insurance:	Required
Replacement Reserves:	Required
Repairs:	Collected if required by Lender, based on third party reports.

The need and amount of all Impounds/Escrows are subject to final approval during underwriting.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT B
OTHER CONDITIONS TO PURCHASE OF THE FUNDING LOAN

In addition to the conditions set forth elsewhere in this Commitment, the occurrence of the Funding Loan Origination Date and the Freddie Mac Funding Date is subject to the satisfaction of the following conditions:

1. Borrower

A. Borrower must be a Single Purpose Entity.

B. Organizational Chart

- i) The Borrower must be organized in a manner acceptable to Freddie Mac. A requirement of the Continuing Covenant Agreement is that an organizational chart of the Borrower as of the Funding Loan Origination Date be attached to the Continuing Covenant Agreement as an exhibit. The organizational chart must include the full legal name of each entity, type of entity, formation jurisdiction and percentage of ownership.
- ii) The organizational chart must show all owners of each entity that is a Designated Entity for Transfers.
- iii) Freddie Mac reserves the right to specify an additional entity or entities as a Designated Entity for Transfers based on any organizational chart submitted to it after the date of this Commitment. Freddie Mac's specifying an additional entity or entities as a Designated Entity for Transfers will not be a material modification to this Commitment.
- iv) The final organizational chart of the Borrower must be submitted to Freddie Mac with Seller's full underwriting package for Freddie Mac's review and approval. The organizational chart as approved by Freddie Mac will be attached to the Adjustment Letter.

2. Base Recourse

The base recourse against the Borrower will be zero percent (0.00%) of the original principal amount of the Funding Loan.

3. Guaranty

The base guaranty will be zero percent (0.00%) of the original principal amount of the Funding Loan.

4. Escrows for Taxes, Insurance and Other Items

The Continuing Covenant Agreement will be modified to reflect the below:

- A. Collect: Hazard Insurance or other Insurance premiums required by Freddie Mac
- B. Collect: Taxes and payments in lieu of taxes
- C. Deferred: Water and sewer charges that could become a Lien on the Mortgaged Property
- D. N/A Ground Rents
- E. Deferred: Assessments or other charges that could become a Lien on the Mortgaged Property

5. Replacement Reserve.

A. Deposits.

- i) Initial Deposit: \$0
- ii) Monthly Deposit: \$TBD (final amount to be set forth in the Adjustment Letter) to be deposited into the Replacement Reserve

B. Monthly payments – Funded. The “Rider to Continuing Covenant Agreement Replacement Reserve Fund –Immediate Deposits” must be attached to the Continuing Covenant Agreement.

C. Items to be reserved for include but are not limited to: carpet/vinyl flooring, window treatments, roofs, furnaces/boilers, air conditioners, ovens/ranges, refrigerators, dishwashers, water heaters and garbage disposals.

6. Designated Entity for Transfers; SPE Equity Owner.

A. The “Designated Entity for Transfers” to be listed in Exhibit I of the Continuing Covenant Agreement will be determined after full underwriting is completed and will be set forth in the Adjustment Letter.

B. The general partner shall be a SPE Equity Owner.

7. Mold Insurance.

TBD.

8. Terrorism Insurance.

Required.

9. Earthquake Insurance.

Will be determined after full underwriting is completed and will be set forth in the Adjustment Letter.

10. Repair/Repair Escrow.

Will be determined after full underwriting is completed and will be set forth in the Adjustment Letter.

11. Property Management.

A. On the Funding Loan Origination Date the Property manager must be Sharkey and Associates.

B. The management agreement must provide for a maximum annual management fee of 2.50% of EGI. The management fee must be subordinated to Mortgage and is subject to Freddie Mac approval and market support.

C. An executed Management Agreement will be a condition to the Funding Loan Origination Date.

12. Moisture Management Plan.

Will be determined after full underwriting is completed and will be set forth in the Adjustment Letter.

13. Rehabilitation Escrow Rider for Continuing Covenant Agreement.

Establishment of a Rehabilitation Escrow with the Fiscal Agent will be required. The “Rider to Continuing Covenant Agreement – Rehabilitation Escrow Fund” must be attached to the Continuing Covenant Agreement. The total required deposit into the Rehabilitation Escrow Fund for purposes of covering all estimated costs associated with the rehabilitation of the Project shall be determined in connection with full underwriting and set forth in the Adjustment Letter.

- A. The following matters will be determined after full underwriting is completed and will be set forth in the Adjustment Letter:
- i) the schedule of work to be completed,
 - ii) the required amount of the Rehabilitation Escrow,
 - iii) the required completion date,
 - iv) any holdback requirement will be set forth in the Adjustment Letter,
 - v) the number of units which may be offline and the number of days for which they may be unavailable.
- B. A completion guaranty from the Guarantor will be required. Any special conditions to release will be set forth in the Adjustment Letter.
- C. An operating deficit guaranty from the Guarantor will be required. Any special conditions to release will be set forth in the Adjustment Letter.
- D. Any financing of the repairs or rehabilitation with sources other than the Project Loan is subject to Freddie Mac approval. On or prior to the Funding Loan Origination Date, Freddie Mac shall have received copies of the final documents evidencing and securing such financing in form and content acceptable to Freddie Mac in its sole discretion.

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EXHIBIT C
SPECIAL CONDITIONS

1. Recycled SPE Borrower

- A. Borrower may be a “recycled” entity, provided Borrower can make each of the Underwriting Representations and the Separateness Representations set forth in the Recycled Borrower Certification (“**Certificate**”).
- i. The Certificate must be from an individual (A) who is an officer, member or general partner either of Borrower or of an entity with a controlling interest in Borrower, and (B) who is competent to address each of the matters set forth in the Certificate.
 - ii. The Certificate must be delivered as part of the final delivery package but will not be considered a “Loan Document” for purposes of the opinions or the Omnibus Assignment.
- B. The “Rider to Continuing Covenant Agreement – Recycled Borrower” must be attached to the Continuing Covenant Agreement.
- C. Borrower and any Guarantor will be personally liable for any losses incurred by Lender as a result of any of the Underwriting Representations or the Separateness Representations being untrue when made. The “Rider to Project Note – Recycled Borrower and/or Recycled SPE Equity Owner” must be attached to the Project Note.

2. Legal Non-Conforming Property Exceptions to Nonrecourse

If the Property is legally non-conforming under the applicable zoning laws, ordinances and/or regulations in the jurisdiction in which the Property is located, the “Rider to Project Note - Legal Non-Conforming Property” must be attached to the Project Note.

3. Ordinance and Law Insurance.

Borrower must obtain and maintain insurance that includes ordinance and law coverage.

4. Regulatory Agreements.

- A. The Project will be subject to a new regulatory agreement in connection with the Governmental Note (the “Tax Regulatory Agreement”).
- B. The Seller shall attach to the Continuing Covenant Agreement the “Rider to Continuing Covenant Agreement – Regulatory Agreement”. The Seller shall attach to the Project Note the “Rider to Project Note – Regulatory Agreement Default Recourse”. The definition of Regulatory Agreement in the foregoing rider shall include the Tax Regulatory Agreement.

5. PILOT / Tax Exemption / Tax Abatement Agreement.

- A. As a condition to the Funding Loan Origination Date, the Property must be subject to a real estate tax exemption based on Florida Chapter 196.1975. The exemption and any associated

agreements or covenants shall be in form and content acceptable to Freddie Mac otherwise the loan amount may be reduced.

- B. The Seller shall attach to the Project Note the “Rider to Project Note – Recourse for Loss of Tax Exemption or Abatement”.
- C. The Seller shall attach to the Continuing Covenant Agreement the “Rider to Continuing Covenant Agreement – Tax Exemption”.

