

# **AGENDA**

## **Palm Beach County Housing Finance Authority**

**\*\*\*\*\***

**FRIDAY, JUNE 13, 2025**

**9:00 A.M.**

**Palm Beach County Airport Center Complex  
100 Australian Avenue  
1st Floor (#1-470) Training Room  
West Palm Beach, FL 33406**

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**Agenda – June 13, 2025 regular meeting**

**Executive Director - Report on agenda items**

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<b>Consent _____</b>	<b>1</b>
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# Meeting Agenda

June 13, 2025

PBC Airport Center – First Floor Training Room 1-470  
100 Australian Avenue, West Palm Beach, FL 33406

## Housing Finance Authority of Palm Beach County

100 Australian Avenue, Suite 410  
West Palm Beach, FL 33406  
(561) 233-3656  
www.pbchfa.org



### Chairperson

Tracy L. Caruso

### Vice Chair

Chrichtet B. Mixon

### Secretary

Laurie S. Dubow

Clark D. Bennett

Gary P. Eliopoulos

Robin B. Henderson

Tony "Bobby" Smith

### Executive Director

David M. Brandt

dbrandt@pbc.gov

(561) 233-3652

### Administrative Assistant

Jennifer M. Hamilton

jhamilto@pbc.gov

(561) 233-3656

## I. Call to Order

- a. Roll call and establishment of quorum

## II. Public comment on Agenda Items

## III. Agenda Approval

- a. Additions, deletions, substitutions
- b. Adoption

## IV. Consent Agenda

- a. GF Requisition 6-2025
- b. Revolving Construction Loan reservations update
- c. Approval of meeting absences

## V. Old Business

- a. Bond & disclosure counsel contracts – Resolution R-2025-07
- b. "Village of Valor" apartments - acceptance of CUR and approval of bond issuance – Resolution R-2025-08

## VI. New Business

- a. "Palm Park Apartments" – acquisition/rehabilitation – presentation of application requesting inducement
- b. Extension of accounting services engagement
- c. Election of Officers and Chair nomination

## VII. Other matters

- a. Matters of Authority members
- b. Matters of the Executive Director and Professionals
- c. Matters of the Public
- d. Next meeting date: 9:00 a.m., Friday, July 25, 2025  
PBC Airport Center, First Floor - Rm. 1-470

## VIII. Adjournment

"An Equal Opportunity  
Affirmative Action Employer"

Official Electronic Letterhead

To: Housing Finance Authority

From: Executive Director

RE: June 13, 2025 regular meeting

Dated: June 5, 2025

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#### **IV. “Consent Agenda” matters:**

##### **Item (b.) Revolving Construction Loan reservations update**

The HFA board approved at the May 9 meeting an up to \$3.9M revolving construction period loan for the “Legacy @ 45<sup>th</sup> Street” rental apartments project being developed by the Palm Beach County Housing Authority. In September of 2024 the board approved allocations of surplus funds for revolving construction loans of \$9.3M. At that time the HFA had an outstanding two outstanding loans, one of which has since matured, and a reservation from 2022 for an Urban League of PBC project that is no longer being considered, and another for a Riviera Beach CDC project which no longer requires HFA reimbursement funding at least for another year. These loans and reservations totaled \$8.8M at that time. The removal of the matured loan and these two reservations leaves the outstanding loan with the CLT of PBC for Davis Commons of \$5.1M, the approved loan for Legacy at 45<sup>th</sup>/PBCHA of \$3.9M, and leaves a remaining unreserved amount of \$300K.

##### **Item (c.) Approval of meeting absences**

The HFA ordinance allows the board to excuse the absence of members “...due to illness, absence from the county, or personal hardship, if approved by a majority vote...” of the board. Mrs. Caruso and Mrs. Henderson were out of the county for the April 11 meeting, and Mrs. Dubow was out of the county for the May 10 meeting. Staff recommends board approval of these absences.

## **V. “Old Business” matters:**

### **Item (a.) Bond & disclosure counsel contracts**

The HFA board reviewed three proposals for bond and disclosure counsel services at the May 9 meeting and voted to enter into contracts with Bryant Miller Olive (“BMO”) and Greenberg Traurig (“GT”) in accordance with the terms of the Request for Qualifications (“RFQ”) dated March 14, 2025. The RFQ provided for an initial engagement period of three (3) years and one three-year renewal option, as well as maintaining the existing fee schedule that has been in place since December of 2023. Once approved by the HFA the contracts will then go to the Board of County Commissioners for final approval.

**Staff recommends a motion: to approve Resolution No. R-2025-07 approving the form of contracts for bond and disclosure counsel with BMO and GT and authorizing their execution.**

### **Item (b.) “Village of Valor” apartments – acceptance of final Credit Underwriting Report and approval of bond issuance**

**The project:** The project will be constructed on a site located at 2701, 2721 and 2751 Second Avenue N, in the Village of Palm Springs just north of the Palm Beach State College campus and east of S Congress Avenue. It is to consist of two four-story, masonry buildings with a total of 54 units, 26 two-bedroom, two-bath at 939 square feet and 28 three-bedroom, two bath at 1,260 square feet. Project amenities will include a picnic area with basketball and pickle ball courts, a community room, pool and walking paths. The property will also include 9,700 square feet of office space to be leased to the not-for-profit partner Faith\*Hope\*Love\*Charity, Inc. who will be providing supportive services and education in health, nutrition and fitness, and vocational and financial training for all prospective tenants and military veterans.

Requirements of the various funding sources for the project will require that 5 units be set aside to tenants at 22% of Area Median Income (“AMI”), 12 units at 30% of AMI, 6 at 50% of AMI, 10 at 60% of AMI, and 21 units at 80% of AMI. 2025 maximum incomes for a two-person household at those AMI’s are approximately \$24K, \$28K, \$47K, \$56K and \$75K, respectively. 2025 net rents range from \$489 at the lowest AMI to \$2,326 for the highest. It is anticipated that as many as 15 units could receive veterans (“VASH”) vouchers through the Delray Beach Housing Authority.

The table below lists the developer, guarantors, and primary funding providers for this project:

Developer:	Development Partners, Inc., the not-for-profit Delray Housing Group, Inc. and Faith-Hope-Love-Charity, Inc. ("FHLC")
Borrower:	Village of Valor LTD whose GP is Village of Valor, LLC an entity of FHLC; KSM Holdings Florida, LLC; and Merchants Capital Investments, LLC as limited partner
Guarantors:	Village of Valor, LLC, Faith-Hope-Love-Charity, Inc., KSM Holdings Florida, LLC, Kathy Makino-Leipsitz, Harry Leipsitz Legacy Trust, Development Partners, Inc., and Mark Leipsitz
Equity syndicator/Investor:	Merchants Capital Investments, LLC
Note structure:	Tax exempt first lien construction loan from Merchants Bank of Indiana with permanent financing under a Freddie Mac Unfunded Forward Tax-Exempt Loan (TEL)
Permanent loan mortgage lender/servicer:	Freddie Mac TEL serviced by Merchants Capital
Property manager:	Delray Housing Group, Inc. (an entity of the Delray Beach Housing Authority)
General contractor	Megen Construction Company, Inc.

**The financing:** The HFA financing will be a \$15,875,000 tax-exempt construction loan (the "Note") from Merchants Bank of Indiana. Upon completion the construction loan will be converted to a Freddie Mac Tax Exempt Loan (TEL) under their affordable housing loan program and will be serviced by Merchants Capital. During construction the Note will have a term of 30 months interest-only and upon conversion it is expected to be paid down to approximately \$6,775,000 with a term of 17-years with principal amortization based on 40-years being five years after conversion. The interest rate will be locked at closing based on the 10-year US Treasury bond plus a 1.80% spread. The credit underwriter assumed an all-in rate of 6.21% as of May 31. The Florida Housing SAIL loan is at 1% payable upon cash-flow and non-amortizing; the ELI and HOME-ARP loans are 0% and forgiven after 20 years. PBC Housing Bond Loan Program ("HLBP") loan is at 0% interest with a term of 20-years; the NSP2 loan is at 0% and forgiven at the end of 50 years. Kathy Makino-Leipsitz, a principal of Development Partners, Inc., is providing the Florida Housing required "Self-Sourced" financing in the form of a 15 year note with 6% interest subordinate to all SAIL/ELI/HOME-ARP funding and payable solely from project cashflow.

Construction and permanent funding sources are summarized from the CUR and shown in the table below:

<u>Sources of Funds:</u>	<u>Construction</u>	<u>Permanent</u>
Low Income Housing Tax Credit equity	\$ 1,883,688	\$ 12,557,918
HFA Note - first mortgage	15,875,000	6,000,000
Florida Housing SAIL - second	2,000,000	2,000,000
Florida Housing SAIL ELI	776,100	776,100
Floridan Housing HOME-ARP	1,458,500	1,458,500
PBC HLBP – third	4,300,000	4,300,000
PBC NSP2	2,000,000	2,000,000
Taxable seller financing - fourth	1,000,000	1,000,000
Deferred developer fee	<u>2,346,492</u>	<u>1,547,262</u>
Total Sources:	\$ 31,639,780	\$ 31,639,780

The following is a summary of total and per unit uses of funds.

<u>Uses of Funds</u>	<u>Total</u>	<u>Per unit</u>
Land acquisition	\$ 2,200,000	\$ 40,741
Construction costs & contingency	19,057,499	352,917
Financing	1,874,020	34,704
General development costs	3,542,662	65,605
Operating reserves	560,247	10,375
Developer fee	<u>4,405,352</u>	<u>81,581</u>
Total Uses	\$ 31,639,780	\$ 585,922

The appraisal results reported in the CUR shows an “As complete and stabilized” value of \$17.9M with market rents. The \$6M CUR projected perm loan first mortgage amount equates to a 34% LTV and a projected debt service coverage ratio of 1.17x.

The closing is currently scheduled for July 23, 2025. Construction would begin shortly after and is expected to be completed in 14 months.

**Authorizing resolution:** Included in the agenda materials is Resolution R-2025-08 without exhibits, prepared by Bob Reid of Bryant Miller Olive, as bond counsel, and the full credit underwriting report from First Housing Development Corporation. The resolution exhibits are available upon request. The resolution authorizes the issuance of a not-to-exceed \$15,875,000 Note, the need for a negotiated sale of the Note, the appointment of US Bank as fiscal agent, and the approval of the forms of and execution of: the funding loan agreement with Merchants Bank of Indiana, the project loan agreement with the borrower, the project note, mortgage and assignments thereof to US Bank (note: these

three Freddie Mac documents were not available as of the date of this memorandum but are expected to be delivered prior to the June 13 meeting); the land use restriction agreement with a 50-year affordability period; the fee guaranty and environmental indemnity agreement with the guarantors listed in the table above, and acceptance of the final Credit Underwriting Report.

**Staff recommends a motion to approve Resolution No. R-2025-08 authorizing the issuance of not to exceed \$15,875,000 Multifamily Mortgage Revenue Note, Series 2025 (Village of Valor).**

## **VI. “New Business” matters:**

### **Item (a.) “Palm Park Apartments” - presentation of multi-family bond application from April Housing for acquisition/substantial rehabilitation**

Included in the agenda materials is the multi-family bond application from April Housing requesting bond financing for the acquisition and rehabilitation of the 160-unit “Palm Park Apartments” project. Please note that prior to submission I advised the applicant that the HFA is reserving its existing as well as expected 2025 carryforward private activity bond (“PAB”) allocation for new construction of affordable rental housing. The applicant advised that they would take the financial risk (application and TEFRA hearing fee expense) of proceeding on the basis that the PAB for this project would come from excess allocation from either Statewide Affordable Housing Allocation Pool (after June 1) or State Allocation Pool (after October 1).

April Housing is a Blackstone portfolio company established to preserve affordable housing. In December 2021 they acquired the affordable housing portfolios of AIG and Cornerstone. Palm Park Apartments was originally developed by The Housing Trust Group of Florida and financed in part with \$12M of bonds of the HFA issued in 2006 and a Florida Housing SAIL loan. The bonds were redeemed in whole in April 2022 upon the acquisition of the project by a Blackstone owned entity. The qualified project period for the HFA bonds ended with the redemption and the HFA land use restriction agreement (“LURA”) was terminated. The Florida Housing SAIL loan was also repaid in whole however their LURA remains in place through 2058. Therefore the units are required to remain affordable (i.e. income and rents based upon 60% or less of AMI).

**The project:** The project site is 12.6 acres located at 12575 Green Cay Farm Boulevard in suburban Boynton Beach just west of Jog Road and east of the Florida Turnpike midway



between Woolbright and Atlantic Avenue. The facilities consist of seven three-story buildings with elevators, and a clubhouse with a pool, fitness center and playground. There are 16 one-bedroom, 84-two bedroom and 60 three-bedroom apartments for a total of 160 family units that were completed in 2007. Rents currently range from \$1,123 to \$1,571.

**The financing:** The proposed HFA tax exempt bond financing is anticipated to include a private placement of a \$24.1M Fannie Mae FHA Risk Share loan through PNC Bank, and a \$19.9M short term construction loan also through PNC Bank. In addition, PNC Bank would provide an additional \$5.2M taxable construction bridge loan.

Construction and permanent funding sources are summarized from the CUR and shown in the table below:

<u>Sources of Funds:</u>	<u>Construction</u>	<u>Permanent</u>
Low Income Housing Tax Credit equity	\$ 4,560,972	\$ 30,406,480
HFA Fannie Mae TE loan	24,100,000	24,100,000
HFA PNC TE loan	19,900,000	-0-
PNC taxable construction bridge loan	5,227,649	-0-
Capitalized interest	1,152,211	1,152,211
GP equity	100	100
Project revenue during rehab/stabilization	1,055,174	2,074,989
Taxable seller financing	14,181,056	14,181,056
Deferred developer fee	<u>11,741,780</u>	<u>11,741,977</u>
Total Sources:	\$ 81,332,040	\$ 83,069,714

The following is a summary of total and per unit uses of funds.

<u>Uses of Funds:</u>	<u>Total</u>	<u>Per unit</u>
Acquisition	\$ 46,826,270	\$ 292,664
Construction costs & contingency	12,055,000	75,344
Financing	7,892,246	49,327
General development costs	3,836,271	23,977
Operating reserves	717,859	4,486
Developer fee	<u>11,741,977</u>	<u>73,387</u>
Total Uses	\$ 83,069,623	\$ 519,185

As mentioned above I had advised the applicant that the HFA had prioritized the use of PAB allocation for new construction projects. I have had several inquiries so far this year from parties like this applicant that own (or would like to acquire) properties that would like to recapitalize and rehabilitate them. I've consistently told all of them that no consideration of the use of HFA carryforward or PBC regional allocation would come until

after the next round of funding from PBC's "Housing Bond Loan Program" (proceeds from the \$200M general obligation bond issue) or Housing Initiative Program (other ad valorem or non-ad valorem funding source from PBC) for affordable rental housing.

This applicant is willing to take the risk that PAB allocation will become available from unused regional allocation which goes into the Statewide Affordable Housing Allocation Pool on June 1, or from unused PAB that goes into the State Allocation Pool on October 1. At this time all of the state's regional PAB allocation has been reserved so nothing is currently available in the Statewide Affordable Housing Allocation Pool. The pending list is approximately \$1.5B; \$1.2B for single family and \$300M for multifamily. Besides the PAB pool for Florida Housing the only other pool is for statewide Economic Development. The amount of PAB allocation in that pool is \$760M of which \$212.5M was allocated as of June 1, however reservations for this pool remain available first come, first served until September 30. Thereafter unused Economic Development allocation goes to the State Allocation Pool. In my opinion their opportunity allocation from the Statewide Affordable Housing Allocation Pool is nil, and a long shot from the State Allocation Pool.

Assuming that the HFA board is in agreement with staff's recommendation the plan would be to give preliminary approval for a bond issuance subject to obtaining \$44M of PAB from non-Palm Beach County allocation. The next step would be to hold a TEFRA public hearing on July 25 (the next HFA board meeting date) and then to seek Board of County Commission approval of the issuance of the bonds in August. The board would then authorize bond counsel to file a PAB allocation request for the project from the Statewide Affordable Housing Allocation Pool and/or the State Allocation Pool.

