

MEMORANDUM

Agenda Item No. 14(A)(1)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: May 3, 2022

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution approving grant agreement and award of grant funds from Building Better Communities General Obligation Bond Program Project No. 249 – “Preservation of Affordable Housing Units and Expansion of Home Ownership” in the amount of \$5,393,796.00 to Florida Community Development Corporation, a Florida not-for-profit entity, for the development of 84 units of affordable housing at the Okeechobee Metrorail Station (“project”), subject to the condition that Metro Grande III Associates, Ltd. (“Developer”), a Florida limited partnership, is the developer of the project; approving rental regulatory agreement between County and Developer; authorizing the County Mayor to execute grant and rental regulatory agreements and other transactional documents necessary to accomplish the purposes set forth in this resolution and to exercise all provisions set forth therein

Resolution No. R-450-22

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Senator René García.



Geri Bonzon-Keenan
County Attorney

GBK/uw



MEMORANDUM

(Revised)

TO: Honorable Chairman Jose "Pepe" Diaz
and Members, Board of County Commissioners

DATE: May 3, 2022

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 14(A)(1)

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
- ☐ Statement of social equity required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☒ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____ to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved *Danielle Lurie* Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(1)
5-3-22

RESOLUTION NO. R-450-22

RESOLUTION APPROVING GRANT AGREEMENT AND AWARD OF GRANT FUNDS FROM BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM PROJECT NO. 249 – “PRESERVATION OF AFFORDABLE HOUSING UNITS AND EXPANSION OF HOME OWNERSHIP” IN THE AMOUNT OF \$5,393,796.00 TO FLORIDA COMMUNITY DEVELOPMENT CORPORATION, A FLORIDA NOT-FOR-PROFIT ENTITY, FOR THE DEVELOPMENT OF 84 UNITS OF AFFORDABLE HOUSING AT THE OKEECHOBEE METRORAIL STATION (“PROJECT”), SUBJECT TO THE CONDITION THAT METRO GRANDE III ASSOCIATES, LTD. (“DEVELOPER”), A FLORIDA LIMITED PARTNERSHIP, IS THE DEVELOPER OF THE PROJECT; APPROVING RENTAL REGULATORY AGREEMENT BETWEEN COUNTY AND DEVELOPER; AUTHORIZING THE COUNTY MAYOR OR MAYOR’S DESIGNEE TO EXECUTE GRANT AND RENTAL REGULATORY AGREEMENTS AND OTHER TRANSACTIONAL DOCUMENTS NECESSARY TO ACCOMPLISH THE PURPOSES SET FORTH IN THIS RESOLUTION AND TO EXERCISE ALL PROVISIONS SET FORTH THEREIN

WHEREAS, pursuant to Resolution No. R-918-04 (the “Affordable Housing Resolution”), Miami-Dade County voters approved, as part of the Building Better Communities General Obligation Bond (“Bond”) Program, the issuance of general obligation bonds in a principal amount not to exceed \$194,997,000.00 to construct and improve affordable housing for the elderly and families; and

WHEREAS, Appendix A to the Affordable Housing Resolution lists projects eligible for funding from the Building Better Communities General Obligation Bond Program (the “Bond Program”) by project number, municipal project location, County Commission district, project name, project description, street address and allocation; and

WHEREAS, one of the projects listed in Appendix A to the Affordable Housing Resolution and approved by the voters for funding is Project No. 249 – “Preservation of Affordable Housing Units and Expansion of Home Ownership” with an original allocation of \$137,700,000.00 (“Project No. 249”); and

WHEREAS, in October, 2018, this Board approved, pursuant to Resolution No. R-1081-18, a lease (the “Lease”) with Cornerstone Group Partners, LLC, a Florida limited liability company for the land located at 2005 West Okeechobee Road, Hialeah, Florida 33010, the south parcel at the Okeechobee Metrorail Station site (the “Okeechobee Site”), for the development of the Metro Grande Apartment Homes; and

WHEREAS, the Lease has thereafter been twice amended on October 30, 2020, and on August 5, 2021, and a third amendment is being sought concurrently with this item; and

WHEREAS, the tenant thereafter sublet portions of the Okeechobee Site for the development of the Metro Grande Apartment Homes, including the sublease of a portion of the site to Metro Grande III Associates, Ltd. (“Developer”), a Florida limited partnership, for development of Phase III of the Metro Grande Apartment Homes; and

WHEREAS, the Metro Grande Apartment Homes will consist of a three-phased project, with Phase III consisting of 84 residential affordable housing units; and

WHEREAS, on July 23, 2019, this Board, pursuant to Resolution No. R-845-19, approved the allocation of \$5,393,796.00 of funds from Project No. 249 to Cornerstone Group Partners, LLC, a Florida limited liability company, or its subsidiaries, for development of Phase III of the Metro Grande Apartment Homes subject to a favorable tax opinion, a favorable underwriting report, and this Board’s approval of the necessary agreements, including any necessary amendment to the Lease; and

WHEREAS, the 84 units in Phase III of the Metro Grande Apartment Homes shall consist of the 28 units for eligible tenant households at or below 30 percent of area median income (“AMI”), six units for eligible tenant households at or below 60 percent of AMI, 27 units for eligible tenant households at or below 70 percent of AMI, and 23 units for eligible tenant households at or below 80 percent of AMI; and

WHEREAS, the County has obtained a favorable underwriting report, attached to Exhibit A to this resolution as Exhibit 4, and guidance from tax counsel on preserving the tax exempt status of the bonds and the Developer has identified Florida Community Development Corporation, a Florida not for profit corporation (the “Grantee”), as its affiliate to receive the grant; and

WHEREAS, this Board desires to approve a grant agreement with the Grantee and the Developer and a rental regulatory agreement with the Developer to be recorded on the Okeechobee Site for the development of Phase III of the Metro Grande Apartment Homes; and

WHEREAS, there is good cause to vary from the preliminary published agenda because there is a need to expedite this item and to consider it before this Board without committee review as the third amendment to the Lease only gives the Developer until June 2022 to secure and close on all of its financing for the development of Phase III- including the Bond Program funds; and

WHEREAS, there is a critical need in the County for the development of affordable housing and to expedite same because of the severe affordable housing shortage in this County,

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

Section 1. Approves the foregoing recitals and incorporates them into this resolution.

Section 2. Approves a grant agreement, in substantially the form attached hereto as Exhibit A and made a part hereof, and award of grant funds in the amount of \$5,393,796.00 to the

Grantee, to be funded from Project No. 249, for the development of Phase III of the Metro Grande Apartment Homes, subject to the condition that the Developer acts as the developer of the project in accordance with the terms of the grant agreement.

Section 3. Approves a rental regulatory agreement, in substantially the form attached as Exhibit 2 to Exhibit A to this resolution and made a part hereof, between the County and Developer.

Section 4. Authorizes the County Mayor or Mayor's designee to execute the grant agreement, the rental regulatory agreement and all other transactional documents necessary to accomplish the purposes set forth in this resolution and to exercise all provisions contained therein.

The Prime Sponsor of the foregoing resolution is Senator René García. It was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Raquel A. Regalado** and upon being put to a vote, the vote was as follows:

Jose "Pepe" Diaz, Chairman	aye	
Oliver G. Gilbert, III, Vice Chairman	aye	
Sen. René García	aye	Keon Hardemon aye
Sally A. Heyman	aye	Danielle Cohen Higgins aye
Eileen Higgins	aye	Joe A. Martinez aye
Kionne L. McGhee	aye	Jean Monestime aye
Raquel A. Regalado	aye	Rebeca Sosa aye
Sen. Javier D. Souto	aye	

The Chairperson thereupon declared this resolution duly passed and adopted this 3rd day of May, 2022. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.



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

HARVEY RUVIN, CLERK

By: **Basia Pruna**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

A handwritten signature in black ink, consisting of the letters "MRP" in a stylized, cursive font, positioned above a short horizontal line.

Monica Rizo Perez

**GENERAL OBLIGATION BOND (GOB)
BUILDING BETTER COMMUNITIES (BBC)
AFFORDABLE HOUSING DEVELOPMENT AND GRANT AGREEMENT**

**BETWEEN
MIAMI-DADE COUNTY
and
FLORIDA COMMUNITY DEVELOPMENT CORPORATION**

This Affordable Housing Development and Grant Agreement (the “Agreement” or “Grant Agreement”), by and between Miami-Dade County, a political subdivision of the State of Florida (the “County” or “Miami-Dade County”), through its Board of County Commissioners (the “Board”), and Florida Community Development Corporation, a Florida not for profit corporation (the “Grantee”), with offices at 3960 NW 146th Avenue, Miramar, Florida 33027, is entered into this ____ day of _____, 2022.

