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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: September 1, 2011

Agenda Item No. 8(K)(1)(B)

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Honorable Carlos A. Gimenez
Mayor

Resolution No. R-670-11

Subject: Winchester Gardens, Ltd Loan Assumption and Modification

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Recommendation

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution approving the change in ownership of Winchester Gardens Apartments and authorizing the County Mayor or the Mayor's designee to approve an Assumption and Modification on the outstanding HOME Loan of $1,804,000 (which currently has an approximate balance of $1,312,479) for the Winchester Gardens Apartments to enhance the development by completing necessary renovations and maintaining quality affordable housing. The scope of work includes replacing the HVAC systems, hot water heaters and appliances to improve the energy efficiency of each unit. The scope of work will also include site work, upgrading the common area amenities, new flooring, cabinetry, counter tops, sinks, plumbing, light fixtures and medicine cabinets.

Scope

The Winchester Gardens Apartments consists of a total of 117 units in garden-style buildings for low- to moderate-income individuals. The property has a community center with a management office and exercise room. The development is located in District 9 at 16440 SW 304 Street, Homestead, FL 33033.

Fiscal Impact

No additional monies are requested as part of this transaction. The new owner will assume the outstanding HOME debt at a reduced interest rate.

Track Record/Monitor

Upon Board approval, the County will contract with the new owner for the assumption of the existing County funded debt. The affordability period will increase for an additional 35 years from the date of the loan closing. Annual monitoring and contract compliance with the executed rental regulatory agreements will continue to be performed by the Department of Housing and Community Development (DHCD).

Background

On April 19, 1994, the Board of County Commissioners (BCC) adopted Resolution R-555-94, approving an allocation of $1,404,000 of 1993 HOME Supplement Disaster Relief funding, and on December 13, 1994, the BCC adopted Resolution R-1899-94, approving an allocation of $400,000 of HOME Supplement Disaster Relief funds, for a total of $1,804,000 for the

Winchester Gardens Apartments development. The development is comprised of 117 units, including 47 units set aside for families earning 50 percent or less of the area median income (AMI) and the remaining 70 units set aside for families earning 60 percent of AMI or less.

Winchester Gardens, Ltd. is a Florida Limited Partnership that was formed on March 28, 1995, to construct and operate Winchester Gardens Apartments. The original General Partners were affiliates of the Related Companies, LP: Related/Winchester, Ltd. with a .01 percent ownership interest, Related Corporate Partners III, LP with a 99.98 percent interest, and Related Corporate SLP, LP ("Related"), a Special Limited Partner, with .01 percent interest. It is recommended that the Board approve the new owner Winchester Gardens Preservation, L.P., with the ownership structure to include Alliant Investor LP, LLC with 99.98 percent interest, Alliant Investor SLP, LLC with .01 percent interest, Winchester Gardens Preservation GP I, LLC with .005 percent interest and Winchester Gardens Preservation GP II, LLC with .005 percent interest. Some members of the new owner are affiliates of Related Companies, LP.

Additionally, the new owner Winchester Gardens Preservation, L.P. is requesting a modification of the County's loan. The agency is expected to close on a Florida Housing Finance (FHFC) Multi-Family Mortgage Revenue Bond in the approximate amount of $6,500,000, to which the County will subordinate its existing loan. FHFC's new loan will be in first position and its existing loan will be in second position. The County's existing note has an interest rate of three percent (3%) in second position with a maturity date of December 1, 2015. If approved, the County's loan and all related County loan documents will be in third position with a one percent interest-only payments made out of available cash flow and will be accounted for on a cash basis. All principal and accrued interest will be payable at date of maturity in 2041. As a part of the refinancing approved by this resolution, the affordability period for the project will be extended for an additional 35 years from the date of the loan closing. This project has been underwritten by an independent firm on behalf of FHFC using these terms. The current property cash flow and repayment is based on that analysis.

Deputy Mayor

MEMORANDUM
(Revised)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: September 1, 2011

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(K)(1)(B)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

✓ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K)(1)(B)
9-1-11

RESOLUTION NO. R-670-11

RESOLUTION APPROVING THE CHANGE IN OWNERSHIP OF THE WINCHESTER GARDENS APARTMENTS DEVELOPMENT AND THE ASSUMPTION AND MODIFICATION OF THE COUNTY HOME INVESTMENT PARTNERSHIPS (HOME) LOAN FOR THE SAME DEVELOPMENT; AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE ALL NECESSARY AGREEMENTS ON BEHALF OF MIAMI-DADE COUNTY

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The Board approves the changes in ownership of the Winchester Gardens Apartments development from Winchester Gardens, Ltd. to Winchester Gardens Preservation, L.P., as described in the accompanying memorandum.

Section 2. The Board approves the assumption of the County's loan documents by Winchester Gardens Preservation, L.P. and the modification of the respective Home Investment Partnerships (HOME) loan.

Section 3. The County Mayor or the County Mayor's designee is authorized, following approval by the County Attorney's Office, to execute all agreements, including subordination agreements, and amendments on behalf of Miami-Dade County to further the purposes set forth in this resolution and to exercise amendment, modification, renewal, cancellation and termination clauses on behalf of the County.

The foregoing resolution was offered by Commissioner **Jose "Pepe" Diaz**, who moved its adoption. The motion was seconded by Commissioner **Audrey Edmonson** and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	**aye**		
Audrey M. Edmonson, Vice Chairwoman	**aye**		
Bruno A. Barreiro	**aye**	Lynda Bell	**aye**
Esteban L. Bovo, Jr.	**aye**	Jose "Pepe" Diaz	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Jean Monestime	**absent**	Dennis C. Moss	**aye**
Rebeca Sosa	**aye**	Sen. Javier D. Souto	**aye**
Xavier L. Suarez	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of September, 2011. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By ***Christopher Agrippa***
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

BKN

Brenda Kuhns Neuman

Florida Housing Finance Corporation

Credit Underwriting Report

Winchester Gardens Apartments

2011A-201B/94DRHR-011/94L-087

Section A: Board Summary

Section B: MMRB NIBP Loan and HOME Loan Special & General Conditions & HC Allocation Recommendations

Section C: Supporting Information

Prepared by

First Housing Development Corporation of Florida

Final Report

April 18, 2011

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Section A

Report Summary

Recommendation:

First Housing recommends a Multifamily Mortgage Revenue Bond ("MMRB") Loan of **$6,500,000** comprised of $3,000,000 in New Issue Bond Program ("NIBP") Bonds and $3,500,000 in Market Rate Tax Exempt Bonds, an annual Housing Credit Allocation of **$409,333** and approval of the assumption, renegotiation, and subordination of a **$1,450,000** existing HOME Loan be awarded for the acquisition, rehabilitation, and permanent financing of the proposed development. First Housing is also recommending the extension of the HOME Loan maturity date for 30.5 years and extension of the HOME Loan affordability period.

<table>
<tr><th colspan="2">DEVELOPMENT & SET-ASIDES</th></tr>
<tr><td>Location</td><td>16440 SW 304th Street, Miami, Miami-Dade County, Florida, 33128</td></tr>
<tr><td>Number of Units/Unit Mix</td><td><table><tr><th>Bedrooms</th><th>Baths</th><th>No. of Units</th><th>Unit Size (Sf)</th></tr><tr><td>1</td><td>1</td><td>36</td><td>548</td></tr><tr><td>2</td><td>1</td><td>45</td><td>755</td></tr><tr><td>3</td><td>2</td><td>36</td><td>953</td></tr><tr><td>Total</td><td></td><td>117</td><td>88,011</td></tr></table></td></tr>
<tr><td>Demographic Commitment

Set Asides

Set Aside Term</td><td>Family (Bonds/HC)

85% (100 Units) @ 60% of AMI (Bonds)
40% (47 units) @ 50% of AMI (9% HC's)
60% (remaining units) @60% of AMI (9% HC's)
100% (117 units) @ 60% of AMI (4% HC's)
40% (47 HOME Assisted Units) @ 50% of AMI (HOME)

Bonds and 9% HC's: 50 years
4% HC's: 30 years
HOME: 50 years</td></tr>
<tr><td>County Size</td><td>Large</td></tr>
<tr><td>Development Type</td><td>Acquisition/Rehabilitation (Originally built in 1995)</td></tr>
<tr><td>Occupancy Rate</td><td>95.7% as of February 28, 2011</td></tr>
<tr><td>Parking</td><td>205 parking spaces per the Survey, or 1.75 spaces per unit (includes 11 handicap parking spaces)</td></tr>
<tr><td>Improvements</td><td>Ten (10) two story "garden" style residential buildings, plus a one story clubhouse with offices all built of concrete block construction with stucco finishes, a swimming pool, laundry rooms and a playground area</td></tr>
<tr><td>Site Acreage</td><td>Approximately 9.043 acres +/- per the survey.</td></tr>
<tr><td>Density</td><td>12.94 units per acre</td></tr>
<tr><td>Zoning</td><td>RU-3M Minimum Apartment House District</td></tr>
<tr><td>Flood Zone Designation</td><td>Flood maps show that the entire parcel lays in Flood Zone "X" as indicated on community panel # 120635 0365 J, dated March 2, 1994 and index map revised July 17, 1995. Mandatory Insurance requirements do not apply.</td></tr>
</table>

DEVELOPMENT TEAM	
Applicant/Borrower	Winchester Gardens Preservation, LP (a Delaware Limited Partnership authorized to transact business in the State of Florida on December 28, 2010).
Co-General Partners	Winchester Gardens Preservation GP, LLC, a Delaware Limited Liability Company, formed on December 14, 2010 and authorized to transact business in Florida on December 28, 2010, will be a .005% Co-General Partner. This LLC's owners are JMP, LLC (33.33%) and Related Apartment Preservation, LLC (66.67%). Related Apartment Preservation, LLC is 100% owned by The Related Companies, LP. Winchester Gardens Preservation GP II, LLC a Delaware Limited Liability Company, formed on December 14, 2010 and authorized to transact business in Florida on December 28, 2010, will be a .005% Co-General Partner. This LLC's owners are 11 CTL, LLC (40%), ADHL, LLC (38%), Affordable Holdings, LLC (15%), and Full Line, LLC (7%).
Limited Partner/Syndicator	Alliant Capital, Ltd. ("Alliant"), or an affiliate thereof, will acquire a 99.99% limited partnership interest.
Guarantors	Winchester Gardens Preservation LP, Winchester Gardens Preservation GP, LLC, Winchester Gardens Preservation GP II, LLC, and The Related Companies, LP will be the Guarantors.
Developer	Winchester Gardens Developer, LLC
General Contractor	Fortune Construction Company (CGC1507096)
Management Company	TRG Management Company of Florida
Credit Enhancer	Oak Grove Capital as DUS Lender for Fannie Mae
FINANCING INFORMATION	
FHFC Programs	MMRB NIBP Tax Exempt Bonds , 4% HC's, and assumed HOME Loan
Total 1st Mortgage Loan Amount	$6,500,000
"All in" Underwritten Interest Rate	5.70%
Term/Amortization	30/35
Second Mortgage HOME Loan (Assumed)	$1,450,000
Underwritten Interest Rate	3.0%
Term/Amortization	30.5/ N/A (Interest-Only based upon available cash flow)
Restricted Rents/Favorable Financing Stabilized Value	$8,000,000
Market Rent Value	$8,200,000
Restricted Rents /Favorable Financing Loan To Value - First Mortgage Only	81.25%
Market Loan to Value – First Mort. Only	79.27%
Restricted Rents/Favorable Financing Loan to Value - First and HOME combined	99.38%

Market Loan to Value – First Mort. And HOME combined	96.95%
Projected Net Operating Income	$547,898
Debt Service Coverage – 1st Mort. Only	1.28
Debt Service Coverage – 1st and HOME	1.16
Debt Service Coverage - All Debt	1.13
FHFC MMRB Loan to Cost	50.9%
FHFC Home Loan to Cost	11.4%
FHFC Assistance Per Unit	$67,949 (Bonds and HOME)
Syndication Price	$0.85
Bond Structure	Fixed Rate

Construction/Permanent Sources

Source	Lender	Construction	Permanent	Permanent loan per Unit
Tax Exempt Bonds	FHFC	$6,500,000	$6,500,000	$55,556
HOME Loan	FHFC HOME Loan	$1,450,000	$1,450,000	$12,393
County HOME Loan	Miami-Dade County HOME Loan	$1,330,000	$1,330,000	$11,368
Housing Credit Equity	Alliant Capital, Ltd.	$1,466,958	$3,334,417	$28,499
Deferred OD Reserves	Alliant Capital, Ltd.	$496,449	$0	$0
Deferred Developer Fee	Winchester Gardens Developer, LLC	$1,515,578	$144,568	$1,236
Total		**$12,758,985**	**$12,758,985**	**$109,051**

Changes from the Application:

COMPARISON CRITERIA	YES	NO
Does the level of experience of the current team equal or exceed that of the team described in the application?	X	
Are all funding sources the same as shown in the Application?	X	
Are all local government recommendations/contributions still in place at the level described in the Application?	X	
Is the Development feasible with all amenities/features listed in the Application?	X	
Do the site plans/architectural drawings account for all amenities/features listed in the Application?	X	
Does the Applicant have site control at or above the level indicated in the Application?	X	
Does the Applicant have adequate zoning as indicated in the Application?	X	
Has the Development been evaluated for feasibility using the total length of set-aside committed to in the Application?	X	

Have the Development costs remained equal to or less than those listed in the Application?		1
Is the Development feasible using the set-asides committed to in the Application?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
HOME ONLY: If points were given for match funds, is the match percentage the same as or greater than that indicated in the Application?	N/A	
HC ONLY: Is the rate of syndication the same as or greater than that shown in the Application?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

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

1. Total Development Costs have increased by $107,413 primarily as a result of additional storm drain and sewer line repairs, additional tub replacement as well as continued carpet replacement at time of individual unit turnover as recommended in the Physical Needs Assessment.