6. HAP Contract; HAP Reserve.

- A. The Property is currently subject to an existing Housing Assistance Payments Contract covering 100 units, from the U.S. Department of Housing and Urban Development (“HUD”). The Borrower has requested a 20-year renewal with contract rents of \$1,600/unit (the “HAP Contract”). Seller shall submit the HAP Contract to Freddie Mac with its full underwriting package. The HAP Contract shall be acceptable to Freddie Mac. Any changes to this Commitment necessitated upon Freddie Mac’s review of the HAP Contract will be addressed in the Adjustment Letter.
- B. In connection with the HAP contract, the “Rider to Continuing Covenant Agreement – Section 8 Housing Assistance Payments Contract” must be attached to the Continuing Covenant Agreement.
- C. On or before the Funding Loan Origination Date, the “Consent to Assignment of HAP Contract as Security for Freddie Mac Financing” (in the form found on the Freddie Mac website) must be executed by the Contract Administrator and the Borrower.
- D. The “Rider to Financing Statement Exhibit B - Housing Assistance Payments Contract” must be attached to the Financing Statement.
- E. In the event that any portion of the HAP Contract is illegible or the HAP Contract submitted to Lender is not a complete contract (i.e., includes all amendments and renewals since the date of the original HAP Contract), Section 9(c) of the Project Note must be modified to add the following subsection:
 - () Any reduction in payments made under the HAP Contract as a result of conditions, requirements, limitations or other information contained in, or required by, any portion of the HAP Contract that is either (i) illegible or (ii) not delivered to Lender prior to the date of this Note.
- F. The final delivery package must include the following additional items:
 - a. Copies of the HAP Contract including all amendments, schedules and exhibits, certified by the Borrower as complete and accurate.
 - b. An original of the consent required by paragraph (c) above, as signed by the Borrower and the Contract Administrator.
- G. The Seller and its counsel must complete the “Section 8 Housing Assistance Payments Contract Analysis” (form found at www.freddiemac.com).

7. Low Income Housing Tax Credits.

- A. In connection with the Borrower's anticipated award of low income housing tax credits with respect to the Property on or about the Funding Loan Origination Date, a new tax credit regulatory agreement (in form and content acceptable to Freddie Mac prior to the Funding Loan Origination Date) will be recorded against the Property in favor of the Governmental Lender. The tax credit regulatory agreement shall be subordinate to the Security Instrument.
- B. The "Rider to Continuing Covenant Agreement – Tax Credit Properties" must be attached to the Continuing Covenant Agreement.
- C. The "Rider to Project Note – Tax Credit Properties" must be attached to the Project Note.

8. Pledge of Equity.

The "Rider to Continuing Covenant Agreement – Pledge of Equity Investor Capital Contributions" shall be attached to the Continuing Covenant Agreement.

9. O&M.

Required O&Ms are TBD at this time.

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GOULD HOUSE S&U**Total
Project****Sources of Funds**

Tax Credit Equity:	14,127,000
First Mortgage:	33,000,000
Deferred Developer Fee:	30% 2,125,921

Total Sources: **49,252,921**

Uses of Funds

Acquisition Costs	33,750,000
Construction Costs	4,686,198
Project Soft Costs	1,911,693
Developer Legal Costs	165,000
Financing Issuance Costs	761,334
Financing Legal Costs	165,000
Equity Syndication Costs	169,027
Reserves and Escrows	582,233
Soft Cost Contingency	50,000
Developer Fee	7,012,436

Total Uses: **49,252,921**

<u>Revenue</u>	Year 1
Rental Income	
Gross Rent	2,430,240
Tenant Assistance Payments	-
Stores and Commercial	-
Garage and Parking	-
Flexible Subsidy Revenue	-
Miscellaneous Inc	-
Total Rent Revenue	2,430,240
Rent Loss	
Apartments Loss	48,605
Commercial Loss	-
Rental Concessions	-
Garage and Parking Loss	-
Bad Debts	-
Miscellaneous Rent Loss	-
Total Rent Loss	48,605
Other Revenue	
Laundry and Vending	5,000
Tenant Charges	-
Miscellaneous Revenue	-
Total Other Revenue	5,000
Total Revenue	2,386,635
Expenses	
Mgmt Fee	48,480
Admin Expenses	84,500
Utilities	49,015
Operating and Maintenance	250,000
Real Estate Taxes	-
Taxes and Insurance	107,120
Total Cost of Operations	539,115
Replacement Reserve Deposits	30,300
Other Reserve Deposits	-
Net Operating Income	1,817,220
Debt Service	
Interest Payments	1,211,518
Principal Payments	368,000
Total Payment	1,579,517
Principal Balance:	32,632,000
Hard Debt DSCR:	1.15
Hard Debt Yield:	5.6%
Total Combined Debt Service	1,579,517
Net Operating Income	1,817,220

OPERATING PROFORMA - Gould House

Revenue	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	Year 16
Rental Income																
Gross Rent	2,430,240	2,478,845	2,528,422	2,578,990	2,630,570	2,683,181	2,736,845	2,791,582	2,847,413	2,904,362	2,962,449	3,021,698	3,082,132	3,143,775	3,206,650	3,270,783
Tenant Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stores and Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garage and Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flexible Subsidy Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rent Revenue	2,430,240	2,478,845	2,528,422	2,578,990	2,630,570	2,683,181	2,736,845	2,791,582	2,847,413	2,904,362	2,962,449	3,021,698	3,082,132	3,143,775	3,206,650	3,270,783
Rent Loss																
Apartments Loss	48,605	49,577	50,568	51,580	52,611	53,664	54,737	55,832	56,948	58,087	59,249	60,434	61,643	62,875	64,133	65,416
Commercial Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Concessions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garage and Parking Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rent Loss	48,605	49,577	50,568	51,580	52,611	53,664	54,737	55,832	56,948	58,087	59,249	60,434	61,643	62,875	64,133	65,416
Other Revenue																
Laundry and Vending	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729
Tenant Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Revenue	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729
Total Revenue	2,386,635	2,434,368	2,483,055	2,532,716	2,583,371	2,635,038	2,687,739	2,741,494	2,796,324	2,852,250	2,909,295	2,967,481	3,026,831	3,087,367	3,149,114	3,212,097
Expenses																
Mgmt Fee	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480	48,480
Admin Expenses	84,500	87,035	89,646	92,335	95,105	97,959	100,897	103,924	107,042	110,253	113,561	116,968	120,477	124,091	127,814	131,648
Utilities	49,015	50,486	52,000	53,560	55,167	56,822	58,527	60,283	62,091	63,954	65,872	67,849	69,884	71,981	74,140	76,364
Operating and Maintenance	250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193	335,979	346,058	356,440	367,133	378,147	389,492
Real Estate Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and Insurance	107,120	110,334	113,644	117,053	120,565	124,181	127,907	131,744	135,696	139,767	143,960	148,279	152,728	157,309	162,029	166,889
Total Cost of Operations	539,115	553,834	568,995	584,610	600,694	617,261	634,324	651,899	670,002	688,648	707,853	727,634	748,009	768,994	790,610	812,874
Replacement Reserve Deposits	30,300	31,209	32,145	33,110	34,103	35,126	36,180	37,265	38,383	39,535	40,721	41,942	43,201	44,497	45,831	47,206
Other Reserve Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income	1,817,220	1,849,325	1,881,915	1,914,996	1,948,573	1,982,651	2,017,235	2,052,329	2,087,938	2,124,068	2,160,722	2,197,905	2,235,621	2,273,876	2,312,673	2,352,017
Debt Service																
First Mortgage																
Interest Payments	1,211,518	1,197,706	1,183,377	1,168,509	1,153,084	1,137,080	1,120,475	1,103,247	1,085,372	1,066,827	1,047,585	1,027,621	1,006,909	985,418	963,121	939,988
Principal Payments	368,000	381,811	396,140	411,008	426,433	442,437	459,042	476,270	494,145	512,691	531,932	551,896	572,609	594,099	616,396	639,529
Total Payment	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517
Principal Balance:	32,632,000	32,250,190	31,854,049	31,443,041	31,016,608	30,574,171	30,115,129	29,638,858	29,144,713	28,632,023	28,100,091	27,548,195	26,975,586	26,381,487	25,765,091	25,125,562
Hard Debt DSCR:	1.15	1.17	1.19	1.21	1.23	1.26	1.28	1.30	1.32	1.34	1.37	1.39	1.42	1.44	1.46	1.49
Hard Debt Yield:	5.6%	5.6%	5.7%	5.8%	5.9%	5.9%	6.0%	6.1%	6.2%	6.3%	6.5%	6.6%	6.7%	6.9%	7.1%	7.2%
Total Combined Debt Service	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517	1,579,517
Net Operating Income	1,817,220	1,849,325	1,881,915	1,914,996	1,948,573	1,982,651	2,017,235	2,052,329	2,087,938	2,124,068	2,160,722	2,197,905	2,235,621	2,273,876	2,312,673	2,352,017