WHEREAS, pursuant to Resolution No. R-845-19, adopted on July 23, 2019 (the “Allocation Resolution”), the Board approved a Countywide grant/allocation of \$5,393,796.00 from Building Better Communities General Obligation Bond (“BBC GOB”) Project No. 249 titled “Preservation of Affordable Housing Units and Expansion of Home Ownership” funds (the “Funding Allocation”) for the development of eighty-four (84) affordable housing units to be known as Metro Grande Apartment Homes; and

WHEREAS, specifically, the 84 residential units are to be comprised of: (1) twenty-eight (28) Units with rents which are equal to or less than 30% of annual income for households at or below thirty percent (30%) of area median income (“AMI”), minus tenant-paid utilities; (2) six (6) Units with rents which are equal to or less than 30% of annual income for households at or below sixty percent (60%) of AMI, minus tenant-paid utilities; (3) twenty-seven (27) Units with rents which are equal to or less than 30% of annual income for households at or below seventy percent (70%) of AMI, minus tenant-paid utilities; and (4) twenty-three (23) Units with rents which are equal to or less than 30% of annual income for households at or below eighty percent (80%) of AMI, minus tenant-paid utilities (the “**Project**”); and

WHEREAS, pursuant to Resolution No. R-1081-18, adopted by the Board of County Commissioners (the “Board”) on October 23, 2018, the County Mayor or County Mayor’s designee executed a ground lease on October 25, 2018, for certain land between the County and Cornerstone Group Partners, LLC, a Florida limited liability company (the “Cornerstone”), which was subsequently assigned by Cornerstone to Okeechobee Lease Holdings, LLC, a Florida limited liability company (the “Assignee”) pursuant to an Assignment and Acceptance Agreement dated as of October 25, 2018, as such ground lease may be further amended or assigned in accordance with the provisions of such ground lease (“Lease”) upon which the Project shall be constructed; and

WHEREAS, the Assignee has subleased a portion of the property (known herein as the “Property” and described on “Exhibit 1”, attached hereto) subject to the Lease to Metro

Grande III Associates, Ltd., a Florida limited partnership (“Developer”) pursuant to that certain Sublease dated as of October 26, 2018, by and between Assignee and the Developer (the “Sublease”); and

WHEREAS, the Lease and Sublease require the Developer to build the Project on the Property and operate and manage same for occupancy by tenants at certain rents based on a percentage of the AMI, adjusted for family size, established by HUD and as specifically set forth in the Rental Regulatory Agreement attached to, and incorporated by reference in this Agreement as Exhibit “2”; and

WHEREAS, the Project is estimated to cost approximately \$32,186,903, which will be funded in accordance with the sources and uses set forth in the budget (the “Budget” which is attached to, and incorporated in this Agreement as “Exhibit 3”); and

WHEREAS, in accordance with Resolution No. R-138-14, attached as Exhibit “4” is the final underwriting report for the Project; and

WHEREAS, pursuant to the terms of this Agreement, the County has agreed to fund the Funding Allocation by making available \$1,272,000.00 of the allocated BBC GOB funds (the “Funding”) in fiscal year 2021-2022 and the balance of the Funding Allocation in fiscal year 2022-2023 in the amount of \$3,816,000.00 and in fiscal year 2023-2024 in the amount of \$305,796.00 for reimbursable capital expenditures made in connection with the Project (the “Funding Plan”), provided, however, that the disbursement of funds is subject to the conditions set forth in this Agreement; and

WHEREAS, pursuant to Resolution No. R-____-__, adopted by the Board on _____, 2022, the County (i) approved the grant of the Funding to the Grantee, subject to the express condition that the Developer is the developer of the Project, as described in Section 2 below and in the Lease and Sublease; and (ii) approved the form of this Agreement and the Rental Regulatory Agreement and authorized its representatives to enter into them; and

WHEREAS, the Board of Directors of the Grantee through a corporate resolution, have authorized its representative(s) to enter into this Agreement; and

WHEREAS, Grantee intends to lend the Funding to CG Metro Grande Lender, LLC, a Florida limited liability company (“Intermediate Lender”) and Intermediate Lender intends to lend the Funding to the Developer, an affiliate of Cornerstone; and

NOW, THEREFORE, in consideration of the mutual covenants recorded in this Agreement and in consideration of the mutual promises and covenants contained and the mutual benefits to be derived from this Agreement, the parties agree as follows:

Section 1. Parties; Effective Date; and Term. The parties to this Agreement are the Grantee and the County. It is agreed by the parties hereto that the Project will be developed and constructed by the Developer in accordance with the description set forth in Section 2 below and the Budget set forth in Section 5 and Exhibit 3 appended hereto. The County has delegated the responsibility of administering this Agreement to the County's Internal Services Department or its successor or assigns. The County acknowledges that the Grantee may delegate certain of its responsibilities to the Developer.

This Agreement shall take effect as of the date written above upon its execution by the authorized officers of the County and of the Grantee (such date the "Effective Date" or "Commencement Date") and shall terminate upon the completion and the issuance of a certificate of occupancy for the Units or thirty (30) months from the date of this Agreement whichever occurs first. In this Agreement, Fiscal Year means the County's Fiscal Year which currently is October 1 through the following September 30.

Section 2. Project Development and Description; Timetable; Use of Funds. The Project shall be developed in accordance with the requirements set forth in the Lease and the Sublease. In order to qualify for the Funding, Grantee, the Developer, and Cornerstone shall comply with the terms of the Lease. The Developer shall be obligated to build a minimum of 84 units that will be maintained and operated as qualified workforce units (the "Units") in the Project and all of the required parking for the Units as prescribed by the building code. The Developer will take all actions necessary to fulfill all obligations of Cornerstone under the Lease or Sublease related to the construction of the Project. Any revisions to the Project shall be made in accordance with the Lease, as amended.

Grantee agrees that all aspects of the Project as described above shall be completed within thirty (30) months from the Effective Date. If construction is not completed within such thirty (30) month period and the County Mayor or County Mayor's designee (the "County Mayor") has not extended the time for completion pursuant to the terms of this Agreement, it shall be an Event of Default under Section 15 of this Agreement.

The Grantee and Developer shall use, among other sources of funds, BBC GOB grant funds derived from the sale of BBC GOB or related drawdown bonds ("Funds") for the purpose of developing and constructing the Project in the manner described in this Agreement and the Lease, as may be amended from time to time.

Section 3. Restrictive Covenant. 100% of the Affordable Units shall be set aside for a mix of Eligible Tenants as that term is defined in the Rental Regulatory Agreement (the “Eligible Tenants”). Of the 84 total units in the Project, the 84 residential units are to be comprised of: (1) twenty-eight (28) Units with rents which are equal to or less than 30% of annual income for households at or below thirty percent (30%) of AMI, minus tenant-paid utilities; (2) six (6) Units with rents which are equal to or less than 30% of annual income for households at or below sixty percent (60%) of AMI, minus tenant-paid utilities; (3) twenty-seven (27) Units with rents which are equal to or less than 30% of annual income for households at or below seventy percent (70%) of AMI, minus tenant-paid utilities; and (4) twenty-three (23) Units with rents which are equal to or less than 30% of annual income for households at or below eighty percent (80%) of AMI, minus tenant-paid utilities. The initial monthly rates and rental terms are set forth in the Rental Regulatory Agreement. The Rental Regulatory Agreement shall be recorded by the Grantee at its expense. County shall have no obligation to disburse any Funds pursuant to this Agreement until evidence of such recordation is delivered to the County.

Section 4. Payment of Funding Allocation: and Availability and Disbursement of Funds. Subject to availability of Funds as set forth in this Section 4 and the receipt by the County of the documents set forth in Section VI of the Rental Regulatory Agreement and the terms of this Agreement, the County agrees to make disbursements to the Grantee or the Developer, if designated by the Grantee, as soon as it is practical, from available Funds for the Funding in accordance with the BBC GOB five year capital plan and the Funding Plan for each Fiscal Year after receipt of invoices from the Grantee or from the Developer, with certification from the Grantee, for capital costs incurred in connection with the development of the Project, provided, however, such reimbursements shall be made not more than thirty (30) days after receipt of invoices when Funds are available. With each request for reimbursement, the Grantee and/or Developer, as applicable, shall also provide a written statement that (a) the Grantee is not in default pursuant to the provisions of this Agreement; (b) the Budget has not been materially altered without the County's approval; (c) all quarterly reports have been submitted; (d) the reimbursement is in compliance with the IRS Reimbursement Rules defined below in this Section 4; and (e) the Project is progressing in accordance with its construction schedule.

The Funding shall be disbursed on a reimbursement basis in accordance with the County's BBC GOB Administrative Rules which are attached as Attachment 1 (“Administrative Rules”) and incorporated in this Agreement by this reference. By making this grant of the Funding pursuant to this Agreement, the County assumes no obligation to provide financial support of any type whatsoever in excess of the Funding Allocation. Cost overruns are the sole responsibility of the Grantee. Grantee understands and agrees that reimbursements to the Grantee shall be made in accordance with federal laws governing the BBC GOB Program, specifically the Internal Revenue Code of 1986, as amended and the regulations promulgated under it. Any reimbursement request by the Grantee or Developer for eligible Project expenses shall be made no later than eighteen (18) months after the later of (a) the date the original expenditure is paid, or (b) the date the Units are placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid

by the Grantee or the Developer (the "IRS Reimbursement Rules").

The County shall only be obligated to reimburse the Grantee provided the Grantee is not in breach of this Agreement and the Grantee has demonstrated that it or the Developer has adequate funds to complete the Project. The Funding shall be reduced by the amount of Funds disbursed from time to time pursuant to this Agreement. The County shall administer, in accordance with the Administrative Rules, available Funds as authorized by Board Resolutions.

The County covenants to appropriate in its annual budget Funds derived from the sale of BBC GOB notes and/or bonds, or other County financial vehicles designed to bridge the sale or availability of BBC GOB notes and/or bonds ("GOB Bond Funds") in the amount necessary to fund the Funding Plan in each Fiscal Year until the Funding is fully funded in accordance with the Funding Plan. The County agrees to notify the Grantee and Developer in writing if there is any proposed change to an annual appropriation through a subsequent budget amendment in that Fiscal Year, provided, however, the County's failure to notify the Grantee and/or Developer of such notice shall not constitute a default under this Agreement or the Lease. The Grantee may not require the County to use any other source of legally available revenues other than from GOB Bond Funds to fund the Funding Plan. This Agreement does not in any manner create a lien in favor of the Grantee on any revenues including the GOB Bond Funds of the County. The County agrees to respond in writing within fifteen (15) days of a request from the Grantee during the term of this Agreement as to the amount appropriated by the County for the Funding Plan for the current Fiscal Year.