Does the Development Team have any FHFC Financed Developments on the Past Due/Non-Compliance Report?

According to the FHFC Non-Compliance Report dated April 12, 2011, the Development team and/or its affiliates are showing the following non-compliance items:

1. None.

According to the FHFC Past Due Report dated April 19, 2011, the Development team and/or its affiliates are showing the following past due items:

1. None.

Closing of the MMRB Program Loan is conditional upon verification that any outstanding past due items, and/or non-compliance issues noted at the time of closing have been satisfied.

Strengths:

1. According to First Housing's Monthly Program Compliance Reports the Development averaged 96.7% occupancy for 2010 and as of February 2011 the Development was 95.7% occupied based on First Housing's Monthly Compliance Reports.

2. The market study concluded that the subject site is physically and legally well suited for this multifamily development and that the neighborhood provided for all necessary support services for a successful multifamily development.

3. Occupancy levels within Miami-Dade County remain somewhat stable with a weighted occupancy rate of 96.1% for restricted rent developments. The achievable restricted rents are substantially below the market rents. Therefore the Market Study opines that after renovation, the subject property should be able to achieve the maximum allowable restricted rental rates as well as stabilized occupancy at or above 95%.

4. The Subject is not expected to have a negative impact on any Guarantee Fund developments located within the five-mile radius or the PMA. All of the Guarantee Fund developments located within the five mile radius of the Subject are stabilized and have historic occupancy rates ranging from 97 to 100 percent. Based on this data and other indicators of affordable demand, the Subject is not anticipated to affect the occupancy of these Guarantee Fund developments.

5. The renovated Subject will be in good condition and will offer a competitive amenities package. The Subject has slightly smaller than average unit sizes; however, due to the need for affordable housing in the area and the Subject's current performance, we do not believe the slight difference in unit sizes will negatively affect the marketability of the Subject. The weighted average occupancy rate of the LIHTC properties is 96.5 percent, excluding Riverwalk II (considered an outlier due to its location adjacent to a very poorly maintained condominium rental development), indicating demand for affordable housing. Additionally, demographic projections show positive household and population growth. The Subject's proposed affordable rental rates are well-supported in the market and appear market oriented.

6. The principals and Development team, as well as the general contractor, and management group are highly experienced in this field.

7. The 2010 Annual management review was completed on July 7, 2010. At that time the Development was not in compliance regarding record keeping but the physical inspection found the Development to be in an overall "Satisfactory" status. A satisfactory closeout letter regarding recordkeeping issues was provided on August 30, 2010.

8. The Applicant and its Principals, as well as the Limited Partner/Syndicator have sufficient experience and substantial financial resources to rehabilitate and operate the proposed Development.

Other Considerations:

1. None

Mitigating Factors:

1. None

Waiver Requests/Special Conditions:

1. The Applicant has submitted a request for a Rule Waiver which is to be presented at the June 10, 2011FHFC Board Meeting. This request is to waive the required annual fixed interest payment on the existing FHFC HOME Loan to be assumed and to provide as an alternative that its annual interest payment be based on available cash flow in accordance with RFP 2009-06.

Additional Information:

1. The Purchase and Sale Agreement dated January 10, 2011 is between Winchester Gardens, Ltd. ("Seller") and Winchester Gardens Preservation, LP. ("Buyer"). Both entities are affiliated with The Related Companies, LP, the Guarantor.

2. The assumed FHFC HOME Loan includes the continuation of set-asides for 40% of the total units (47 HOME assisted units) at or below 50% AMI for the modified term of the HOME LURA. The HOME LURA will be extended to 50 years from the date of closing this assumption.

3. A portion of the NIPB bonds may be replaced with shorter term market rate bonds. The market rate bonds would be priced lower than the NIBP bonds due to their shorter maturity. This request has been underwritten at the higher anticipated rates. If interest rates decline between underwriting and prior to closing, the Bonds may be resized as long as the requirements of Florida Housing are met in the sole discretion of Florida Housing and its underwriter.

Recommendation:

First Housing recommends a Multifamily Mortgage Revenue Bond Loan of **$6,500,000** comprised of $3,000,000 in New Issue Bond Program Bonds and $3,500,000 in Market Rate Tax Exempt Bonds, an annual Housing Credit Allocation of **$409,333** and approval of the assumption, renegotiation, and subordination of a **$1,450,000** existing HOME Loan be awarded for the acquisition, rehabilitation, and permanent financing of the proposed development. First Housing is also recommending the extension of the HOME Loan maturity date for 30.5 years and extension of the HOME Loan affordability period.

Based on a 1.00 to 1.00 DSC ratio required by the State Board of Administration in their fiscal sufficiency determination, the current Net Operating Income at the current interest rate would support a Tax-Exempt Bond amount of **$8,295,000.**

These recommendations are based upon the assumptions detailed in the Board Summary (Section A), and Supporting Information and Schedules (Section C). In addition, these recommendations are subject to the MMRB Program Loan and Special and General Conditions and HC Allocation Recommendations (Section B). **This recommendation is only valid for six months from the date of the report.**

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

Prepared by:

William J. Metler
Asst. Vice President
Senior Credit Underwriter

Reviewed by:

Ed Busansky
Senior Vice President

Overview

Construction Financing Sources:

Construction Sources	Lender	Application	Revised Applicant	Underwriter	Construction Interest Rate	Annual Construction Debt Service
Tax Exempt Bonds	FHFC Tax Exempt Bonds	$6,500,000	$6,350,000	$6,500,000	5.70%	$370,500
HOME Loan	FHFC HOME Loan	$1,450,000	$1,450,000	$1,450,000	3.00%	$43,500
County HOME Loan	Miami-Dade County HOME Loan	$1,330,000	$1,330,000	$1,330,000	1.00%	$13,300
Housing Credit Equity	Alliant Capital, Ltd.	$1,466,958	$1,317,563	$1,466,958	N/A	N/A
Deferred OD Reserves	Alliant Capital, Ltd.	$400,000	$560,135	$496,449	N/A	N/A
Deferred Developer Fee	Alliant Capital, Ltd.	$1,504,614	$1,840,658	$1,515,578	N/A	N/A
Total		**$12,651,572**	**$12,848,356**	**$12,758,985**		**$427,300**

MMRB Loan:

The Applicant provided a First Mortgage Commitment from Oak Grove Commercial Mortgage for up to $6,500,000 .

The Bonds are anticipated to be comprised of long term NIBP Tax-Exempt Bonds and potentially a mix of various tranches of market rate bonds with shorter redemption periods ranging from five (5) to fifteen (15) years maximum terms. The MMRB financed loan provides for a 30 year term with payments based on a 35 year amortization schedule. The loan will provide for a one year rehabilitation period during which interest only is required. Debt service during the rehabilitation period will be covered by ongoing lease income due to the anticipated minimal tenant relocation during rehabilitation.

Oak Grove Commercial Mortgage, LLC doing business as Oak Grove Capital ("OGC"), an approved DUS Lender for Fannie Mae, has provided a Credit Enhancement commitment dated March 11, 2011 providing for the terms and conditions of the MMRB Loan to include a 30-year term inclusive of a one (1) year interest only rehab period and will be based on a 35 year amortization at a fixed interest rate and will require a Debt Service Coverage ("DSC") ratio of not less than 1.15 to 1.00, including scheduled MMRB Loan principal and interest payments and Issuer fees. The base rate for the combined NIBP and market tax-exempt bonds is a blended rate of 4.30% plus fees in the amount of 1.40% which includes Fannie Mae enhancement, liquidity, and servicing fees as well as 40bps issuer fee, for an anticipated total "all-in" rate of 5.70%.

This allocation is credit enhanced by Fannie Mae through OGC for a period of 30 years which allows the bonds to achieve an "AAA" rating. The Fannie Mae credit enhancement expires at the end of thirty years, at which time unless otherwise extended, a mandatory redemption of the bonds is triggered. The Applicant will be required to pay off the bonds via a refinancing or negotiate an extension of its credit enhancement.

Inasmuch as the interest rate of the MMRB Loan cannot be accurately determined until the bond purchase closes, FHDC has underwritten the subject Development by determining its anticipated Net Operating Income ("NOI"). Based upon an anticipated NOI of $547,898, the subject Development can support the recommended MMRB Program Loan of $6,500,000 at a combined minimum 1.10 DSC as long as total annual Debt Service does not exceed $498,089. If the "all-in" interest rate on the bonds is greater than 6.51% the MMRB Loan will have to be reduced so that the annual debt service does not exceed $498,089. If the MMRB Loan is

reduced, Applicant will have to fund any shortfall with an increase to Deferred Developer Fees and/or an injection of Developer Cash (Equity).

Based upon demographic and market analysis, including existing and proposed developments, the market study consultant projected that any units being vacated during the rehabilitation period for the property would be re-leased immediately upon renovation. Minimal vacancies are anticipated due to the Development's current 95% occupancy rate and anticipated minimal tenant relocation during rehabilitation. The rehabilitation phase will last approximately 9 months. Stabilization is anticipated to effectively remain intact during the rehabilitation period.

Rehabilitation includes refurbishing both the interior and exterior of the buildings and resealing and restriping the parking lot. Interior repairs will include new vanities, tub surrounds, new lighting fixtures, and ceramic tile flooring in the bathrooms. The kitchens will receive new cabinets, new lighting fixtures, new counters, and new energy star appliances. In the general interiors all new water heaters and new split system HVAC units Exterior repairs include roof replacement, exterior lighting, repair of gutters, landscaping, irrigation, sidewalk and concrete repairs, stucco and façade repairs, window and door repair or replacement, pool resurfacing, new playground, updated fitness equipment, refurbishing the community room, and new signage.

FHFC HOME Loan:

An existing FHFC HOME Loan will be modified and assumed by the Applicant at time of closing. The HOME Loan would be subordinate to the Bonds. The outstanding principal balance of this loan is $1,450,000 . The rate is a fixed rate of 3.00% and the term would be modified to be interest only with a 30.5 year term which is six (6) months beyond the maturity date of the first mortgage as required by Fannie Mae. The Applicant has submitted a request for a Rule Waiver which is to be presented at the June 10, 2011 FHFC Board Meeting. This request is to waive the required annual fixed interest payment on the existing FHFC HOME Loan to be assumed and to provide as an alternative that its annual interest payment be based on 75% of available cash flow as required by the Credit Enhancer. All accrued and unpaid interest would be due at maturity. Currently FHFC is paying all permanent loan servicing and compliance monitoring fees for the HOME Loan according to its agreement with HUD. After May 6, 2016, the Borrower will be required to pay all permanent loan servicing and compliance monitoring fees for the HOME Loan. Applicant has agreed to subordinate repayment of deferred developer fee to annual HOME interest owed.

County HOME Loan:

An existing County HOME Loan will be assumed by the Applicant at time of closing. The County HOME Loan would be subordinate to the Bonds and the FHFC HOME Loan. The outstanding principal balance of this loan is $1,330,000 . The rate is a fixed rate of 1.00% and the term would be modified to 35 years. Interest payments will be based on available cash flow.