**Staff recommends a motion: declaring preliminary approval for the issuance of not exceeding \$44,000,000 multifamily housing revenue bonds for "Palm Park Apartments" and authorizing a TEFRA public hearing and the preparation of an inducement resolution for execution at the next HFA board meeting, with the issuance of said bonds conditioned upon obtaining like amount of 2025 private activity bond carryforward allocation from the Statewide Affordable Housing Allocation Pool or State Allocation Pool.**

#### **Item (b.) Extension of accounting services engagement**

The firm of Weinstein Zugman, LLC ("WZ") serves as the HFA's accountants. The HFA conducted an RFQ for accounting services in 2022 and received no responses. WZ was willing to continue the engagement following the RFQ but only on a year-to-year basis. Included in the agenda materials is the engagement letter for accounting services dated

May 29, 2025, to prepare statements of the general fund for the fiscal year ending September 30, 2025. This letter is exactly the same as last year's engagement with the same not-to-exceed fee of \$18,000. Because the fee is more than \$10K the engagement letter is required to be approved by the Board of County Commissioners.

**Staff recommends a motion to approve the accounting services engagement with Weinstein Zugman, LLC for the preparation of financial statements for the fiscal year ending September 30, 2025, with a fee not exceeding \$18,000.**

### **Item (c.) Nomination of Chairperson and election of officers**

The county ordinance for the HFA states:

*“In June of every year, commencing in 2002, the members of the housing finance authority shall nominate a chairperson, and submit such nomination to the board of county commissioners for approval. No member may serve more than two (2) consecutive complete one (1) year terms as chairperson after the effective date of this division. The board of county commissioners retains the ultimate authority to designate a chairperson of the housing finance authority.”*

The HFA's "Internal Policy and Procedures" mandate that the board hold an election of officers in June of each year, all with terms of one year. Mrs. Caruso has completed her first of up to two consecutive one-year terms as chairperson as permitted under the county ordinance. Ms. Mixon has been the vice chair and Mrs. Dubow secretary. Historically all other board members, as well as the executive director, are appointed as assistant secretaries. The only board member with a term expiration date of September 30, 2025, is Mr. Eliopoulos (District #2 – Commissioner Greg Weiss).

**Staff recommends a motion: to nominate a Chair and appoint officers for the year ending June 30, 2026, with the current chairperson and officers to serve until the new chairperson nomination is approved by the Board of County Commissioners, and to appoint all other board members and the executive director as assistant secretaries.**

## **Tab 1**

### **IV. Consent Items - attachments**

- a.** General Fund Requisition 6-2025
- b.** Revolving Construction Loan reservation update – none
- c.** Approval of meeting absences - none



**Housing Finance Authority  
of Palm Beach County**

100 Australian Avenue, Suite 410  
West Palm Beach, FL 33406  
(561) 233-3656  
www.pbchfa.org



**Chairperson**

Tracy L. Caruso

**Vice Chair**

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*"An Equal Opportunity  
Affirmative Action Employer"*

Official Electronic Letterhead

**Date:** June 13, 2025  
**To:** Sandra Swenson  
U.S. Bank Corporate Trust  
**From:** David M. Brandt, Executive Director *DB*  
**Re:** General Fund Disbursement #6-2025

The following invoices/reimbursement requests are hereby presented for your approval and payment, with support documentation attached.

<u>PAYEE</u>	<u>AMOUNT</u>
Palm Beach County Board of County Commissioners (April)	\$ 29,365.68
Florida ALHFA (conference sponsorship)	2,500.00
Greenspoon Marder (April & May)	<u>6,950.00</u>
<b>Total General Fund Disbursement:</b>	<b>\$ 38,815.68</b>

Approved at June 13, 2025 board meeting

CC: Amanda Kumar, US Bank

## **Tab 2**

### **V. Old Business - attachments**

- a.** Bond & disclosure counsel contract approval
  - i. Resolution R-2025-07
- b.** “Village of Valor” apartments – acceptance of CUR and approval of bond issuance
  - i. Resolution R-2025-08
  - ii. Credit Underwriting Report

**RESOLUTION NO. R-2025-07**

**A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA; APPROVING THE AUTHORITY'S CONTRACTS FOR BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES WITH BRYANT MILLER OLIVE P.A. AND GREENBERG TRAURIG, P.A., RESPECTIVELY; AUTHORIZING THE AUTHORITY TO ENTER INTO SUCH CONTRACTS; 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 circulated a request for qualifications for bond counsel ("Bond Counsel") and disclosure counsel ("Disclosure Counsel," and together with Bond Counsel, "Bond and Disclosure Counsel") services on or about March 14, 2025 (the "RFQ");

**WHEREAS**, following review of all responses to the RFQ, and a deliberate decision making process by the Authority, the Authority, at a regular meeting held May 9, 2025, selected Bryant Miller Olive P.A. and Greenberg Traurig, P.A. (the "Firms") to serve as its Bond and Disclosure Counsel;

**WHEREAS**, each of the Firms have agreed to enter into a Contract with the Authority for Bond and Disclosure Counsel in substantially the form attached as Exhibit "A;"

**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 and Execution of Contract for Bond and Disclosure Counsel Services.** The form of the Contract for Bond and Disclosure Counsel Services (the "Contract") presented at this meeting (and attached hereto as Exhibit "A") by and between the Authority and the Bond and Disclosure Counsel is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in his absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver the Contract on behalf of the Authority, and the Secretary (or, in his absence, any Assistant Secretary) of the Authority is authorized to affix the seal of the Authority and attest to the execution of the Contract in the form presented to this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**Section 3. 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 4. 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, and 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 5. 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 6. Resolution Effective.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED** this 13th day of June, 2025.

(SEAL)

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

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_ [Assistant] Secretary

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

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

**EXHIBIT A**  
**FORM OF CONTRACT FOR BOND**  
**AND DISCLOSURE COUNSEL SERVICES**

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# **Housing Finance Authority of Palm Beach County**

## **Credit Underwriting Report**

### **Village of Valor**

#### **Tax-Exempt Multifamily Mortgage Revenue Note**

**(“MMRN” or “Note”)**

#### **Section A: Report Summary**

#### **Section B: Supporting Information and Schedules**

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**Prepared by**

**First Housing Development Corporation of Florida**

**FINAL REPORT**

**May 31, 2025**

**Village of Valor**

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**Section A**  
**Report Summary**

**Recommendation**

Village of Valor, LTD. has applied to the Housing Finance Authority of Palm Beach County (“HFAPBC”) for tax-exempt MMRN for the construction and permanent financing of Village of Valor (“Development”).

DEVELOPMENT & SET-ASIDES			
Development Name:	Village of Valor		
RFA/Program Numbers:	RFA 2024-205	/	2025-280SA 2024-533C
Address:	2701, 2721, and 2751 Second Ave, N.		
City:	Palm Springs	Zip Code:	33461 County: Palm Beach County Size: Large
Development Category:	New Construction	Development Type:	Mid-Rise (4 Stories)
Construction Type:	Masonry	Number of Stories:	4
Demographic Commitment:	Primary: Family for 100% of the Units		
Buildings:	Residential - 2	Non-Residential -	1
Parking:	Parking Spaces - 117	Accessible Spaces -	6
DDA:	No	SADDA:	No QCT: Yes Multi-Phase Boost: No QAP Boost: No QAP Type:
Site Acreage:	4.670	Density:	11.5632 Flood Zone Designation: AE
Zoning:	RM Multiple-Family Residential		Flood Insurance Required?: Yes

First Housing Development Corporation of Florida (“First Housing” or “FHDC”) recommends a tax-exempt MMRN in the amount of \$15,875,000 for the construction and permanent financing of the Development.

These recommendations are based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section B). This recommendation is conditioned upon the following:

1. Firm Commitment or final loan documents from Merchants Bank (construction) and Merchants Bank/Freddie Mac (permanent financing) with terms and conditions that are not substantially different than those utilized in this credit underwriting report.
2. Final loan documents for the fourth, fifth, and sixth mortgages with terms which are not substantially different than those utilized in this credit underwriting report.

3. Receipt and satisfactory review of the Final signed, sealed “approved for construction” plans and specifications by the Construction Consultant and the Servicer. If the Construction Consultant does not have time to review prior to closing, this condition can be satisfied prior to the first post-closing draw.
4. Receipt of a final Development Agreement.
5. Satisfactory receipt of a final Document and Cost Review Report that is certified to HFAPBC.
6. Secure a payment and performance bond equal to 100 percent of the total construction cost.

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

The reader is cautioned to refer to all sections of this report for complete information.

Prepared by:



Stephanie Petty  
Senior Credit Underwriter

Reviewed by:



Ed Busansky  
Senior Vice President

## Set Asides &amp; 15-Year Operating Proforma

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
MMRB	20%	11	50%	15
HOME	9.259%	5	22%	50
ELI	22.222%	12	30%	50
SAIL	11.111%	6	50%	50
SAIL	27.778%	15	60%	50
SAIL	38.889%	21	80%	50
HC-4%	22.222%	12	30%	50
HC-4%	11.111%	6	50%	50
HC-4%	27.778%	15	60%	50
HC-4%	38.889%	21	80%	50
Other Local	31.481%	17	30%	50
Other Local	11.111%	6	50%	50
Other Local	18.519%	10	60%	50
Other Local	38.889%	21	80%	50

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

## Palm Beach County, West Palm Beach-Boca Raton HMFA

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
2	2.0	5	939	22%	\$1,205		\$578	\$89	\$489		\$489	\$489	\$489	29,340
2	2.0	6	939	30%			\$789	\$89	\$700		\$700	\$700	\$700	50,400
2	2.0	3	939	50%			\$1,315	\$89	\$1,226		\$1,226	\$1,226	\$1,226	44,136
2	2.0	2	939	60%			\$1,578	\$89	\$1,489		\$1,489	\$1,489	\$1,489	35,736
2	2.0	10	939	80%			\$2,104	\$89	\$2,015		\$2,015	\$2,015	\$2,015	241,800
3	2.0	6	1260	30%			\$912	\$106	\$806		\$806	\$806	\$806	58,032
3	2.0	3	1260	50%			\$1,520	\$106	\$1,414		\$1,414	\$1,414	\$1,414	50,904
3	2.0	8	1260	60%			\$1,824	\$106	\$1,718		\$1,718	\$1,718	\$1,718	164,928
3	2.0	11	1260	80%			\$2,432	\$106	\$2,326		\$2,326	\$2,326	\$2,326	307,032
		54	59,694											982,308

The 2-bedroom and 3-bedroom units have multiple unit square footages, First Housing is reflecting the minimum square footage for each unit type.



## 15-Year Operating Pro Forma

FINANCIAL COSTS:		Year 1	Year 1 Per Unit	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
<b>OPERATING PRO FORMA</b>																	
<b>INCOME:</b>	Gross Potential Rental Income	\$982,308	\$18,191	\$1,001,954	\$1,021,993	\$1,042,433	\$1,063,282	\$1,084,547	\$1,106,238	\$1,128,363	\$1,150,930	\$1,173,949	\$1,197,428	\$1,221,377	\$1,245,804	\$1,270,720	\$1,296,135
	Other Income: (4.07%)																
	Miscellaneous	\$39,960	\$740	\$40,759	\$41,574	\$42,406	\$43,254	\$44,119	\$45,001	\$45,901	\$46,820	\$47,756	\$48,711	\$49,685	\$50,679	\$51,693	\$52,726
	Gross Potential Income	\$1,022,268	\$18,931	\$1,042,713	\$1,063,568	\$1,084,839	\$1,106,536	\$1,128,666	\$1,151,240	\$1,174,265	\$1,197,750	\$1,221,705	\$1,246,139	\$1,271,062	\$1,296,483	\$1,322,413	\$1,348,861
	Less:																
	Physical Vac. Loss Percentage: 5.00%	\$51,113	\$947	\$52,136	\$53,178	\$54,242	\$55,327	\$56,433	\$57,562	\$58,713	\$59,887	\$61,085	\$62,307	\$63,553	\$64,824	\$66,121	\$67,443
	<b>Total Effective Gross Income</b>	\$971,155	\$17,984	\$990,578	\$1,010,389	\$1,030,597	\$1,051,209	\$1,072,233	\$1,093,678	\$1,115,551	\$1,137,862	\$1,160,620	\$1,183,832	\$1,207,509	\$1,231,659	\$1,256,292	\$1,281,418
	Annual Escalation Rate (Income): 2.00%																
<b>EXPENSES:</b>	Fixed:																
	Real Estate Taxes	\$89,130	\$1,651	\$91,804	\$94,558	\$97,395	\$100,317	\$103,326	\$106,426	\$109,619	\$112,907	\$116,294	\$119,783	\$123,377	\$127,078	\$130,890	\$134,817
	Insurance	\$74,844	\$1,386	\$77,089	\$79,402	\$81,784	\$84,238	\$86,765	\$89,368	\$92,049	\$94,810	\$97,654	\$100,584	\$103,602	\$106,710	\$109,911	\$113,208
	Variable:																
	Management Fee Percentage: 6.00%	\$58,269	\$1,079	\$59,435	\$60,623	\$61,836	\$63,073	\$64,334	\$65,621	\$66,933	\$68,272	\$69,637	\$71,030	\$72,451	\$73,900	\$75,378	\$76,885
	General and Administrative	\$32,400	\$600	\$33,372	\$34,373	\$35,404	\$36,466	\$37,560	\$38,687	\$39,848	\$41,043	\$42,275	\$43,543	\$44,849	\$46,195	\$47,580	\$49,008
	Payroll Expenses	\$84,520	\$1,565	\$87,056	\$89,667	\$92,357	\$95,128	\$97,982	\$100,921	\$103,949	\$107,067	\$110,279	\$113,588	\$116,995	\$120,505	\$124,120	\$127,844
	Utilities	\$32,400	\$600	\$33,372	\$34,373	\$35,404	\$36,466	\$37,560	\$38,687	\$39,848	\$41,043	\$42,275	\$43,543	\$44,849	\$46,195	\$47,580	\$49,008
	Maintenance and Repairs/Pest Control	\$74,250	\$1,375	\$76,478	\$78,772	\$81,135	\$83,569	\$86,076	\$88,658	\$91,318	\$94,058	\$96,879	\$99,786	\$102,779	\$105,863	\$109,039	\$112,310
	Reserve for Replacements	\$16,200	\$300	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,200	\$16,686	\$17,187	\$17,702	\$18,233	\$18,780
	<b>Total Expenses</b>	\$462,013	\$8,556	\$474,805	\$487,969	\$501,516	\$515,457	\$529,804	\$544,568	\$559,763	\$575,401	\$591,494	\$608,543	\$626,089	\$644,147	\$662,732	\$681,860
	Annual Escalation Rate (Expenses): 3.00%																
	<b>Net Operating Income</b>	\$509,141	\$9,429	\$515,773	\$522,420	\$529,081	\$535,752	\$542,429	\$549,109	\$555,788	\$562,462	\$569,125	\$575,289	\$581,420	\$587,512	\$593,560	\$599,557
	<b>Debt Service Payments</b>																
	First Mortgage - HFAPBC/ Merchants Bank /Freddie Mac	\$406,744	\$7,532	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744	\$406,744
	Second Mortgage - FHFC - SAIL	\$20,000	\$370	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	Third Mortgage - FHFC - HOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fourth Mortgage - Palm Beach County	\$86,000	\$1,593	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000
	All Other Mortgages - Palm Beach County and Kathy Makino Leipsitz	\$60,000	\$1,111	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
	First Mortgage Fees - HFAPBC/ Merchants Bank /Freddie Mac	\$28,313	\$524	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313	\$28,313
	Second Mortgage Fees - FHFC - SAIL	\$8,022	\$149	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022	\$8,022
	Third Mortgage Fees - FHFC - HOME	\$4,728	\$88	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728	\$4,728
	Fourth Mortgage Fees - Palm Beach County	\$4,500	\$83	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
	All Other Mortgages Fees - Palm Beach County and Kathy Makino Leipsitz	\$3,500	\$65	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
	<b>Total Debt Service Payments</b>	\$621,807	\$11,515	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807	\$621,807
	<b>Cash Flow after Debt Service</b>	(\$112,666)	(\$2,086)	(\$106,034)	(\$99,387)	(\$92,726)	(\$86,055)	(\$79,378)	(\$72,698)	(\$66,019)	(\$59,346)	(\$52,682)	(\$46,518)	(\$40,387)	(\$34,295)	(\$28,247)	(\$22,250)
	<b>Debt Service Coverage Ratios</b>																
	DSC - First Mortgage plus Fees	1.17x		1.19x	1.20x	1.22x	1.23x	1.25x	1.26x	1.28x	1.29x	1.31x	1.32x	1.34x	1.35x	1.36x	1.38x
	DSC - Second Mortgage plus Fees	1.10x		1.11x	1.13x	1.14x	1.16x	1.17x	1.19x	1.20x	1.21x	1.23x	1.24x	1.26x	1.27x	1.28x	1.29x
	DSC - Third Mortgage plus Fee	1.09x		1.10x	1.12x	1.13x	1.15x	1.16x	1.17x	1.19x	1.20x	1.22x	1.23x	1.24x	1.26x	1.27x	1.28x
	DSC - Fourth Mortgage plus Fees	0.91x		0.92x	0.94x	0.95x	0.96x	0.97x	0.98x	1.00x	1.01x	1.02x	1.03x	1.04x	1.05x	1.06x	1.07x
	DSC - All Mortgages and Fees	0.82x		0.83x	0.84x	0.85x	0.86x	0.87x	0.88x	0.89x	0.90x	0.92x	0.93x	0.94x	0.94x	0.95x	0.96x
	<b>Financial Ratios</b>																
	Operating Expense Ratio	47.57%		47.93%	48.30%	48.66%	49.03%	49.41%	49.79%	50.18%	50.57%	50.96%	51.40%	51.85%	52.30%	52.75%	53.21%
	Break-even Econ Occup Ratio (all debt)	106.32%		105.47%	104.64%	103.85%	103.08%	102.33%	101.61%	100.92%	100.25%	99.61%	99.03%	98.48%	97.95%	97.44%	96.95%
	Break-even Econ Occup Ratio (must pay debt)	88.05%		45.84%	46.18%	46.53%	46.88%	47.24%	47.60%	47.97%	48.34%	48.72%	49.13%	49.56%	49.98%	50.42%	50.85%

Payments on the Fourth Mortgage and Self-Sourced financing are based on available cash flow and are shown for illustrative purposes.