Section 5. Project Budget. The Grantee agrees to demonstrate fiscal stability and the ability to administer Funds received pursuant to this Agreement responsibly and in accordance with standard accounting practices by adhering to the Budget. If Grantee wishes to materially revise the Budget for the purpose of meeting its obligations and the economic feasibility of the Project, the Grantee shall submit such a request in writing to the County Mayor seeking approval from the Board of such revisions. Grantee shall not proceed with the revisions until the County has approved the requested revisions in writing. A material revision shall mean a change of more than 10% of the total Budget.

Section 6. Expenditure Deadline. The Grantee shall cause the Developer to spend or commit all of the Funding on or before thirty (30) months from the Commencement Date (the "Expenditure Deadline"). Any Funding not spent or committed by the Expenditure Deadline for the Project or for which an extension has not been requested shall be subject to reversion to the County and this Agreement shall be terminated in accordance with the provisions of this Agreement. Disbursements of Funds are subject to the IRS Reimbursement Rules described in Section 4.

An extension may be requested in writing from the County Mayor at least thirty (30) days prior to the Expenditure Deadline. The County Mayor, at his or her discretion, may grant an extension of up to one (1) year from the Expenditure Deadline as long as

the requested extension will not substantially alter the Project including its quality, impact, or benefit to the County or its citizens or result in a violation of the IRS Reimbursement Rules. All extension requests may be authorized by the County Mayor and must include documentation for the cause for such an extension request to be warranted and a statement on the progress of the Project.

In any case, the thirty (30) month period shall be extended for delays caused by casualty, war, terrorism, natural disasters, unavailability of labor or materials, civil uprising, governmental delays or other matters beyond the Grantee's and/or the Developer's control including, without limitations, delays caused by the County's failure to disburse the Funds in accordance with the terms of this Grant Agreement but only to the extent such extensions would not violate the IRS Reimbursement Rules.

Section 7. Reports: and Filing Deadlines. To demonstrate that Funds disbursed pursuant to this Agreement have been used in accordance with the Budget, the Grantee shall cause the Developer to submit the following reports to the County Mayor:

Quarterly Reports: The Grantee shall cause the Developer to submit to the County Mayor, a written report documenting that the Grantee is meeting, is fulfilling or has fulfilled all project descriptions and the Budget requirements. This report is to be received by the County Mayor, or their designee, no less than quarterly, and along with each submission of a reimbursement request and will end upon Project stabilization (as that term is defined in the Developer's limited partnership agreement).

Annual Statements: The Grantee shall cause the Developer to also submit a written report to the County Mayor on or prior to September 30th of each year from the time of the execution of this Agreement through the termination of this Agreement demonstrating that the Grantee and the Developer are fulfilling, or have fulfilled, their purpose, and have complied with all applicable municipal, County, state and federal requirements, and this Agreement, exhibits, and/or other substantive materials affecting this Agreement, whether by reference or as may be attached or included as a condition to the distribution of Funds pursuant to the Funding Plan.

The County Mayor may also request a compilation statement or independent financial audit and accounting for the expenditure of Funds disbursed pursuant to this Agreement. This audit will be prepared by the Grantee's independent certified public accounting firm at the expense of the Grantee. If a dispute arises regarding the expenditure of the Funds as shown in the compilation statement or independent financial audit, the County Mayor may request that an independent certified public accounting firm selected by the County perform an audit at the expense of the Grantee.

The County will notify the Grantee in writing if it does not receive any Quarterly Report or Annual Statement timely. The Grantee shall have five (5) business days

from the time it receives any such notice to respond and cure any reporting deficiency. The County may withhold the distribution of any additional Funds pursuant to this Agreement only after (a) the County notifies the Grantee of a report deficiency, and (b) the Grantee fails to cure the report deficiency within the prescribed timeframes above.

In the event that the Grantee fails to submit the required reports as required above, the County Mayor may terminate this Agreement in accordance with Section 15 or suspend any further disbursement of Funds pursuant to this Agreement until all reports are current. Further, the County Mayor must approve these reports for the Grantee to be deemed to have met all conditions of the grant award.

Section 8. Program Monitoring and Evaluation. The County Mayor may monitor and conduct an evaluation of the Grantee's operations and the Project, which may include visits by County representatives to observe and discuss the progress of the Project with the Grantee's personnel. Upon request, the Grantee shall provide the County Mayor with notice of all meetings of its Board of Directors or governing board, and the Project related events. In the event the County Mayor concludes, as a result of such monitoring and/or evaluation, that the Grantee is not in compliance with the terms of this Agreement or the Administrative Rules or for other reasons, then the County Mayor must provide in writing to the Grantee, within thirty (30) days of the date of said monitoring/evaluation, notice of the inadequacy or deficiencies noted which may significantly impact on the Grantee's and/or Developers' ability to complete the Project and fulfill the terms of this Agreement within a reasonable time frame. If Grantee and/or Developer refuses or is unable to address the areas of concern within thirty (30) days of receipt of such notice from the County Mayor, then the County Mayor, at his or her discretion, may withhold Funds until such time as the Grantee can demonstrate that such issues have been corrected. Further, in the event that the Grantee does not expend the Funds for the Project or uses any portion of the Funds for costs not associated with the Project and the Grantee refuses or is unable to address the areas of concern, then the County Mayor may request the return of all or a portion of the Funds disbursed to date pursuant to this Agreement. The County Mayor may also institute a moratorium on applications from the Grantee to County grants programs for a period of up to one (1) year or until the deficient areas have been addressed to the satisfaction of the County Mayor, whichever occurs first. In addition to the Grantee, the County agrees to provide all notices required in this Section 8 to the Developer.

Section 9. Accounting, Financial Review and Access to Records and Audits. The Grantee must keep accurate and complete books and records for all receipts and expenditures of Funds received pursuant to this Agreement in conformance with general accounting standards. These books and records, as well as all documents pertaining to payments received and made in conjunction with each disbursement of Funds pursuant to this Agreement, such as vouchers, bills, invoices, receipts and canceled checks, shall be retained within Miami-Dade County in a secure place and in an orderly fashion in a location within the County by the Grantee for at least three (3) years after the later of the Expenditure Deadline specified in Section 6; the extended Expenditure Deadline, as

approved by the County Mayor, if any; the completion of a County requested or mandated audit or compliance review; or the conclusion of a legal action involving the disbursement of Funds pursuant to this Agreement and/or the Project activities related to the expenditure of such Funds.

The County Mayor may examine these books, records and documents at the Grantee's offices or other approved site under the direct control and supervision of the Grantee during regular business hours and upon reasonable notice. Furthermore, the County Mayor may, upon reasonable notice and at the County's expense, audit or have audited all financial records of the Grantee, whether or not purported to be related to this grant.

The Grantee agrees to cooperate with the Miami-Dade County Office of Inspector General (IG) which has the authority and power to investigate County affairs and review past, present and proposed County programs, accounts, records, contracts and transactions. The IG contract fee shall not apply to this Agreement and the Grantee shall not be responsible for any expense reimbursements or other amounts payable to the IG or its contractors. The IG may, on a random basis, perform audits on this Agreement throughout the duration of said Agreement (hereinafter "random audits"). This random audit is separate and distinct from any other audit by the County.

The IG shall have the power to retain and coordinate the services of an independent private sector inspector general ("IPSIG") who may be engaged to perform said random audits, as well as audit, investigate, monitor, oversee, inspect, and review the operations, activities and performance and procurement process including, but not limited to, project design, establishment of bid specifications, bid submittals, activities of the Grantee and contractor and their respective officers, agents and employees, lobbyists, subcontractors, materialmen, staff and elected officials in order to ensure compliance with contract specifications and detect corruption and fraud. The IG shall have the power to subpoena witnesses, administer oaths and require the production of records. Upon ten (10) days written notice to the Grantee (and any affected contractor and materialman) from IG, the Grantee (and any affected contractor and materialman) shall make all requested records and documents available to the IG for inspection and copying.

The IG shall have the power to report and/or recommend to the Board whether a particular project, program, contract or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both financially and operationally. Monitoring of an existing project or program may include reporting whether the project is on time, within Budget and in conformity with plans, specifications, and applicable law. The IG shall have the power to analyze the need for, and reasonableness of, proposed change orders.

The IG is authorized to investigate any alleged violation by a contractor of its Code of Business Ethics, pursuant to County Code Section 2-8.1.

The provisions in this section shall apply to the Grantee, its contractors and their respective officers, agents and employees. The Grantee shall cause the Developer to incorporate the provisions in this section in all contracts and all other agreements executed by its contractors in connection with the performance of this Agreement. Any rights that the County has under this Section shall not be the basis for any liability to accrue to the County from the Grantee, its contractors or third parties for such monitoring or investigation or for the failure to have conducted such monitoring or investigation and the County shall have no obligation to exercise any of its rights for the benefit of the Grantee.

Grantee agrees to cooperate with the Commission Auditor who has the right to access all financial and performance related records, property, and equipment purchased in whole or in part with governmental funds pursuant to Section 2-481 of the County Code.

Section 10. Publicity and Credits. The Grantee shall cause the Developer to include the following credit line in all promotional marketing materials related to this funding including web sites, news and press releases, public service announcements, broadcast media, programs, and publications: “THIS METRO GRANDE III PROJECT IS SUPPORTED BY THE BUILDING BETTER COMMUNITIES BOND PROGRAM AND THE MAYOR AND BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY.”

Section 11. Naming Rights and Advertisements. It is understood and agreed between the parties that the Grant is funded by Miami-Dade County. Further, by acceptance of the Funds, the Grantee agrees that Project funded by this Agreement shall recognize and adequately reference the County as a funding source. In the event that any naming rights or advertisement space is offered on a facility constructed or improved with the BBC GOB Program, then Miami- Dade County's name, logo, and slogan shall appear on the facility not less than once and equal to half the number of times the most frequent sponsor or advertiser is named, whichever is greater. Lettering used for Miami-Dade County will be no less than 75% of the size of the largest lettering used for any sponsor or advertiser unless waived by the Board. Grantee shall cause the Developer to ensure that all publicity, public relations, advertisements and signs recognize and reference the County for the support of the Project. This is to include, but is not limited to, all posted signs, pamphlets, wall plaques, cornerstones, dedications, notices, flyers, brochures, news releases, media packages, promotions and stationery. The use of the official County logo is permissible for the publicity purposes stated herein. The Grantee shall cause the Developer to submit sample of mock up of such publicity or materials to the County for review and approval. The Grantee shall ensure that all media representatives, when inquiring about the Project(s) funded by the Agreement, are informed that the County is its funding source.