Housing Credits ("HC") Equity Investment:

In addition to the proposed bonds, the Applicant has applied for Housing Credits. Since the subject expects to receive tax-exempt bonds greater than 50% of cost, it has applied for 4% federal credits. A preliminary estimate of the credits available to the property was performed. The housing credit calculation is contained in Exhibit 2 of this report.

A proposal from Alliant Capital, Ltd., dated January 6, 2011 was received and reviewed. The proposal indicates that Alliant will purchase a 99.99% interest in the Limited Partnership, in exchange for $3,334,417 to be paid as follows:

Syndication Contributions

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	$1,000,325	30.00%	Closing of Partnership
2nd Installment	$466,633	13.99%	50% Complete
3rd Installment	$1,867,459	56.01%	lien free completion of rehabilitation, issuance of all permanent certificates of occupancy, receipt of final cost certifications, 90% occupancy, issuance of all 8609's, and conversion of all bond financing to permanent financing.
Total	$3,334,417	100.00%	

Annual Credit Per Syndication Agreement	$392,324
Calculated HC Exchange Rate	$0.85
Limited Partner Ownership Percentage	99.99%
Proceeds Available During Construction	$1,466,958

Notes:

1. The First Installment at closing will meet the 15% requirement per the application.

2. The syndicator requires an operating reserve be funded at closing, in an amount equal to six (6) months of operating expenses and debt service. These funds, estimated to be $496,449 are to be used subsequent to required funding of operating loans and any unused portion of this reserve will be released to the project partnership upon the termination of the compliance period.

Other Sources of Funds:

Additional Sources of funds for this Development are Deferred Developer Fees and/or Developer's equity, if necessary. During the construction period, the developer must defer $1,515,578 or 89.0% of available developer fees.

Permanent Financing Sources:

Permanent Sources	Lender	Application	Revised Applicant	Underwriter	Term Yrs.	Amort. Yrs.	Interest Rate	Annual Debt Service
Tax Exempt Bonds	FHFC Tax Exempt Bonds	$6,500,000	$6,350,000	$6,500,000	30	35	5.70%	$429,146
HOME Loan	FHFC HOME Loan	$1,450,000	$1,450,000	$1,450,000	30.5	0	3.00%	$43,500
County HOME Loan	Miami-Dade County HOME Loan	$1,330,000	$1,330,000	$1,330,000	35	0	1.00%	$13,300
Housing Credit Equity	Alliant Capital, Ltd.	$3,334,417	$3,334,417	$3,334,417	N/A	N/A	N/A	N/A
Deferred Developer Fee	Winchester Gardens Developer, LLC	$37,155	$248,641	$144,568	N/A	N/A	N/A	N/A
Total		**$12,651,572**	**$12,713,058**	**$12,758,985**				$485,946

MMRB Loan:

The Applicant provided a First Mortgage Commitment from Oak Grove Commercial Mortgage for up to $6,500,000 .

The Bonds are anticipated to be comprised of long term NIBP Tax-Exempt Bonds and potentially a mix of various tranches of market rate bonds with shorter redemption periods ranging from five (5) to fifteen (15) years maximum terms. The MMRB financed loan provides for a 30 year term with payments based on a 35 year amortization schedule.

Oak Grove Commercial Mortgage, LLC doing business as Oak Grove Capital ("OGC"), an approved Seller/Servicer for Fannie Mae, has provided a Credit Enhancement commitment dated March 11, 2011 providing for the terms and conditions of the MMRB Loan to include a 30-year term based on a 35 year amortization at a fixed interest rate and will require a Debt Service Coverage ("DSC") ratio of not less than 1.15 to 1.00, including scheduled MMRB Loan principal and interest payments and Issuer fees. The base rate for the combined NIBP and tax-exempt bonds is a blended rate of 4.30% plus fees in the amount of 1.40% which includes Fannie Mae enhancement, liquidity, and servicing fees as well as 40bps issuer fee, for an anticipated total "all-in" rate of 5.70%.

This allocation is credit enhanced by Fannie Mae through OGC for a period of 30 years which allows the bonds to achieve an "AAA" rating. The Fannie Mae credit enhancement expires at the end of thirty years, at which time unless otherwise extended, a mandatory redemption of the bonds is triggered. The Applicant will be required to pay off the bonds via a refinancing or negotiate an extension of its credit enhancement.

Inasmuch as the interest rate of the MMRB Loan cannot be accurately determined until the bond purchase closes, FHDC has underwritten the subject Development by determining its anticipated Net Operating Income ("NOI"). Based upon an anticipated NOI of $547,898, the subject Development can support the recommended MMRB Program Loan of $6,500,000 at a combined minimum 1.10 DSC as long as total annual Debt Service does not exceed $498,089. If the "all-in" interest rate on the bonds is greater than 6.51% the MMRB Loan will have to be reduced so that the annual debt service does not exceed $498,089. If the MMRB Loan is reduced, Applicant will have to fund any shortfall with an increase to Deferred Developer Fees and/or an injection of Developer Cash (Equity).

FHFC HOME Loan:

An existing FHFC HOME Loan will be modified and assumed by the Applicant at time of closing. The HOME Loan would be subordinate to the Bonds. The outstanding principal balance of this loan is $1,450,000 . The rate is a fixed rate of 3.00% and the term would be modified to be interest only with a 30.5 year term which is six (6) months beyond the maturity date of the first mortgage as required by Fannie Mae. The Applicant has submitted a request for a Rule Waiver which is to be presented at the June 10, 2011 FHFC Board Meeting. This request is to waive the required annual fixed interest payment on the existing FHFC HOME Loan to be assumed and to provide as an alternative that its annual interest payment be based on 75% of available cash flow as required by the Credit Enhancer. All accrued and unpaid interest would be due at maturity. Currently FHFC is paying all permanent loan servicing and compliance monitoring fees for the HOME Loan according to its agreement with HUD. After May 6, 2016, the Borrower will be required to pay all permanent loan servicing and compliance monitoring fees for the HOME Loan. Applicant has agreed to subordinate repayment of deferred developer fee to annual HOME interest owed.

County HOME Loan:

An existing County HOME Loan will be assumed by the Applicant at time of closing. The County HOME Loan would be subordinate to the Bonds and the FHFC HOME Loan. The outstanding principal balance of this loan is $1,330,000 . The rate is a fixed rate of 1.00% and the term would be modified to 35 years. Interest payments will be based on available cash flow.

Housing Credits ("HC") Equity Investment:

In addition to the proposed bonds, the Applicant has applied for Housing Credits. Since the subject expects to receive tax-exempt bonds greater than 50% of cost, it has applied for 4% federal credits. A preliminary estimate of the credits available to the property was performed. The housing credit calculation is contained in Exhibit 2 of this report.

A proposal from Alliant Capital, Ltd., dated January 6, 2011 was received and reviewed. The commitment indicates that Alliant Capital, Ltd will purchase a 99.99% interest in the Limited Partnership, in exchange for $3,334,417

Other Sources of Funds:

Applicant will have to defer $144,568 or 8.5% of Developer Fees during the permanent period.

Uses of Funds

Construction Cost	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Site Work	$0	$0	$0	$0
Rehabilitation of Existing Unit	$2,700,000	$2,809,800	$2,809,800	$0
Accessory Buildings	$0	$0	$0	$0
Demolition	$0	$0	$0	$0
Recreational Facilities	$0	$0	$0	$0
Total Hard Costs	**$2,700,000**	**$2,809,800**	**$2,809,800**	**$0**
General Contractor Fee	$378,000	$393,372	$393,372	$0
Total Construction Contract	**$3,078,000**	**$3,203,172**	**$3,203,172**	**$0**
Payment and Performance Bond	$92,340	$96,095	$96,095	$14,414
Furniture	$0	$0	$0	$0
Hard Cost Contingency	$270,000	$280,980	$280,980	$0
Total Construction Cost	**$3,440,340**	**$3,580,247**	**$3,580,247**	**$14,414**

Notes to the Actual Construction Costs:

1. The G/C fees are within the maximum 14% allowed by the Rule.

2. The Applicant has also budgeted for the cost of the Payment and Performance Bond.

3. First Housing recommends the funded hard cost contingency at 10% ($280,980) of the total hard cost for this acquisition/rehabilitation Development. The Developer has substantial experience with acquisition/rehab in the Miami-Dade area.

4. First Housing used the cost outlined in the revised Construction Contract dated March 25, 2011 between the Applicant and its affiliate Fortune Construction Company. This contract reflects a stipulated sum of $3,203,172 . The Construction Schedule indicates 100% completion within a period of 180 days (6 months).

General Development Costs	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Accounting Fees	$45,000	$45,000	$45,000	$0
Appraisal	$10,000	$10,000	$9,000	$0
Architect's Fee -Design	$20,000	$20,000	$20,000	$0
Architect's Fee- Supervision	$30,000	$30,000	$30,000	$0
Builder's Risk Insurance	$0	$0	$0	$0
Building Permits	$60,000	$60,000	$60,000	$0
Engineering Fee	$10,000	$10,000	$10,000	$0
Environmental Report	$45,000	$45,000	$45,000	$0
FHFC Administrative Fee	$31,402	$32,350	$32,747	$32,747
FHFC Application Fee	$0	$3,000	$3,000	$3,000
FHFC HC Compliance Fee	$0	$0	$0	$0
FHFC Credit Underwriting Fee	$37,100	$16,800	$16,800	$16,800
Impact Fees	$0	$0	$0	$0
Inspection Fees	$20,000	$20,000	$20,000	$0
Insurance	$0	$0	$0	$0
Lease-Up Reserve	$0	$0	$0	$0
Legal Fees	$316,000	$316,000	$316,000	$246,000
Market Study	$10,000	$10,000	$9,000	$0
Marketing and Advertising	$0	$0	$0	$0
Pre-Construction Analysis	$0	$0	$2,350	$0
Property Taxes	$0	$0	$0	$0
Additional Security During Rehab	$25,000	$25,000	$25,000	$0
Survey	$15,000	$15,000	$15,000	$0
Title Insurance and Recording Fees	$100,000	$100,000	$100,000	$15,000
Travel Expenses	$20,000	$20,000	$10,000	$0
Organizational Expenses	$10,000	$10,000	$10,000	$10,000
Soft Cost Contingency	$109,009	$107,750	$107,750	$0
Total General Development Costs	**$913,511**	**$895,900**	**$886,647**	**$323,547**

Notes to the General Development Costs:

1. The budget includes a soft cost contingency of $107,750 which is equal to 13.8% of General Development Cost.

2. There are no insurance or property taxes as Applicant is paying those costs out of the ongoing operating revenues of this existing Development.

3. There is no soils report as this is an acquisition/rehabilitation of existing buildings.

4. The FHFC Administrative Fee is based on 8% of the annual housing credit allocation.

5. Remaining General Development Costs are the applicant's updated estimates, which appear reasonable.

Financial Costs	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Credit Enhancement Fee	$0	$0	$0	$0
Permanent Loan Origination Fee	$119,250	$119,250	$119,250	$119,250
Construction Loan Costs	$0	$0	$0	$0
FHFC HOME Loan Assumption Fee	$0	$0	$1,450	$0
FHFC Renegotiation Fee	$0	$0	$7,250	$1,813
Permanent Loan Closing Costs	$34,000	$34,000	$34,000	$34,000
Equity Investor Expenses	$40,000	$40,000	$40,000	$40,000
Tax and Insurance Escrows	$110,843	$90,933	$90,933	$90,933
Replacement Reserves	$87,750	$0	$0	$0
Operating Deficit Reserve	$400,000	$560,135	$496,449	$496,449
Total Financial Costs	**$791,843**	**$844,318**	**$789,332**	**$782,445**

Notes to the Financial Costs:

1. The MMRB financed loan will require payments of principal and interest during the rehabilitation period and this will be paid from ongoing operating income.

2. Operating reserves and debt service reserves are required by the Syndicator and are equivalent to 6 months operating expenses and debt service.

3. Real estate tax and insurance escrows are required by the first mortgage lender (Oak Grove). Current escrow balances are being transferred and augmented to meet current needs.

Non-Land Acquisition Costs	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Building Acquisition Cost	$4,930,000	$4,930,000	$4,700,000	$0
Total Non-Land Acquisition Costs	**$4,930,000**	**$4,930,000**	**$4,700,000**	**$0**

Notes to Non-Land Acquisition Costs:

1. The purchase price of the existing land and building at $5,800,000 is less than the current "as-is" restricted rent/ market financing value of $6,500,000.