## Notes to the 15 Year Operating Pro Forma and Ratios:

1. The MMRN program does not impose any rent restrictions. However, in conjunction with the MMRN, the Development will be utilizing Housing Credits with SAIL, ELI, and HOME-ARP which will impose rent restrictions. The rent levels are based on the 2025 maximum LIHTC rents published on FHFC's website for Palm Beach County less the applicable utility allowance. At this time the 22% AMI rents for 2025 are not available on FHFC's website, First Housing is relying on the rents in the appraisal. Since the 2025 HOME Rent Limits are not available, the Low HOME rent is based on the 2024 Rent Limits.
2. The Utility Allowances are based on an Energy Consumption Model ("ECM") prepared by Florida Solar Energy Center, dated March 31, 2025. FHFC's staff approved the utility allowances for credit underwriting purposes on May 22, 2025.
3. The appraisal included a vacancy and collection loss of 5.00%, which First Housing found acceptable.
4. The Appraisal projected Miscellaneous Income of \$39,960 which is comprised of revenue from washers/dryers, late fees, damages, and cleaning fees. The appraiser concluded to washer/dryer income of \$50/unit and a penetration rate of 90% penetration.
5. Based upon operating data from comparable properties, third-party reports (appraisal and market study) and First Housing's independent due diligence, First Housing represents that, in its professional opinion, estimates for Rental Income, Vacancy, Other Income, and Operating Expenses fall within a band of reasonableness.
6. First Housing received a draft Management Agreement between Village of Valor, LTD. ("Owner") and Delray Housing Group, Inc. ("Agent"). According to the Agreement, the Agent shall receive a management fee equal to 6% of gross operating revenues during the month. However, the fee payable to the Agent will never be less than \$2,000 in a given month. First Housing concluded to a management fee of 6%.
7. The landlord will pay for trash, water, sewer, and common area electric. The tenant will be responsible for electricity, cable, and internet.
8. The Debt Service Coverage ("DSC") ratio for the permanent first mortgage, SAIL (Base) Loan, and HOME-ARP Loan reflects a ratio lower than 1.10x. Per Rule 67-48, the minimum DSC ratio shall be 1.10x for the HOME (ARP) Loan, including all superior

mortgages. However, per Rule 67-48, if the Applicant defers 35% of its Developer Fee following the last disbursement of all permanent sources of funding identified in the final credit underwriting report and, in the case of a Housing Credit Development, the final cost certification documentation, and when the primary expected source of repayment has been identified as projected cash flow, the minimum DSC shall be 1.00x for the HOME (ARP) Loan, including all superior mortgages. The Applicant will be required to defer at least 35% of its Developer Fee as the HOME-ARP Loan DSC is 1.09x.

9. Replacement Reserves of \$300 per unit per year are required which meets the minimum requirement.

## Sources Overview

### Construction Financing Information:

CONSTRUCTION FINANCING INFORMATION										
Lien Position	First	Second	Second	Third	Fourth	Fifth	Sixth			Totals
Source	Local HFA Note	FHFC - SAIL	FHFC - SAIL ELI	FHFC - HOME	Other Local	Other Local	Self-S'd: Non-Bond	FHFC - HC 4%	Def. Dev. Fee	
Lender/Grantor	HFAPBC / Merchants Bank	FHFC	FHFC	FHFC	Palm Beach County	Palm Beach County	Kathy Makino Leipsitz	Merchants Capital Investments, LLC	Development Partners Inc. and Delray Housing Group, Inc.	
Construction Amount	\$15,875,000	\$2,000,000	\$776,100	\$1,458,500	\$4,300,000	\$2,000,000	\$1,000,000	\$1,883,688	\$2,346,492	\$31,639,780
All In Interest Rate	6.82%	1.00%	0.00%	0.00%	0.00%	0.00%	6.00%			
Debt Service During Construction	\$1,082,675	\$20,000	\$0	\$0	\$0	\$0	\$60,000			\$1,162,675
Bond Structure (if applicable)	Private Placement									

### First Mortgage:

First Housing has received a letter from Merchants Bank of Indiana (“Merchants Bank”), dated April 22, 2025, which indicates that Merchants Bank will provide a construction loan in the amount of \$15,875,000, limited to the Freddie Mac Permanent loan plus 85% of LIHTC Equity. The loan will require interest only payments for the term of the loan, which is expected to be 30 months from the loan closing. The interest rate of the construction loan will be a floating rate based on the Secured Overnight Financing Rate (“SOFR”) plus a spread of 2.25%. The construction loan interest is based on the CME one-month SOFR rate of 4.32% (as of May 30, 2025), a spread of 2.25%, plus a 0.25% underwriting cushion for an interest rate of 6.82%.

The annual HFAPBC Issuer Fee of 15 basis points of the initial principal amount of the Notes and the annual Fiscal Agent Fee of \$4,500 have been included in the uses section of the report.

**Permanent Financing Information:**

PERMANENT FINANCING INFORMATION										
Lien Position	First	Second	Second	Third	Fourth	Fifth	Sixth			Totals
Source	Local HFA Note	FHFC - SAIL	FHFC - SAIL ELI	FHFC - HOME	Other Local	Other Local	Self-S'd: Non-Bond	FHFC - HC 4%	Def. Dev. Fee	
Lender/Grantor	HFAPBC/ Merchants Bank /Freddie Mac	FHFC	FHFC	FHFC	Palm Beach County	Palm Beach County	Kathy Makino Leipsitz	Merchants Capital Investments, LLC	Development Partners Inc. and Delray Housing Group, Inc.	
Permanent Amount	\$6,000,000	\$2,000,000	\$776,100	\$1,458,500	\$4,300,000	\$2,000,000	\$1,000,000	\$12,557,918	\$1,547,262	\$31,639,780
Permanent Funding Per Unit	\$111,111	\$37,037	\$14,372	\$27,009	\$79,630	\$37,037	\$18,519	\$232,554	\$28,653	\$585,922
% of Permanent Funding	19.0%	6.3%	2.5%	4.6%	13.6%	6.3%	3.2%	39.7%	4.9%	100.0%
Underwritten Interest Rate	6.21%	1.00%	0.00%	0.00%	0.00%	0.00%	6.00%			
All In Interest Rate	6.21%	1.00%	0.00%	0.00%	0.00%	0.00%	6.00%			
Loan Term	17	17.5	17.5	30	17.5	48	17.5			
Amortization	40	0	0	0	50	0	0			
Must Pay or Cash Flow Dependent	Must-Pay	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow	Cash Flow			
Permanent Debt Service, No Fees	\$406,744	\$20,000	\$0	\$0	\$86,000	\$0	\$60,000			\$572,744
Permanent Debt Service, with Fees	\$435,057	\$28,022	\$0	\$4,728	\$90,500	\$3,500	\$60,000			\$621,807
Debt Service Coverage, with Fees	1.17x	1.10x	1.10x	1.09x	0.91x	0.91x	0.82x			
Operating Deficit & Debt Service Reserves	\$424,113									
# of Months covered by the Reserves	5.7									
Market Rate/Market Financing LTV	34%	45%	49%	57%	81%	92%	98%			
Restricted Market Financing LTV	62%	82%	90%	106%	150%	170%	181%			
Loan to Cost - Cumulative	19%	25%	28%	32%	46%	52%	55%			
Loan to Cost - SAIL Only		6%								

**First Mortgage:**

First Housing has received a letter from Merchants Bank, dated May 28, 2025, for a loan under the Freddie Mac Unfunded Forward Tax-Exempt Loan (“TEL”) program. The proposed permanent loan amount is \$6,775,000, subject to maximum loan-to-value of 80% of the “as-stabilized” market value and a minimum debt service coverage ratio of 1.20x. The term of the loan is 17 years with principal

and interest payments based on a 40-year amortization schedule. The interest rate will be locked at closing of the construction loan. The interest rate is estimated to be equal to the 10-year treasury rate plus a spread of 1.80%. The permanent loan interest rate is based on the 10-year treasury rate of 4.41% (as of May 30, 2025) plus a spread of 1.80% for an overall interest rate of 6.21%. First Housing has concluded to a permanent first mortgage of \$6,000,000 in order to defer 35% of the Developer Fee. According to the letter, interest only will be required for the first 5 years of the permanent loan period. However, First Housing is reflecting principal and interest payments within the 15-year proforma.

Additional fees included in the Debt Service calculation consist of an annual HFAPBC Issuer Fee of 15 basis points of the original aggregate amount (\$15,875,000) and the annual Fiscal Agent Fee of \$4,500.

FHFC SAIL Base Loan, ELI Loan and HOME-ARP Loan:

First Housing reviewed an invitation to enter credit underwriting, dated November 18, 2024, from FHFC that includes a preliminary total SAIL Loan in the amount of \$2,776,100, which consists of a preliminary SAIL Base Loan in the amount of \$2,000,000 plus a preliminary ELI Loan in the amount of \$776,100. The SAIL Base Loan and the ELI Loan will be closed as one loan and will have one set of closing documents. In addition, the invitation includes a preliminary HOME-ARP Loan in the amount of \$1,458,500.

The SAIL Base Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. The SAIL Base Loan will have a total term of 20 years, of which 2.5 years is for the construction/stabilization period and 17.5 years is for the permanent period. As required by Freddie Mac and permitted by Rule 67-48, the SAIL Base Loan will be coterminous with the first mortgage plus six months (total term of 20 years). Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL Base Loan, all principal and unpaid interest will be due.

The ELI Loan is non-amortizing with an interest rate of 0% per annum over the life of the loan with the principal forgivable at maturity provided the units for which the ELI Loan amount is awarded are targeted to ELI households. The Applicant shall not be obligated to pay more than 75% of surplus cash flow on an annual basis as required by Freddie Mac. The ELI Loan will have a total term of 20 years, of which 2.5 years is for the construction/stabilization period and 17.5 years is for the permanent period. As required by the first mortgage lender and permitted by the RFA, the ELI Loan term will be coterminous with the first mortgage plus six months (total term of 20 years).

The HOME-ARP Loan is a non-amortizing loan with an interest rate of 0% per annum over the life of the loan , with the principal forgivable at maturity provided the units for which the HOME-ARP Loan amount is awarded are targeted as HOME-ARP Link units for the first 30 years of the 50-year Compliance Period. The loan will have a total term of 32.5 years, of which 2.5 years is for the construction/ stabilization period and 30 years is for the permanent period. After 30 years, all of the HOME-ARP Link units may convert to serve residents at or below 60% AMI; however, the Persons with Special Needs set-aside commitments must be maintained throughout the entire 50-year Compliance Period.

Annual payments of all applicable fees will be required. For each of the total SAIL Loan and HOME-ARP Loan, fees include an annual multiple program Compliance Monitoring Fee of \$1,082 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$990 per month, subject to a minimum of \$250 per month.

Palm Beach County:

First Housing received a Comprehensive Loan Term sheet from the Department of Housing and Economic Development. According to the Term Sheet, the Development will receive funding from the Housing Bond Loan Program (“HBLP”) in the amount of \$4,300,000. The loan will bear interest rate at 0%. The total term is 20 years. Payments of interest are deferred during construction. Principal payments will be based on a 50-year amortization schedule. Payments are subject to available cash flow and unpaid payments deferred to the end of the term. First Housing has assumed a 2.5-year construction period and a 17.5-year permanent period.

The additional fee included in the Debt Service calculation for the Palm Beach County loan is an annual monitoring fee of \$4,500, which is subject to change.

Palm Beach County:

First Housing received a Comprehensive Loan Term sheet from the Department of Housing and Economic Development. According to the Term Sheet, the Development will receive funding from the Neighborhood Stabilization Program 2 in the amount of \$2,000,000. The loan will bear interest rate at 0% and has a total term of 50 years. First Housing has assumed a 2.5-year construction period and a 47.5-year permanent period. No repayment of principal or interest is due during the 50-year term and is forgivable at the end of the term.

The additional fee included in the Debt Service calculation for the Palm Beach County loan is an annual monitoring fee of \$3,500, which is subject to change.

Self-Sourced Non-Bond:

First Housing received a draft Promissory Note, where Village of Valor, Ltd. promises to pay to the order of Kathy Makino Leipsitz the principal amount of \$1,000,000. The loan will bear interest at a rate of 6%, compounding. Payments of interest shall be paid from distributions of net cash flow. Verification that the loan is co-terminus with the SAIL Base Loan/ELI Loans, will be a condition to close. The RFA requires this Self-Sourced financing must be in an amount that is at least half of the Applicant's eligible SAIL request amount or \$1,000,000, whichever is greater. The Self-Sourced financing will be funded and dispersed pro rata along with SAIL Base funding. The Self-Sourced financing must be subordinate to the SAIL; no principal may be paid on the Self-Sourced financing prior to the payoff of the SAIL in full and any payments of Self-Sourced financing interest will be made subordinate to SAIL interest payments. Additionally, the Self-Sourced financing must remain as a source in the Development for a minimum of 15 years and may not be repaid to the Applicant from any funding source, including development cash flow per the RFA. If self-sourced financing is repaid to the Applicant prior to the payment of the SAIL Base Loan in full, the SAIL Base Loan will be in default and must be paid in full and the Applicant and any associated Applicant or Developer principals or affiliates may be subject to material misrepresentation consequences set forth in Rule 67-48.004(2), F.A.C.



Housing Credit Equity:**Syndication Contributions:**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$1,883,688	15.00%	Closing
2nd Installment	\$4,395,271	35.00%	Lien-free construction completion
3rd Installment	\$5,525,484	44.00%	Stabilization - later of 93% economic occupancy and 100% qualified occupancy and DSCR of 1.15
4th Installment	\$753,475	6.00%	Receipt of Form 8609's for all buildings
Total	\$12,557,918	100.00%	

Syndicator Name Merchants Capital Investments, LLC

Date of LOI 4/14/2025

Total Credits Per Syndication Agreement: \$14,603,691

Annual Credits Per Syndication Agreement: \$1,460,369

Calculated HC Exchange Rate: \$0.86

Limited Partner Ownership Percentage: 99.99%

Proceeds Available During Construction: \$1,883,688

Deferred Developer Fee:

To balance the sources and uses of funds during the permanent funding period, the Developer is required to defer \$1,547,262 or 35.12% of the total Developer Fee of \$4,405,352.