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made and entered into as of this 17 day of January, 2020, by **FAIRSTEAD ACQUISITIONS LLC**, a Delaware limited liability company ("Assignor"), in favor of **FEDERATION GOULD PRESERVATION LP**, a Florida limited partnership ("Assignee").

NOW, THEREFORE, for good and valuable consideration, the adequacy of which is hereby acknowledged, the parties agree as follows:

1. **Assignment and Assumption.** Assignor hereby assigns, transfers, conveys, delivers and otherwise sets over onto Assignee, its successors and assigns, all of Assignor's right, title and interest and obligations under that certain Purchase and Sale Agreement between Assignor and FEDERATION-GULFSTREAM HOUSING, INC., a Florida not for profit corporation ("Seller"), dated as of January 13, 2020 (the "Agreement"), concerning the real property known, as Shirley E. Gould House-Boca Raton. Assignee hereby accepts the foregoing assignment, and assumes all of Assignor's obligations under the Agreement.

2. **Assignee's Representations, Warranties and Covenant.** Assignee hereby represents and warrants to Assignor that (a) Assignee is duly organized and qualified to do business in the State of Florida, (b) has taken all action necessary to authorize the assumption of the Agreement pursuant to the terms of this Assignment, and (c) has the power and authority to consummate the transactions contemplated by the Agreement. Assignee covenants and agrees that Assignee shall execute all necessary documents, which the "Buyer" is obligated to execute pursuant to the terms and provisions of the Agreement.

3. **Assignor's Representations and Warranties.** Assignor hereby represents and warrants to Assignee that (a) Assignor is duly organized and qualified to do business in the State of Delaware, (b) has taken all action necessary to authorize the assignment of the Agreement pursuant to the terms of this Assignment, (c) has not previously assigned any of its rights or obligations under the Agreement. Assignor further represents and warrants that the Agreement is in full force and effect, and that Assignor is not in default under the Agreement.

4. **Counterparts; PDF.** This Assignment may be executed in two or more counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one, and the same instrument. A signed copy of this Assignment transmitted in Portable Document Format ("PDF") shall have the same force and effect as an original and shall bind a party to the terms and conditions hereof. Capitalized terms used in this Assignment, which are not otherwise specifically defined herein, shall have the meaning ascribed such terms in the Agreement.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR:

FAIRSTEAD ACQUISITIONS LLC,
a Delaware limited liability company

By: 
John Tatum, Authorized Signatory

ASSIGNEE:

FEDERATION GOULD PRESERVATION
LP, a Florida limited partnership

By: Affordable Housing Institute, Inc., a Florida
not for profit corporation

By: 
Bryan Hartnett, President

RESOLUTION NO. R-2020-03

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY (THE “AUTHORITY”) DECLARING THE AUTHORITY’S PRELIMINARY INTENT TO ISSUE ITS NOT TO EXCEED \$35,000,000 MULTIFAMILY HOUSING REVENUE BONDS, NOTES OR OTHER EVIDENCES OF INDEBTEDNESS (IN ANY EVENT REFERRED TO HEREIN AS THE “BONDS”) WHICH MAY BE ISSUED IN ONE OR MORE SERIES TO OBTAIN FUNDS TO BE LOANED TO FEDERATION GOULD PRESERVATION LP, OR ANOTHER ENTITY CREATED BY FAIRSTEAD ACQUISITIONS LLC, ITS SUCCESSORS OR ASSIGNS (THE “BORROWER”), FOR THE FINANCING OF THE ACQUISITION, REHABILITATION AND/OR EQUIPPING OF A QUALIFYING HOUSING DEVELOPMENT IN THE CITY OF BOCA RATON, PALM BEACH COUNTY, KNOWN AS GOULD HOUSE; INDICATING THE AUTHORITY’S OFFICIAL INTENT TO USE A PORTION OF THE PROCEEDS OF SUCH BONDS TO REIMBURSE CERTAIN EXPENDITURES PAID OR INCURRED PRIOR TO THE DATE OF ISSUANCE THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT; AUTHORIZING VALIDATION OF THE BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the provisions of the Florida Constitution, Part IV of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the “Act”) and the policies of the Housing Finance Authority of Palm Beach County, Florida (the “Authority”), Federation Gould Preservation LP, a Florida limited partnership, company (the “Borrower”), has submitted a request to the Authority requesting that the Authority issue, pursuant to the provisions of the Act, multifamily housing revenue bonds, notes or other evidences of indebtedness to finance the costs of the acquisition, rehabilitation and/or equipping of an approximately 101 unit multifamily rental housing facility for the elderly or the disabled known as Gould House, located at 21000 Ruth and Baron Coleman Boulevard, in Boca Raton, West Palm Beach County, Florida (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”) in Palm Beach County, Florida; and

WHEREAS, the Authority desires, as requested by the Borrower, to declare its preliminary intent to issue, in one or more series, its Multifamily Housing Revenue Bonds in the initial aggregate principal amount of not exceeding \$35,000,000 (the “Bonds”) (or such other debt instrument as may be allowed by the Act and approved by Bond Counsel and the Authority’s counsel) pursuant to the limitations and conditions set forth in this Resolution and in subsequent resolutions and other instruments of the Authority, which amount the Borrower has

represented will, together with available funds of the Borrower, be sufficient to finance the acquisition and rehabilitation of the Project; and

WHEREAS, the Bonds will be secured by amounts payable under the terms of a loan or financing agreement between the Authority and the Borrower providing for payments in amounts or other collateral sufficient to pay the principal of and interest on the Bonds as the same become due and payable, and/or such other security as shall be acceptable to the Authority; and

WHEREAS, it is intended by the Authority that the interest on a majority of the Bonds will be excludable from gross income for federal income tax purposes; and

WHEREAS, the action taken by this Resolution does not constitute final approval of the financing of the costs of the Project or of the issuance of the Bonds and is not an absolute commitment by the Authority to issue the Bonds; and

WHEREAS, the Authority's approval of the financing of the costs of the Project will be effected in accordance with applicable law and regulations and the financial terms, security for the repayment of the Bonds, restrictions on transferability, if applicable, and other matters will be determined and/or approved by subsequent proceedings of the Authority and by other appropriate regulatory bodies as may be required by applicable law and regulations, including but not limited to, approval by the Board of County Commissioners of Palm Beach County, Florida of certain matters relating thereto; and

WHEREAS, the Authority has been informed by the Borrower that it has and anticipates that it will incur certain capital expenditures relating to the Project prior to the issuance of the Bonds by the Authority; and

WHEREAS, such capital expenditures will be paid from the Borrower's own money or from the proceeds of a taxable financing; and

WHEREAS, the Code and applicable regulations (the "Regulations") require the Authority to declare its official intent to allow the Borrower to be reimbursed for certain capital expenditures incurred by the Borrower in connection with the Project prior to the issuance of the Bonds from a portion of the proceeds of the Bonds, when and if the Bonds are issued; and

WHEREAS, it is intended by the Authority that this Resolution constitutes such official intent with respect to the reimbursement, from proceeds of the Bonds, of those certain capital expenditures the Borrower has and will incur prior to the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:

SECTION 1. The recitals set forth above are adopted by the Authority as the findings of the Authority and are incorporated herein.