Section 12. Liability and Indemnification. It is expressly understood and intended that the Grantee, as the recipient of the BBC GOB Program, is not an officer, employee or agent of the County, its Board of County Commissioners, its Mayor, nor the County

department administering this Agreement and the disbursement of Funds. Further, for purposes of this Agreement, the parties agree that the Grantee, its officers, agents and employees are independent contractors and solely responsible for the Project.

The Grantee shall take all actions as may be necessary to ensure that its officers, agents, employees, assignees and/or subcontractors shall not act as nor give the appearance of that of an agent, servant, joint venture partner, collaborator or partner of the department administering these grants, the County Mayor, the Miami-Dade County Board of County Commissioners, or its employees. No party or its officers, elected or appointed officials, employees, agents, independent contractors or consultants shall be considered employees or agents of any other party, nor to have been authorized to incur any expense on behalf of any other party, nor to act for or to bind any other party, nor shall an employee claim any right in or entitlement to any pension, workers' compensation benefit, unemployment compensation, civil service or other employee rights or privileges granted by operation of law or otherwise, except through and against the entity by whom they are employed.

The Grantee agrees to be responsible for all work performed and all expenses incurred in connection with the Project. The Grantee may subcontract as necessary to complete Project, including entering into subcontracts with vendors for services and commodities, provided that it is understood by the Grantee that the County shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and that the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract. It is expressly understood that the Grantee may be loaning the proceeds of the Funds to the Developer which will be building the Project. The development of the Project will be overseen by, and be the responsibility of, the Developer. It is understood that certain of the responsibilities set forth herein undertaken by the Grantee may be satisfied by the Developer.

The Grantee shall indemnify and hold harmless the County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement and/or the development of the Project by the Grantee or the Developer or their employees, agents, servants, partners, principals, sub-consultants or subcontractors (collectively, "Adverse Proceedings"). Grantee shall pay all claims and losses in connection with such Adverse Proceedings and shall investigate and defend all Adverse Proceedings in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorneys' fees which may result from such Adverse Proceedings. Grantee expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Grantee shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as provided in this Section 12.

Section 13. Assignment. Other than as provided herein, the Grantee is not permitted

to assign this Agreement or any portion of it other than as herein provided. Any purported assignment will render this Agreement null and void and subject to immediate rescission of the full amount of the Funding Allocation and immediate reimbursement by the Grantee of the full amount of the Funding disbursed to date to the Grantee. The Grantee may assign its rights and obligations hereunder to an affiliate which is controlled by Grantee or its principals or to a Florida not for profit corporation if necessary to facilitate the use of federal low income tax credits for the benefit of the Project. The County acknowledges that the Grantee and/or Developer will be obtaining additional financing for the Project and that such lender(s) will require an assignment of this Agreement and/or the Funds to such lender(s) as additional security for their loans. To the extent required by the lender(s), the County agrees to cause a legal opinion acceptable to the lender(s) to be provided to the lender(s) regarding the enforceability of this Agreement and any such assignment to the lender(s). Such assignment will be expressly conditioned on the lender's agreement to use such Funds solely in fulfillment of the purposes set forth herein. Any such financing obtained by the Grantee for purposes of developing the Project will be senior in lien priority to the funding evidenced by this Grant Agreement.

Section 14. Compliance with laws. The Grantee is obligated and agrees to abide by and be governed by all Applicable laws necessary for the development and completion of the Project. "Applicable law" means any applicable law (including, without limitation, any environmental law), enactment, statute, code, ordinance, administrative order, charter, tariff, resolution, order, rule, regulation, guideline, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization, or other direction or requirement of any governmental authority, political subdivision, or any division or department thereof, now existing or hereinafter enacted, adopted, promulgated, entered, or issued. Notwithstanding the foregoing, "Applicable Laws" and "applicable laws" shall expressly include, without limitation, all applicable zoning, land use, developments of regional impact ("DRIs") and Florida Building Code requirements and regulations, all applicable impact fee requirements, all requirements of Florida Statutes, specifically including, but not limited to, Chapter 11-A of the County Code (nondiscrimination in employment, housing and public accommodations); all disclosure requirements imposed by Section 2-8.1 of the Miami-Dade County Code; County Resolution No R-754-93 (Insurance Affidavit); County Ordinance No. 92-15 (Drug-Free Workplace); County Ordinance No. 91-142 (Family Leave Affidavit); execution and delivery of public entity crimes disclosure statement, Miami-Dade County disability non-discrimination affidavit, and Miami- Dade County criminal record affidavit; all applicable requirements of Miami-Dade County Ordinance No. 90-90 as amended by Ordinance 90-133 (Fair Wage Ordinance); the requirements of Section 2-1701 of the Code and all other applicable requirements contained in this Agreement.

The Grantee shall comply with Miami-Dade County Resolution No. R-385-98 which creates a policy prohibiting contracts with firms violating the Americans with Disabilities Act of 1990 and other laws prohibiting discrimination on the basis of disability and shall execute a Miami-Dade County Disability Non-Discrimination Affidavit confirming such compliance.

The Grantee covenants and agrees with the County to comply with Miami-Dade County Ordinance No. 72-82 (Conflict of Interest), Resolution No. R-1049-93 (Affirmative Action Plan Furtherance and Compliance), and Resolution No. R.-185-00 (Domestic Leave Ordinance).

All records of the Grantee and its contractors pertaining to the Project shall be maintained in Miami-Dade County and, upon reasonable notice shall be made available to representatives of the County. In addition, the Office of Inspector General of Miami-Dade County shall have access thereto for any of the purposes provided in Sec. 2-1076 of the Code of Miami-Dade County.

The Grantee shall submit to the department administering this Agreement, all affidavits required in this Section 14 prior to, or at the time, this Agreement is delivered by the Grantee to the County fully executed by an authorized officer.

Section 15. Default. Opportunity to Cure and Termination.

- (a) Each of the following shall constitute a default (a “Grantee Default”) by the Grantee:
 - (1) If the Grantee uses any portion of the Funding for costs not associated with the Project (i.e. ineligible costs), and the Grantee fails to cure its default within thirty (30) days after written notice of the default is given to the Grantee by the County; provided, however, that if not reasonably possible to cure such default within the thirty (30) day period, such cure period shall be extended for up to one hundred eighty (180) days following the date of the original notice if within thirty (30) days after such written notice the Grantee commences diligently and thereafter continues to cure.
 - (2) If the Grantee shall breach any of the other covenants and/or this Agreement other than as referred to in Section 15(a)(1) and the Grantee fails to cure its default within thirty (30) days after written notice of the default is given to the Grantee by the County; provided, however, that if not reasonably possible to cure such default within the thirty (30) day period, such cure period shall be extended for up to one hundred eighty (180) days following the date of the original notice if within thirty (30) days after such written notice the Grantee commences diligently and thereafter continues to cure.
 - (3) If the Grantee fails to complete the Project within four (4) years of the Commencement Date of this Agreement subject to extension

as provided above.

(b) The following shall constitute a default (a "County Default") by the County:

- (1) If the County shall breach any of the covenants or provisions in this Agreement and the County fails to cure its default within thirty (30) days after written notice of the default is given to the County by the Grantee; provided, however, that if not reasonably possible to cure such default within the thirty (30) day period, such cure period shall be extended for up to one hundred eighty (180) days following the date of the original notice if within thirty (30) days after such written notice the County commences diligently and thereafter continues to cure.

(c) Remedies:

- (1) Upon the occurrence of a Grantee Default as provided in Section 15(a) and such default is not cured within the applicable grace period, in addition to all other remedies conferred by this Agreement, the Grantee shall reimburse the County, in whole or in part as the County shall determine, all Funds provided to the Grantee by the County pursuant to the terms of this Agreement and this Agreement shall be terminated.
- (2) Either party may institute litigation to recover damages for any Grantee Default or County Default (as applicable) or to obtain any other remedy at law or in equity (including specific performance, permanent, preliminary or temporary injunctive relief, and any other kind of equitable remedy), provided, however, any damages sought by the Grantee shall be limited solely to legally available Funds appropriated by the County to fund disbursements pursuant to this Agreement and no other revenues of the County.
- (3) Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default.
- (4) Any failure of a party to exercise any right or remedy as provided in this Agreement shall not be deemed a waiver by that party of any claim for damages it may have by reason of the default.
- (5) The Developer, shall have the opportunity to cure any default of

the Grantee within the time frame allotted to the Grantee under this Agreement.

(d) Termination:

- (1) Notwithstanding anything herein to the contrary, either party shall have the right to terminate this Agreement, by giving written notice of termination to the other party, but with respect to the County's right to termination, only to the extent that a material Grantee Default has occurred and is continuing beyond any applicable grace or cure period, and with respect to the Grantee's right to terminate, only to the extent that a material County Default has occurred and is continuing beyond any applicable grace or cure period; provided, however, such termination shall not be effective until all payments are made by Grantee to the County pursuant to (c) (1) of this Section 15 above.
- (2) Termination of this Agreement by any Party is not effective until five (5) business days following receipt of the written notice of termination.
- (3) Upon termination of this Agreement pursuant to Section 15(d)(1) above, no party shall have any further liability or obligation to the other party except as expressly set forth in this Agreement; provided that no party shall be relieved of any liability for breach of this Agreement for events or obligations arising prior to such termination.