2. The Purchase and Sale agreement dated January 10, 2011 is between Winchester Gardens, Ltd. ("Seller") and Winchester Gardens Preservation, LP. ("Buyer"). Both entities are affiliated with The Related Companies, LP, and the Guarantor.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Development Costs Before Developer Fee and Land Costs	**$10,075,694**	**$10,250,465**	**$9,956,226**	**$1,120,406**

Other Development Costs	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Developer Fee	$1,705,878	$840,491	$856,760	$93,624
Developer Fee on Building	$0	$887,400	$846,000	$0
Total Other Development Costs	**$1,705,878**	**$1,727,891**	**$1,702,759**	**$93,624**

Notes to the Other Development Costs:

1. The recommended Developer's fee is equal to or less than 18% of total development cost before land costs, reserves, and developer fee.

Acquisition Cost	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Land	$870,000	$870,000	$1,100,000	$1,100,000
Other	$0	$0	$0	$0
Total Acquisition Cost	**$870,000**	**$870,000**	**$1,100,000**	**$1,100,000**

1. The purchase price of the existing land and building at $5,800,000 is less than the current "as-is" restricted rent/ market financing value of $6,500,000.

2. The Purchase and Sale agreement dated January 10, 2011 is between Winchester Gardens, Ltd. ("Seller") and Winchester Gardens Preservation, LP. ("Buyer"). Both entities are affiliated with The Related Companies, LP, and the Guarantor.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Cost	HC Ineligible Costs
Total Development Costs	**$12,651,572**	**$12,848,356**	**$12,758,985**	**$2,314,030**

Notes to Total Development Cost:

1. Total Development costs have increased from $12,651,572 to $12,758,985 which is an increase of $107,413. The primary difference is due to an increase in the rehabilitation budget.

OPERATING PROFORMA

Description	2010 Actual	Underwriter's Estimate	Per Unit
Revenue			
Gross Potential Revenue	$1,012,494	$1,064,808	$9,101
Other Income			
Washer/Dryer	$11,803	$12,600	$108
Cable	$2,237	$2,232	$19
Miscellaneous	$48,351	$42,540	$364
Gross Potential Revenue	$1,074,885	$1,122,180	$9,591
Vacancy and Collection Loss @ 6%	($65,787)	($67,331)	($575)
Total Effective Gross Revenue	**$1,009,098**	**$1,054,849**	$9,016
Expenses			
Fixed			
Real Estate Taxes	$57,817	$62,560	$535
Insurance	$67,328	$67,626	$578
Variable			
Management Fee @ 5%	$45,409	$52,742	$451
General and Adminstrative	$47,604	$54,522	$467
Payroll Expenses	$125,686	$115,800	$990
Utilities	$55,203	$48,025	$410
Marketing and Advertising	$12,397	$12,000	$103
Maintenance and Repairs	$24,063	$26,400	$226
Grounds Maintenance and Landscaping	$25,007	$32,176	$275
Reserve for Replacements	$35,100	$35,100	$300
Total Expenses	**$495,614**	**$506,951**	$4,334
Net Operating Income	**$513,484**	**$547,898**	$4,682
Debt Service Payments			
FHFC Tax Exempt Bonds	$159,144	$429,146	$3,668
FHFC HOME Loan	$91,270	$43,500	$372
Miami-Dade County HOME Loan	$39,150	$13,300	$114
Total Debt Service Payments	**$289,564**	**$485,946**	$4,153
Cash Flow After Debt Service	**$223,920**	**$61,952**	$528

Debt Service Coverage Ratios		
FHFC Tax Exempt Bonds	3.23	1.28
FHFC HOME Loan	2.05	1.16
Miami-Dade County HOME Loan	1.77	1.13
Debt Service Coverage - All Loans	1.77	1.13
Financial Ratios		
Operating Expense Ratio	49%	48%
Break-Even Occupancy Rate	73%	88%

Notes to the Operating Proforma and Ratios:

1. Gross Potential Rental Revenue is based upon the 2010 maximum restricted rents less utility allowance as required by the HC Program, the HOME Program, or the Appraiser's estimate of attainable market rents. Due to the assumption of an existing HOME Loan provided by FHFC there are 47 units set aside at 50% AMI. The HOME LURA explicitly requires that "Of the 47 HOME units, 36 units will contain one bedroom and one bathroom and each unit shall consist of 548 total square feet. The remaining eleven (11) units will contain three bedrooms and two bathrooms and each unit shall consist of 953 total square feet." The required HOME set-aside requirement consequently also meets the HC's unit set-aside for the 40% at 50% AMI units. The Credit Underwriter anticipates that upon completion of rehabilitation the 50% AMI units will achieve maximum rents. The anticipated rent roll is as follows:

County (MSA) Miami-Dade County

Bedrooms	Baths	No. of Units	Unit Size (SF)	Median Income %	FMR (DRHR) HOME Maximum Rents	Max Gross HC Rents	Utility Allowance	Max Net HC or HOME Rents	Underwriter Rents	Annual Rents
1	1	36	548	50%	$994	N/A	$92	$902	$568	$245,376
2	1	45	755	60%	N/A	$949	$126	$823	$823	$444,420
3	2	11	953	50%	$1,542	N/A	$173	$1,369	$741	$97,812
3	2	25	953	60%	N/A	$1,097	$173	$924	$924	$277,200
Total		**117**	**88,011**							**$1,064,808**

2. The vacancy and collection loss rate of 6.0% is based on the Appraiser's estimate. Historically the Development has been experiencing occupancy levels in the mid 90's.

3. Miscellaneous Income (i.e. vending income, late charges, pet deposits, forfeited security deposits, etc.) is calculated based on historical numbers. Washer and Dryer income is calculated on historical averages. The appraisal supports these other income estimates.

4. Based upon actual operating data, operating data from comparable properties, third-party reports (Appraisal and Market Study) and the Credit Underwriter'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.

5. The Applicant has submitted a Management Agreement which reflects a management fee of 4.0% of actual receipts or a minimum of $3,500 monthly and contains the appropriate verbiage regarding compliance with tenant income and rent restrictions. For purposes of this report the Credit Underwriter used the industry standard 5.0% management fee which is supported by the Appraiser's estimate.

6. Replacement Reserves of $300 per unit per year are recommended. An inflation factor based upon the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable to FHFC that evidences an increase in the deposit is excessive or unnecessary.

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

8. Refer to the Expense Comparables Table for further details of comparable property operating expenses.

Miami-Dade Expense Comparables:

Deal	Riverwalk I	Cutler Vista	Cutler Hammock	Hibiscus Pointe
County	Miami/Dade	Miami/Dade	Miami/Dade	Miami/Dade
Number of Units	123	216	262	212
Year Completed	Rehab 2008	2006 Rehab	2007 Rehab	2004

Managent Company	TRG	TRG	TRG	Cornerstone	**Average**	**Appraiser**	**Developer**	**First Housing**
Real Estate Taxes	$630	$631	$593	$637	$623	$757	$542	$535
Insurance	$593	$442	$424	$414	$468	$578	$537	$578
Management Fee	$330	$388	$398	$464	$395	$359	$444	$451
General and Adminstrative	$578	$237	$258	$359	$358	$466	$365	$467
Payroll Expenses	$1,044	$353	$371	$1,232	$750	$947	$1,338	$990
Utilities	$923	$626	$760	$849	$790	$325	$350	$410
Marketing and Advertising	$109	$38	$67	$49	$66	$80	$103	$103
Maintenance and Repairs	$886	$1,019	$1,007	$431	$836	$350	$367	$226
Grounds Maintenance and Landscaping	$159	$0	$0	$190	$87	$275	$162	$275
Miscellaneous	$129	$103	$265	$406	$226	$0	$33	$0
Reserve for Replacements	$250	$250	$125	$200	$206	$250	$300	$300
Total Expenses Per Unit	**$5,631**	**$4,087**	**$4,268**	**$5,231**	**$4,804**	**$4,387**	**$4,541**	**$4,334**

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Section B

MMRB NIBP Program Special and General Loan Conditions, & HC Allocation Recommendations

Special Conditions

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

1. Draft Land purchase closing statement consistent with the Purchase and Sales Contract if the land has not already closed to verify the final land purchase price, after any adjustments for real estate taxes, increases in price due to extended closing date, etc.

2. Receipt and satisfactory review of 2010 year end audited financial statements for The Related Companies, LP.

3. Receipt of a non-refundable assumption fee equal to one-tenth of one percent of the HOME Loan amount on the date of the HOME Loan assumption.

4. Receipt of a non-refundable renegotiation fee equal to one-half of one percent of the HOME Loan amount on the date of the HOME Loan assumption.

5. The HOME Loan LURA will be extended to 50 years from the date of the closing of this assumption.

6. After May 6, 2016, the Applicant will pay all permanent loan servicing and compliance monitoring fees for the HOME Loan.

7. Applicant shall pay all annual Housing Credit Compliance Fees on the original Housing Credits (94L-087) after closing. Compliance fees were prepaid for the first fifteen (15) years. Years 16 thru 50 shall be paid annually by the Applicant to the FHFC Servicer if the Bond LURA is extinguished.

8. Applicant has agreed to subordinate repayment of deferred developer fee to annual HOME interest owed.

9. Payment of all accrued and unpaid interest currently outstanding on the existing HOME Loan by the Seller at closing.

General Conditions

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

1. The developer is only allowed to draw a maximum of 50% of the total developer fee (developer fee minus acquisition developer fee) during construction/rehabilitation, but in no case more than the payable developer fee, which is determined to be "developer's overhead". No more than 35% of "developer's overhead" during construction/

rehabilitation will be allowed to be disbursed at closing. The remainder of the "developer's overhead" will be disbursed during construction/rehabilitation on a pro rata basis, based on the percentage of completion of the Development, as approved and reviewed by FHFC and Servicer. The remaining unpaid developer fee shall be considered attributable to "developer's profit" and may not be funded until the Development has achieved 100% lien free completion, and retainage has been released. The acquisition development fee is earned and payable at closing.

2. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing, and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

3. Building permits and any other necessary approvals and permits (e.g., final site plan approval, water management district, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.). An acceptable alternative to this requirement is receipt and satisfactory review of a letter from the local permitting and approval authority stating that the above referenced permits and approvals will be issued upon receipt of applicable fees (with no other conditions), or evidence of 100% lien-free completion, if applicable. If a letter is provided, copies of all permits will be required as a condition of the first post-closing draw.

4. The final "as permitted" (signed and sealed) site plans, building plans, and specifications.

5. Final sources and uses of funds itemized by source and line item, in a format and in amounts approved by the Servicer. A detailed calculation of the construction interest based on the final draw schedule (see below), documentation of the closing costs, and draft loan closing statement must also be provided. The final sources and uses of funds schedule will be attached to the Loan Agreements as the approved Development budget.

6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. MMRB Program loan proceeds shall be disbursed pro-rata with other funding sources during the construction or rehabilitation period, unless otherwise approved by the Credit Underwriter. The closing draw must include appropriate backup and wiring instructions.

7. Evidence of general liability, flood (if applicable), builder's risk and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, with coverage, deductibles and amounts satisfactory to Florida Housing.

8. If the Development is not 100% lien-free completed, a 100% Payment and Performance Bond or a Letter of Credit (LOC) in an amount not less than 25% of the construction contract is required in order to secure the construction contract between the GC and the Borrower. In either case, Florida Housing must be listed as co-obligee. The P&P bonds must be from a company rated at least "A-"by A.M. Best & Co with a financial size category of at least FSC VI. FHFC, and/or legal counsel must approve the source,

amount(s) and all terms of the P&P bonds, or LOC. **If the LOC option is utilized, the LOC must include "evergreen" language and be in a form satisfactory to Florida Housing, its Servicer and its Legal Counsel.**

9. Architect, Construction Consultant, and Borrower certifications on forms provided by Florida Housing will be required for both design and as-built with respect to Section 504, ADA, and the Federal Fair Housing Act requirements if applicable.

This recommendation is contingent upon the review and approval by Florida Housing, and its legal counsel **at least 30 days before a requested date for funding**. Failure to receive approval of these items within this time frame may result in postponement of the loan closing date.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/principal(s)/managers(s) of the Borrower, the guarantors, and any limited partners of the Borrower.