SECTION 2. The Authority is authorized and empowered by the Act and Article V, Division 3, Sections 2-181 et seq., Palm Beach County Code of Ordinances (the "Ordinance") to adopt this Resolution and to enter into transactions such as those contemplated by the Borrower

in connection with the financing of the costs of the Project through the issuance of the Bonds, notes or other evidences of indebtedness, and to fully perform the obligations of the Authority to be undertaken in connection with the financing of the costs of the Project through the issuance of the Bonds in order to assist in alleviating the shortage of housing and of capital to finance the construction of affordable housing in Palm Beach County, Florida, and this Resolution is adopted and such actions are to be taken pursuant to the provisions of the Act and the Ordinance.

SECTION 3. The statements contained in this Resolution with respect to the reimbursement of the capital expenditures referred to in this Resolution are intended to be the Authority's statements of official intent as required by, and in conformance with, the provisions of Section 1.150-2(e) of the Regulations. The expression of official intent set forth herein is made in reliance upon the representation of the Borrower that it reasonably expects to pay with its own funds or incur expenses in connection with the Project prior to the issuance of the Bonds and to be reimbursed for those expenses from the proceeds of the Bonds.

SECTION 4. All of the capital expenditures to be reimbursed in connection with the Project pursuant to this Resolution from proceeds of the Bonds that are issued as tax exempt obligations, will be for costs that (a) are properly chargeable to the capital account of the Borrower under general income tax principles, (b) constitute non-recurring working capital expenditures (of a type not customarily payable from current revenues), or (c) are costs of issuing the Bonds and will meet the requirements of the Code in that such capital expenditures have been or will be incurred after the date that is sixty (60) days before the date of adoption of this Resolution.

SECTION 5. The Authority reasonably expects to use a portion of the proceeds of the Bonds, when and if issued, to reimburse the Borrower for the capital expenditures contemplated under this Resolution made prior to not earlier than sixty (60) days prior to the adoption of this Resolution, and no funds from sources other than the "reimbursement bond issue" (as such term has the meaning assigned to it under the Regulations) portion of the bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Authority pursuant to the Authority's policies to pay for such capital expenditures.

SECTION 6. The Authority will direct the Borrower, upon receipt of the proceeds of the Bonds (or within thirty (30) days thereafter), to allocate in writing the amount of proceeds of the Bonds (i.e., the reimbursement bond issue) used to reimburse the costs of the Project (herein, the "Prior Expenditures"). Such allocation will be accomplished within the later of (a) eighteen months from the earliest date such Prior Expenditures were incurred or (b) the date the rehabilitation of Gould House is substantially completed (but in no event later than three (3) years after the first Prior Expenditure was made).

SECTION 7. The maximum principal amount of Bonds expected to be issued for the financing of the costs of the acquisition, rehabilitation and/or equipping of the Project through the issuance of the Bonds is \$35,000,000.

SECTION 8. The adoption of this Resolution does not in any way entitle or create any rights in or for Borrower other than as set forth herein and the terms of this Resolution shall not constitute final approval of the financing of the costs of the Project or authorization for the

Authority to issue the Bonds; such approval and authorization shall be considered by the Authority by other appropriate regulatory bodies in subsequent proceedings as required by applicable law and regulations and shall be contingent upon, among other things:

(A) The execution by the Borrower of a loan or financing agreement with the Authority in a form and substance and on terms acceptable to the Authority, including adequate provision being made for the operation, repair and maintenance of Gould House at the expense of the Borrower and for the payment of the principal of, premium, if any, and interest on the Bonds and reserves, if any, therefor;

(B) The Authority's final determination that the proposal of the Borrower otherwise complies with all of the provisions of the Act; and

(C) Unless waived by the Authority, in compliance with the Authority's policies and guidelines, either (i) the provision by the Borrower of credit enhancement to secure the Bonds and a rating acceptable to the Authority from rating agencies acceptable to the Authority, obtained by the Borrower with respect to the Bonds, or (ii) the private placement of the Bonds with an institutional investor acceptable to the Authority.

SECTION 9. Attached hereto as Exhibit A is the form of Memorandum of Agreement to be entered into by and between the Authority and the Borrower (the "Agreement"). The Borrower's agreement to enter into and perform under the Agreement shall be a condition precedent for the General Counsel to the Authority, Bond Counsel and the Executive Director of the Authority to take any actions with respect to the preparation of any documents to be used in connection with the financing of the costs of the Project through the issuance of the Bonds. The Agreement, in the form attached hereto as Exhibit A, is hereby approved. The Chairperson or, in the Chairperson's absence, any other member of the Authority, is hereby authorized to execute and deliver the Agreement, the execution thereof by the Authority being conclusive evidence of the approval of the form of such Agreement.

SECTION 10. IT IS EXPRESSLY STATED AND AGREED THAT THE ADOPTION OF THIS RESOLUTION IS NOT A GUARANTY, EXPRESS OR IMPLIED, THAT THE AUTHORITY SHALL APPROVE THE CLOSING AND ISSUE THE BONDS FOR THE FINANCING OF THE COSTS OF THE PROJECT. THIS RESOLUTION IS QUALIFIED IN ITS ENTIRETY BY THE PROVISIONS OF THE ACT, OR ANY SUBSEQUENTLY ENACTED OR EFFECTIVE LEGISLATION CONCERNING A STATE VOLUME CEILING ON MULTIFAMILY HOUSING BONDS. THE BORROWER SHALL HOLD THE AUTHORITY AND ITS PAST, PRESENT AND FUTURE MEMBERS, OFFICERS, STAFF, ATTORNEYS, FINANCIAL ADVISORS, AND EMPLOYEES HARMLESS FROM ANY LIABILITY OR CLAIM BASED UPON THE FAILURE OF THE AUTHORITY TO CLOSE THE TRANSACTION AND ISSUE THE BONDS OR FROM ANY OTHER CAUSE OF ACTION ARISING FROM THE ADOPTION OF THIS RESOLUTION, THE PROCESSING OF THE FINANCING OF THE COSTS OF THE PROJECT THROUGH THE ISSUANCE OF THE BONDS EXCEPT FOR THE GROSS NEGLIGENCE OR WILLFUL AND WANTON MISCONDUCT OF THE AUTHORITY.

SECTION 11. To the extent deemed necessary by Bond Counsel to the Authority or by General Counsel to the Authority, General Counsel and/or Bond Counsel to the Authority are authorized to institute appropriate proceedings for the validation of the Bonds pursuant to Chapter 75, Florida Statutes.

SECTION 12. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any opinion regarding same.

SECTION 13. All resolutions or parts thereof, of the Authority in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict.

SECTION 14. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 14th day of February, 2020.

**HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA**

By: _____
Chairperson

ATTEST:

Secretary

EXHIBIT A
FORM OF MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT
(GOULD HOUSE)

This Memorandum of Agreement (“Agreement”) is dated as of the ____ day of February, 2020, between the Housing Finance Authority of Palm Beach County, Florida, a public body corporate and politic under the laws of the State of Florida (the “Authority”), and Federation Gould Preservation LP, a Florida limited partnership (together with its respective successors or assigns, the “Borrower”).