In the event the Funding is canceled or the Grantee is requested to repay any of the Funding because of a breach of this Agreement, the Grantee will not be eligible to apply to the County for another grant or contract with the County for a period of one (1) year, commencing on the date the Grantee receives the notice in writing of the breach of this Agreement. Further, the Grantee will be liable to reimburse Miami-Dade County for all unauthorized expenditures discovered after the expiration or termination of this Agreement. The Grantee will also be liable to reimburse the County for all lost or stolen Funds disbursed to the Grantee pursuant to this Agreement. Funds, which are to be repaid to the County pursuant to this Section or other sections in this Agreement, are to be repaid by delivering to the County Mayor a certified check for the total amount due payable to Miami-Dade County Board of County Commissioners. Notwithstanding any other provision contained herein, in the event the Project is completed by the Grantee, no breach hereunder shall give rise to an obligation to repay any Funds which have been properly utilized for the construction and development of the Project.

These provisions do not waive or preclude the County from pursuing any other remedy, which may be available to it under the law.

The Developer and R4 MGFL Acquisition LLC, a Delaware limited liability company (c/o R4 Capital LLC, 780 Third Avenue, 16th Floor, New York, NY 10016, Attn: Marc Schnitzer)- as the limited partner of the Developer and as lender to the Developer- shall have the opportunity to cure any default of the Grantee within the time frame allotted to the Grantee under this Agreement.

Section 16. Waiver. There shall be no waiver of any right related to this Agreement unless in writing and signed by the party waiving such right. No delay or failure to exercise a right under this Agreement shall impair such right or shall be construed to be a waiver thereof. Any waiver shall be limited to the particular right so waived and shall not be deemed a waiver of the same right at a later time or of any other right under this Agreement. Waiver by any party of any breach of any provision of this Agreement shall not be considered as or constitute a continuing waiver or a waiver of any other breach of the same or any other provision of this Agreement.

Section 17. Written Notices. Any notice, consent or other communication required to be given under this Agreement shall be in writing, and shall be considered given when delivered in person or sent by facsimile or electronic mail (provided that any notice sent by facsimile or electronic mail shall simultaneously be sent personal delivery, overnight courier or certified mail as provided herein), one (1) business day after being sent by reputable overnight carrier or t h r e e (3) business days after being mailed by certified mail, return receipt requested, to the parties at the addresses set forth below (or at such other address as a party may specify by notice given pursuant to this Section to the other party);

The County:

Director
Internal Services Department
Miami-Dade County
111 N.W. 1st Street, 21st Floor
Miami, Florida 33128

And

Director
Office of Management and Budget
Miami-Dade County
111 NW 1st Avenue, Suite 2200
Miami, Florida 33128

Grantee:

Florida Community Development Corporation
3960 NW 146th Avenue
Miramar, Florida 33027
Attention: Stephanie Williams-Baldwin

Developer:

Metro Grande III Associates, Ltd.
2100 Hollywood Blvd.
Hollywood, FL 33020
Attention: Mara S. Mades

with a copy to:

Stearns Weaver Miller, et al.
150 West Flagler Street, Suite 2200
Miami, Florida 33130
Attention: Brian McDonough, Esq.

Section 18. Captions. Captions as used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and shall not affect the meaning or interpretation of any provisions in this Agreement.

Section 19. Agreement Represents Total Agreement: Amendments. This Agreement, and its attachments, which are incorporated in this Agreement, incorporate and include all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained in this Agreement. The parties agree that there are no commitments, agreements, or understandings concerning the subject matter of this Agreement that are not contained in this Agreement, and that this Agreement contains the entire agreement between the parties as to all matters pertaining to the funding for the Project by the County through all or a portion of the Funding and the development of the Units by the Grantee. Accordingly, it is agreed that no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that any oral representations or modifications concerning this Agreement shall be of no force or effect.

This Agreement may be modified, altered or amended only by a written amendment duly executed by the County and the Grantee or their authorized representatives.

Section 20. Litigation Costs/Venue. In the event that the Grantee or the County institutes any action or suit to enforce the provisions of this Agreement, the prevailing party in such litigation shall be entitled to reasonable costs and attorney's fees at the trial, appellate and post-judgment levels. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The County and the Grantee

agree to submit to service of process and jurisdiction of the State of Florida for any controversy or claim arising out of or relating to this Agreement or a breach of this Agreement. Venue for any court action between the parties for any such controversy arising from or related to this Agreement shall be in the Eleventh Judicial Circuit in and for Miami-Dade County, Florida, or in the United States District Court for the Southern District of Florida, in Miami-Dade County, Florida.

Section 21. Representations of the Grantee. The Grantee represents that this Agreement has been duly authorized by the governing body of the Grantee and that the governing body has designated Stephanie Williams- Baldwin or such other individual or individuals who may be designated by the Grantee in writing from time to time (the "Authorized Officer"), as the individual with the required power and authority to execute this Agreement on behalf of Grantee. The Grantee represents that it is a validly existing not for profit corporation in good standing under the laws of the State of Florida.

Once this Agreement is properly and legally executed by its Authorized Officer, the governing body of the Grantee agrees to a) comply with the terms of this Agreement; b) comply with the terms of the Rental Regulatory Agreement c) comply with all applicable laws, including, without limitation, the County's policy against discrimination; d) comply with the Administrative Rules; and e) submit all written documentation required by the Administrative Rules and this Agreement to the County Mayor.

Section 22. Responsibilities of Developer. The County's agreement to allow the Funds paid to the Grantee to be subsequently re-loaned by the Grantee to Intermediate Lender and to be further re-loaned by Intermediate Lender to the Developer was specifically conditioned upon the Developer developing the Project. Thus the parties acknowledge that the Developer will be responsible for the various obligations of the Grantee set forth in this Agreement. The Developer has joined in this Agreement for the express purpose of acknowledging such obligation.

Section 23. Representation of the County. The County represents that this Agreement has been duly approved by the Board, as the governing body of the County, and the Board has granted the County Mayor, the required power and authority to execute this Agreement and that this is a legally enforceable agreement in accordance with its terms. The County agrees to provide Funds to the Grantee for the purpose of developing and improving the Project in accordance with terms of this Agreement, including its Exhibits which are incorporated in this Agreement. The County shall only disburse Funds if the Grantee is not in breach of this Agreement and continues to have adequate funds to complete the Project. Any and all reimbursement obligations of the County shall be fully subject to and contingent upon the availability of Funds within the time periods set forth in this Agreement.

Section 24. Invalidity of Provisions, Severability. Wherever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid

under Applicable Law, but if any provision of this Agreement shall be prohibited or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, provided that the material purposes of this Agreement can be determined and effectuated.

Section 25. Insurance. The Grantee must maintain and shall furnish, upon request, to the County Mayor, certificate(s) of insurance indicating that insurance has been obtained which meets the requirements as outlined below:

- A. Worker's Compensation Insurance for all employees of the vendor as required by Section 440 of the Florida Statutes.
- B. Public Liability Insurance on a comprehensive basis in an amount not less than \$300,000 combined single limit per occurrence for bodily injury and property damage, **Miami-Dade County must be shown as an additional insured with respect to this coverage.**

All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications:

The company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength, by the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the County's General Services Administration Risk Management Division.

or

The company must hold a valid Florida Certificate of Authority as shown in the latest "List of All Insurance Companies Authorized or Approved to Do Business in Florida" issued by the State of Florida Department of Insurance and are members of the Florida Guaranty Fund.

Modification or waiver of any of the insurance requirements identified in this Section 25 is subject to the approval of the County's General Services Administration Risk Management Division. The Grantee shall notify the County of any intended changes in insurance coverage, including any renewals of existing policies.

Section 26. Special Conditions. The Funding is awarded to the Grantee with the understanding that the Grantee is performing a public purpose by providing affordable rental units through the development of the Project. Use of the Funds for any purpose other than for construction of the Units and certain soft costs related thereto will be considered a material breach of the terms of this Agreement and will allow Miami-Dade County to seek remedies including, but not limited to, those outlined in Section 15 of this Agreement.

Section 27. Miami-Dade County's Rights As Sovereign. Notwithstanding any

provision of this Grant Agreement,

(a) Miami-Dade County retains all of its sovereign prerogatives and rights as a county under Florida laws (other than its contractual duties under this Agreement) and shall not be estopped by virtue of this Agreement from withholding or refusing to issue any zoning approvals and/or building permits; from exercising its planning or regulatory duties and authority; and from requiring the Project to comply with all development requirements under present or future laws and ordinances applicable to its design, construction and development; and

(b) Miami-Dade County shall not by virtue of this Agreement be obligated to grant the Grantee or the Project or any portion of it, any approvals of applications for building, zoning, planning or development under present or future laws and ordinances applicable to the design, construction and development of the Project.

SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above:

ATTEST:

MIAMI-DADE COUNTY, FLORIDA

By: _____
Deputy Clerk

By: _____

Approved by County Attorney as
to form and legal sufficiency.

By: _____

FLORIDA COMMUNITY
DEVELOPMENT CORPORATION, a
Florida not-for-profit corporation

By: Stephanie Wilk Baldwin

STATE OF FLORIDA

MIAMI-DADE COUNTY

I HEREBY CERTIFY that on this day, before me, by means of ☐ physical presence or ☐ online notarization, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, the foregoing instrument was acknowledged before me by STEPHANIE WILK-BALDWIN, as PRESIDENT of Florida Community Development Corporation, a Florida not for profit corporation. He/she is personally known to me or has produced _____ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 28 day of APRIL, 2022.