2. Award of Housing Credits ("HC") and purchase of HC by Alliant Capital, Ltd., or assigns, under terms consistent with the assumptions of this report.

3. Signed and sealed survey, dated within 90 days of closing, unless otherwise approved by Florida Housing, and its legal counsel, based upon the particular circumstances of the transaction. The Survey shall be certified to Florida Housing and its legal counsel, as well as the title insurance company, and shall indicate the legal description, exact boundaries of the Development, easements, utilities, roads, and means of access to public streets, total acreage and flood hazard area and any other requirements of Florida Housing.

4. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of closing, unless otherwise approved by Florida Housing, and legal counsel, based upon the particular circumstances of the transaction. Borrower is to comply with any and all recommendations noted in the Environmental Assessment(s) and Updates and the Environmental Review, if applicable. Based upon the results of short term radon testing, a long term and ongoing radon mitigation system, as deemed appropriate by Florida Housing in its sole discretion, is required to be implemented at the property.

5. Title insurance proforma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the Loan(s) naming FHFC as the insured. All endorsements required by FHFC shall be provided.

6. Florida Housing and its legal counsel shall review and approve all other lenders closing documents and the limited partnership or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loan(s) have been satisfied.

7. Evidence of general liability, flood (if applicable), builder's risk, and replacement cost hazard insurance (as certificates of occupancy are received) reflecting Florida Housing as Loss Payee/Mortgagee, in coverage, deductibles and amounts satisfactory to Florida Housing.

8. Receipt of a legal opinion from the Borrower's legal counsel acceptable to Florida Housing addressing the following matters:

    a. The legal existence and good standing of the Borrower and of any partnership or limited liability company that is the general partner of the Borrower (the "GP") and of any corporation or partnership that is the managing general partner of the GP, of any corporate guarantor and any manager;

    b. Authorization, execution, and delivery by the Borrower and the guarantors, of all Loan(s) documents;

    c. The Loan(s) documents being in full force and effect and enforceable in accordance with their terms, subject to bankruptcy and equitable principles only;

    d. The Borrower's and the guarantor's execution, delivery and performance of the Loan(s) documents shall not result in a violation of, or conflict with, any judgments, orders, contracts, mortgages, security agreements or leases to which the Borrower is a party or to which the Development is subject to the Borrower's Partnership Agreement and;

    e. Such other matters as Florida Housing or its legal counsel may require.

9. Evidence of compliance with local concurrency laws, if applicable.

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

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

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

Additional Conditions:

This recommendation is also contingent upon the following additional conditions.

1. New Perspective Florida, LLC is to act as construction inspector during the rehabilitation phase.

2. Compliance with all provisions of Sections 420.507, 420.509, and 420.5089, Florida Statutes, Rule Chapter 67-21, F. A. C. (MMRB Program Loan) and 67-48, F.A.C. (HOME Program Loan/Housing Credits), 67-53, F.A.C. and Section 42 I.R.C.(Housing Credits), 1994 HOME Disaster Relief Cycle (DRII) Rule 9I-040, and HUD Rule 24 CFR part 92 and any other State or Federal requirements.

3. Acceptance by the Applicant and execution of all documents evidencing and securing the Loan(s) in form and substance satisfactory to Florida Housing, including, but not limited to, the Promissory Note, the Loan Agreements, the Mortgage and Security Agreement,

the Land Use Restriction Agreements, HOME Assignment and Assumption Agreement and HOME Subordination Agreement.

4. All amounts necessary to complete construction must be deposited with the Bond Trustee prior to closing, or any phased pay-in of amount necessary to complete construction shall be contingent upon an unconditional obligation of the entity providing HC Equity payments (and evidence that 100% of such amount is on deposit with such entity at closing) to pay, regardless of any default under any documents relating to the HC as long as the First Mortgage continues to be funded. Notwithstanding the foregoing, at least 50% of all HC Equity (but not less than provided for in the Syndication Agreement or such higher amount as recommended by the Credit Underwriter) required to complete construction shall be deposited with the Bond Trustee at the MMRB Loan closing unless a lesser amount is approved by FHFC prior to closing. The bridge loan will close simultaneously or prior to the MMRB loan, and sufficient amounts will be drawn from these funds at closing in order to satisfy this requirement.

5. A copy of an Amended and Restated Limited Partnership Agreement reflecting purchase of the Low Income Tax Credits ("HCs") by the Syndicator, or an affiliate under terms consistent with the assumptions contained within this credit underwriting report.

6. Receipt and satisfactory review of a Joint Funding Agreement between Applicant and Alliant Capital, Ltd., or an affiliate, that requires funding of all HC Equity Installments during construction, even if the Borrower is in default under the Limited Partnership Agreement.

7. The limited partnership agreement from Alliant Capital, Ltd., or affiliate shall be in a form and of financial substance satisfactory to FHFC, FHFC's Counsel and FHDC.

8. If applicable, Guarantors to provide the standard FHFC Construction Completion Guarantee; to be released upon lien-free completion as approved by the Servicer.

9. For the HOME Loan Guarantors are to provide the standard FHFC Operating Deficit Guarantee to be released upon achievement of an average 1.15 debt service coverage for a minimum of 12 consecutive months for the combined permanent first mortgage and HOME Loan.

10. For the Bonds Guarantors are to provide the standard FHFC Operating Deficit Guarantee to be released upon achievement for twelve (12) consecutive months, of a 1.15 debt service coverage on the combined first mortgage (MMRB Program) loan, 90% occupancy, and 90% of the Gross Potential Rental Revenue, all certified by an independent Certified Public Accountant and verified by the Servicer.

11. Guarantors to provide the standard FHFC Environmental Indemnity.

12. Guarantors to provide the standard FHFC Guaranty of Recourse Obligations.

13. A mortgagee title insurance policy naming Florida Housing as the insured in the amount of the Loan(s) is to be issued immediately after closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its legal counsel.

14. Property tax and hazard insurance escrow are to be established and maintained by the First Lender or the Servicer. In the event the reserve account is held by Florida Housing's Loan(s) servicing agent, the release of funds shall be at Florida Housing's sole discretion.

15. Replacement Reserves in the amount of $300 per unit per year will be required to be deposited on a monthly basis into a designated escrow account, to be maintained by the Trustee. However, Applicant has the option to prepay Replacement Reserves, as allowed per Rule 67-21, F.A.C., in the amount of $35,100 (one-half the required Replacement Reserves for Years 1 and 2), in order to meet the applicable DSC loan requirements. Applicant can waive this election, if at closing of the loan(s); the required DSC is met without the need to exercise the option. It is currently estimated that Replacement Reserves will be funded from Operations in the amount of $300 per unit per year. An inflation factor based upon the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable to FHFC that evidences an increase in the deposit is excessive or unnecessary.

16. A minimum of 10% retainage holdback on all construction draws until the Development is 50% completed, and 0% retainage thereafter. Retainage will not be released until successful completion of construction and issuance of all certificates of occupancy. The GC contract indicates a 10% retainage holdback through substantial completion which satisfies the minimum requirement, and is therefore, acceptable.

17. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or Servicer, if applicable.

18. Any other reasonable requirements of the Servicer, Florida Housing or its legal counsel.

19. Satisfactory resolution of any outstanding past due or non-compliance issues prior to closing.

Housing Credit Allocation Recommendation

First Housing Development Corporation has recommended a preliminary annual HC allocation of $409,333 Please see the HC Allocation Calculation in Exhibit 3 of this report for further details.

Contingencies

The HC allocation will be contingent upon the receipt and satisfactory review of the following items by First Housing and Florida Housing by the deadline established in the Preliminary Determination. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. Closing of the MMRB Loan, HOME Loan assumption and any other loans consistent with the assumptions of this Credit Underwriting Report.
2. Building permits and any other necessary approvals and permits (e.g., final site plan approval, Department of Environmental Protection, Army Corps of Engineers, Department of Transportation, etc.).
3. Final (signed and sealed) Site Plans and Building Permits and Specifications, if applicable.
4. Purchase of the HC's by Alliant Capital, Ltd. or an affiliated entity, under terms consistent with assumptions of this report.
5. This report is subject to continued approval of managing agent by Florida Housing.
6. Any other reasonable requirements of Florida Housing, and the enhancer.
7. Satisfactory resolution of any outstanding past due or non-compliance issues prior to closing.

Section C

Supporting Information and Schedules

Additional Development and Third Party Supplemental Information

Appraised Value: An Appraisal, dated March 17, 2011 was completed by Novogradac & Company, LLP ("Novogradac"). The current "as is" restricted rent/market financing value is indicated to be $6,500,000. The appraisal indicated a value upon completion of rehabilitation and stabilization with restricted rents and favorable bond financing at $8,000,000 This is equal to a first mortgage restricted rents and favorable bond financing First Mortgage loan to value of 81.25%. The Market Value assuming achievable market rents "as proposed" is $8,200,000. The Appraiser concludes that the Primary Market Area has experienced population and household growth between 2000 and 2010; these trends are projected to continue through 2015. The appraisal also noted that "there are many necessary supporting commercial services for residential development and several employment centers within proximity to the subject." Overall, this neighborhood is considered to possess the necessary attributes to support medium to high density rental apartment development. In addition, the overall market is healthy with a current average vacancy rate of 4.0%. First Housing concluded that the Appraisal was satisfactory.

Market Study: A separate Market Study dated March 17, 2011 was completed by Novogradac & Company, LLP ("Novogradac"). The study found the Development well located and well equipped for continued use as an affordable housing multifamily rental development. The market study provider states that the property offers a functional property layout and good curb appeal and that individual units have a functional and appealing design. The Subject's neighborhood appears to be a good location for an affordable multifamily development. All necessary locational amenities are located within a few miles of the Subject property, including convenient access to public transportation. The Subject is located in a neighborhood that has a variety of commercial and residential uses. The Subject is a compatible use and is considered an enhancement to the existing neighborhood

According to the Florida Housing Finance Corporation's summary of LIHTC projects awarded tax credits between 2009 and 2010, there are three LIHTC project in the PMA that are either allocated or under construction. Woodside Oaks, Villa Capri III, and Veranda Senior were allocated in 2009. Veranda Senior will be restricted to seniors earning 33 and 60 percent of the AMI or less. Construction on Veranda Senior has not started as of the effective date of this report. Both Woodside Oaks and Villa Capri III will target families and are currently under construction. Woodside Oaks will be restricted to households earning 33 and 60 percent of the AMI and Villa Capri will be restricted to households earning 33, 40, and 50 percent of the AMI or less. Additional information on the property was not available. Novogradac removed 243 units from the annual demand analysis that represent proposed LIHTC family developments in the PMA.

In addition, Orchard Grove was the most recently completed Development and is currently leased up. The absorption rate at Orchard Grove was 11 units per month according to its management staff. The Courts at Bayshore and Sunrise Commons were completed in 2009 and reported absorption rates of 11 and 21 units per month according to their respective management staff. Key Winds, which was completed in 2007, reported the lowest absorption rate of six units per month. It should be noted that Orchard Grove is primarily targeting farm-workers with some tenants coming from the local retailer outlets. If the subject was 100 percent vacant and had to re-lease units, we would estimate an absorption rate of 12 to 15 units per month, for an absorption period of approximately seven to nine months. According to the developer, renovations will take place with the tenants in place. It should be noted that this absorption analysis is hypothetical because the Subject is currently operating at a stabilized occupancy of 95.7 percent.

Novogradac's demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 2.82 and 5.04 percent at the 50 and 60 percent of AMI levels, respectively and an annual capture rate of 6.0 percent. This is considered very reasonable taking into account the other indications of demand such as the population and household growth rates in the PMA and the fact the average weighted occupancy rate among the LIHTC comparables is 95.4 percent.

There are three (3) FHFC Guarantee Fund Developments in the Primary Market Area which is larger than a five mile radius. The Subject Development is not expected to have a negative impact on any of the Guarantee Fund Developments as it is already a stabilized development that anticipates little or no loss of tenants during the rehabilitation period. All of the Guarantee Fund Developments located within the PMA are stabilized and have historic occupancy rates ranging from 97 to 100 percent. Based on this data and other indicators of affordable demand, the Subject is not anticipated the affect the occupancy of these Guarantee Fund developments.

Environmental Report: A Phase I Environmental Site Assessment was performed by EMG dated February 2, 2011. The Assessment was completed in conformance with the scope and limitations of ASTM Practice E 1527-05. The Report has revealed no evidence of recognized environmental conditions in connection with the property.