WHEREAS, the Authority is authorized and empowered by the provisions of the Constitution and laws of the State of Florida (the “State”) to issue bonds, notes or other evidences of indebtedness for the purposes of providing funds to finance the acquisition, construction, rehabilitation and equipping of “qualifying housing developments” as defined in the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (the “Act”), and to loan the proceeds from the sale of such bonds, notes or other evidences of indebtedness to others to finance the acquisition, construction, rehabilitation and equipping of such qualifying housing developments; and

WHEREAS, the Borrower desires to finance the costs of acquisition, rehabilitation and/or equipping of an approximately 101 unit multifamily rental housing facility for the elderly or disabled known as Gould House, located at 21000 Ruth and Baron Coleman Boulevard, Boca Raton, Palm Beach County, Florida (the “Project”), to be rented to qualified persons and families as required by the Act and the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has requested that the Authority issue its multifamily housing revenue bonds or similar evidence of indebtedness in an aggregate principal amount of not to exceed \$35,000,000 (in either case referred to herein generically as the “Bonds”) and to loan the proceeds thereof to the Borrower to finance the costs of the Project; and

WHEREAS, based on the request of the Borrower, the Authority has preliminarily determined to issue the Bonds; and

WHEREAS, based upon preliminary information made available to it and subject to further review and analysis, the Authority believes that the issuance of the Bonds will result in the assistance in alleviating the shortage of rental housing for eligible persons and families of moderate, middle and lesser income and will assist in alleviating the shortage of capital available for investment in such rental housing, and thereby increase the health, safety, morals, welfare, and tax base of the State and in Palm Beach County (the “County”); and

WHEREAS, the Borrower desires the Authority to continue its review and analysis of the Borrower’s request to provide financing of the costs of the Project through the issuance of the Bonds; and

WHEREAS, the Authority, by its adoption on February 14, 2020 of its Resolution No. R-2020-03 (the “Initial Resolution”), has indicated its willingness to proceed with its consideration of the Borrower’s request for such financing; and

WHEREAS, the Authority wishes to enter into certain agreements with the Borrower with respect to its consideration of the Borrower's request to provide financing of the costs of the Project through the issuance of the Bonds.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. The Authority agrees:

(a) That, if the Authority determines that the Borrower and the Project meet all prerequisites for the issuance of the Bonds established by the Authority, it will make all reasonable efforts to authorize the issuance and sale of the Bonds pursuant to the terms of the Constitution of the State, the Act, the Initial Resolution, applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and this Memorandum of Agreement; and

(b) That, if the Bonds are issued, the Authority will make a loan to the Borrower to finance the costs of the Project through the issuance of the Bonds, with installment payments due under a loan or financing agreement between the Authority and the Borrower or the provision of collateral to be at least sufficient to pay the principal of, interest on and redemption premiums, if any, with respect to the Bonds as and when the same shall become due and payable, together with all other costs and expenses connected with such financing; and

(c) That, in the event the Authority acquires an interest in or a mortgage on Gould House, it will convey or release any such interest it retains in Gould House to the Borrower upon the retirement of the outstanding Bonds, and the payment by the Borrower of all other costs connected with such financing.

2. The Borrower agrees:

(a) That the Borrower will provide to the Authority, at the Borrower's expense, a credit underwriting report addressed to the Authority by a credit underwriter approved by the Authority relating to the Project; and

(b) That the Borrower will use all reasonable efforts to find one or more purchasers for the Bonds; and

(c) That the Borrower will enter into a loan or financing agreement with the Authority, under the terms of which the Borrower will be obligated to pay to the Authority sums sufficient to pay the principal of, interest on and redemption premiums, if any, or the provision of collateral with respect to the Bonds when the same shall become due and payable, to operate, maintain and repair Gould House at its own expense, to report annually to the Authority the annual bond indebtedness outstanding and any other information necessary to comply with Section 218.32, Florida Statutes, and to pay all costs and expenses incurred by the Authority in connection with the financing of the costs of the Project, except as may be paid out of Bond proceeds or otherwise; and

(d) That all risk of loss to Gould House will be borne by the Borrower.

3. All commitments of the Authority under Paragraph 1 hereof and of the Borrower under Paragraph 2 hereof are subject to the mutual agreement of the Authority and the Borrower as to the terms and conditions of the above-referenced loan or financing agreement and of the Bonds and the other instruments and proceedings relating to the Bonds, and to the sale of the Bonds pursuant to such terms and conditions. It is the intent of the parties hereto that the Bonds shall be prepared in such form and shall be issued, underwritten, if applicable, and sold and the proceeds thereof used, all as may be mutually agreed upon by the parties in accordance with the requirements and provisions of the Constitution of the State and the Act.

4. The Borrower acknowledges and agrees that, prior to or simultaneously with the issuance and delivery of the Bonds, it will enter into a regulatory or land use restriction agreement (the "Regulatory Agreement") with respect to Gould House, in form and substance acceptable to the Authority and its counsel and the Borrower. The Borrower further acknowledges that the Regulatory Agreement will obligate the Borrower to pay the Authority an annual fee based on the original principal amount of Bonds (as described in the Regulatory Agreement) for the Qualified Project Period (as defined in the Regulatory Agreement) notwithstanding that the Bonds may no longer be outstanding.

5. The ability of the Authority to issue the Bonds contemplated hereby or pursuant to the Initial Resolution, shall be subject to the approval by the Board of County Commissioners (the "County Commission") of Palm Beach County, Florida of the issuance of the Bonds to finance the Project and of the purchaser of the Bonds within the meaning of the Authority's enabling ordinance.

6. The Borrower agrees to indemnify, defend and hold harmless the Authority, its members and its agents against any and all liability, loss, costs (including any credit underwriting), expenses, charges, claims, damages and attorney's fees of whatever kind or nature, which the Authority, its members or its agents may incur or sustain by reason or in consequence of the relationship existing between the Authority and the Borrower with respect to the execution and delivery of this Memorandum of Agreement, the consideration of the Borrower's request to issue the Bonds to finance the costs of the Project or the issuance and sale of the Bonds, except for the gross negligence or willful and wanton misconduct of the Authority or its members and agents. The Borrower hereby releases the Authority, the members and officers of the Authority, and the agents, attorneys and employees of the Authority from any liability, loss, cost, expenses, charges, claims, damages and reasonable attorneys fees of whatever kind or nature which may result from the failure of the Authority to issue the Bonds regardless of the reason therefor.

7. This Agreement will terminate nine (9) months from the date of adoption of the Initial Resolution (the "Initial Inducement Period") unless the final documents have been executed and the Bonds have been issued. The Authority may (but shall not be required to) consider extending this Agreement upon the submission by the Borrower of a status report providing tangible evidence that the Borrower continues to make progress towards the issuance of the Bonds. In the event this Agreement is terminated Borrower agrees that it will reimburse the parties named below for all fees and out-of-pocket expenses which the Authority, and the Authority's Bond Counsel, Disclosure Counsel, if any, General Counsel, and Financial Advisor, if any, may have incurred in connection with the execution of this Memorandum of Agreement

or anything related thereto or in connection with the request of the Borrower to issue the Bonds and the performance by the Authority or its professional staff described herein of their obligations described hereunder; and upon such reimbursement this Memorandum of Agreement shall thereupon terminate.

8. The Authority acknowledges that the Borrower has delivered to the Authority a completed application for financing meeting the requirements of and containing the information required by the Authority, and has delivered to the Authority the non refundable application fee in the amount of \$1,500 (the "Application Fee") and a non-refundable fee in the amount of \$6,000 (the "Public Hearing Fee") to (a) schedule and hold the public hearing with respect to the Bonds required by Section 147(f) of the Code (the "TEFRA Hearing"), and (b) request the approval of the Bonds by the County Commission for purposes of Section 147(f) of the Code. The Authority makes no assurance or representation that the County Commission will approve the issuance of the Bonds.