Strengths:

1. The Principals have sufficient experience and substantial financial resources to develop and operate the proposed Development.

Waiver Requests/Special Conditions:

None

Issues and Concerns:

1. First Housing received a Statement of Financial/Credit Affairs for both Kathy Makino and Mark Leipsitz. The statements revealed that they have been involved in loans that were considered in technical default, had loans restructured, had loan workouts, and had principal and/or interest payments deferred.

Mitigating Factors:

1. The Statement of Financial/Credit Affairs forms did not indicate that 5% or more of the affordable housing developments (prior to August 1, 2010) or that any of the party's affordable housing developments (on or after August 1, 2010) have been subject of a foreclosure or deed in lieu of foreclosure, or in financial arrearage or other material default and such arrearage or material default remained uncured for a period of 60 days or more.

Additional Information:

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Note	HFAPBC / Merchants Bank	\$15,875,000	\$6,000,000	\$111,111
FHFC - SAIL	FHFC	\$2,000,000	\$2,000,000	\$37,037
FHFC - SAIL ELI	FHFC	\$776,100	\$776,100	\$14,372
FHFC - HOME	FHFC	\$1,458,500	\$1,458,500	\$27,009
Other Local	Palm Beach County	\$4,300,000	\$4,300,000	\$79,630
Other Local	Palm Beach County	\$2,000,000	\$2,000,000	\$37,037
Self-S'd: Non-Bond	Kathy Makino Leipsitz	\$1,000,000	\$1,000,000	\$18,519
FHFC - HC 4%	Merchants Capital Investments, LLC	\$1,883,688	\$12,557,918	\$232,554
Def. Dev. Fee	Development Partners Inc. and Delray Housing Group, Inc.	\$2,346,492	\$1,547,262	\$28,653
<b>TOTAL</b>		<b>\$31,639,780</b>	<b>\$31,639,780</b>	<b>\$585,922</b>

1. The Applicant has applied to Merchants Bank for construction financing and Merchants Bank/Freddie Mac for permanent financing. During the construction period, Merchants Bank will be the note holder and will provide a tax-exempt loan to the Applicant. At conversion to permanent financing, Merchants Bank will sell the Note to Freddie Mac who will provide permanent funding (“Funding Loan”) in the form of a tax-exempt loan. The Funding Loan is requested pursuant to any Federal, State or local requirements concerning the proposed tax-exempt private activity allocation and/or Low-Income Housing Tax Credit requirements. The Funding Loan will be originated on behalf of HFAPBC (“Governmental Lender”) for subsequent purchase by and delivery to the permanent lender, shortly after closing. The proceeds of the Funding Loan will be used by HFAPBC to fund a mortgage loan with matching economic terms (“Project Loan”) to the Applicant to finance the construction and permanent financing of the Development. The Funding Loan will be a non-recourse obligation of HFAPBC secured solely by receipts and revenues from the Project Loan and the collateral pledged (including a first mortgage lien with respect to the Development). Under the MMRN structure, the Funding Loan replaces the purchase by the construction and permanent lenders of tax-exempt bonds.
2. Since the equity provider, Merchants Capital Investments (“Merchants Capital”), is related to the first mortgage construction lender, it will cause the interest on the MMRN to be taxable, while held by Merchants Bank. Additionally, IRS regulations related to the substantial user issue will not allow the Note Issuer, HFAPBC, to receive its full standard Issuer Fees during construction (when Merchants Bank is the Noteholder). There will not be a substantial user issue during the permanent phase since Merchants Bank will no longer be the Noteholder.
3. The Development will consist of approximately 9,700 square feet of ground floor office and community space of one of its buildings. The office and community space will be occupied by Faith-Hope-Love-Charity, Inc., a non-profit organization that provides services to displaced and at-risk veterans and their families. According to the a draft lease agreement, between Faith-Hope-Love-Charity, Inc. and Village of Valor Ltd., the commercial space will be rented for \$7,560 monthly. However, the Appraisal does not take into consideration this income. According to an email, dated February 28, 2025, the plans provided do outline a ground floor space that will be used for supportive services. However, when Novogradac & Company LLP (“Novogradac”) spoke with the Planning, Zoning and Building Director for the Village of Palm Springs, he indicated the space is not approved for commercial use, but rather as ground floor offices and multi-purpose rooms to serve the residents and would not be open to the public. The Development’s site is solely zoned Residential Multifamily, which does not permit commercial use. The layout of the site and the location of the space isn’t conducive to a typical commercial use. It does not have the visibility or frontage that commercial typically offers. Therefore, the likely use of the space would be a community use which would likely have a very discounted

rent. Novogradac believes that if the lease agreement with Faith-Hope-Love-Charity, Inc. were to end, it is not likely the Development could replace that income.

## Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Rental Units	\$14,081,993	\$14,665,614	\$12,439,670	\$230,364
Site Work	\$810,000	\$1,080,000	\$2,930,316	\$54,265
Swimming Pool	\$0	\$0	\$180,000	\$3,333
Constr. Contr. Costs subject to GC Fee	\$14,891,993	\$15,745,614	\$15,549,986	\$287,963
General Conditions (6.0%)	\$893,520	\$944,737	\$932,999	\$17,278
Overhead (2.0%)	\$297,840	\$314,912	\$311,000	\$5,759
Profit (6.0%)	\$893,520	\$944,737	\$932,999	\$17,278
General Liability Insurance	\$0	\$0	\$98,195	\$1,818
Payment and Performance Bonds	\$0	\$0	\$124,821	\$2,312
Total Construction Contract/Costs	\$16,976,873	\$17,950,000	\$17,950,000	\$332,407
Hard Cost Contingency (5.0%)	\$848,844	\$897,500	\$897,499	\$16,620
FF&E paid outside Constr. Contr.	\$210,000	\$210,000	\$210,000	\$3,889
<b>Total Construction Costs:</b>	<b>\$18,035,717</b>	<b>\$19,057,500</b>	<b>\$19,057,499</b>	<b>\$352,917</b>

### Allowances:

Total \$0

### Notes to the Total Construction Costs:

1. The Applicant has provided an executed construction contract, dated April 11, 2025, in the amount of \$17,950,000 and a First Amendment to AIA Document A102 and A201, dated April 16, 2025. This is a Standard Form of Agreement between Owner, Village of Valor LTD and Contractor, Megen Construction Company where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price ("GMP"). Per the contract, substantial completion is to be achieved not later than fourteen months (424 calendar days) from commencement.
2. First Housing used the Schedule of Values ("SOV") to break out the construction costs.
3. Receipt of all GC Section 3 contract requirements is a condition to close.
4. The ineligible cost of \$561,738 includes \$487,866 for the construction of the 9,700 square feet of commercial space and \$73,872 to purchase the washers/dryers.
5. The GC Contract does not include any allowances.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Accounting Fees	\$35,000	\$35,000	\$35,000	\$648
Appraisal	\$8,500	\$8,500	\$10,700	\$198
Architect's Fees	\$925,000	\$925,000	\$925,000	\$17,130
Builder's Risk Insurance	\$162,327	\$234,625	\$234,625	\$4,345
Building Permits	\$280,000	\$280,000	\$280,000	\$5,185
Engineering Fees	\$150,000	\$150,000	\$150,000	\$2,778
Environmental Report	\$20,000	\$20,000	\$20,000	\$370
FHFC Administrative Fees	\$72,612	\$76,385	\$75,941	\$1,406
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$56
FHFC Compliance Fee	\$163,294	\$243,770	\$243,077	\$4,501
FHFC Credit Underwriting Fee	\$75,000	\$75,000	\$26,421	\$489
Green Building Cert. (LEED, FGBC, NAHB)	\$27,100	\$27,100	\$27,100	\$502
Impact Fee	\$324,000	\$270,000	\$270,000	\$5,000
Legal Fees - Organizational Costs	\$375,000	\$255,000	\$255,000	\$4,722
Lender Inspection Fees / Const Admin	\$60,480	\$68,980	\$68,980	\$1,277
Market Study	\$6,500	\$6,500	\$4,050	\$75
Marketing and Advertising	\$54,000	\$54,000	\$54,000	\$1,000
Plan and Cost Review Analysis	\$5,300	\$5,300	\$5,250	\$97
Property Taxes	\$15,000	\$279,820	\$279,820	\$5,182
Soil Test	\$15,000	\$15,000	\$15,000	\$278
Survey	\$25,000	\$25,000	\$25,000	\$463
Title Insurance and Recording Fees	\$100,000	\$100,000	\$100,000	\$1,852
Traffic Study	\$17,500	\$17,500	\$17,500	\$324
Utility Connection Fees	\$0	\$27,000	\$27,000	\$500
Soft Cost Contingency (5.0%)	\$124,270	\$116,920	\$168,698	\$3,124
Other: Construction Materials Testing	\$200,000	\$200,000	\$200,000	\$3,704
Other: UA Study/Printing/Shipping/Travel	\$16,500	\$16,500	\$16,500	\$306
Other: Third Party Reports	\$0	\$0	\$5,000	\$93
<b>Total General Development Costs:</b>	<b>\$3,260,383</b>	<b>\$3,535,900</b>	<b>\$3,542,662</b>	<b>\$65,605</b>

## Notes to the General Development Costs:

1. General Development Costs are the Applicant's updated estimates, which appear reasonable.
2. First Housing has utilized actual costs for: Appraisal, FHFC Credit Underwriting, Market Study, and Plan and Cost Review Analysis.
3. The FHFC Administrative Fee is based on 5.5% of the recommended annual 4% Housing Credit allocation.
4. FHFC Compliance Fee of \$243,077 is based on the 2025 compliance fee calculator spreadsheet provided by FHFC.
5. The FHFC Credit Underwriting Fee includes an underwriting fee of \$26,421 for the SAIL, ELI, HOME-ARP, and Housing Credits.

6. The Applicant provided a proposal from BMC Consulting, LLC, dated December 18, 2023, for Professional FGBC Certification Services and FGBC Certification for the Development.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Closing Costs	\$20,000	\$20,000	\$20,000	\$370
Construction Loan Commitment Fee	\$156,250	\$158,750	\$158,750	\$2,940
Construction Loan Interest	\$663,800	\$1,060,040	\$1,111,546	\$20,584
Permanent Loan Closing Costs	\$57,500	\$57,181	\$57,181	\$1,059
Permanent Loan Commitment Fee	\$0	\$67,750	\$60,000	\$1,111
Local HFA Note Cost of Issuance	\$291,150	\$150,313	\$150,313	\$2,784
Local HFA Note Fiscal Agent Fee	\$0	\$0	\$8,250	\$153
Local HFA Note Underwriting Fee	\$0	\$0	\$23,578	\$437
SAIL Closing Costs	\$0	\$0	\$20,000	\$370
SAIL Commitment Fee	\$0	\$60,000	\$27,761	\$514
Misc Loan Underwriting Fee	\$0	\$0	\$16,984	\$315
Legal Fees - Financing Costs	\$140,000	\$140,000	\$140,000	\$2,593
Placement Agent/Underwriter Fee	\$0	\$0	\$35,000	\$648
Initial TEFRA Fee	\$0	\$1,000	\$1,000	\$19
Other: <a href="#">Bond Issuance Fee</a>	\$0	\$76,068	\$43,656	\$808
<b>Total Financial Costs:</b>	<b>\$1,328,700</b>	<b>\$1,791,102</b>	<b>\$1,874,020</b>	<b>\$34,704</b>
<b>Dev. Costs before Acq., Dev. Fee &amp; Reserves</b>	<b>\$22,624,800</b>	<b>\$24,384,502</b>	<b>\$24,474,181</b>	<b>\$453,226</b>

Notes to the Financial Costs:

1. The Construction Loan Commitment Fee is based on 1% of the construction loan amount of \$15,875,000.
2. The Construction Loan Interest of \$1,111,546 is based on an interest rate of 6.82%, a 22-month term, and an average outstanding loan balance of 56%. The GC Contract specifies a substantial completion of not later than 424 calendar days (or approximately 14 months) and considering a 8-month lease-up/stabilization period, First Housing has estimated that a construction term of 22-months is reasonable.
3. The Permanent Loan Commitment Fee is based on 1% of the permanent loan amount of \$6,000,000.
4. The Local HFA Note Cost of Issuance ("COI") was provided by Stifel and includes the placement agent/underwriting fee.
5. The Local HFA Fiscal Agent Fee represents 22 months of the annual Fiscal Agent fee of \$4,500 during construction.

6. The Local HFA Note Underwriting includes an underwriting fee of \$15,117 and a refresh underwriting fee of \$8,461.
7. The SAIL Commitment Fee is based on 1% of the total SAIL Loan.
8. First Housing included FHFC closing costs of \$20,000 for the SAIL/ELI Loan for FHFC legal counsel fees.
9. The Misc. Loan Underwriting Fee of \$16,984 is associated with the Palm Beach County Loan.
10. First Housing included a Placement Agent/Underwriter Fee of \$35,000.
11. HFA Issuer Fee includes 22 months of the HFAPBC Issuer Fee of 0.15% of the total Note issuance.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
<b>Total Non-Land Acquisition Costs:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, non-land acquisition costs do not apply.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$4,090,689	\$4,413,714	\$4,405,352	\$81,581
<b>Total Dev. Fee on Non-Acq. Costs (18.0%):</b>	<b>\$4,090,689</b>	<b>\$4,413,714</b>	<b>\$4,405,352</b>	<b>\$81,581</b>

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land	\$3,000,000	\$2,200,000	\$2,200,000	\$40,741
<b>Total Acquisition Costs:</b>	<b>\$3,000,000</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$40,741</b>

Notes to Acquisition Costs:

1. First Housing received a Vacant Land Contract, dated April 10, 2025, by and between KSM Holdings Florida, LLC (“Seller”) and Village of Valor LTD. (“Buyer”). The purchase price is \$2,200,000 and has a closing date of no later than December 31, 2025.



RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Debt Service Coverage Reserves	\$196,745	\$424,113	\$424,113	\$7,854
Other: Taxes and Insurance Escrow	\$101,250	\$136,134	\$136,134	\$2,521
<b>Total Reserve Accounts:</b>	<b>\$297,995</b>	<b>\$560,247</b>	<b>\$560,247</b>	<b>\$10,375</b>

## Notes to Reserve Accounts:

1. It is anticipated that Merchants Capital will require an Operating Deficit Reserve (“ODR”) estimated in the amount of \$424,113, subject to change at closing.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
<b>TOTAL DEVELOPMENT COSTS:</b>	<b>\$30,013,484</b>	<b>\$31,558,463</b>	<b>\$31,639,780</b>	<b>\$585,922</b>

RFA Limits	Maximum per RFA (%)	Actual at CUR (%)	Maximum per RFA (\$)	Actual at CUR (\$)
General Contractor Fee	14.00%	14.00%	\$2,176,998	\$2,176,998
Hard Cost Contingency	5.00%	5.00%	\$897,500	\$897,499
Soft Cost Contingency	5.00%	5.00%	\$168,698	\$168,698
Developer Fee	18.00%	18.00%	\$4,405,352	\$4,405,352

**Section B**

**Supporting Information & Schedules**

## Additional Development & Third Party Supplemental Information

### Appraisal Summary:

Appraisal Summary Questions	Responses	Note
Appraisal Firm Name	Novogradac & Company LLP	
Date of Report	5/13/2025	
Confirm certified and prepared for FHFC (Y/N)	Y	1.
Date appraisers license expires (should be after report date)	11/30/2026	
Occupancy at Stabilization: Economic (%)	95.0%	
Occupancy at Stabilization: Physical (%)	95.0%	
Value: As Is market value of the land	\$2,200,000	
As of date and type of interest (as if vacant land)	4/25/2025, fee simple	
Value: "As Complete and Stabilized", subject to unrestricted rents	\$17,900,000	
As of date and type of interest (unrestricted rents)	4/25/2025, leased fee	
Value: "As Complete and Stabilized", subject to restricted rents	\$9,700,000	
As of date and type of interest (restricted rents)	4/25/2025, leased fee	
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	

1. The report is certified to HFAPBC.

## Market Study Summary:

Market Study Summary Questions	Responses	Note
Market Study Firm Name	Novogradac & Company LLP	
Date of Report	4/15/2025	
Confirm certified and prepared for FHFC (Y/N)	Y	1.
Number of like-kind developments (existing and proposed) in the Competitive Market Area (CMA)	14	
Short Term and Long Term Impact to existing like-kind developments	N	
Weighted Average Occupancy of like-kind developments (submarket) (must be $\geq 92\%$ )	99.7%	
Number of Guarantee Fund Properties in PMA?	0	
Metrics for 5 mile radius:		
Capture Rate (%)	0.5%	
Absorption Rate	30	
Will the development achieve maximum allowable HC Rents? (Y/N)	Y	
For New Construction Units, is the average market rental rate, based on unit mix and annualized rent concessions at least 110% or greater of a 60 percent of Area Median Income rental rate?	Y	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)	Y	

The Market Study was completed with 2024 rent limits.