Physical Needs Assessment: A Physical Needs Assessment was provided by New Perspective Florida, LLC ("NP"), engineering consultants, dated March 2011. NP's review of the Development was intended to evaluate existing conditions as well as provide cost estimates for systems or components of the

property requiring repair, replacement or upgrading during the defined assessment period of 15 years. The report concluded that proposed budget appears adequate to complete the proposed renovations and the proposed timeline appears reasonable. The cost of renovations will be approximately $27,378 per unit. The Scope of Work includes: Roof replacement; interior/exterior painting; façade and fascia repairs; sealing and striping of the parking lot; replacing water heaters; installing new split system HVAC in units, replacing kitchen cabinets and kitchen counters, all new energy star appliances new light fixtures, new vanities, some new tub surrounds and ceramic tile floors in the bathrooms, clubhouse and community room upgrades, new fitness equipment, new playground, upgrades, pool resurfacing and updates to pool gazebo.

NP recommended additional storm drain and sewer line repair, additional tub replacement, and vinyl flooring replacement at time of rehabilitation as well as continued carpet replacement at time of individual unit turnover. The Borrower has adjusted the rehabilitation budget accordingly. The report also noted that the exterior and interior of the building structures are in fair condition and that once proposed renovations are complete, the complex should provide comfortable living quarters for the tenants and that the upgrades to the exterior will provide for an attractive property.

An analysis of the ongoing proposed replacement schedule based on the foregoing recommendations was provided within the report and indicated that the anticipated $300 per unit/per year reserve would be satisfactory.

Features, Amenities & Resident Programs: The Applicant committed to provide Features, Amenities and Resident Programs in Part III, Section B & F (Exhibit 3) of the Application.

Site Inspection: A site inspection was completed by First Housing on June 11, 2010. The subject site is located at 16440 SW 304th Street in Homestead, Miami-Dade County, Florida. The property contains 10 residential buildings that all appear to be in very good condition. The grounds are very well kept and include large mature trees and decorative shrubs. The Development is located in an area that is built out with residential rental developments mixed with commercial/retail enterprises. There are a number of schools within the immediate area. Some deferred maintenance exists but will be remedied through the rehabilitation scope of work.

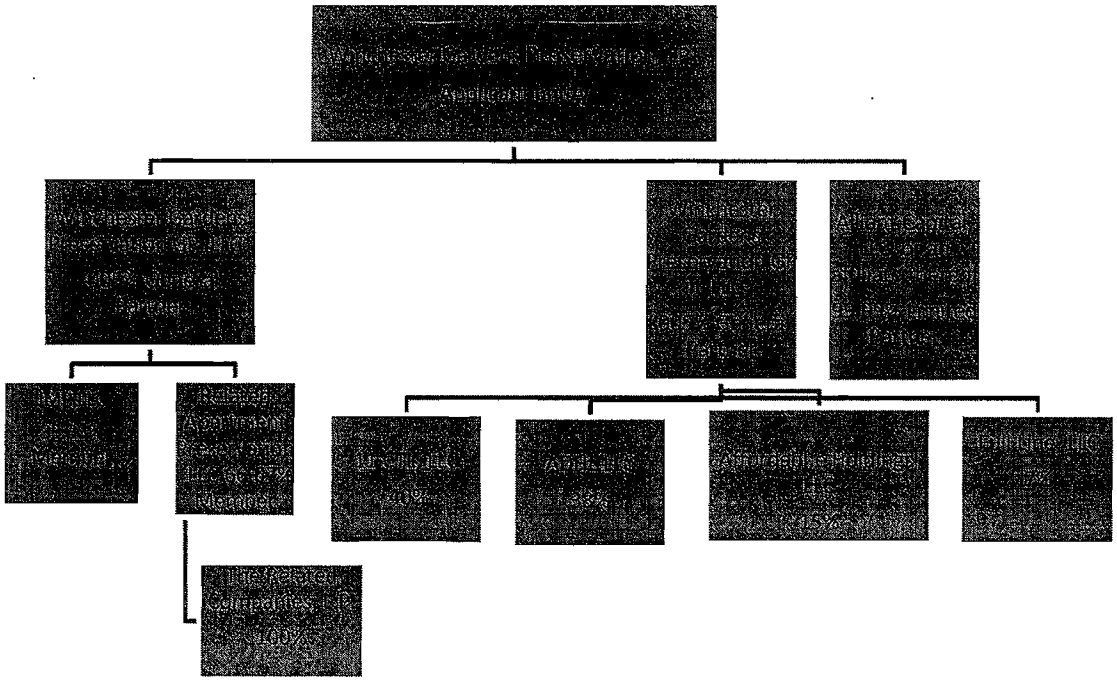
The subject neighborhood has an established residential base, with surrounding commercial and retail uses, which provide services to the residents.

In conclusion, the subject site possesses very good accessibility characteristics, and is located along significant east-west roadways in southern Miami-Dade County, with supporting retail and commercial uses that are considered conducive to continued use as an affordable rental development.

Borrower Information

Borrower Name:	Winchester Gardens Preservation, LP
Borrower Type:	A newly-formed Delaware Limited Partnership authorized to transact business in the State of Florida
Ownership Structure:	This newly-formed Applicant Entity will consist of a newly-formed .005% Co-General Partner named Winchester Gardens Preservation GP, LLC, and a newly-formed .005% Co-General Partner named Winchester Gardens Preservation GP II, LLC. Alliant Capital or an affiliate will join the partnership at closing as a provision of the tax equity credit commitment. The Limited Partner will own 99.99% of the Applicant Entity. The Related Companies, LP will act as Guarantor The members of these entities are summarized in the following chart:

Winchester Gardens Organizational Chart



* These entities were created in 2010 and have no financial assets or operating history

Copies of the Limited Partnership Agreements and/or Articles of Incorporation and current Certificates of Status have been provided on each of the ownership structure entities.

Contact Person(s): David Pearson, Vice-President

(212) 801-3515 Telephone
(212) 801-3731 Facsimile
E-mail: dpearson@related.com

Applicant Address: c/o Winchester Gardens Preservation, LP
Related Affordable
60 Columbus Circle
New York, New York 10023

Federal Employer ID: 26-2312361

Experience: The Applicant and the General Partners are new entities, created to finance, rehabilitate, own and operate the subject development, but they have no development experience.

The Guarantor, The Related Companies, LP. ("RCLP"), however, is a fully integrated real estate firm created on May 1, 1972 which has grown into multiple divisions specializing in acquisition/rehabilitation, development, financial services, and real estate management. The Related Companies, LP's sole stockholder is Stephen M. Ross.

The company currently has approximately $4 billion in projects under construction, making it one of the most prominent developers in the United States. The Related Companies, along with its affiliates, ranks as the second largest owner of rental apartments in the United States with approximately 250,000 units in 44 States.

The primary principal of The Related Companies, Inc. is Mr. Stephen M. Ross who is the Director, President, and Founder of The Related Companies. Mr. Ross formed the company in 1972 and today the company includes over 2,000 professionals. Related has developed over $20 billion in real estate and owns real estate assets valued at over $15 billion made up of best-in-class mixed-use, residential, retail, office, trade show and affordable properties in premier high-barrier-to-entry markets. Mr.

Ross is also the majority owner of the Miami Dolphins and the Stadium.

Mr. Ross began his career in Detroit, Michigan as a tax attorney. He later moved to New York where he specialized in real estate and corporate finance at two investment banking firms immediately prior to founding Related. Mr. Ross graduated from the University of Michigan with a Bachelor of Business Administration degree and from Wayne State University Law School with a Juris Doctor degree. He then received a Master of Laws in Taxation from New York University School of Law. In 2004, The University of Michigan renamed its business school the Stephen M. Ross School of Business at the University of Michigan.

Credit Evaluation:

A Dun and Bradstreet Report for the Applicant is not available (newly-formed).

Dun and Bradstreet Reports for the Co-GP's are not available (newly-formed).

A March 29, 2011 Dun and Bradstreet Report for The Related Companies, LP reflects no significant adverse information and rates their trade history as good.

Creditors report 161 line items of open and/or closed payment experiences for The Related Companies, LP. High credit reported is in the low six figures.

Banking References:

Bank and Business References are not yet available for the newly-formed Applicant or the newly-formed Co-General Partners

Bank and Business References for The Related Companies, LP reported satisfactory relationships.

Financial Statements:

The Related Companies, LP provided December 31, 2010, December 31, 2009, and December 31, 2008 audited financials statements. The statements were audited by KPMG, LLP and are consolidated statements including its subsidiaries. The statements provided are summarized as follows:

The Related Companies, LP. and Subsidiaries

At 12/31/2010 (audited)	
Cash and Cash Equivalents:	$136,789,000
Total Assets:	$4,170,757,000
Total Liabilities:	$3,733,579,000
Total Equity:	$437,178,000

The Related Companies, LP. and Subsidiaries

At 12/31/2009 (audited)	
Cash and Cash Equivalents:	$129,090,000
Total Assets:	$3,715,813,000
Total Liabilities:	$3,464,710,000
Total Equity:	$251,103,000

The Related Companies, LP. and Subsidiaries

At 12/31/2008 (audited)	
Cash and Cash Equivalents:	$132,752,000
Total Assets:	$4,195,999,000
Total Liabilities:	$3,866,921,000
Total Equity:	$329,078,000

Contingent Liabilities:

According to the Related Companies, LP and Subsidiaries consolidated Audited Financial Statements for the year ending December 31, 2010 most Mortgage Notes and Loans are generally collateralized by land and buildings and in some instances are guaranteed by the Companies. In addition to guarantees of its own debt totaling $420,302,000 The Related Companies has joint and several payment guarantees on various loans totaling $31,677,000. The Related Companies also has construction completion guaranties on certain projects with aggregate costs of approximately 1,277,550. All of these guarantees are short term in nature and management believes that the likelihood of funding remote; therefore, the fair market value of these guarantees is insignificant.

Winchester Gardens Preservation, LP; Winchester Gardens Preservation GP, LLC; Winchester Gardens Preservation GP II, LLC ; and Winchester Gardens Developer, LLC are all newly formed entities created on December 28, 2010 and as such have no financial activity. The Related Companies, LP has submitted an executed Statement of Financial Affairs that indicates that it does have outstanding contingent liabilities, ongoing litigation, has had an entity of which they were a partner or investor filed for bankruptcy, has given a lender a deed in lieu of foreclosure and has been involved in loan workouts. They also currently are involved in Developments that, as a general partner or an investor, are experiencing negative cash flow and/or a vacancy factor of more than 15%. With a current portfolio of over $3.8 Billion Dollars

these challenges are not extraordinary and in all cases Related is vigorously defending itself against all claims and currently has over $258 Million in Equity over half of which is cash or cash equivalents.

Summary: The Related Companies, LP has the experience and the financial resources to rehab and operate Winchester Gardens Apartments and to act as Guarantor through standard Operating Deficit, Environmental Indemnity and Recourse Obligations Guarantees.

Guarantor Information

Guarantor(s) Name: Winchester Gardens Preservation LP, Winchester Gardens Preservation GP, LLC, Winchester Gardens Preservation GP II, LLC, and The Related Companies, LP. will be the Guarantors.

Contact Person(s): David Pearson

(212) 801-1073 Telephone
(212) 801-3731 Facsimile

Address: 60 Columbus Drive
New York, New York 10023

Nature of the Guarantees:

For the Bonds the Guarantors will sign a standard FHFC Operating Deficit Guaranty which will be released when the subject development achieves a 1.15 debt service coverage on the MMRB loan and 90% occupancy and 90% of Gross Potential Rental Revenue, all for twelve (12) consecutive months as certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer.

For the HOME Loan the Guarantors will provide the standard FHFC Operating Deficit Guaranty to be released upon achievement of an average 1.15 debt service coverage for a minimum of 12 consecutive months for the combined permanent first mortgage and HOME Loan.

The Guarantors will also sign standard Environmental Indemnity and Recourse Obligations and Construction Completion guarantees for the MMRB Loan and the HOME Loan.

Financial Statements: Winchester Gardens Preservation LP, Winchester Gardens Preservation GP, LLC, Winchester Gardens Preservation GP II, LLC, are all newly-formed entities and as such do not have financials and/or tax returns. Please refer to the "Borrower" portion of Section C within this Credit Underwriting Report for financial information on The Related Companies, LP.