9. In order for the Authority to issue the Bonds on a tax-exempt basis, the Authority must apply for and receive private activity bond allocation for the Bonds from the State of Florida Division of Bond Finance. The Authority will use its best efforts to, at the request of the Borrower (assuming that (a) the Borrower has provided any omitted information and corrected any incorrect information in its application to the Authority and (b) the County Commission has approved the issuance of the Bonds), apply for such private activity bond allocation. The Authority makes no assurance or representation that private activity bond allocation will be available at the times or in the amount requested. In addition, the Authority retains the discretion to determine in what order of priority it will apply for private activity bond allocation for Gould House and other projects which have also requested the Authority to apply for private activity bond allocation.

10. The Borrower will, prior to the Authority authorizing Bond Counsel to commence the drafting of bond documents, deliver to the Authority a good faith deposit payable to the Authority in the amount of \$55,000 (the "Good Faith Deposit"). The Good Faith Deposit will be held by the Authority until either (i) the Bonds have been issued or (ii) this Agreement is terminated prior to the issuance of the Bonds. If the financing of the Project as contemplated hereunder is completed as provided in clause (i) of this Section 10, the Borrower shall have the option of having the Good Faith Deposit returned in whole or applied against its costs at the time of closing. If the event in clause (ii) of this Section 10 shall occur, the Authority shall be entitled to the Good Faith Deposit hereunder to the extent necessary to pay the expenses incurred by the Authority, its Bond Counsel, General Counsel, Disclosure Counsel, if any, and Financial Advisor, if any, related to this financing and the amount of the Good Faith Deposit so applied shall be credited against the Borrower's obligation to pay such amounts and any remaining amount shall be promptly returned to Borrower.

11. The sale of the Bonds shall also be subject to approval by the County Commission, as required, and no assurance can be given by the Authority as to the outcome of such review. Further, no assurance can be given by the Authority as to the result of any action or inaction by a governmental agency, whether local, state, or federal, nor as to the result of any judicial action, which may affect in any way the issuance of the Bonds; and the Authority shall

not be responsible or held liable for any costs or damages incurred by any party as a result thereof.

12. If the Authority abandons its efforts to issue the Bonds in its discretion, or if the Borrower shall terminate this Memorandum of Agreement by written notice to the Authority, this Memorandum of Agreement shall terminate. Nothing contained herein, however, shall release the Borrower from its obligations to indemnify the Authority or its obligations to pay the expenses incurred by the Authority, its Bond Counsel, General Counsel, Disclosure Counsel, if any, and Financial Advisor, if any, related to this financing in accordance with the terms of this Memorandum of Agreement.

13. This Memorandum of Agreement may be supplemented and amended from time to time by written agreement signed by both parties, and shall be superseded by the loan agreement to be executed by the Authority and the Borrower, upon the execution thereof, to the extent the terms thereof conflict with the terms contained herein.

14. Notwithstanding any other provision of this Memorandum of Agreement, as a matter of general assurance by the Borrower to the Authority, the Borrower hereby covenants and agrees that it will pay the fees of the Authority, and that it will indemnify the Authority for all reasonable expenses, costs and obligations incurred by the Authority, including but not limited to any printing costs, any rating agency fees, verification agent fees, the fees and expenses of Bond Counsel, General Counsel to the Authority, Disclosure Counsel, if any, and Financial Advisor to the Authority, if any, under the provisions of this Memorandum of Agreement to the end that the Authority will not suffer any out-of-pocket losses as a result of the carrying out of any of its undertakings herein contained. The only obligation the Authority shall have in connection with this Memorandum of Agreement shall be the payment of the Bonds, if and when issued, but such payment shall be limited solely to the revenues derived from the financing, sale, operation or leasing of Gould House or posted collateral, and nothing contained in this Memorandum of Agreement shall ever be construed to constitute a personal or pecuniary liability or charge against the Authority or any member or officer or employee of the Authority, and in the event of a breach of any undertaking on the part of the Authority contained in this Memorandum of Agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general funds of the Authority shall arise therefrom.

15. If the Bonds to be issued hereunder are to be underwritten by a public offering, they shall be underwritten by investment banking firms acceptable to the Authority selected in accordance with the Authority's policies and guidelines.

16. The Borrower acknowledges and agrees to the terms of the Initial Resolution.

17. Nothing herein shall be deemed to require that the Authority agree to submit itself to the jurisdiction of the courts of any state other than the State of Florida or the venue of any Florida court other than Palm Beach County.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal to the Memorandum of Agreement as of the day and year first above written.

**HOUSING FINANCE AUTHORITY OF PALM
BEACH COUNTY, FLORIDA**

By: _____
Chairperson

(SEAL)

ATTEST:

Secretary

FEDERATION GOULD PRESERVATION LP, a Florida limited partnership

Affordable Housing Institute, Inc., a Florida not for profit corporation, its General Partner

By: _____

Name: _____

Title: _____

The obligations of the Borrower under the within Memorandum of Agreement are guaranteed by the undersigned developer of the Project, as of the day and year first above written.

FA DEVELOPER FL LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____



Founding Members

- Business Development Board
- Chamber of Commerce of the Palm Beaches
- Economic Council of Palm Beach County, Inc.
- Greater Boca Raton Chamber of Commerce
- Greater Delray Beach Chamber of Commerce
- Palm Beach Northern Chamber of Commerce
- Central Palm Beaches Chamber of Commerce
- CareerSource

Supporting Members

- Fannie Mae
- Freddie Mac

Mission

The Housing Leadership Council of Palm Beach County, Inc. is an action-oriented coalition of business, civic and community leaders working to identify strategic solutions and funding options to the workforce housing shortage in Palm Beach County. Its primary goal is to increase the availability of attainable housing throughout Palm Beach County for workers at all income levels.

February 3, 2020

Gary P. Eliopoulos, Chair
Housing Finance Authority of Palm Beach County
100 Australian Avenue, Suite 410
West Palm Beach, FL 33406

RE: Request for Funding to Local Sadowski Education

Dear Mr. Eliopoulos:

The Housing Leadership Council of Palm Beach County, Inc. (HLC) is an action-oriented coalition of business, civic and community leaders working to identify strategic solutions and funding options to the workforce housing shortage in Palm Beach County.

One of the most important funding sources we are working to protect and restore is the State Housing Trust fund also known as the Sadowski fund. The dollars for this trust fund come from doc stamps on real estate transactions and Palm Beach County's robust real estate market has provided substantial contributions. Even though the collected doc stamp amounts to hundreds of millions of dollars, the funds still must be allocated by the legislature in order to be expended. In past years these funds have not been fully allocated and have instead been swept into general revenues.

We would like to request \$10,000 to support our work on educating the legislators, their staff and our local elected officials on the important of these dollars to our local economy. Since the legislators and many officials are term limited, there is no consistent historical knowledge about the creation of the fund and how it was intended to work. Our work has centered on educating our local legislators and their staff about Sadowski including how the funding should work and why sweeps have a disproportionate effect on our county. We strive to tell the story of how the funds are used locally and the high degree of accountability for these expenditures.

We are making progress with both the Governor and Senate where their budgets include full funding but we still need to work on the House to show them how these funds can help us keep pace with economic growth by providing housing options for all members of our workforce and the community as a whole.

Please feel free to contact the Housing Leadership Council with any questions or for further information on local housing efforts.

Sincerely,

A handwritten signature in black ink, appearing to read 'Suzanne P. Cabrera', written in a cursive style.