1. The report is certified to HFAPBC.

## Environmental Report Summary:

Environmental Report Summary Questions	Responses	Note
Preparer Firm Name	SES Environmental	
Date of Report	9/13/2024	
Type of Report	Phase I Environmental Site Assessment	
Confirm certified and prepared for FHFC (Y/N)	Y	1.
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	N	
Is any further investigation required? (Y/N)	N	

1. The report is certified to HFAPBC.

## Soils Test Report Summary:

Soils Test Report Summary Questions	Responses	Note
Preparer Firm Name	Ardaman & Associates, Inc.	
Date of Report	8/18/2023	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	

## Document and Cost Review Summary:

Property Conditions Report (PCR) Summary Questions	Responses	Note
Preparer Firm Name	Moran Consultants, LLC	
Date of Report	4/24/2025	
Confirm certified and prepared for FHFC (Y/N)	N	1.
Is the GC Contract a Guaranteed Maximum Price Contract? (Y/N)	Y	
General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)	\$17,950,000	
Cost per Unit	\$332,407	
Costs for Similar Type Developments (Include Range)	\$189,870.92 - \$255,550.30	2.
Is the Cost per Unit reasonable? (Y/N)	Y	2.
Construction schedule to substantial completion	424 calendar days	
Is the development timeline considered feasible? (Y/N)	Y	3.
Was an ADA Accessibility Review completed? (Y/N)	Y	
Are accessibility requirements met and have executed Florida Housing Fair Housing, Section 504 and ADA Design Certification Forms 121, 126, and 128 been received? (Y/N)	Y	
Does the design conform with all applicable Florida Building and Design Codes? (Y/N)	Y	
Are the drawings and specifications satisfactory for completion and adherence to the scope of the project? (Y/N)	Y	4.

1. Receipt of a final Document and Cost Review which is certified to HFAPBC is a contingency of this report.
2. While the cost per unit is not supported by the comparables, the cost per gross square foot ("GSF") is supported by the comparables. The Developments cost per GSF is \$216.36, while the comparables range from \$204.05 - \$225.52.

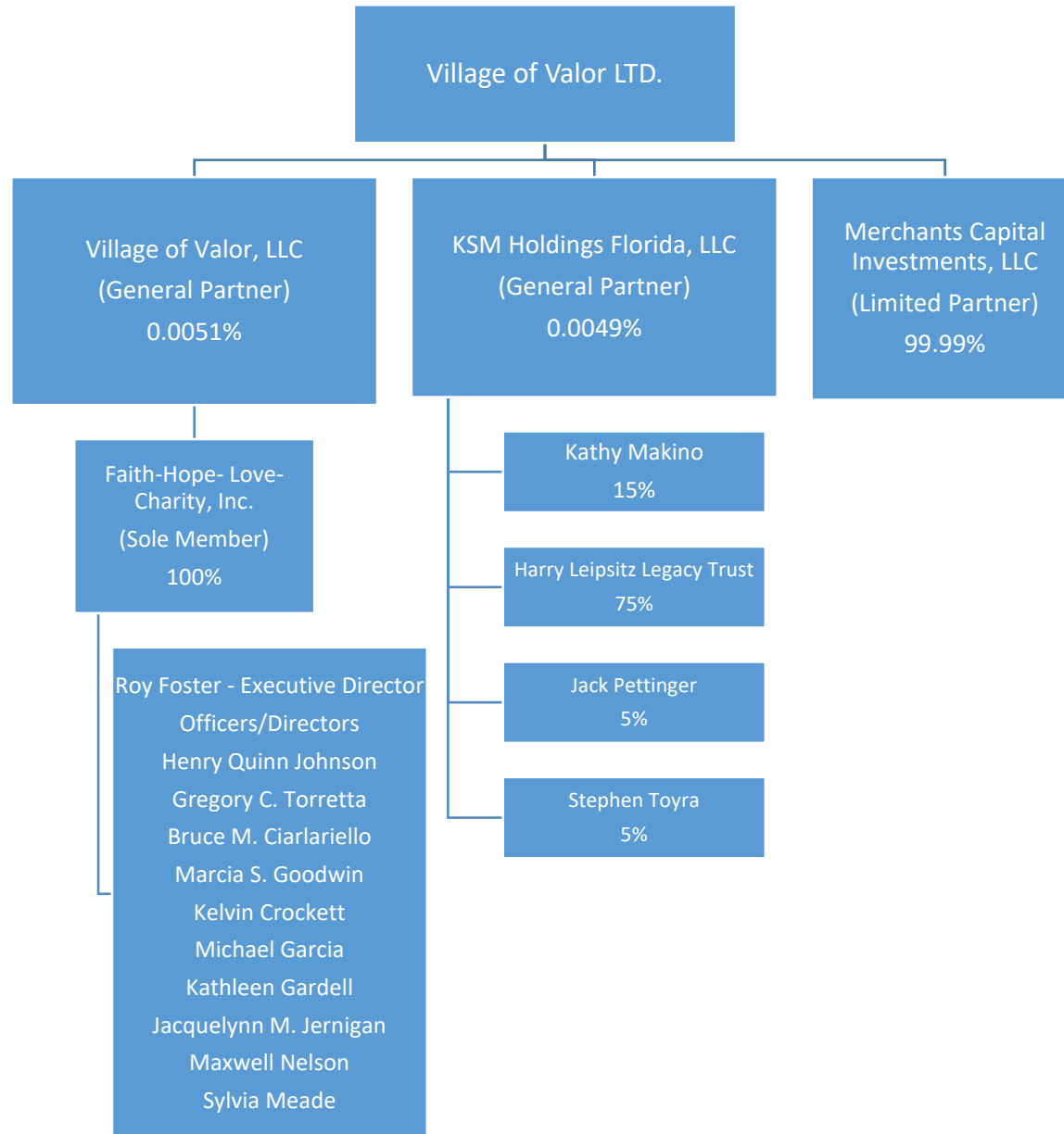
3. The listed Construction Duration is generally in line with the Contract Duration; however, the Schedule lacks industry standard detail and dates. Therefore, Moran was unable to determine whether the Schedule is in accordance with the Contract.
4. The contract documents, inclusive of the drawings and engineering reports, appear to include adequate detail to complete the proposed scope of work. The construction documents were prepared by licensed architects and engineers; and do appear to address governing codes and ordinances. The materials, systems, and assemblies are considered appropriate with regards to FHA standards, project type and are generally of adequate quality; however, they remain to be signed / stamped by their respective Professional of Records. Moran recommends the finalized Documents be provided for review to ensure details align with the provided Set.

Site Inspection Summary:

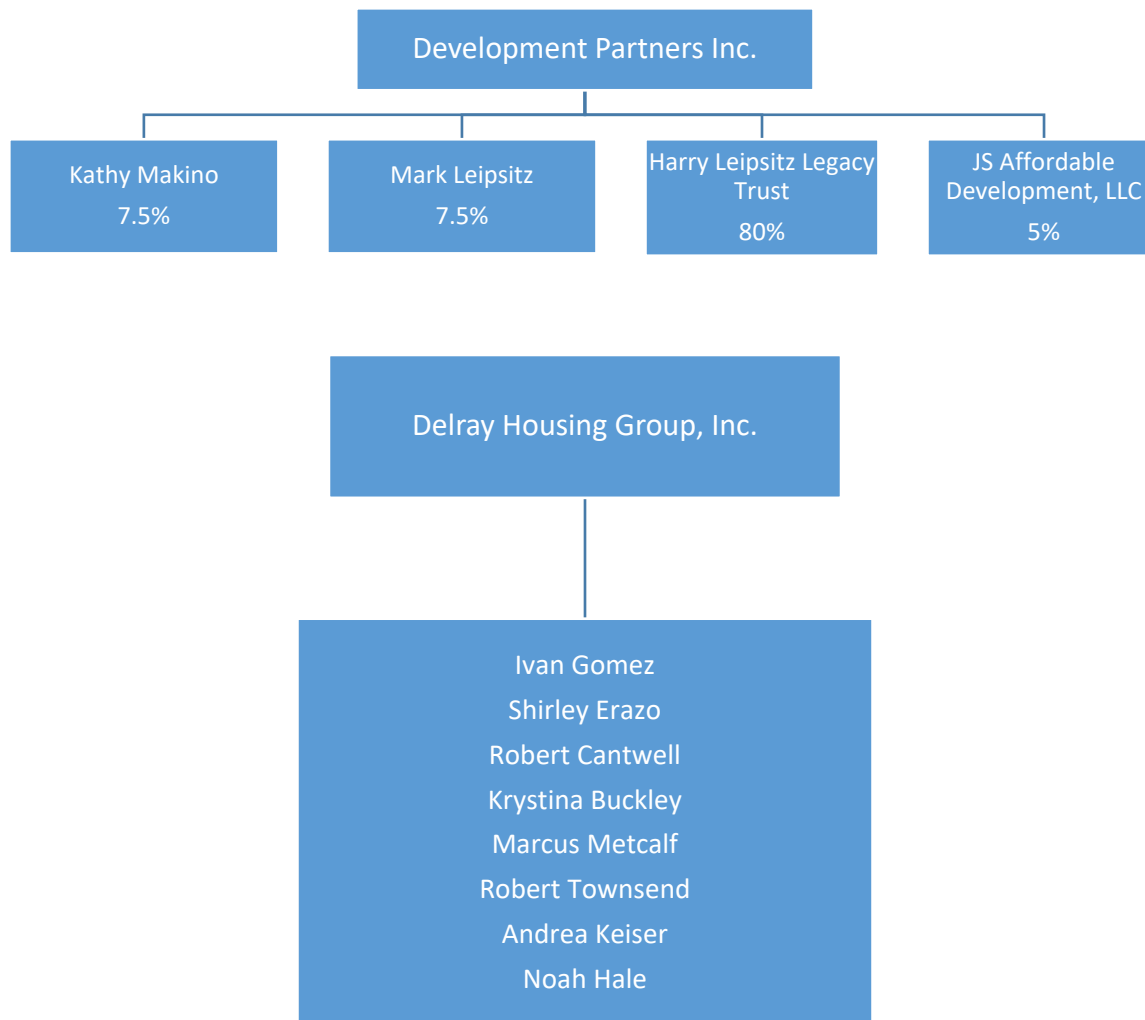
Site Visit Summary Questions	Responses	Note
Name of Inspector	First Housing	
Date of Inspection	5/8/2025	
Were the observation(s) of the inspector in line with the Market Study? (Y/N)	Y	

**Applicant & Related Party Information:**

## Applicant Organizational Chart:



## Developer Organizational Charts:



According to the draft Development Agreement, the Developer Fee will be paid as follows:

- 46% of the total developer fee shall be paid to Faith-Hope-Love-Charity, Inc.
- 44% of the total developer fee shall be paid to Development Partners, Inc.
- 10% of the total developer fee shall be paid to the Delray Housing Group, Inc.

Receipt of a final Development Agreement is a condition to close.



	MCI Village of Valor, LLC	Megen Construcion Company, Inc.	Delray Housing Group, Inc.	Village of Valor, LTD.	Village of Valor, LLC	Faith-Hope-Love-Charity, Inc.	KSM Holdings Florida, LLC	Kathy Susan Makino-Leipsitz	Harry Leipsitz Legacy Trust	Development Partners Inc.	Mark Leipsitz	Note
Relationship Type	Syndicator	General Contractor	Management Company	Guarantor	Guarantor	Guarantor	Guarantor	Guarantor	Principal	Guarantor	Guarantor	
Contact Person Name & Title	Josh Reed, EVP LIHTC Acquisitions	Bob Frick, GC	Shirley Erazon, President/CEO	Kathy Makino, Managing Partner								
Contact Information	410 Monon Blvd. Carmel, IN 46032 317-324-4852 jreed@merchantscapital.com	11130 Ashburn Road, Cincinnati, OH 45240 bfricke@megenconstruction.com 513-742-9191	82 NW 5th Avenue Delray Beach, FL 33444 561-272-6766 serazo@dbha.org	8445 E. Jefferson Street Detroit, MI 48214 734-905-8323 Kathy@shelbornedevelopment.com								
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	N	N	N	Y	Y	Y	Y	Y	N	Y	Y	
Does entity have the necessary experience?	Y	Y	Y	Single Purpose	Single Purpose	Y	N/A	Y	N/A	N/A	Y	
Has a credit evaluation been completed and is it satisfactory?	N	Y	Y	N/A	Y	Y	Y	Y	N/A	N/A	Y	
Have bank statements and/or trade references been received and reviewed and are they adequate?	N/A	N/A	N/A	N/A	N/A	Y	N/A	Y	N/A	N/A	Y	
Have all financial statements been reviewed and are they adequate?	Y	Y	N/A	N/A	N/A	Y	N/A	Y	N/A	N/A	Y	
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
P&P Bond, or LOC, required and received from company adequately rated as required by Rule?	N/A	Closing Condition	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Have the Management Agreement and Plans been received, dated, and executed?	N/A	N/A	N	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Has the selection of the Management Company been approved by FHFC's Asset Management Dept (and if Rehab have they been approved prior to or at closing)?	N/A	N/A	N	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	

Notes:

1. Receipt of an executed Management Agreement.
2. Approval of the selection of the management company by FHFC's Asset Management Department is required. As the Development is proposed to be constructed, said approval is not required at closing.