Contingent Liabilities: Winchester Gardens Preservation LP, Winchester Gardens Preservation GP, LLC, Winchester Gardens Preservation GP II, LLC, are all newly formed entities and as such do not have contingent Liabilities. Please refer to the "Borrower" portion of Section C within this Credit Underwriting Report for information on The Related Companies, LP's Contingent Liabilities.

Summary: Based upon its review of the Financial Statements and the Schedule of Contingent Liabilities, First Housing concludes that the above referenced Guarantors have sufficient Net Worth for the purpose of providing the FHFC Guarantees.

Credit Enhancer Information

Credit Enhancer: Fannie Mae ("FNMA"), through Oak Grove Commercial Mortgage, LLC d/b/a Oak Grove Capital a Fannie Mae Seller/Servicer

Lender: Oak Grove Capital

Contact Person: Timothy R. Leonard
1705 W. Northwest Highway
Suite 145
Grapevine, Texas 76051
817-310-5800.

Experience: Oak Grove Capital is a national commercial real estate lender providing custom tailored debt solutions for owners/developers of affordable and market-rate apartments, senior housing and healthcare. Headquartered in St. Paul, MN, Oak Grove Capital is a licensed Fannie Mae DUS[a] and Freddie Mac Program Plus[a] lender, as well as an FHA MAP-approved lender and a GNMA approved Seller Servicer. Oak Grove Capital services loans in 45 states (as well as the District of Columbia) and manage a commercial loan portfolio in excess of $6.5 billion.

Financial Statements: 2010 and 2009 Audited Financials are not yet available for Fannie Mae. December 31, 2010 unaudited Statements as well as December 31, 2009 unaudited Statements were obtained through a review of FNMA's quarterly 10K filings. These are Non-GAAP consolidated Fair Value Balance Sheets.

2010 and 2009 consolidated, audited financial statements for Oak Grove Commercial Mortgage, LLC d/b/a/ Oak Grove Capital were reviewed by First Housing. They are expressed in Millions and a recap follows:

Oak Grove Commercial Mortgage, Inc.

December 31, 2010	Audited Financial Statements
Cash and Cash Equivalents	$10,036,895
Assets	$230,281,625
Liabilities	$86,604,262
Equity	$143,677,363

Oak Grove Commercial Mortgage, Inc.

December 31, 2009	Audited Financial Statements
Cash and Cash Equivalents	$12,055,779
Assets	$164,298,537
Liabilities	$53,660,633
Equity	$110,637,904

Summary: Oak Grove Capital has demonstrated the experience and financial strength to serve as the First Mortgage Lender for the subject development.

Federal National Mortgage Association ("Fannie Mae")

(In Millions)

December 31, 2010	Unaudited Financial Statements
Cash and cash equivalents	$80,975
Assets	$3,231,835
Liabilities	$3,352,047
Equity	($120,212)

Federal National Mortgage Association ("Fannie Mae")

(In Millions)

December 31, 2009	Unaudited Financial Statements
Cash and cash equivalents	$9,882
Assets	$875,101
Liabilities	$973,802
Equity	($98,701)

Summary: Fannie Mae has demonstrated the experience and financial expertise to serve as the Credit Enhancer for the subject development and is backed by the full faith of the U.S. Government..

Syndicator Information

Syndicator Name: Alliant Capital, Ltd. or an affiliate

Contact Person: Scott L. Kotick, Executive Vice President – Alliant, Inc.

Address: Alliant Capital, Ltd.
340 Royal Poinciana Way, Suite 305
Palm Beach, Florida 33480
561-833-5795
561-833-3694 Facsimile

Experience: Alliant Capital, Ltd. and its affiliate Alliant Asset Management Company, LLC were founded in 1997 to assist in meeting America's need for affordable housing by structuring and syndicating investments in the Low-Income Housing Tax Credit program. Alliant claims to be in the top five (5) in syndication volume in the United States.

Financial Statements: The Underwriter reviewed consolidated audited financial statements for The Alliant Company, LLC and subsidiaries. The reports were audited by Reznick Group, PC. They are summarized as follows:

Alliant Company, LLC and Subsidiaries

As of December 31, 2009	Audited
Cash and Cash Equivalents	$3,574,570
Total Assets:	$ 463,736,782
Total Liabilities:	$435,694,832
Total Equity:	$28,041,950

Summary: Alliant Capital, Ltd. and its parent Alliant Company, LLC has a reasonable amount of experience in affordable multifamily housing and the financial capacity to act as the syndicator of the housing credits for this transaction.

General Contractor Information

General Contractor: Fortune Construction Company

Type: A Florida General Partnership licensed to do business in the State of Florida

Contact Person: Jorge C. Serna (GC License: CGC1507096; expires 8/31/2012)

(305) 460-9900 Telephone
(305) 460-9911 Facsimile

Address: 10320 SW 112 Street
Miami, Fl. 33176

Experience: Fortune Construction Company ("Fortune") is an affiliate of the Guarantor, The Related Companies, LP. The company specializes in the rehabilitation and/or construction of Multifamily Affordable and Multifamily Market rent and mixed-use developments. Fortune has been in existence since 1992 and has completed over 5,000 multifamily units throughout Florida. Several of Fortune's Officers are also Officers of the Related Group.

Jorge Serna, the holder of the GC license for Fortune Construction Company ("Fortune Construction"), has been with Fortune since 2007 and holds a Bachelor's degree in Construction management from Florida International University. Mr. Serna has over 15 years of construction experience. Prior to joining Fortune Construction, Mr. Serna was a construction account executive with Turner Construction Company and as such was responsible for managing the construction completion of 18 Commerce Bank buildings. Mr. Serna's license is currently valid through August 31, 2012 and his number is CGC1507096.

Most recent completed Developments include in the 2007/2010 time frame include:

Woodsdale Oaks	Lauderdale Lakes, FL	Rehab 2007	172 units
Riverwalk I Apts	Homestead, Fl.	Rehab 2008	123 units
Cutler Riverside Apts	Miami, Fl	Rehab 2008	200 units
Walden Pond Villas	Miami Gardens, Fl	Rehab 2010	290 units
Colony Lakes	Homestead, Fl	In Process	220 units

Credit Evaluation: A D&B Business Credit Report obtained on Fortune Construction Company as well as trade references indicated average trade payment information.

Banking References: Average balances in the low six figures were verified on deposit and the references indicate the accounts have been handled in a satisfactory manner.

Financial Statements: The General Contractor ("GC") is an affiliate of the parent, The Related Group. The GC provided December 31, 2010, December 31, 2009 and December 31, 2008 financial statements reviewed by Gerson, Preston, Robinson CPA's. They are summarized as follows:

Fortune Construction Company

As of 12/31/10	(reviewed)
Cash and Cash Equivalents	$1,050,765
Total Assets:	$2,972,819
Total Liabilities:	$1,193,806
Total Equity:	$1,779,013

As of 12/31/09	(reviewed)
Cash and Cash Equivalents	$632,637
Total Assets:	$1,116,998
Total Liabilities:	$101,225
Total Equity:	$1,015,773

As of 12/31/08	(unaudited)
Cash and Cash Equivalents	$264,000
Total Assets:	$1,170,000
Total Liabilities:	$176,000
Total Equity:	$994,000

Summary: FHDC recommends that Fortune Construction Company be accepted as the General Contractor and that the Construction Contract be approved, subject to provision of a 100% Payment and Performance Bond or a Letter of Credit satisfactory to First Housing.

Property Manager Information

Management Company: TRG Management Company of Florida ("TRG")
(f/k/a The Related Management Company of Florida)

TRG is a fictitious name. TRG is a General Partnership comprised of JMP Management, Inc (75%) and Related General of Florida, LLC (25%)

Contact Person: Mathew J. Allen

(305) 443-8288 Telephone
(305) 443-9339 Facsimile

Address: 315 S. Biscayne Blvd.
Miami, Fl. 33131

Experience: The Related Companies of Florida, Inc. was formed in 1979 by Jorge Perez and Stephen Ross to provide property management services and value enhancing programs for new developments and acquired properties. In 1984, a separate entity was formed, titled TRG Management Company of Florida. Since inception, the company has enjoyed financial stability and currently employs over 150 people. Currently, TRG Management manages over 40 properties and has more than 4,000 units in the company's portfolio. It has become a fully integrated organization. TRG Management Company of Florida is a Florida general partnership owned by JMP Management, Inc., an Jorge Perez entity, and Related General of Florida, Ltd., an entity controlled by Stephen Ross.

Management Agreement: The Applicant has submitted a Management Agreement between Winchester Gardens Preservation, LP (owner) and TRG Management Company of Florida (Manager), which reflects a management fee of $3,500 monthly or 4.0% of actual receipts whichever is greater. The contract contains the appropriate verbiage regarding compliance with tenant income and rent restrictions.

Management Plan: The Applicant has submitted a Management Plan, which outlines the various policies and procedures to be implemented in managing the subject development. The Plan references the record keeping requirements of the HC Program.

Summary: The management company has a significant amount of experience in the management of affordable multi-family housing and is currently an approved management company of the Florida Housing Finance Corporation's Compliance Department. Continued approval is subject to ongoing satisfactory performance.

Winchester Gardens
Bond 15 Year Proforma

	15 Year Proforma														
Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Gross Potential Revenue	$1,064,808	$1,086,104	$1,107,826	$1,129,983	$1,152,582	$1,175,634	$1,199,147	$1,223,130	$1,247,592	$1,272,544	$1,297,995	$1,323,955	$1,350,434	$1,377,443	$1,404,992
Other Income															
Washer/Dryer	$12,600	$12,852	$13,109	$13,371	$13,639	$13,911	$14,190	$14,473	$14,763	$15,058	$15,359	$15,667	$15,980	$16,299	$16,625
Cable	$2,232	$2,277	$2,322	$2,369	$2,416	$2,464	$2,514	$2,564	$2,615	$2,667	$2,721	$2,775	$2,831	$2,887	$2,945
Miscellaneous	$42,540	$43,391	$44,259	$45,144	$46,047	$46,968	$47,907	$48,865	$49,842	$50,839	$51,856	$52,893	$53,951	$55,030	$56,131
Gross Potential Revenue	**$1,122,180**	**$1,144,624**	**$1,167,516**	**$1,190,866**	**$1,214,684**	**$1,238,977**	**$1,263,757**	**$1,289,032**	**$1,314,813**	**$1,341,109**	**$1,367,931**	**$1,395,290**	**$1,423,196**	**$1,451,659**	**$1,480,693**
Vacancy and Collection Loss @ 6%	($67,331)	($68,677)	($70,051)	($71,452)	($72,881)	($74,339)	($75,825)	($77,342)	($78,889)	($80,467)	($82,076)	($83,717)	($85,392)	($87,100)	($88,842)
Total Effective Gross Revenue	**$1,054,849**	**$1,075,946**	**$1,097,465**	**$1,119,414**	**$1,141,803**	**$1,164,639**	**$1,187,932**	**$1,211,690**	**$1,235,924**	**$1,260,642**	**$1,285,855**	**$1,311,572**	**$1,337,804**	**$1,364,560**	**$1,391,851**
Expenses															
Fixed															
Real Estate Taxes	$62,560	$64,437	$66,370	$68,361	$70,412	$72,524	$74,700	$76,941	$79,249	$81,627	$84,075	$86,598	$89,196	$91,871	$94,628
Insurance	$67,626	$69,655	$71,744	$73,897	$76,114	$78,397	$80,749	$83,171	$85,667	$88,237	$90,884	$93,610	$96,419	$99,311	$102,290
Variable															
Management Fee @ 5%	$52,742	$53,797	$54,873	$55,971	$57,090	$58,232	$59,397	$60,585	$61,796	$63,032	$64,293	$65,579	$66,890	$68,228	$69,593
General and Adminstrative	$54,522	$56,158	$57,842	$59,578	$61,365	$63,206	$65,102	$67,055	$69,067	$71,139	$73,273	$75,471	$77,735	$80,067	$82,469
Payroll Expenses	$115,800	$119,274	$122,852	$126,538	$130,334	$134,244	$138,271	$142,419	$146,692	$151,093	$155,626	$160,294	$165,103	$170,056	$175,158
Utilities	$48,025	$49,466	$50,950	$52,478	$54,053	$55,674	$57,344	$59,065	$60,837	$62,662	$64,542	$66,478	$68,472	$70,526	$72,642
Marketing and Advertising	$12,000	$12,360	$12,731	$13,113	$13,506	$13,911	$14,329	$14,758	$15,201	$15,657	$16,127	$16,611	$17,109	$17,622	$18,151
Maintenance and Repairs	$26,400	$27,192	$28,008	$28,848	$29,713	$30,605	$31,523	$32,469	$33,443	$34,446	$35,479	$36,544	$37,640	$38,769	$39,932
Grounds Maintenance and Landscaping	$32,176	$33,141	$34,136	$35,160	$36,214	$37,301	$38,420	$39,572	$40,760	$41,982	$43,242	$44,539	$45,875	$47,252	$48,669
Reserve for Replacements	$35,100	$35,100	$35,100	$35,100	$35,100	$35,100	$36,153	$37,238	$38,355	$39,505	$40,691	$41,911	$43,169	$44,464	$45,798
Total Expenses	$506,951	$520,580	$534,606	$549,042	$563,901	$579,194	$595,988	$613,273	$631,066	$649,380	$668,231	$687,635	$707,608	$728,167	$749,330
Net Operating Income	**$547,898**	**$555,367**	**$562,859**	**$570,372**	**$577,902**	**$585,445**	**$591,944**	**$598,417**	**$604,858**	**$611,263**	**$617,625**	**$623,938**	**$630,196**	**$636,393**	**$642,521**
Debt Service Payments															
FHFC Tax Exempt Bonds	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146	$429,146
FHFC HOME Loan	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500	$43,500
Borrower paid HOME Fees	$0	$0	$0	$0	$0	$800	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Miami-Dade County HOME Loan	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300	$13,300
Total Debt Service Payments	**$485,946**	**$485,946**	**$485,946**	**$485,946**	**$485,946**	**$486,746**	**$487,146**	**$487,146**	**$487,146**	**$487,146**	**$487,146**	**$487,146**	**$487,146**	**$487,146**	**$487,146**
Cash Flow After Debt Service	**$61,952**	**$69,421**	**$76,913**	**$84,426**	**$91,956**	**$98,699**	**$104,798**	**$111,271**	**$117,712**	**$124,117**	**$130,478**	**$136,792**	**$143,050**	**$149,247**	**$155,375**
Debt Service Coverage Ratios															
FHFC Tax Exempt Bonds	1.28	1.29	1.31	1.33	1.35	1.36	1.38	1.39	1.41	1.42	1.44	1.45	1.47	1.48	1.50
FHFC HOME Loan	1.16	1.18	1.19	1.21	1.22	1.24	1.25	1.27	1.28	1.29	1.31	1.32	1.33	1.35	1.36
Miami-Dade County HOME Loan	1.13	1.14	1.16	1.17	1.19	1.20	1.22	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.32
Debt Service Coverage - All Mtgs plus Fee	1.13	1.14	1.16	1.17	1.19	1.20	1.22	1.23	1.24	1.25	1.27	1.28	1.29	1.31	1.32
Financial Ratios															
Operating Expense Ratio	48%	48%	49%	49%	49%	50%	50%	51%	51%	52%	52%	52%	53%	53%	54%
Break-Even Occupancy Rate	88%	88%	87%	87%	86%	86%	86%	85%	85%	85%	84%	84%	84%	84%	84%