Suzanne P. Cabrera
President & CEO

Enclosure



Report to Housing Finance Authority of Palm Beach County on Local Sadowski Advocacy Efforts

The Sadowski Funds are critically important to housing efforts in Palm Beach County. The dollars for this trust fund come from doc stamps on real estate transactions. Palm Beach County's real estate market has provided robust funding, especially in the past few years.

Even though the collected doc stamp amounts to hundreds of millions of dollars, the funds still must be allocated by the legislature in order to be expended. Unfortunately these funds have not been fully allocated and have instead been swept into general revenues. When this happens, Palm Beach County is disproportionately affected because, even when funds are cut, smaller counties all receive their minimum allocation of \$350,000 which amounts to full funding for them. Last year while these smaller counties received 100%, Palm Beach County we received only 12% of our anticipated allocation or less than \$2M of anticipated \$17M. In the past 9 years almost \$250 million has been collected but only \$94 million has been allocated back to our county. That means over \$157 million has been swept into general revenues – funds that should have been used for local housing efforts.

Since the legislators are term limited, there is no consistent historical knowledge about the creation of the fund and how it was intended to work. Our work has centered on educating our local legislators and their staff about Sadowski including how the funding should work and why sweeps have a disproportionate effect on our county. This work is critically important because the *allocation* depends on the budgets of the Governor, Senate and House. In the past decade we have moved the Senate to recommend full funding (under Senator Joe Negron's leadership) and the Governor has recommended full funding in his 2019 and 2020 budget. The House has recommended NO funding so this leads to a negotiation. Last year the House began at \$0 and eventually went to \$146,000 million (\$100 million of that to Panhandle only) but this was only as a result of concerted advocacy efforts. We have expanded our advocacy to local elected officials and the general public to exert more pressure on the House to fully fund Sadowski.

Our advocacy work has included meetings, forums, webinars, a livestreamed workshop, letters, emails, phone calls, editorials and totaled more than 185 staff hours and 55 volunteer hours. We do all our work locally in the district offices. A sample of activities includes:

- Meetings with legislators in their regional offices (27 meetings)
- Legislative Delegation Meetings (3 meetings)
- Meetings to determine Legislative Green Book priorities (3 workshops)
- Updates to Affordable Housing Collaborative (14 meetings)
- Letters to legislators
- Action alerts/emails 22
- Workshop (79 attendees, 75 livestream, 38 subsequent views)
- Editorials/News Articles
- Producing handouts/spreadsheets and analysis
- Phone calls/individual emails/personal meetings

State Housing (Sadowski) Trust Fund

- In 1992, doc stamps on all real estate transactions were increased with the funds from this increase going to the State Housing (Sadowski) Trust Fund. This system was well designed because when the market is active, more funds are collected so housing resources are available even when housing is less affordable due to a hot market. Over the years the legislature started sweeping funds for other purposes. All of these funds should remain dedicated to their intended purpose.
- Under the plan, 70% of the funding collected goes back to local Counties and municipal entitlement jurisdictions. Funds are spent according to a Local Affordable Housing Plan (LHAP) which is developed at the local level with community input. These plans must be updated frequently which allows the funds to be flexible and adapt to local conditions and needs.
- Funds can be used for homelessness up to moderate income individuals. They can be used on subsidy (front and backend), renovation, rehabilitation, retrofit and other housing needs specified in the Local Affordable Housing Plan.
- Since the fund was initiated in 1992 *over \$2 billion dollars* that should have gone to housing has been swept and not used on the intended purpose. Would South Florida and the rest of the state experience the housing crisis we have today if these funds had been used as intended?

In the past 9 years Palm Beach County has “donated” more than \$157 million in doc stamp payments meant for housing to general revenue through annual sweeps of the State Housing Trust Fund.

Fiscal Year	Palm Beach County DOC Stamp Contributions	SHIP (Local Entitlement)	State HTF (Competitive)	Amount Received in Palm Beach County and Entitlements*	Funds Swept to General Revenues
2010-11	\$16,509,162	\$0	\$5,084,800	\$5,084,800	\$11,424,362
2011-12	\$17,232,744	\$1,055,585	\$5,424,405	\$6,479,990	\$10,752,754
2012-13	\$21,936,116	\$518,036	\$3,596,046	\$4,114,082	\$17,822,034
2013-14	\$27,006,184	\$1,902,880	\$14,651,320	\$16,554,200	\$10,451,984
2014-15	\$32,007,726	\$6,533,987	\$9,544,967	\$16,078,954	\$15,928,772
2015-16	\$33,642,574	\$6,625,374	\$12,193,162	\$18,818,536	\$14,824,038
2016-17	\$32,556,238	\$8,810,114	\$2,857,015	\$11,667,129	\$20,889,109
2017-18	\$36,765,907	\$5,966,730	\$1,507,507	\$7,474,237	\$29,291,670
2018-19	\$34,253,723	\$1,887,024	\$6,100,000	\$7,987,024	\$26,266,699
Totals	\$251,910,374	\$33,299,730	\$60,959,222	\$94,258,952	\$157,651,422

For more information:



Suzanne Cabrera, President & CEO
 2101 Vista Parkway, #4027, WPB, FL 33411
scabrera@hlcpcb.org
 Office:(561) 653-4107
www.hlcpcb.org

Tab 4

VII. Other Matters - attachments

- a.** Matters of Executive Director
- b.** Other affordable housing related news articles

To: Housing Finance Authority

From: Executive Director

Date: February 6, 2020

RE: Matters of Executive Director

NALHFA and FL ALHFA annual conferences

The NALHFA conference in New York City is May 6-9 at the New York Hilton Midtown. Hotel reservations require conference registration, so if you plan on attending please let me know and I will handle the conference registration.

The FL ALHFA conference is in Sarasota at The Westin on July 8-11.

Florida legislative update

FLALHFA executive director Mark Hendrickson sent the following on January 31:

This week, the House and Senate Appropriation Subcommittees released their proposed budgets.

The chart below shows where we stand on use of monies in the housing trust funds for FY 2020-2021 budget.

The good news—the proposed Senate budget has full funding and matches the Governor’s proposed budget exactly-- \$387 million for housing.

The other news—the House proposes to spend only \$147 million on housing programs, leaving 62% of the monies to be swept.

We urge everyone to reach out to key Senators and thank them for proposing full funding—and asking them to hold firm to this position in negotiations with the House.

A PPT of a webinar on housing funding and housing bills is attached. You can get information on proposed bills and contact information for key legislators there.

A few notes:

1. The total amount that is really available for appropriation is the sum of the revenue projection for FY 20-21 PLUS the anticipated TF balances as of 6-1-20. The Governor and the Senate used this higher number in their budgets.
2. My chart shows total available as only what is in the REC projection as of January 2020.
3. The House sweep was not shown at the subcommittee spreadsheet level. It will show up when the budget bill is drafted in full. Therefore, we don't know exactly what the sweep numbers are in the House, and can only estimate based upon the difference between available funds and the housing appropriation levels.
4. From general revenue, it appears that the major homeless programs in the DCF budget are funded.
5. There are six member projects funded from general revenue in either the Senate or House budgets.

Please feel free to email or call with any questions.