**50% Test**

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$26,552,682
Plus: Land Cost	\$2,200,000
Aggregate Basis	\$28,752,682
Tax-Exempt Bond Amount	\$15,875,000
Less: Debt Service Reserve	(\$424,113)
Less: Proceeds Used for Costs of Issuance	(\$150,313)
Plus: Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$15,300,574
Proceeds Divided by Aggregate Basis	53.21%

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

RESOLUTION NO. R-2025-08

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$15,875,000 HOUSING FINANCE AUTHORITY OF PALM BEACH COUNTY, FLORIDA MULTIFAMILY MORTGAGE REVENUE NOTE, SERIES 2025 (VILLAGE OF VALOR), IN ONE OR MORE SERIES (THE "GOVERNMENTAL NOTE") AND PROVIDING FOR CERTAIN DETAILS THEREOF; WITH RESPECT TO THE GOVERNMENTAL NOTE, APPOINTING A FISCAL AGENT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT WITH MERCHANTS BANK OF INDIANA, AS INITIAL FUNDING LENDER, AND U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS FISCAL AGENT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION PHASE PROJECT LOAN AGREEMENT AND A PERMANENT PHASE PROJECT LOAN AGREEMENT WITH THE FISCAL AGENT AND VILLAGEOF VALOR, LTD, AS BORROWER, APPROVING THE FORM OF THE MORTGAGE AND APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE ASSIGNMENT OF MORTGAGE AND LOAN DOCUMENTS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT; ACCEPTING A FINAL CREDIT UNDERWRITING REPORT; DETERMINING THE NEED FOR A NEGOTIATED PRIVATE SALE OF THE GOVERNMENTAL NOTE AND DELEGATING TO THE CHAIRPERSON OR VICE CHAIRPERSON THE AUTHORITY TO APPROVE THE TERMS OF SUCH PRIVATE PLACEMENT SUBJECT TO CERTAIN CRITERIA; AUTHORIZING THE PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida (the "Board"), has heretofore adopted Resolution R-70-1150 and Sections 2-181 through 2-191, Code of Ordinances of Palm Beach County, Florida, creating the Housing Finance Authority of Palm Beach County, Florida (the "Authority"), pursuant to the provisions of Chapter 159, Part IV, 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, pursuant to the Act and the Funding Loan Agreement (the "Funding Loan Agreement") among the Authority, Merchants Bank of Indiana, as the Initial Funding Lender (the "Funding Lender") and U.S. Bank Trust Company, National Association, as fiscal agent (the "Fiscal Agent"), in substantially the form attached hereto as Exhibit A, has determined to issue its Multifamily Mortgage Revenue Note, Series 2025 (Village of Valor) (the "Governmental Note") in an aggregate principal amount not to exceed \$15,875,000 to make the Loan (as defined below) to be used by Village of Valor, Ltd, a Florida limited partnership (together with its successors and assigns, the "Borrower") to pay a portion of the costs of the acquisition, construction and equipping of a 54-unit multifamily housing facility to be known as Village of Valor, to be located at 2701-2751 Second Avenue North, Palm Springs, Florida 33461 (the "Project"), the form of which Governmental Note shall be as provided in the Funding Loan Agreement; and

**WHEREAS**, the Governmental Note will be purchased by the Funding Lender through a negotiated private placement and the proceeds received by the Authority from the Funding Lender will be loaned (the "Loan") to the Borrower to finance a portion of the costs of the Project initially pursuant to the terms and provisions of that certain Construction Phase Project Loan Agreement among the Authority, the Fiscal Agent and the Borrower (the "Construction Phase Project Loan Agreement") in substantially the form attached hereto as Exhibit B-1 and following conversion pursuant to the terms and provisions of that certain Project Loan Agreement among the Authority, the Fiscal Agent and the Borrower (the "Permanent Phase Project Loan Agreement" in substantially the form attached hereto as Exhibit B-2, and together with the Construction Phase Project Loan Agreement, collectively, the "Project Loan Agreement"); and

**WHEREAS**, the Loan made pursuant to the Project Loan Agreement will be evidenced by a Multifamily Note from the Borrower payable to the Authority (the "Project Note"), which Project Note shall be in the standard Freddie Mac Project Note form with an endorsement without recourse by the Authority to the Fiscal Agent, and will be secured by a Multifamily Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") in substantially the standard Freddie Mac form from the Borrower to the Authority; and

**WHEREAS**, pursuant to an Assignment of Security Instrument, in substantially the standard Freddie Mac form (the "Mortgage Assignment"), the Authority will assign without recourse (other than certain unassigned rights) its right in the Project Note and Mortgage to the Fiscal Agent; and

**WHEREAS**, it is the intent of the Funding Lender and the Authority that the interest payable on the Governmental Note be excludable from the gross income of the Funding Lender for federal income tax purposes (herein, "Tax-Exempt Obligations"); and

**WHEREAS**, the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder impose certain requirements on governmental issuers, such as the Authority, in order that the debt of such issuers be issued as Tax-Exempt Obligations; and,

in furtherance of such requirements, the Authority desires to authorize the execution and delivery of a Land Use Restriction Agreement expected to be dated as of the first day of the month and year in which the Governmental Note is issued, by and among the Borrower, the Fiscal Agent and the Authority (the "Land Use Restriction Agreement") in substantially the form presented at this meeting and attached hereto as Exhibit E, which agreement evidences certain restrictions placed on the use and occupancy of the Project as required under the Act and the applicable provisions of the Code (the "Land Use Restriction Agreement"); and

**WHEREAS**, the Authority desires to authorize the execution and delivery of a Fee Guaranty and Environmental Indemnity Agreement expected to be dated as of the first day of the month and year in which the Governmental Note is issued from the Borrower and the indemnitors named therein to the Authority and Fiscal Agent in substantially the form attached hereto as Exhibit F (the "Indemnity Agreement"); and

**WHEREAS**, the Authority desires to accept the final Credit Underwriting Report delivered to the Authority by First Housing Development Corporation of Florida ("First Housing") with respect to the Project (the "Credit Underwriting Report"); and

**WHEREAS**, within the County there is a shortage of housing available at prices or rentals which many persons and families can afford and a shortage of capital for investment in such housing, which shortage constitutes a threat to the health, safety, morals and welfare of the residents of the County, deprives the County of an adequate tax base, and causes the County to make excessive expenditures for crime prevention and control, public health, welfare and safety, fire and accident protection, and other public services and facilities; and

**WHEREAS**, the shortage of capital and housing cannot be relieved except through the encouragement of investment by private enterprise and the stimulation of construction of housing through the use of public financing; and

**WHEREAS**, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a "qualifying housing development" under the Act; and

**WHEREAS**, adequate provision has been made in the documents attached hereto for the Loan by the Authority to the Borrower to finance the acquisition, construction and equipping of the Project, and for the operation, repair and maintenance of the Project at the expense of the Borrower and for the repayment by the Borrower of the Loan in installments sufficient to pay the principal of and the interest on the Governmental Note, and all costs and expenses relating thereto; and

**WHEREAS**, the Authority is not obligated to pay the Governmental Note except from the proceeds derived from the repayment of the Loan and other payments received from the Borrower or from the other security pledged therefor; and

**WHEREAS**, the Funding Lender has indicated its willingness to purchase the Governmental Note through a negotiated private placement; and

**WHEREAS**, a negotiated sale of the Governmental Note to the Funding Lender is necessary and in the best interests of the Authority for the following reasons: the Governmental Note will be a special limited obligation of the Authority payable from amounts derived from the payments by the Borrower pursuant to the Project Loan Agreement and certain other funds and collateral pledged therefor; the Borrower will be required to pay all costs of the Authority in connection with the issuance of the Governmental Note and the administration of the Project and to operate and maintain the Project at the Borrower's own expense; the costs of issuance of the Governmental Note, which must be borne directly or indirectly by the Borrower, would most likely be greater if the Governmental Note were sold at a public sale by competitive bids than if the Governmental Note is sold at a negotiated sale; in light of the unsettled bond market and the necessity of complying with certain requirements of the Code, it is essential that the Authority and the Borrower have maximum flexibility in structuring the Governmental Note, which flexibility would not be possible in competitive bidding; there is no basis, considering prevailing market conditions, for any expectation that the terms and conditions of a sale of the Governmental Note at public sale by competitive bids would be any more favorable than at a negotiated sale; multifamily housing revenue obligations which have the characteristics of the Governmental Note are typically sold at negotiated sale under prevailing market conditions; and the Borrower and the Funding Lender have undertaken substantial negotiations with respect to the Governmental Note and the security therefor; and

**WHEREAS**, notice of a public hearing conducted by the Authority on May 9, 2025, inviting written and oral comments and discussions concerning the issuance of the Governmental Note was published on the Authority's website on April 29, 2025 in accordance with applicable United States Treasury Regulations at least 7 days prior to the date of such hearing; and

**WHEREAS**, on June 10, 2025, the Board approved the issuance of bonds by the Authority for purposes of Section 147(f) of the Code and for purposes of the Act; and

**WHEREAS**, the Authority has received from the State of Florida Division of Bond Finance 2023 carryforward private activity bond volume cap allocation for multifamily housing revenue bonds in the remaining amount of \$75,652,503.45 which may be used by the Authority for the issuance of multifamily housing revenue obligations, including the Governmental Note; and

**WHEREAS**, the Authority desires to authorize the execution of all documents deemed necessary and to be in acceptable form as determined by its Bond Counsel and general counsel to the Authority.

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

**SECTION 1. RECITALS.** The foregoing recitals stated above are hereby found by the Authority to be true and correct and incorporated into this Resolution as findings.

**SECTION 2. DEFINITIONS.** In addition to the terms defined above, the words and terms referred to in this Resolution, unless a different meaning clearly appears from the context, shall have the same meaning in this Resolution as in the Funding Loan Agreement, as applicable.

**SECTION 3. AUTHORIZATION OF THE GOVERNMENTAL NOTE.** For the purpose of providing funds to make the Loan to the Borrower to finance a portion of the costs of the Project, there is hereby authorized by the Authority, a Tax-Exempt Obligation to be known as the "Multifamily Mortgage Revenue Note, Series 2025 (Village of Valor)," in one or more series in the aggregate principal amount of not exceeding FIFTEEN MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$15,875,000).

The proceeds of the Governmental Note, together with the moneys received by the Fiscal Agent from the Borrower or tax credit investor, shall be applied, the Governmental Note shall mature in the years and in the amounts, bear interest at such rate or rates, and be subject to redemption, and be in such form, all as provided in the Funding Loan Agreement. The Authority hereby authorizes, pursuant to the provisions of the Funding Loan Agreement, the use of the proceeds of the Governmental Note to make the Loan to the Borrower for the Borrower to pay a portion of the costs of the Project. The execution of the Funding Loan Agreement by the authorized officers of the Authority as set forth in Section 5 hereof shall constitute approval of such terms as set forth in this Section 3.

**SECTION 4. SECURITY FOR THE GOVERNMENTAL NOTE.** The Governmental Note will be a limited obligation of the Authority. The principal of, or redemption price and interest on, the Governmental Note will be payable solely as provided in the Funding Loan Agreement. Neither the members of the Authority nor any person executing the Governmental Note shall be liable personally on the Governmental Note by reason of the issuance thereof. The Governmental Note will not be a debt of the Authority, the County, the State of Florida (the "State") or any other political subdivision thereof, and neither the faith and credit nor the taxing power of the County, the State or any other political subdivision thereof will be pledged to the payment of the principal of, or redemption price and interest on, the Governmental Note. The Authority has no taxing power.

**SECTION 5. APPROVAL OF FORMS AND EXECUTION OF LOAN DOCUMENTS, INCLUDING FUNDING LOAN AGREEMENT, PROJECT LOAN AGREEMENT, PROJECT NOTE, MORTGAGE AND MORTGAGE ASSIGNMENT.** The forms of the Funding Loan Agreement (including the Governmental Note), the Project Loan Agreement, the Project Note, the Mortgage and the Mortgage Assignment, relating to the Loan, in substantially the form presented at this meeting (some of which are attached hereto as Exhibits A, B-1, B-2, respectively), are hereby approved and adopted by the Authority, together with such changes, modifications



and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the Chairperson's absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the Secretary's absence, any Assistant Secretary) of the Authority is authorized to affix the Seal of the Authority and attest to the execution of the Funding Loan Agreement, the Governmental Note, the Project Loan Agreement and the Mortgage Assignment in the form presented at this meeting, together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and general counsel to the Authority, and provided that the assignment or endorsement of the Project note and the Mortgage Assignment are without recourse, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Authority.

**SECTION 6. APPOINTMENT OF FISCAL AGENT.** U.S. Bank Trust Company, National Association, having its designated office in Fort Lauderdale, Florida, is hereby appointed Fiscal Agent under the Funding Loan Agreement, the Project Loan Agreement, the Project Note, the Mortgage, the Land Use Restriction Agreement and the Indemnity Agreement.

**SECTION 7. APPROVAL AND EXECUTION OF THE LAND USE RESTRICTION AGREEMENT.** The form of the Land Use Restriction Agreement in substantially the form presented at this meeting (and attached hereto as Exhibit E), is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the Chairperson's absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the Secretary's absence, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Land Use Restriction Agreement in the form presented at this meeting, together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and general counsel to the Authority, such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

**SECTION 8. APPROVAL AND EXECUTION OF INDEMNITY AGREEMENT.** The Indemnity Agreement in substantially the form presented at this meeting (and attached hereto as Exhibit F) is hereby approved and adopted by the Authority, together with such changes, modifications and deletions as may be deemed necessary and appropriate. The Chairperson (or, in the Chairperson's absence, the Vice Chairperson or any other member of the Authority in the absence of the Vice Chairperson) is hereby authorized to execute and deliver on behalf of the Authority, and the Secretary (or, in the Secretary's absence, any Assistant Secretary) of the Authority is hereby authorized to affix the Seal of the Authority and attest to the execution of the Indemnity Agreement in the form presented at this meeting together with such changes, modifications and deletions as the officer of the Authority executing the same may deem necessary and appropriate with the advice of Bond Counsel and general counsel to the Authority,

such execution and delivery to be conclusive evidence of the approval and authorization thereof of the Authority.

**SECTION 9. NEGOTIATED PRIVATE SALE OF GOVERNMENTAL NOTE.** Based on the findings contained in the recitals to this Resolution, the Authority finds that it is necessary and in the best interest of the Authority that the Governmental Note is sold on a negotiated basis directly to the Funding Lender so long as (a) the interest rate on the Governmental Note does not exceed the maximum rate permitted by Section 215.84, Florida Statutes, the principal amount is not in excess of \$15,875,000, and the maturity date of the Governmental Note is not later than forty (40) years from the date of issuance thereof, and (b) the Authority receives from the Funding Lender a truth-in-bonding statement required by Section 218.385, Florida Statutes.

**SECTION 10. ACCEPTANCE OF CREDIT UNDERWRITING REPORT.** The Credit Underwriting Report with respect to the Project delivered to the Authority by First Housing is hereby accepted, subject to the items listed under recommendations as items 1 through 6 are confirmed prior to closing.

**SECTION 11. GOVERNMENTAL LENDER FEE.** The Authority hereby waives its customary Authority Fee (identified in the Funding Loan Agreements as the Governmental Lender Fee), and in lieu thereof, shall charge a fee at issuance of the Governmental Note equal to one half of one percent (0.5%) of the authorized principal amount of the Governmental Note, and its annual fee of fifteen basis points (.15%) of the authorized principal amount of the Governmental Note paid annually in semi-annual installments on each January 1 and July 1, commencing with the first January 1 or July 1 occurring after the Conversion Date (as defined in the Funding Loan Agreement), and its customary Authority Program Fee under the Land Use Restriction Agreement following the retirement of the Governmental Note.

**SECTION 12. SEVERABILITY.** In case any one or more of the provisions of this Resolution, or of the documents entered into in connection with the issuance of the Governmental Note 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 thereof and said Governmental Note shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained therein.

**SECTION 13. FURTHER ACTIONS.** The Chairperson, the Vice Chairperson, the Secretary and any Assistant Secretary of the Authority and the other members of the Authority, the Executive Director of the Authority, and the Authority's general counsel or Bond Counsel are hereby authorized and directed to do all acts and things required of them by the provisions of the Governmental Note and the other documents herein approved and also to do all acts and things required of them by the provisions of this Resolution, including, but not limited to, the execution of such other documents that may be required for the better securing of the Governmental Note, making the Governmental Note a Tax-Exempt Obligation or as a condition precedent for the issuance thereof.

**SECTION 14. 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 15.** The County assumes no responsibility for monitoring compliance by the Borrower of applicable federal income tax, securities laws or other regulatory requirements.

The Borrower understands and agrees that it is responsible for, monitoring its compliance with all applicable federal income tax, federal securities law and other regulatory requirements, retaining adequate records of such compliance, and retaining qualified counsel to respond to or assist the Authority and the County in responding to any audit, examination or inquiry of the Internal Revenue Service, the Securities and Exchange Commission or other regulatory body.

The Borrower assumes responsibility for monitoring compliance with applicable provisions of federal tax laws and U.S. Treasury Regulations relative to the Governmental Note and shall retain adequate records of such compliance until at least three (3) years after the Governmental Note is retired.

In the event of any audit, examination, or investigation by the Internal Revenue Service with respect to the tax-exempt status of the Governmental Note or any other related tax matters, the Borrower shall be responsible for retaining qualified counsel to respond to such audit.

*[Remainder of page intentionally left blank]*

**SECTION 16. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

ADOPTED this 13<sup>th</sup> day of June, 2025.

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

(SEAL)

ATTEST:

By: \_\_\_\_\_

Name: Tracy L. Caruso

Title: Chairperson

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Secretary/Assistant Secretary

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

By: \_\_\_\_\_

Morris G. (Skip) Miller, Esq.