HC Allocation Calculation

Section I: Qualified Basis Calculation

Rehabilitation

Total Development Cost(including land and ineligible costs)	$12,758,985
Less Land and Building Costs	$5,800,000
Less Developer Fee on Building Acquisition	$846,000
Less Other Ineligible Costs	$1,214,030
Total Eligible Basis	$4,898,955
Applicable Fraction	100%
DDA/QCT Basis Credit	130%
Qualified Basis	$6,368,642
Housing Credit Percentage	3.44%
Annual Housing Credit Allocation	$219,081

Acquisition

Acquisition Cost for Land and Existing Buildings	$5,800,000
Less Land Costs	$1,100,000
Plus Other Eligible Acquisition Costs	$846,000
Less Other Ineligible Costs	$0
Total Eligible Basis	$5,546,000
Applicable Fraction	100%
DDA/QCT Basis Credit	100%
Qualified Basis	$5,546,000
Housing Credit Percentage	3.44%
Annual Housing Credit allocation for 4% HC's	$190,782
Total Annual Tax Credit Allocation	$409,864

Notes to the Qualified Basis Calculation:

1. Other ineligible costs include brokerage fees, accounting, legal and other fees attributable to land acquisition and syndication, advertising/marketing fees, operating reserves required by lender, the lease up portion of construction interest and certain costs of bond issuance items.

2. The development has a 100% set-aside; therefore, the Applicable Fraction is 100%.

3. For purposes of this analysis, the development is assumed to be located in a Difficult Development Area ("DDA") and/or Qualified Census Tract ("QCT"); therefore the 130% basis credit was applied to rehabilitation cost.

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4. Per Florida Housing Rule 67-48, Housing Credit Procedures, Part (8), Section (a) 2., 15 basis points are added to the actual percentage (3.29%) reported as of the Date of Invitation to Credit Underwriting for Housing Credits. For purposes of this report, a total Housing Credit Percentage of 3.44% is applied. This estimate considers current rates that are in effect.

GAP Calculation

Total Development Costs(including land and ineligible Costs)	$12,758,985
Less Mortgages	$9,280,000
Less Grants	$0
Equity Gap	$3,478,985
HC Syndication Percentage to Investment Partnership	99.99%
HC Syndication Pricing	$0.85
HC Required to meet Equity Gap	$4,093,333
Annual HC Required	$409,333

Notes to the Gap Calculation:

1. For purposes of the Gap Calculation, the assumed HOME Loan amounts ($1,450,000 and $1,330,000) were included.

Section III: Tax Credit 50% Test

Tax-Exempt Bond Amount	$6,500,000
Less: Debt Service Reserve Funded with Tax Exempt Bond Proceeds	$0
Less Proceeds Used for Cost of Issuance	$0
Other:	$0
Equals Net Tax-Exempt Bond Amount	$6,500,000
Total Depreciable Cost	$5,744,955
Plus Building/Land Cost	$5,800,000
Aggregate Basis	$11,544,955
Net Tax-Exempt Bond to Aggregate Basis Ratio	56.30%

Notes to the Tax Credit 50% Test:

1. Based upon the analysis presented above, the development appears to meet the 50% test.

Section IV: Summary

HC Per Syndication Agreement	$392,324
HC Per Qualified Basis	$409,864
HC Per GAP Calculation	$409,333
Annual HC Recommended	$409,333
Syndication Proceeds based upon Syndication Agreement	$3,334,417

Notes to the Summary:

1. The estimated annual HC is limited by the GAP Calculation.

Winchester Gardens (2011A-201B)
Miami-Dade County
Features and Amenities

A. The Development will consist of 117 Garden Apartment units located in ten (10) residential buildings.

Unit Mix:	36	One Bedroom / one bath units.
	45	Two bedroom / one bath units.
	36	Three bedroom / two bath units.
	117	Total Units

This existing Development conforms to requirements of local, state and federal laws, rules, regulations, ordinances, orders and codes, Federal Fair Housing Act and Americans with Disabilities Act ("ADA"), as applicable.

B. Each unit will be fully equipped with the following:

1. Air conditioning (window units are not allowed, however, through-wall units are permissible for rehabilitation)
2. Window treatments for each window and glass door inside each unit.
3. Peephole on all exterior doors.
4. Termite prevention and pest control throughout the entire affordability period
5. Cable or satellite TV hook-ups.
6. New Full size range, oven and refrigerator in all units.

C. The Borrower has committed to provide the following features in each unit:

1. New kitchen cabinets and counter top (s) in all units.
2. Dishwasher inside each unit.
3. New bathroom cabinet(s), excluding medicine cabinet, in all units.

D. The Borrower has committed to the following amenities in the Development:

1. Community center or clubhouse.
2. Swimming pool.
3. Exercise room with appropriate equipment.
4. Laundry facilities with full-size washers and dryers available in at least one common area on site.
5. Exterior lighting in open and common areas.
6. 30 Year expected life roofing on all buildings.
7. Playground/tot lot, accessible to children with disabilities.
8. Library consisting of a minimum of 100 books and 5 current magazine subscriptions.

E. The Borrower has committed to provide the following energy conservation features for all buildings in the Development:

1. Air conditioning with SEER rating of 14 or better.
2. Electric water heater with energy factor of .93 or better.
3. Energy Star certified refrigerator and dishwasher in each unit.
4. Solar screens on all west and east facing windows.

F. The Borrower has committed to provide the following Resident Programs:

1. Health and Nutrition Classes: At least eight hours per year, provided on site at no cost to the residents.
2. Job Training – Applicant or its Management Agent must provide, at no cost to the resident, regularly scheduled classes in keyboarding, computer literacy, secretarial skills or other useful job skills, which will be provided at least once each quarter. If the training is not provided on-site, transportation at no cost to the resident must be provided. Electronic media, if used, must be used in conjunction with live instruction.
3. Homeownership Opportunity Program – Financial Assistance with Purchase of a Home: Borrower commits to provide a financial incentive which includes the following provisions:

a. the incentive must be applicable to the home selected by the resident and may not be restricted to or enhanced by the purchase of homes in which the Borrower, Developer, or other related party has an interest;
b. the incentive must be not less than 5% of the rent for the resident's unit during the resident's entire occupancy (Note: Resident will receive the 5% credit for all months for which the resident is in compliance with the terms and conditions of the lease. Damages to the unit in excess of the security deposit will be deducted from the incentive.);
c. the benefit must be in the form of a gift or grant and may not be a loan of any nature;
d. the benefits of the incentive must accrue from the beginning of occupancy;
e. the vesting period can be no longer than 2 years of continuous residency; and
f. no fee, deposit or any other such charge can be levied against the resident as a condition of participation in this program

4. Resident Activities: These specified activities are planned, arranged, provided and paid for by the Borrower or its Management Agent. These activities must be an integral part of the management plan. The Borrower must develop and execute a comprehensive plan of varied activities that brings the residents together and encourages community pride. The goal here is to foster a sense of community by bringing residents together on a regularly scheduled basis by providing activities such as holiday and special occasion parties, community picnics, newsletters, children's special functions, etc.

5. Resident Assistance Referral Program: The Applicant or its Management Agent will make available to its residents information about services such as crisis intervention, individual and family needs assessment, problem solving and planning, appropriate information and referral to community resources and services based on need, monitoring of ongoing ability to retain self sufficiency, and advocacy to assist clients in securing needed resources. This service must be provided at no cost to the resident.

COMPLETENESS AND ISSUES CHECKLIST

NAME: WINCHESTER GARDENS APARTMENTS

DATE: APRIL 18, 2011

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

FINAL REVIEW REQUIRED ITEMS:	STATUS Satis. / Unsatis.	NOTE
1. The development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	Satis.	
2. Final site plan and/or status of site plan approval.	Satis.	
3. Permit Status.	Satis.	
4. Pre-construction analysis ("PCA").	Satis.	
5. Survey.	Satis.	
6. Complete, thorough soil test reports.	N/A	
7. Full or self-contained appraisal as defined by the Uniform Standards of Professional Appraisal Practice.	Satis.	
8. Market Study separate from the Appraisal.	Satis.	
9. Environmental Site Assessment – Phase I and/or the Phase II if applicable (If Phase I and/or II disclosed environmental problems requiring remediation, a plan, including time frame and cost, for the remediation is required). If the report is not dated within one year of the application date, an update from the assessor must be provided indicating the current environmental status.	Satis.	
10. Audited financial statements for the most recent fiscal year ended or acceptable alternative as stated in Rule for credit enhancers, applicant, general partner, principals, guarantors and general contractor.	Satis.	
11. Resumes and experience of applicant, general contractor and management agent.	Satis.	
12. Credit authorizations; verifications of deposits and mortgage loans.	Satis.	
13. Management Agreement and Management Plan.	Satis.	
14. Firm commitment from the credit enhancer or private placement purchaser, if any.	Satis.	
15. Firm commitment letter from the syndicator, if any.	Satis.	
16. Firm commitment letter(s) for any other financing sources.	Satis.	
17. Updated sources and uses of funds.	Satis.	

FINAL REVIEW REQUIRED ITEMS:	STATUS Satis. / Unsatis.	NOTE
1. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
2. Fifteen-year income, expense, and occupancy projection.	Satis.	
3. Executed general construction contract with "not to exceed" costs.	Satis.	
4. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
5. Any additional items required by the credit underwriter.	Satis.	

8/14/03

NOTES:

1. NONE