By:
Notary Public
Print Name:
My Commission Expires:

WILLIE BARNETT
W



AGREED TO AND ACKNOWLEDGED BY:

Metro Grande III Associates, Ltd.,
a Florida Limited Partnership

By: Cornerstone Metro Grande III, LLC,
a Florida Limited liability company,
its General Partner

By: _____
Mara S. Mades, Manager

STATE OF FLORIDA

MIAMI-DADE COUNTY

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, the foregoing instrument was acknowledged before me by Mara S. Mades, Manager of Cornerstone Metro Grande III, LLC, a Florida limited liability company, which is the General Partner of Metro Grande III Associates, Ltd., a Florida Limited Partnership. He/she is personally known to me or has produced _____ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this ____ day of _____, 20____.

By:

Notary Public

Print Name:

My Commission Expires:

EXHIBIT 1
PROPERTY LEGAL DESCRIPTION

A PORTION OF TRACT "A", OKEECHOBEE STATION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 159, PAGE 10, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF TRACT "A"; THENCE SOUTH 89°38'09" WEST, 409.04 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF WEST 19TH STREET TO THE POINT OF BEGINNING; THENCE NORTH 0°21'51" WEST, 189.49 FEET; THENCE SOUTH 89°37'54" WEST, 24.05 FEET TO A POINT TANGENT TO A CIRCULAR CURVE CONCAVE NORTHERLY, SAID CURVE HAS A RADIUS OF 31.00 FEET; THENCE 23.41 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 43°15'39" TO A POINT; THENCE NORTH 47°06'27" WEST, 22.38 FEET TO A POINT TANGENT TO A CIRCULAR CURVE CONCAVE SOUTHERLY, SAID CURVE HAS A RADIUS OF 34.00 FEET; THENCE 25.67 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 43°15'39" TO A POINT; THENCE SOUTH 89°37'54" WEST, 172.98 FEET TO A POINT TANGENT TO A CIRCULAR CURVE CONCAVE NORTHERLY, SAID CURVE HAS A RADIUS OF 18.50 FEET; THENCE 12.95 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 40°06'40" TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHEASTERLY AND HAS A RADIUS OF 81.00 FEET; THENCE 25.31 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17°54'23" TO A POINT OF NON-TANGENCY; THENCE SOUTH 89°35'24" WEST, 78.03 FEET; THENCE SOUTH 43°43'35" WEST, 39.13 FEET TO A POINT NON-TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAS A RADIUS OF 2,682.85 FEET, TO WHICH A RADIAL LINE BEARS NORTH 45°45'48" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°15'42" AN ARC DISTANCE OF 12.25 FEET TO A POINT OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAS A RADIUS OF 2,583.28 FEET, TO WHICH A RADIAL LINE BEARS SOUTH 46°31'38" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°30'08" AN ARC DISTANCE OF 293.16 FEET TO A POINT OF A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAS A RADIUS OF 78.96 FEET, TO WHICH A RADIAL LINE BEARS SOUTH 23°18'06" WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°39'57" AN ARC DISTANCE OF 32.61 FEET TO A POINT OF TANGENCY; THENCE NORTH 89°38'09" EAST, 139.36 FEET TO THE POINT OF BEGINNING.

EXHIBIT 2
RENTAL REGULATORY AGREEMENT

This Instrument Was Prepared By:
Brenda Kuhns Neuman, Esq. and
Monica Rizo Perez, Esq.
Assistant County Attorneys
Miami-Dade County Attorney's Office
111 NW 1st Street, Suite 2810
Miami, FL 33128

Record and Return to:
Miami-Dade County
Public Housing and Community Development
701 NW 1st Court, Suite 1400
Miami, Florida 33136
Attn: Director

MIAMI-DADE COUNTY
RENTAL REGULATORY AGREEMENT
[Surtax Loan and GOB]

This Rental Regulatory Agreement (the "Agreement"), by and between **MIAMI-DADE COUNTY**, a political subdivision of the State of Florida (hereinafter referred to as the "County" or "PHCD"), through its Board of County Commissioners (the "Board"), and **METRO GRANDE III ASSOCIATES, LTD.**, a Florida limited partnership, its heirs, successors and assigns (hereinafter referred to as the "Owner") with offices at 2100 Hollywood Blvd., Hollywood, Florida 33020, Attn: Mara S. Mades, is entered into as of _____, 2022

WHEREAS, pursuant to Resolution Nos. R-109-20 and R-1040-21, adopted by the Board, on February 4, 2020, and November 2, 2021, respectively, the County has authorized a loan in the amount of up to Two Million and 00/100 Dollars (\$2,000,000.00) of FY 2019 Surtax funds and Eight Hundred Fifty Thousand and 00/100 Dollars (\$850,000.00) of redeployed Surtax funds (or another non-federal source of County funds, excluding tax-exempt bond proceeds, which the County in its sole discretion uses to fund the loan) (hereafter referred to as the "County Loan") to Owner for the purposes outlined and pursuant to the conditions set forth in each Promissory Note; Leasehold Mortgage and Security Agreement and Collateral Assignment of Leases, Rents and Profits; the Loan Agreement; and the FY 2019 Request for Application (RFA) Affordable Housing Funding Agreement between the County and the Owner, executed simultaneously herewith (the "Contract"), and other documents executed in connection with the closing of the County Loan (hereinafter referred to as "Loan Documents"); and

WHEREAS, pursuant to Resolution No. R-845-19, adopted by the Board on July 23, 2019, (the "Allocation Resolution"), the Board authorized a Countywide grant/allocation from the Building Better Communities General Obligation Bond ("BBC GOB") Program under Project No. 249 - "Preservation of Affordable Housing Units and Expansion of Home Ownership" in a total amount not to exceed Five Million Three Hundred Ninety-Three Seven Hundred Ninety-Six and 00/100 Dollars (\$5,393,796.00) ("Affordable Housing Funding") to Owner for the development

of Metro Grande III, and simultaneous with the execution of this Agreement, the Owner and the County have executed a BBC GOB grant agreement (“Grant Agreement”) for the Project (as such term is defined in the subsequent recital clause); and

WHEREAS, in connection with receipt of the County Loan and the Affordable Housing Funding, the Owner agrees that the Dwelling Units (as defined below) shall be leased to Eligible Tenants (as defined below) and agrees to maintain the rents at certain prescribed rates, as set forth in this Agreement; and

WHEREAS, the Loan Documents and all agreements executed in connection with the County Loan and the BBC GOB grant Grant shall hereinafter be referred to as the “County Funding Documents”; and

WHEREAS, the County has funded the County Loan with Documentary Surtax funds, however at the County’s discretion at any time, including after this Agreement is recorded, the County may use another non-federal funding source to fund the County Loan, and in that event this Agreement shall endure in its entirety regardless of the funding source ultimately used to fund the County Loan.

NOW, THEREFORE, for and in consideration of Ten dollars (\$10.00), the promises and covenants contained in this Agreement and for other good and valuable consideration received and acknowledged, the Owner, its successors and assigns, and the County, through its Department of Public Housing and Community Development (PHCD) and any successor agency or department of the County, hereby agrees as follows:

PROJECT NAME: Metro Grande III

PROPERTY ADDRESS: 2005 West Okeechobee Road, Hialeah, Florida

LEGAL DESCRIPTION OF PROPERTY: The leasehold interest in the real property legally described and attached hereto in Exhibit A and located in Miami-Dade County (hereinafter referred to as the “Property”)

DWELLING UNITS: “Dwelling Units” or “Units” in this Project will consist of 84 residential units consisting of 41 one-bedroom units; 37 two-bedroom units and 6 three-bedroom units.

ELIGIBLE TENANTS: Persons with annual household income as set forth below in section I(a).

WITNESSETH:

- I. The parties agree with respect to the Property for the period beginning on the date of recordation of this Agreement, and ending on the last day of the thirtieth (30th) year after the year in which the Project, as defined below, is completed (the “Affordability Period”), that:

- a) All of the Units shall be leased to Eligible Tenants as set forth herein. Regardless of any maximum rent allowed: (1) twenty-eight (28) of the Units are for Eligible Tenants for households at or below thirty percent (30%) of area median income ("AMI") and must have rents which are equal to or less than 30% of annual income for households at or below thirty percent (30%) of AMI, minus tenant-paid utilities; (2) six (6) of the Units are for Eligible Tenants for households at or below sixty percent (60%) of AMI and must have rents which are equal to or less than 30% of annual income for households at or below sixty percent (60%) of AMI, minus tenant-paid utilities; (3) twenty-seven (27) of the Units are for Eligible Tenants for households at or below seventy percent (70%) of AMI and must have rents which are equal to or less than 30% of annual income for households at or below seventy percent (70%) of AMI, minus tenant-paid utilities; and (4) twenty-three (23) of the Units are for Eligible Tenants for households at or below eighty percent (80%) of AMI and must have rents which are equal to or less than 30% of annual income for households at or below eighty percent (80%) of AMI, minus tenant-paid utilities. Accordingly, the maximum initial approved rental rates for this property and unit size and description are indicated in Exhibit "B" attached hereto and are to be leased to Eligible Tenants with AMIs that correspond to the applicable rental rates. In the case of Section 8 units, the HUD-approved contract rent is allowed, provided the Eligible Tenants satisfy the criteria set forth in this subsection I(a), including the AMI limitations.
- b) This Agreement shall be a recorded restrictive covenant on the Property, and all buildings and other improvements constructed or to be constructed thereon (including but not limited to the Project). The subject matter of this Agreement and the covenants set forth herein touch and concern the Property. It is the intent of the parties that this Agreement and the covenants set forth herein run with the Property. This Agreement shall be binding on the Property, the Project, and all portions thereof, and upon any purchaser, grantee, transferee, owner, lessee, mortgagee or any portion thereof, and on the heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner, lessee, or mortgagee and on any other person or entity having any right, title or interest in the Property, the Project, or any portion thereof, for the length of time that this Agreement shall be in force. Owner hereby makes and declares these restrictive covenants which shall run with the title to said Property and be binding on the Owner and its successors in interest, if any, for the period stated in the preamble above, without regard to payment or satisfaction of any debt owed by Owner to the County or the expiration of any contract between the Owner and the County regarding the Property, the Project or both.
- c) The above rentals will include the following services to each Unit: Termite prevention and pest control throughout entire compliance period or construction and presale period; Full size stove/range - unless ALF where meals are provided and units have more limited kitchens; Primary entrance door with a threshold no more than a ½ inch rise ; A clear opening of not less than 32 inches, or larger if necessary for ADA requirements, on all exterior doors. This includes the primary

entrance door, all sliding glass doors, French doors, other double leaf doors, doors that open onto private decks, balconies, patios, and any other exterior doors; Lever handles on all door handles on primary entrance door and interior doors; Lever handles on all bathroom faucets and kitchen sink faucets; Mid-point on light switches & thermostats not more than 48 inches above finished floor level; Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or Dpull type that operates easily using a single closed fist; Window covering for each window and glass door inside each unit; Energy features outlined in MDC Green Code through Ordinance No. 07-65 and any other applicable requirements of other funding programs included in the Applicant's submission; Owner is encouraged to provide laundry hook ups in each unit. However, if individual laundry hook ups are not provided, then an on-site laundry facility for resident use must be provided. The Owner must provide the following Resident Programs: leasing center, fitness center and social room.