Attorney

## EXHIBIT LIST

EXHIBIT A – FUNDING LOAN AGREEMENT  
EXHIBIT B -1– CONSTRUCTION PHASE PROJECT LOAN AGREEMENT  
EXHIBIT B-2 – PERMANENT PHASE PROJECT LOAN AGREEMENT  
EXHIBIT B-3—RESERVED  
EXHIBIT C – RESERVED  
EXHIBIT D – RESERVED  
EXHIBIT E – LAND USE RESTRICTION AGREEMENT  
EXHIBIT F – FEE GUARANTY AND ENVIRONMENTAL INDEMNITY AGREEMENT

## **Tab 3**

### **VI. New Business - attachments**

- a.** “Palm Park” apartments – presentation of application requesting inducement
  - i. Multifamily bond application
- b.** Extension of accounting services engagement
  - i. Weinstein Zugman engagement letter for FY ended September 30, 2025
- c.** Election of Officers and Chair nomination - none



# **2025 Multifamily Rental Housing Revenue Bond Application**

## **Palm Park Apartments**

Acquisition and Rehabilitation of 160 Family Units

12575 Green Cay Farm Blvd, Boynton Beach, Florida 33437

Submitted April 2025

## **APPLICATION**

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

**A. Developer Information:**

1. Applicant Name: *Palm Park (FL) Owner LP* Applicant Federal EIN: 33-4756609
2. Name of owners entity for Inducement Resolution: *Palm Park (FL) Owner 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. Name of Developer: *April Housing LLC*
5. Address: *300 S Grand Avenue, 2<sup>nd</sup> Floor, Los Angeles, CA 90071*
6. Contact Person: *Ben Kurzius*
7. Telephone: *(213) 533-3814* E-mail address: *bkurzius@aprilhousing.com*

**B. Project Information**

Project Name: *Palm Park* County Commission District in which Project is Located: 5

Project address/location: *12575 Green Cay Farm Blvd, Boynton Beach, FL 33437*

Project Category and Population:

1. New Construction ☐ Acquisition/Rehab ☒
2. Is the Project designated to serve a specific target group (i.e. elderly, disabled)?  
No ☒ Yes ☐ If yes, indicate minimum age requirements of household members: *N/A*
3. Provide a detailed description of the project, type and style of development, construction type, location map, site photos, site plan drawings, elevations and unit layout. If Acquisition/Rehab, an existing tenant rent roll showing current rents, a detailed scope/cost of work to be performed, and the status and plans for existing residents both during and after the rehabilitation work is completed as **“Exhibit B”**.



**C. Number of Units:**

Total Number of Units: *160*      Number of Low-Income Set-Aside Units: *160*

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+
1	1	700	16	60%	\$1,316	\$103	\$1,213	N/A
2	2	939	84	60%	\$1,578	\$116	\$1,462	N/A
3	2	1163	60	60%	\$1,824	\$130	\$1,694	N/A

\* 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: \$N/A studio \$103 1 bedroom \$116 2 bedroom \$130 3 bedroom \$N/A  
4 bedroom \$N/A N/A bedroom

+ NOTE: Answer for market rate units only.

**D. 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

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

provided as “Exhibit C”

**K. Will any units be accessible to the handicapped?**

Yes ☒ No ☐ How many? 8

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

Yes ☒ No ☐

If no, explain:

**M. 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.	Construction Amount	Permanent Amount
Tax-exempt Bonds	X	\$44,000,000	\$24,100,000
Taxable Bonds	<input type="checkbox"/>	-	-
LIHTC Equity (4% credits)	X	\$30,406,480	-
Bridge loan	X	\$5,227,649	-
SAIL	<input type="checkbox"/>	-	-
ELI/other FHFC	<input type="checkbox"/>	-	-
Other (Identify Local Funds)	<input type="checkbox"/>	-	-
Seller Note	X	\$14,181,056	\$14,181,056
GP Equity	X	\$100	-
Accrued Interest	<input type="checkbox"/>	-	-
Project revenue	X	\$2,074,898	-
Deferred developer fee	X	\$11,154,878	-
<b>Total</b>		<b>\$107,045,061</b>	<b>\$38,281,056</b>

Briefly describe sources listed above:

*The project will be financed with a combination of tax-exempt bonds, LIHTC equity, and bridge debt from the equity investor. The seller will also leave in a seller note of approximately \$14 million. Additional financing sources include deferred developer fee, and cash flow from operations during construction.*

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 local governmental funding is shown and is not firmly committed, attach an explanation of how and when such funding is to be achieved 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 \$3,378,836

(b) If yes, name of Syndicator: *PNC Bank*

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 D.”**

(c) Is the project located in a QCT/DDA/ZCTA/RECAP: Yes ☒ No ☐  
If yes evidence of such designations are attached as **“Exhibit’s E.”**

(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 *N/A*

Number of years remaining on rental assistance contract: *N/A*

Number of years expected for new rental assistance contract: *N/A*

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:

*This project is expected to be financed with a \$24.1mm Fannie Mae FHA Risk Share loan through PNC Bank. The loan will have a 15-year term and an estimated rate of 6.14%. Additionally, the short-term bonds in the amount of \$19.9mm will be privately placed with PNC Bank. Preliminary commitments for both the Fannie Mae loan and PNC short-term bonds are included in this application.*

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

6. Proposed bond structure:

Type of interest rate expected: fixed ☒ floating ☐

Term of Bonds including option put: *15 years (Long Term/Fannie) and 3 Years (Short Term/PNC)*

Estimated interest terms: *2 years interest-only followed by fully amortizing. Current estimated interest rate of 6.14% with 40-year amortization*

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 G”** 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 minimum principal amount of tax exempt bonds the Applicant will accept to proceed with the Project: \$44,000,000

**N. Proposed Project Schedule**

<u>Activity</u>	<u>Date</u>
Authority board meeting to consider application	06/11/2025
Final site plans & architectural drawings	9/01/2025
Complete third party credit underwriting	10/01/2025
Approval of subordinate financing	11/03/2025
All other necessary local approvals	11/03/2025
Obtain Credit Enhancement/Bond Purchase Commitment	11/03/2025
HUD approvals (if applicable )	N/A
Issue bonds	12/01/2025
Start construction or rehabilitation	12/02/2025
Complete construction or rehabilitation	12/01/2026
Start rent-up	N/A (occupied)
Complete rent-up	N/A (occupied)

**O. 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: *Applicant*

Evidence of Site Control shall be attached hereto as “**Exhibit H**” 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): *Residential Planned Unit Development (PUD)*
- (c) Current zoning permits *N/A* units per acre, or *160 units for the site (PUD)*.
- (d) Total number of Units in Project: *160*
- (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 I”**

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 .”**

If no, local approval is expected on: 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 ”**

- (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: *Yes. The assessment conducted in 2022 identified radon gas concentrations in some units equal to or greater than the USEPA guidance limit. A radon mitigation system was subsequently installed for those units. The Environmental Assessment did not identify any other environmental concerns.*

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 (existing property)*

**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 5 within the State of Florida 55\*

*\*April Housing purchased the AIG and Cornerstone affordable housing portfolios (including properties above) in December 2021. These portfolios included 5 properties in Palm Beach County and 32 in South Florida. These are all existing LIHTC properties. April Housing began its first 4% tax credit project in 2024 and currently has 8 similar projects under construction throughout the country.*

- (c) Applicant/borrower GP:  
Firm: *Palm Park (FL) GP LLC*  
Phone: *213-533-3814*  
Natural principals: *N/A*  
Contact Person: *Ben Kurzius*

- (d) Developer:  
Firm: *April Housing LLC*  
Phone: *213-533-3814*  
Natural principals: *N/A*  
Contact Person: *Ben Kurzius*

- (e) Proposed Architect:  
Firm: *Hooker De Jong (HDJ)*  
Phone: 847-708-8446  
Contact Person: *Joshua Hahn*
- (f) Proposed Managing Agent:  
Firm: *FPI Management*  
Phone: 916-357-5300 ext. 38135  
Contact Person: *Silvia Hernandez*
- (g) Proposed General Contractor:  
Firm: *Southeast Construction Partners*  
Phone: 407-883-0824  
Contact Person: *Richard Ionelli*
- (h) Proposed Developer's Attorney:  
Firm: *Stearns Weaver*  
Phone: (305) 789-4107  
Contact Person: *Brooke Perlyn*
- (i) Proposed Investment Banker (see Authority “Bond Underwriter Selection Policy”) or private placement bond purchaser:  
Firm: *PNC Bank*  
Phone: 714-473-0535  
Contact Person: *Michael Gaber*
- (j) Proposed Credit Underwriter:  
Firm: *First Housing*  
Phone: (850) 776-2628  
Contact Person: *Taylor Arruda*
- (k) Provide the following for the property/project seller or lessor:  
Entity: *12575 Green Cay Farm Blvd (FL) Owner LLC*  
Phone: 213-533-3814  
Contact Person: *Ben Kurzius*

[Remainder of page intentionally left blank]



**Certificate of Understanding**

I, Ben Kurzius, representing Palm Park (FL) Owner LP, 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 25th day of April, 2025.

By: 

Printed Name: Ben Kurzius

Title: Authorized Signatory


Palm Park (FL) Owner LP

By: Palm Park (FL) GP LLC, its general partner

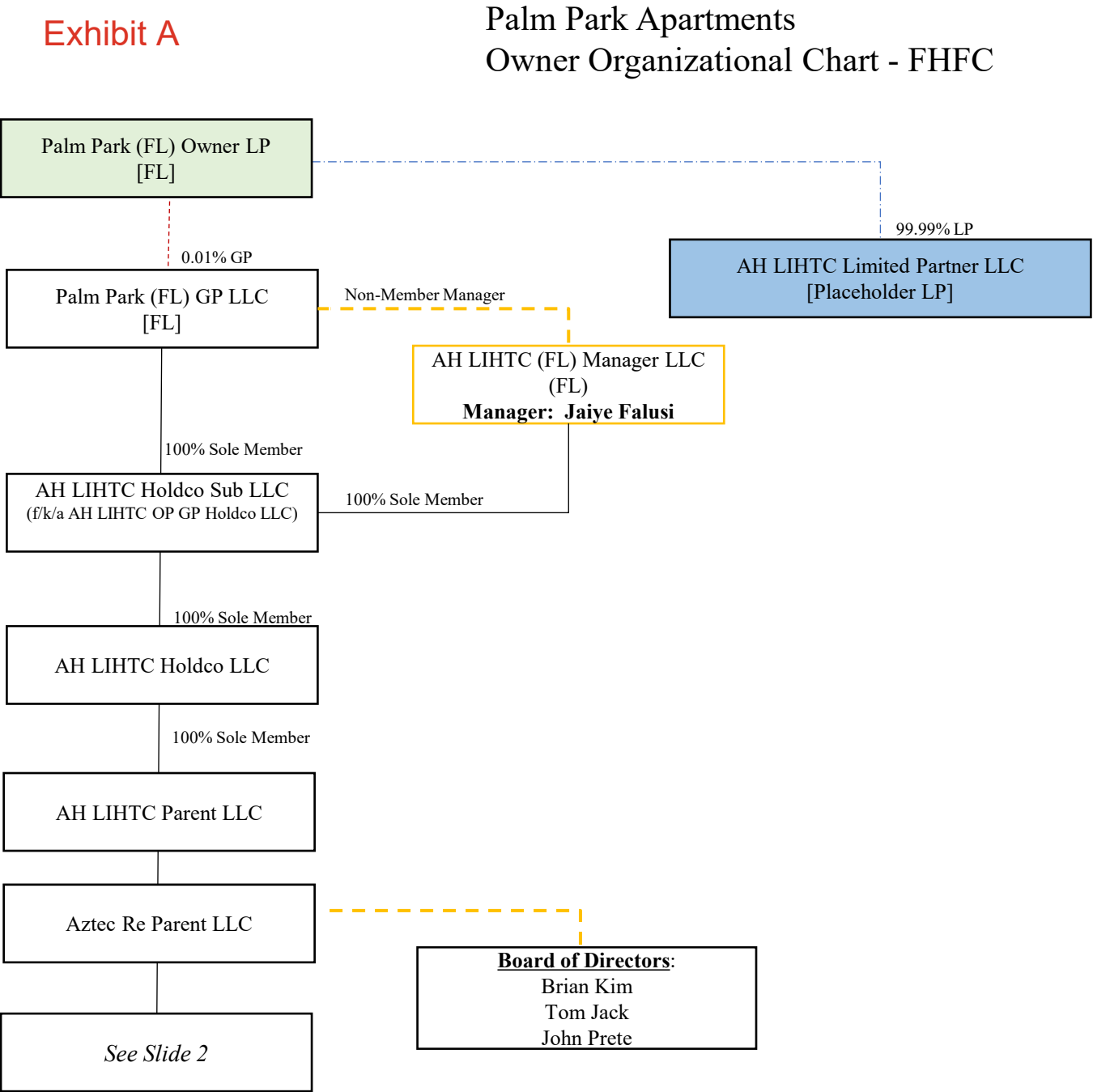
**Credit Enhancer/Bond Purchaser Certificate of Understanding**

I, Michael Gaber, representing PNC Bank, 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 April 25, 2025.

By:   
Printed Name: Michael Gaber  
Title: Senior Vice President

Legend	
<div></div>	Limited Partner Interest
<div></div>	General Partner Interest
<div></div>	Non-Member Manager



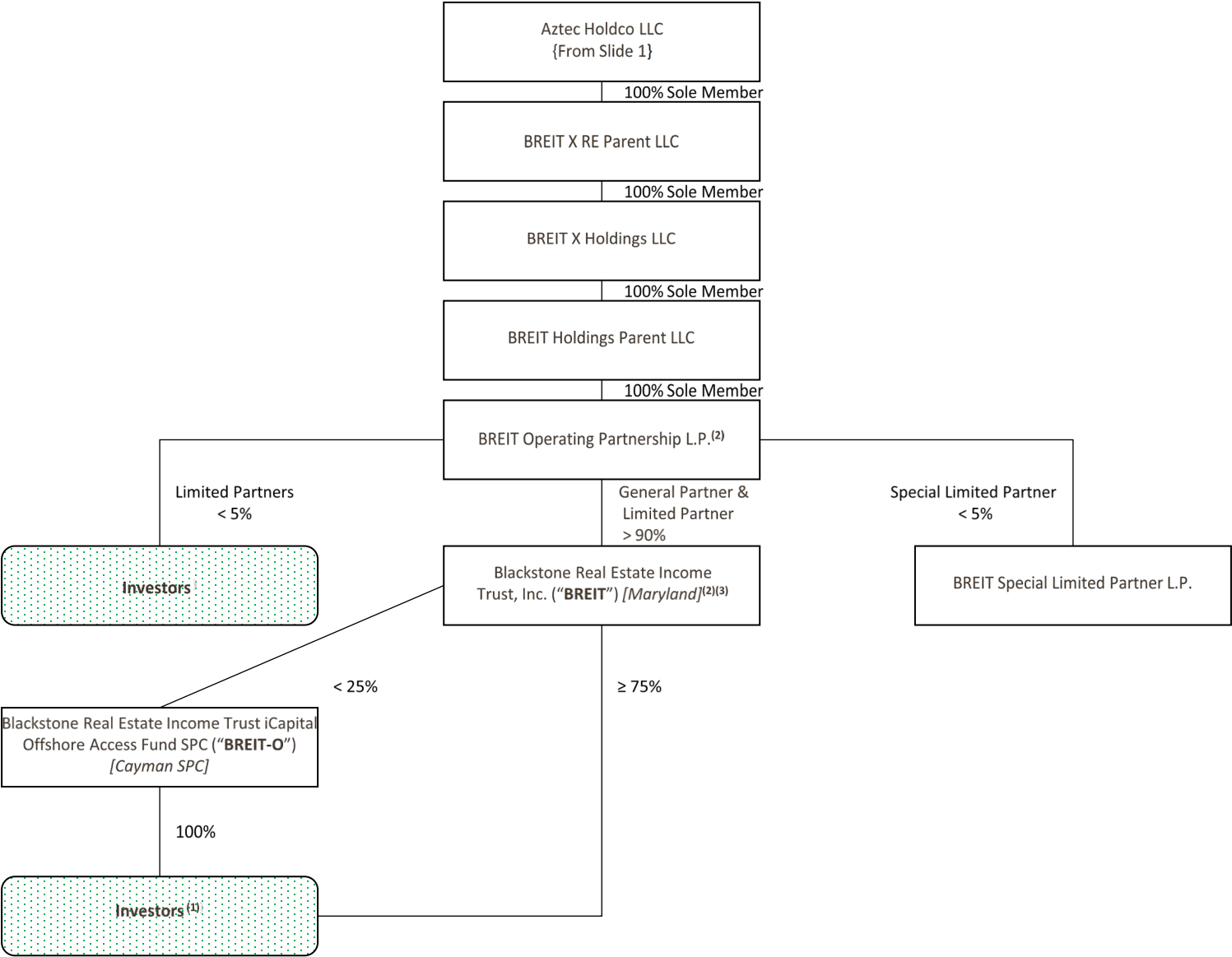
4/23/2025

(1)The Investors are the direct and indirect holders of registered and unregistered shares issued in accordance with applicable securities laws. BREIT is a public reporting company. No Investor owns 10% or more of BREIT or BREIT-O.