	GOVERNOR	SENATE	HOUSE	FINAL BUDGET FY 20-21	FINAL BUDGET FY 19-20
FHFC: SAIL & other FHFC Line 2281	\$119,800,000	\$119,800,000	\$48,800,000		\$ 39,040,000
SHIP Line 2282	\$267,200,000	\$267,200,000	\$73,200,000		\$ 46,560,000
Hurricane Housing Recovery Program (SHIP-like program for Hurricane Michael disaster counties only) Line TBD	\$0	\$0	\$25,000,000		\$ 65,000,000
Rental Recovery Loan Program (SAIL-like program (for Hurricane Michael disaster counties only) Line	\$0	\$0	\$0		\$ 50,000,000
TOTAL HOUSING	\$387,000,000	\$387,000,000	\$147,000,000		\$200,600,000
SHTF SWEEP	\$0	\$0			\$ 10,000,000
LGHTF SWEEP	\$0	\$0			\$115,000,000
TOTAL SWEEP	\$0	\$0	Estimated \$240,000,000		\$125,000,000
Unallocated SHTF	\$0				\$ 300,000
Unallocated LGHTF	\$0				\$7,060,000

The Palm Beach Post

REAL NEWS STARTS HERE

From elderly to kids not moving out, lack of affordable housing a concern in Palm Beach County

By Larry Keller Special to The Post

Posted Feb 4, 2020 at 6:15 PM

Speaking at The Kravis Center, President and CEO of Housing Leadership Council of Palm Beach County Suzanne Cabrera said residents who are elderly, disabled or have special needs sometimes pay more than 80 percent of their income on housing.

Suzanne Cabrera fields an array of phone calls from people desperate for an affordable place to live in her position as president and CEO of Housing Leadership Council of Palm Beach County.

"I get a lot of calls from the elderly," she told an audience of perhaps 400 people at a Kravis Center luncheon sponsored by the Community Foundation for Palm Beach and Martin Counties. "But the second-highest category is parents saying I need my kid to move out of the house. We don't have basements in Florida where your kids can live with your forever," she said to laughter.

Cabrera was on a panel that provided a lot more sobering assessments than laughs when discussing the causes and potential solutions to affordable housing in Palm Beach County.

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Ideally, nobody should be paying more than 30 percent of their income for Cabrera said. But according to data she provided, more than 250,000 Palm Beach County households spent more than that percentage, with 135,000 of them spending more than 50 percent of income toward housing. Residents who are elderly, disabled or have special needs sometimes pay more than 80 percent of their income on housing.

The average home price in Palm Beach County is \$350,000, so a household would need income of more than \$116,000 in order to spend less than 30 percent on its housing costs, Cabrera said. The average rent of \$1,620 would require an income of more than \$58,000 to not exceed the 30-percent threshold.

The county's population has grown 12 percent in the past 10 years, and housing units have not kept pace, said Jack Weir, president of Eastwind Development Group. "We're just not producing that many units, across the board. "West Palm Beach is trying to attract financial services companies ... and those businesses are not going to come here and the businesses here are not going to be able to grow if they can't have housing for their folks who are working."

Panelists said the problem would be less dire if the state legislature didn't divert vast sums of money intended for the construction and retrofitting of affordable housing to other programs. Known as the State Housing (or Sadowski) Trust Fund, it was created in 1992 by having doc stamps on all real estate transactions being earmarked for the fund. The hotter the real estate market, the more money would be generated for affordable housing.

In the past nine years, according to Cabrera's data, Palm Beach County has contributed \$251.9 million from doc stamps, but \$157.7 million has been diverted by legislators for other purposes.

In the last fiscal year alone, the county could have received \$17 million from the doc stamp revenue, Weir said. "Instead, it got \$2 million. "One of the first things the Legislature could do is treat it as a trust fund and not a slush fund."

Weir urged the audience to push legislators to use the fund for its intended purpose. Another solution, he said, is issuing bonds. Miami-Dade County issued a \$400 million bond, with \$100 million designated for affordable housing. The city of Miami has issued \$85 million in bonds for affordable housing. Orange County has established a \$160 million fund over 10 years designed to create 30,000 affordable housing units, he said.

"It may be time for Palm Beach County to think about a dedicated funding source for affordable and workforce housing," Weir added.

Short-term solutions, Weir said, include cities providing density bonuses for a percentage of new units to be built for workforce housing, reductions or waivers of some building fees in return for some units being set aside for affordable or workforce housing, and low-interest loans from municipalities to developers of such properties.

The county does some of these things, said Jonathan B. Brown, director of the Palm Beach County Department of Housing and Economic Sustainability. "It's not just the county," he said. "There has to be assistance from the municipalities. You would probably be surprised at the number of municipalities that don't even have a housing department or a housing division."

Based on survey done more than a year ago, 80 percent of county employees qualified for the workforce housing program, Brown said. The figure tops 90 percent for teachers, he added.

"Our own employees are not being able to find housing," said another panel member, Wellington mayor Anne Gerwig. "We have adjusted some pay because of that. If you can't live in the community you work in, it creates a whole other problem with transportation."

Brown reminded the audience that employed homeless people living in their vehicles also need to be considered when discussing affordable housing. "That's a population that we don't want to forget about. They are part of this community and we need to make sure that we're vigilant in addressing housing for our homeless population."

Weir said another partial solution to the housing crisis in the future is mixed use developments. "One of the most exciting frontiers right now is redevelopment and repurposing of existing retail centers and commercial space," he said, citing older shopping centers with vacant retail units along U.S. 1, Dixie Highway and Military Trail.

"A lot of those can be re-purposed and turned into mixed-use centers where they have housing, they have retail, they have restaurants, they have office," Weir said. "We're doing one of those developments in another county. That's going to be a ready source of new housing units, a fair share of which will be affordable or workforce housing in the coming years."

Riviera gets first' affordable housing complex since '70s

Heron Estates units built for seniors age 62 or older

BY LARRY KELLER
SPECIAL TO THE POST

RIVIERA BEACH - It took more than 40 years, but Riviera Beach has a new, affordable housing complex. Heron Estates Senior Apartments was completed in September, but held its grand opening on Wednesday. Its 101 pastel-colored units are fully occupied.

This is the first affordable housing complex built in Riviera Beach since Ivey Green public housing was built on 15 acres in the 1970s. Part of Ivey Green was razed in 2005, and the rest in 2008 because of hurricane damage.

"The damage exceeded the economic feasibility of repairing it all," said John W. Hurt, executive director of the Riviera Beach Housing Authority. The site on West 17th Court near Congress Avenue remained vacant for years until a new complex arose: Heron Estates.

Heron Estates was built on about 6.5 acres of the 15-acre site. It's a public-private development between the Riviera Beach Housing Authority and Miami-based Housing Trust Group of Florida. The \$23.8 million project included a \$10.1 million bond issued by the Palm Beach County Housing Finance Authority, and a nearly \$5 million loan from a state program to aid developers that build or rehabilitate housing for low-income people.

To be eligible to live at Heron Estates, one must be age 62 or older. There is a cap of \$35,160 in annual income for renters living alone. That goes up to \$40,140 for two people sharing a unit, and higher still for three or four people in one apartment. The average rent in Riviera Beach is \$1,200 a month, according to the housing authority.

One-bedroom, one-bath units of 737 square feet rent for \$820 at Heron

Estates. Two bedroom, two bath apartments with 975 square feet are \$504 a month. There is a one-time \$300 fee for residents with a dog or a cat, plus an additional \$15 added to the monthly rent.

Downstairs units have a small porch, while those on the second and third floors have a modest balcony. The development has a pool and spa, a clubhouse and an elevator.

There are long lists of people hoping to move in as vacancies occur, Hurt said.

Resident Lea Valentini and her husband could be looking to move.

"The manager doesn't know how to be nice to people," she said. She added that a door downstairs in the complex contained a warning that residents could be evicted for leaving it open. "Eviction is pending over you," Valentini said.

Property manager Anthony Poland said nobody faces eviction over an open door, but said it's necessary to be kept closed for security reasons. "For the most part, everybody tells me they're happy," Poland said.

Resident Dolores Jones is among them. "I love the ambiance. I love living in a new apartment. It meets my expectations," she said.

It won't be long until Heron Estates residents have new neighbors. Construction is expected to begin on a second phase, Heron Estates Family Apartments, on the same site in the summer. The 79-unit, \$18 million development will provide workforce housing for renters earning less than the county's average median income. That complex may be ready for occupancy in the summer of 2021, Hurt said.