The Project must meet all federal and state building code requirements, including but not limited to the following Federal and State Building Code Requirements: (I) Florida Building Code (5th Edition 2014) as adopted pursuant to Section 553.503, F.S.(II) The Fair Housing Act as implemented by 24 CFR 100(III) Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR35, incorporating the most recent amendments, regulations and rules, (IV) For Public Housing the Uniform Federal Accessibility Standards (UFAS).

- d) Owner agrees that upon any violation of the provisions of this Agreement, the County, through its agent, PHCD may give written notice thereof to the Owner, by registered mail, at the address stated in this Agreement, or such other address or addresses as may subsequently be designated by the Owner in writing to PHCD, and in the event Owner does not cure such default (or take measures reasonably satisfactory to PHCD to cure such default), within thirty (30) days after the date of notice, or within such further time as PHCD may determine is necessary for correction, PHCD may, without further notice, declare a default under the Mortgage and/or this Agreement, and effective upon the date of such default, PHCD may:
- i) Declare the whole indebtedness under the Note evidencing the Loan immediately due and payable and then proceed with foreclosure of the Mortgage;
 - ii) Declare the whole Affordable Housing Funding immediately due and payable and then proceed with legal proceeding to collect the amount of the Affordable Housing Funding paid out to Owner;
 - iii) Apply to any court, County, State or Federal, for any specific performance of this Agreement; for an injunction against the violation of this Agreement; or for such relief as may be appropriate since the injury to PHCD arising from a default remaining uncured under any of the terms of this Agreement would be irreparable, and the amount of damage would be difficult to ascertain.

Notwithstanding the foregoing, the County hereby agrees that any cure of any default made or tendered by the Owner's Investor Limited Partner, as such term is defined in the Loan Agreement, shall be deemed to be a cure by Owner and shall be accepted or rejected on the same basis as if made or tendered by Owner. Copies of all notices which are sent to Owner under the terms of this Agreement shall also be sent to the Investor Limited Partner at its address set forth in the Loan Agreement.

- e) Owner further agrees that it will, during the term of this Agreement: furnish each resident at the time of initial occupancy, a written notice that the rents to be charged for the purposes and services included in the rents are approved by the County pursuant to this Agreement; that they will maintain a file copy of such notice with a signed acknowledgment of receipt by each resident; and, that such notices will be made available for inspection by the County during regular business hours.
- f) Owner agrees that the Units shall meet the energy efficiency standards promulgated by the Secretary of the United States Department of Housing and Urban Development (hereafter "HUD") and the County, as applicable.
- g) Owner agrees that all residential tenant leases of the Units shall (a) be for an initial term of no less than one (1) year, and (b) be renewed at the end of each term except for good cause or mutual agreement of Owner and residential tenant.

- II. The County and Owner agree that rents may increase as AMI increases as published by HUD and with prior approval of PHCD. Any other adjustments to rents will be made only if PHCD (and HUD if applicable), in their sole and absolute discretion, find any adjustments necessary to support the continued financial viability of the project and only by an amount that PHCD (and HUD if applicable) determine is necessary to maintain continued financial viability of the Project.

Owner will provide documentation to justify a rental increase request not attributable to increases in median income. Within thirty (30) days of receipt of such documentation, PHCD will approve or deny, as the case may be, in its sole and absolute discretion, all or a portion of the rental increase in excess of the amount that is directly proportional to the most recent increase in Median Annual Income. In no event, however, will any increase directly proportional to an increase in Median Annual Income be denied.

- III. Except as otherwise noted, all parties expressly acknowledge that PHCD shall perform all actions required to be taken by the County pursuant to Articles IV, V, VI, VII and VIII of this Agreement for the purpose of monitoring and implementing all the actions required under this Agreement. In addition, thirty (30) days prior to the effective date of any rental increase, the Owner shall furnish PHCD with notification provided to tenants advising them of the increase.

- IV. Occupancy Reports.

The Owner shall, on an annual basis, furnish PHCD with an occupancy report, which provides the following information:

- A) At the end date of each reporting period, a list of all occupied apartments to include but not limited to the following:
1. Composition of each resident family,
 2. Number of residents per Unit;
 3. Number of Units serving special needs clients;
 4. Gross household rent;
 5. Maximum rent per Unit;
 6. Families moving into, already living in, or who have recently lived in Public Housing; or the Section 8 Rental Certificate, Rental Voucher, or Moderate Rehabilitation Programs,
 7. Income requirements,
 8. Eligibility factors, e.g. credit history, criminal background, etc.
 9. Demographic information to include racial and ethnic makeup of the tenants, and
 10. Steps taken to make the Property accessible to the disabled, including but not limited to the steps taken by the Owner to comply with all applicable laws and regulations such as the federal, state and local fair housing laws, the Americans with Disabilities Act and the Uniform Federal Accessibility Standards requirements.
- B) A list of all vacant apartments, as of the end date of the reporting period.
- C) The total number of vacancies that occurred during the reporting period.
- D) The total number of Units that were re-rented during the reporting period, stating family size and income.
- E) The Owner shall upon written request of PHCD allow representatives of PHCD to review and copy any and all of tenant files, including but not limited to executed leases and tenant income information.

V. Inspections

Pursuant to 42 U.S.C. § 12755, the Owner shall maintain the Property in compliance with all applicable federal housing quality standards, receipt of which is acknowledged by the Owner, and contained in Sec. 17-1, et seq., Code of Miami-Dade County, pertaining to minimum housing standards (collectively, "Housing Standards").

- A) PHCD shall annually inspect the Property, including all dwelling Units and common areas, to determine if the Property is being maintained in compliance with federal Housing Quality Standards and any applicable Miami-Dade County Minimum Housing Codes. The Owner will be furnished a copy of the results of the inspection within thirty (30) days, and will be given thirty (30) days from receipt

to correct any deficiencies or violations of the property standards of the Miami-Dade County Minimum Housing Codes or Housing Standards.

- B) At other times, at the request of the Owner or of any tenant, PHCD may inspect any Unit for violations to the property standards of any applicable Miami-Dade County Minimum Housing Codes or Housing Standards. The tenant and the Owner will be provided with the results of the inspection and the time and method of compliance and corrective action that must be taken.
- C) The dwelling Units shall contain at least one bedroom of appropriate size for each two persons.

VI. Lease Agreement, Selection Policy and Management Plan

Prior to initial rent-up and occupancy, the Owner will submit the following documents to PHCD:

- A) Proposed form of resident application.
- B) Proposed form of occupancy agreement.
- C) Applicant screening and tenant selection policies.
- D) Maintenance and management plan which shall include the following information:
 - 1. A schedule for the performance of routine maintenance such as up-keep of common areas, extermination services, etc.
 - 2. A schedule for the performance of non-routine maintenance such as painting and reconditioning of dwelling Units, painting of building exteriors, etc.
 - 3. A list of equipment to be provided in each dwelling Unit.
 - 4. A proposed schedule for replacement of dwelling equipment.
 - 5. A list of tenant services, if any, to be provided to residents.
- E) At any time (monthly, quarterly, annually), the Owner agrees that the County has the right to:
 - 1. Evaluate and test the Waiting List Policies.
 - 2. Pull records to review and assess any and all abnormalities relative to the demographic mix.
 - 3. Ensure fair and equal access to the units were offered by the Owner and its agents.

The Owner agrees that the County has the right to refer eligible applicants for housing. The Owner shall not deny housing opportunities to eligible, qualified families, including those with Section 8 Housing Choice Vouchers, unless the Owner is able to demonstrate a good cause basis for denying the housing as determined by PHCD in its sole and absolute discretion.

Pursuant to the Miami-Dade Board of County Commissioners' Resolution No. R-34-15, the Owner, its agents and/or representatives, shall provide written notice to the County related to the availability of rental opportunities, including, but not limited to, the number of available Units, bedroom size, and rental prices of such rental Units at the start of any leasing activity, and after issuance of certificate of occupancy. The Owner, its agents and/or representatives shall also provide the County with the contact information for the Owner, its, agents and/or representatives.

VII. Affirmative Marketing Plan

- A) Owner shall forward to PHCD within fifteen (15) days of execution of this Agreement an Affirmative Marketing Program for PHCD's approval which incorporates the requirements as set forth by the County to attract and identify prospective renters or homebuyers (as applicable), regardless of sex, of all minority and majority groups, to the Project, particularly groups that are not likely to be aware of the Project. The Affirmative Marketing Program should include efforts designed to make such persons/groups aware of the available housing, including, but not limited to the following activities:
 - 1. Annually submit proof of advertising in a newspaper of general circulation, and newspapers representing significant minorities and non-English speaking persons in an effort to afford all ethnic groups the opportunity to obtain affordable housing; and
 - 2. The Owner shall provide proof of other special marketing efforts including advertising Multiple Listings Service (MLS) through a licensed real estate professional.
- B) The Affirmative Marketing Program shall be submitted to PHCD for approval at least every five (5) years and when there are significant changes in the demographics of the project or the local housing market area.