2)Other than BREIT, no individual person or entity owns 10% or more of BREIT Operating Partnership L.P.

(3) Blackstone Real Estate Income Trust, Inc. have a board of directors. The identity of the directors on such board of directors are publicly available at <https://ir.blackstone.com/investors/corporate-governance/default.aspx> and <https://www.breit.com/about-breit/governance>.

(4)There are no individuals or entities excluded from the organizational chart which are either non-U.S. individuals or entities with a 10% or greater aggregate direct or indirect ownership interest in Borrower or U.S. individuals or entities with a 25% or greater aggregate direct or indirect ownership interest in Borrower.

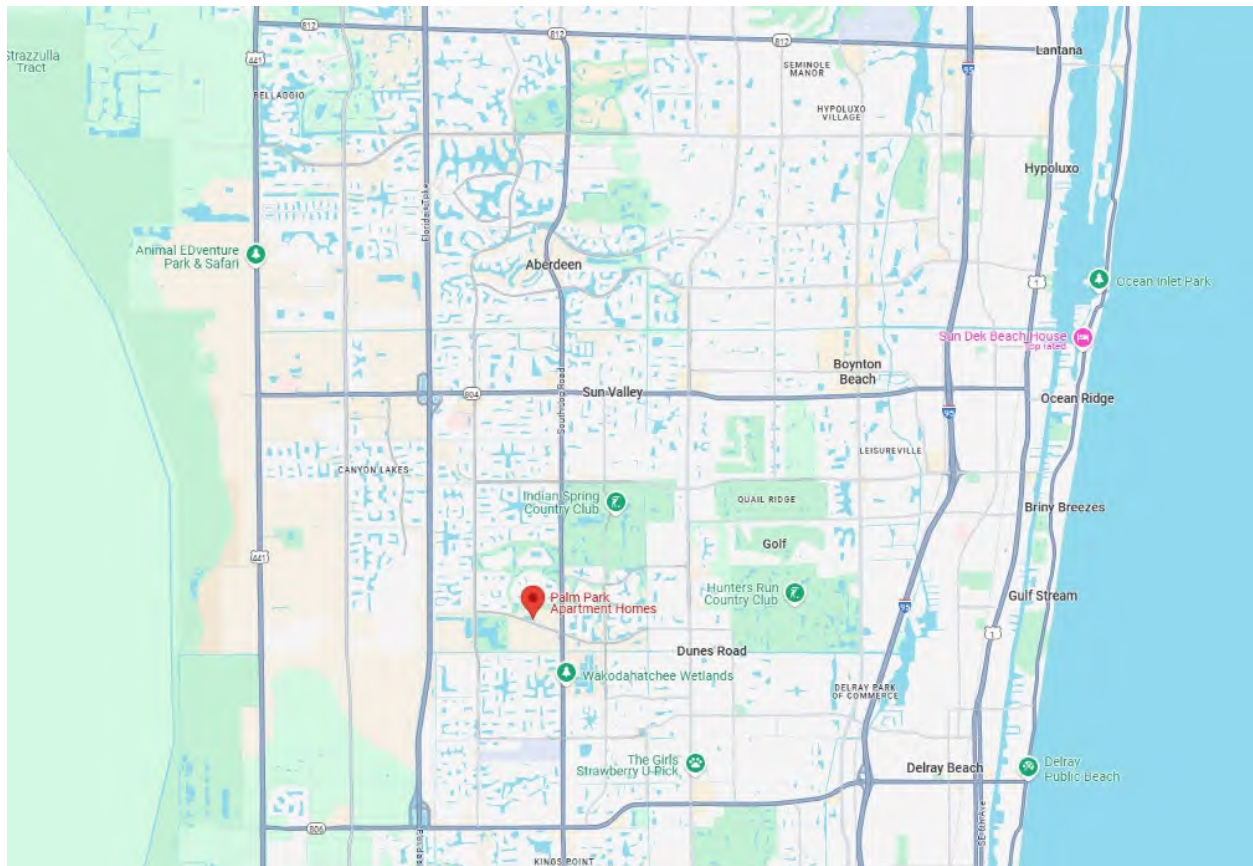


## Exhibit B

### Project Description

Built in 2007, Palm Park is a 160-unit family LIHTC community. The address of the subject property is 12575 Green Cay Farm Blvd, Boynton Beach, FL 33437. The property spans 12.58 acres and is zoned in a Planned Unit Development District (PUD). The site includes seven three-story elevator buildings as well as one clubhouse. Constructed with a concrete-frame design, it includes 16 one-bedroom units, 84 two-bedroom units, and 60 3-bedroom units. All units are set aside at 60% AMI. Current rental rates are: \$1,123 for one-bedroom units, \$1,355 for two-bedroom units, and \$1,571 for three-bedroom units. Current occupancy is 99%. Amenities include a swimming pool, clubhouse, fitness center, and playground. The anticipated closing date for this project is December 1<sup>st</sup>, 2025.

### Location Map







### Site Photos













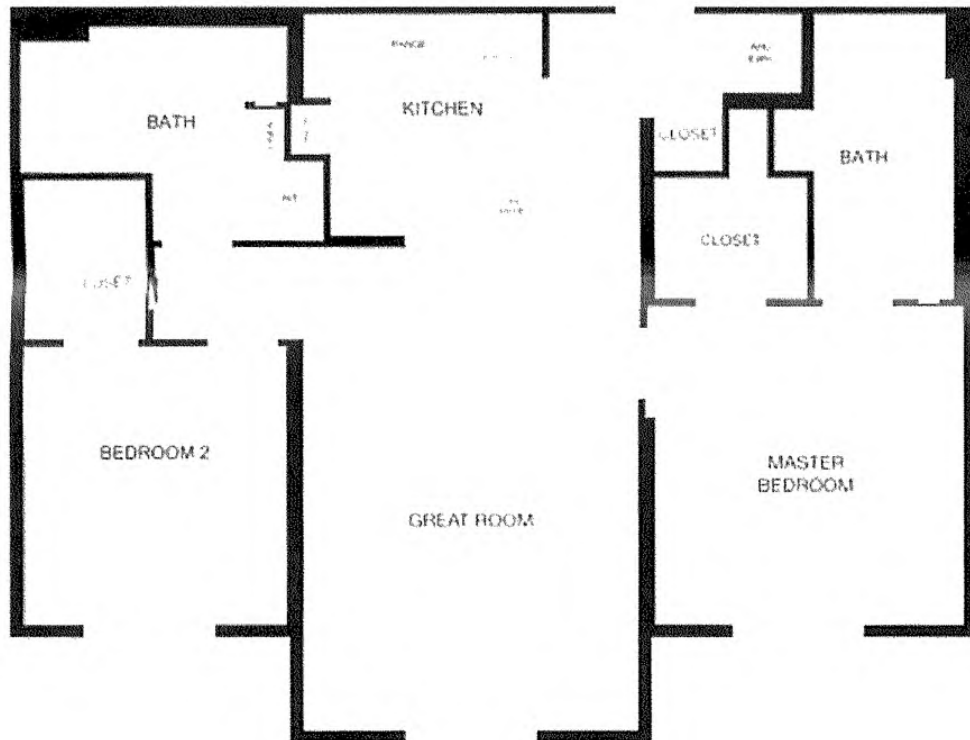


Floor Plans

One-Bedroom



Two-Bedroom



Three-Bedroom



Proposed Rehabilitation Scope and Cost

Planned interior unit upgrades include new LVP flooring in all rooms, new cabinet fronts, countertops, kitchen appliances, plumbing and electrical fixtures, paint, water heaters, and split systems. 5% of units will be upgraded to UFAS accessibility standards and 2% of units will have audiovisual upgrades. Exterior building upgrades include new roofs, stucco repairs, gutter repairs, and exterior paint. Site work includes accessibility upgrades for path of travel and re-striping/sealcoating of parking lot and driveways.

Note, the Property Condition Report (PCNA) will be ordered as part of the credit underwriting process but is not yet available at this phase. The project scope and budgeted costs are based on the team's experience on similar projects. In addition to the standard 10% contingency allowance, the hard cost budget also includes another 10% estimating contingency to account for any unexpected scope adds or cost increases as the project moves towards the bidding phase.

Currently, the cost to perform this scope of work is estimated at \$75,000 per unit or \$12,000,000.

## **Relocation Plan**

### **Summary**

Palm Park is an existing 160-unit affordable garden-style apartment complex located in Boynton Beach, FL. The project involves substantial rehabilitation of the property using another 4% LIHTC allocation that includes appliances, HVAC, roofing, accessibility, and energy efficiency upgrades, among others. The scope of this renovation will require temporary relocation of varying durations while the rehabilitation occurs. The development team will take steps to provide necessary accommodation during this time and minimize hardship for residents. There will be no loss of units or change in bedroom count during the renovations, so permanent relocation is not required.

The project will adequately evaluate the relocation needs of each household, which includes conducting personal interviews as required. Assistance will be provided to meet the special needs of individuals during the renovation process. Relocation activities are anticipated to begin in January 2026, following bond closing and mobilization of the General Contractor's team.

All units are expected to require overnight relocation. We anticipate that work on unit interiors will take approximately one week to complete, and residents will need to be temporarily relocated during that time. Tenants' belongings will either be stored on- or off-site throughout, and they will be provided with the option of an extended stay hotel room, apartment, or a per diem allowance, should they decide to stay with friends and family instead. If units are vacant at the time of construction mobilization, those units will be prioritized in the construction sequence to minimize disruption.

### **Owner/Developer Responsibilities**

The owner is responsible for the costs of packing, transportation, unpacking and reasonable out-of-pocket expenses so there is no hardship created. Eligible move expenses include the following:

- Packing, unpacking;
- Disconnecting, reassembling of personal items
- Any necessary storage, boxes and tape

All residents will receive appropriate notices as required by applicable law.

Sufficient funds will be allocated to pay for the relocation costs. These funds will be used to hire a local moving company to assist with the move, including packing and unpacking, paying for staff time and equipment and supplies, purchases and tenants' out-of-pocket costs.

**Resident Meetings**

1. Resident meetings are a crucial part of the relocation process and will be coordinated and conducted by the Owner. Meetings dates and times will be posted in a prominent location and provided to each resident at least 3 days prior to a meeting. A notice will also be posted in the property management office for resident viewing.
2. Each resident meeting will have and require a sign-in sheet for all meeting attendees. Meeting agenda will be available for each meeting.
3. Resident meetings will be held during hours that accommodate as many residents as possible. The Owner may schedule day and evening meeting to inform residents with different schedules.
4. An informational handout will be distributed; the process will be explained and a question and answer period will follow.
5. Personal interviews may be conducted on-site or during home visits. Additional home visits may be conducted during the process and just prior to all moves.
6. During the personal interviews residents will be asked to disclose if they have bug infestations so that a treatment method can be determined prior to their move.

**Relocation Services and Resources**

The residents will receive at minimum the following:

- Notices: General Notice, Notice to Prospective Tenants, and either Non-Displacement Notice (issued after the contract for funding is signed), or Notice of Relocation Eligibility (if any permanent displacement is required).
- Explanation of all eligible relocation assistance
- Explanation of resident appeal rights if dissatisfied with the relocation process



WEINSTEIN ZUGMAN, LLC  
Certified Public Accountants & Consultants

777 Yamato Road, Suite 130  
Boca Raton, Florida 33431  
Broward 954.351.9000 Palm  
Beach 561.393.0411 Miami-  
Dade 305.947.7717 Fax  
954.351.9011

May 29, 2025

Housing Finance Authority of  
Palm Beach County, Florida ("HFA") ("Authority")  
West Palm Beach, Florida

We are pleased to confirm our acceptance and understanding of the services we are to provide for the HFA, for the year ended September 30, 2025.

You have requested that we perform the following services:

- 1) We will provide you with the following bookkeeping services:
  - a. Analyze and record all transactions reported by the custodian for the general fund and propose standard adjusting entries.
  - b. Review detailed general ledgers and related accounting records for the general fund.

In order to facilitate the work of your independent auditors, we will prepare the following schedules for the general fund to assist the Authority's auditors in the performance of their audit procedures.

- a. Prepare preliminary trial balances by fund.
- b. Prepare lead schedules for cash and investments by fund and investment type.
- c. Prepare a detailed listing of transactions by type:

Interest on investments  
Purchases of investments  
Sale of investments  
Transfers between funds by type  
Expenditures by type

Assist in preparing Management's Discussion and Analysis.

- 2) We will prepare the financial statements of the Authority which comprise the statement of net assets and related statement of revenues, expenses, and changes in net assets and cash flows for the year ended September 30, 2025, and the related notes to the financial statements, and perform a compilation engagement with respect to those financial statements.



The objective of the preparation and compilation portion of our engagement is to—

- prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and
- apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

The financial statement preparation and compilation portion of the engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- a) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- b) The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America.

- c) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- d) The prevention and detection of fraud.
- e) To ensure that the Authority complies with the laws and regulations applicable to its activities.
- f) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- g) To provide us with—
  - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - additional information that we may request from you for the purpose of the compilation engagement.
  - unrestricted access to persons within the Authority of whom we determine it necessary to make inquiries.

As part of our engagement, we will issue a compilation report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

We are not independent with respect to the Authority and will disclose that we are not independent in our compilation report.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to obtain our permission to do so.

#### **Other Relevant Information**

You are responsible for all management decisions and responsibilities and for designating an individual with suitable skill, knowledge, and experience to oversee our bookkeeping and financial statement preparation services. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Steve Borisman is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.



If during the course of our engagement we encounter circumstances, which we believe may create a conflict of interest or conflict with the ethical standards of our profession, we will inform you of our concerns. If these concerns cannot be adequately addressed to our satisfaction, or we are compelled to do so by the professional standards of our profession, we may withdraw from the engagement. Additionally, we reserve the right to withdraw from the engagement should we encounter circumstances, which conflict with the ethical standards of our firm. In either event, you agree to compensate us for our services to the date of the withdrawal.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the engagement.

We estimate that our fees for these services will not exceed \$18,000. The amount of the fee is reliant upon the time required for the transition of the recordkeeping to the Authority including the amount of assistance needed, and the correctness and accuracy of the final product produced by the Authority. The fee estimate is also based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

#### **Other Matters**

In connection with this engagement, we may communicate with you or others via e-mail transmission. We take reasonable measures to secure your confidential information in our e-mail transmissions, including password protecting tax returns and other confidential documents. However, as e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that e-mails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of e-mail transmissions or for the unauthorized use or failed delivery of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of mail transmission, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.



Housing Finance Authority of  
Palm Beach County, Florida  
May 29, 2025  
Page Five

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*Weinstein Zugman, LLC*

Weinstein Zugman, LLC

Acknowledged by:

Housing Finance Authority of  
Palm Beach County, Florida

---

Chairman

---

Date



WEINSTEIN ZUGMAN, LLC  
Certified Public Accountants & Consultants