VIII. Financial Reports

- A) Annually, the Owner shall transmit to the County a certified annual operating statement showing project income, expenses, assets, liabilities, contracts, mortgage payments and deposits to any required reserve accounts (the "Operating Statement"). PHCD will review the Operating statement to insure conformance with all provisions contained in this Agreement.
- B) The Owner will create a reserve for maintenance to be funded \$300 per Unit per year. This reserve may be combined with reserve accounts required by any other parties making loans to Owner and will be deemed satisfied by any deposits made by Owner in accordance with loan documents which contain a maintenance reserve requirement of at least \$300 per Unit per year.

IX. Notice

Unless specifically provided otherwise herein, any action to be taken by, approvals made by, or notices to or received by the County required by this Agreement shall be taken, made by, given or delivered to:

County Mayor
Miami-Dade County
111 NW 1st Street, 29th Floor
Miami, Florida 33128
Attn: County Mayor

Copy to:

Miami-Dade Public Housing and Community Development
701 N. W. 1 Court
14th Floor
Miami, Florida 33136
Attn: Director

Copy to:

Miami-Dade County Attorney's Office
111 N.W. 1 Street
Suite 2810
Miami, Florida 33128
Attn: Brenda Kuhns Neuman, Esq., Assistant County Attorney
and Monica Rizo, Esq., Assistant County Attorney

or any of their successor agencies or departments.

Metro Grande III Associates, Ltd.
2100 Hollywood Blvd.
Hollywood, Florida 33020
Attn: Mara S. Mades

Copy to:

Stearns Weaver Miller, et al.
150 West Flagler Street, Suite 2200
Miami, FL 33130
Attn: Brian J. McDonough, Esq.

X. Recourse:

In the event of a default by the Owner under this Agreement, the County shall have all remedies available to it at law and equity.

XI. Rights of Third Parties:

Except as provided herein, all conditions of the County hereunder are imposed solely and exclusively for the benefit of the County its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the County will make advances in the absence of strict compliance with any or all conditions of County and no other person shall under any circumstances, be deemed to be a beneficiary of this Agreement or the County Funding Documents associated with this Agreement, any provisions of which may be freely waived in whole or in part by the County at any time if, in their sole discretion, they deem it desirable to do so. In particular, the County make no representations and assume no duties or obligations as to third parties concerning the quality of the construction by the Owner of the Property or the absence therefrom of defects.

XII. Amendments:

No amendments or revisions to this Agreement, including but not limited to the termination of this Agreement, shall be effective or enforceable unless reduced to writing and approved and executed by both Owner and the County; provided, however, that with respect to the County, approval by both PHCD and the Internal Services Department, or their successor departments as determined by the County Mayor or County Mayor's designee, shall be required.

(SIGNATURES APPEAR ON THE FOLLOWING PAGES)

IN WITNESS WHEREOF, County and Owner have caused this Agreement to be executed on the date first above written.

OWNER:

METRO GRANDE III ASSOCIATES,
LTD., a Florida limited partnership

By: Cornerstone Metro Grande III, LLC,
a Florida limited liability company, its
general partner

By: Mara S. Mades
Mara S. Mades, Vice President

Signed, sealed and delivered
in the presence of:

Print Name: Genaro Leino

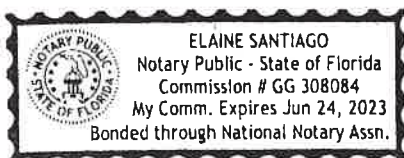
Print Name: Josh Torregan

STATE OF FLORIDA)
)
COUNTY OF MIAMI-DADE)

The foregoing was sworn to, subscribed and acknowledged before me by means of ☒ physical presence or ☐ online notarization, on this 28th day of April, 2022, by Mara S. Mades, Vice President of Cornerstone Metro Grande III, LLC, a Florida limited liability company, the managing general partner of Metro Grande III Associates, Ltd., a Florida limited partnership, who is personally known to me or who produced _____ as identification.

Elaine Santiago
Notary Public, State of Florida at Large

My commission expires:



[Signature Page to Rental Regulatory Agreement - Surtax]

MIAMI-DADE COUNTY, FLORIDA

By: _____
_____, _____

ATTEST:

HARVEY RUVIN, CLERK

By: _____
DEPUTY CLERK

Approved by County Attorney as
to form and legal sufficiency.

By: _____

[Signature Page to Rental Regulatory Agreement - Surtax]

EXHIBIT "A"
LEGAL DESCRIPTION

A PORTION OF TRACT "A", OKEECHOBEE STATION, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 159, PAGE 10, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF TRACT "A"; THENCE SOUTH 89°38'09" WEST, 409.04 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF WEST 19TH STREET TO THE POINT OF BEGINNING; THENCE NORTH 0°21'51" WEST, 189.49 FEET; THENCE SOUTH 89°37'54" WEST, 24.05 FEET TO A POINT TANGENT TO A CIRCULAR CURVE CONCAVE NORTHERLY, SAID CURVE HAS A RADIUS OF 31.00 FEET; THENCE 23.41 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 43°15'39" TO A POINT; THENCE NORTH 47°06'27" WEST, 22.38 FEET TO A POINT TANGENT TO A CIRCULAR CURVE CONCAVE SOUTHERLY, SAID CURVE HAS A RADIUS OF 34.00 FEET; THENCE 25.67 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 43°15'39" TO A POINT; THENCE SOUTH 89°37'54" WEST, 172.98 FEET TO A POINT TANGENT TO A CIRCULAR CURVE CONCAVE NORTHERLY, SAID CURVE HAS A RADIUS OF 18.50 FEET; THENCE 12.95 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 40°06'40" TO A POINT OF COMPOUND CURVATURE, SAID CURVE IS CONCAVE NORTHEASTERLY AND HAS A RADIUS OF 81.00 FEET; THENCE 25.31 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 17°54'23" TO A POINT OF NON-TANGENCY; THENCE SOUTH 89°35'24" WEST, 78.03 FEET; THENCE SOUTH 43°43'35" WEST, 39.13 FEET TO A POINT NON-TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAS A RADIUS OF 2,682.85 FEET, TO WHICH A RADIAL LINE BEARS NORTH 45°45'48" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°15'42" AN ARC DISTANCE OF 12.25 FEET TO A POINT OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAS A RADIUS OF 2,583.28 FEET, TO WHICH A RADIAL LINE BEARS SOUTH 46°31'38" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°30'08" AN ARC DISTANCE OF 293.16 FEET TO A POINT OF A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAS A RADIUS OF 78.96 FEET, TO WHICH A RADIAL LINE BEARS SOUTH 23°18'06" WEST; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23°39'57" AN ARC DISTANCE OF 32.61 FEET TO A POINT OF TANGENCY; THENCE NORTH 89°38'09" EAST, 139.36 FEET TO THE POINT OF BEGINNING.

EXHIBIT B**Rents:**

Number of Units	Type	Set Aside	Gross Rent	Utility	Net Rent
14	1 bedroom/1bath	30%	\$508	\$87	\$421
3	1 bedroom/1bath	60%	\$1,017	\$87	\$930
13	1 bedroom/1bath	70%	\$1,187	\$87	\$1,100
11	1 bedroom/1bath	80%	\$1,356	\$87	\$1,269
11	2 bedroom/2 bath	30%	\$610	\$106	\$504
3	2 bedroom/2 bath	60%	\$1,221	\$106	\$1,115
13	2 bedroom/2 bath	70%	\$1,424	\$106	\$1,318
10	2 bedroom/2 bath	80%	\$1,627	\$106	\$1,521
3	3 bedroom/2bath	30%	\$705	\$126	\$579
1	3 bedroom/2bath	70%	\$1,645	\$126	\$1,519
2	3 bedroom/2bath	80%	\$1,880	\$126	\$1,754

At the discretion of the County, up to twenty percent (20%) of the rental Units, per project, may be designated for Housing Choice Voucher (Section 8) subsidy, either project-based or tenant-based, based upon adopted County policies uniformly applied. The Owner shall not deny housing opportunities to eligible, qualified Housing Choice Voucher (Section 8) applicants referred by the County, unless good cause is documented by the Owner and submitted to the County.

In the event an apartment is occupied by a participant of the Section 8 Voucher Program, and the applicable Section 8 office permits rents higher than the levels outlined above, the rents may be as allowed by the Section 8 office.

NOTE: the above Net Rents exclude resident options such as cable TV, washers/dryers and/or security alarm systems. If provided, these options would be at an extra charge to the residents.

Rents are based on maximum allowable rents as provided by the Florida Housing Finance Corporation and utility allowances provided by the utility provider.

**LOAN DOCUMENT INFORMATION TO BE
PROVIDED FOLLOWING RECORDING OF
MORTGAGE**

Mortgage Document No: _____

Date Recorded: _____

Book Number: _____

Page Number: _____

County: MIAMI-DADE

State: FLORIDA

EXHIBIT 3
BUDGET

Development Budget

Project Name Metro Grande III
 Number of Units 84
 Project Square Footage 75,551

Uses		Total Cost
Land Acquisition	\$	100,000
Land Carry	\$	-
Broker Fee	\$	-
Impact Fees Not Refunded	\$	200,093
Art in Public Places	\$	340,894
W&S Connection Fees	\$	260,000
Architect	\$	500,000
Engineer	\$	245,000
Surveying & Platting	\$	48,000
Environmental	\$	35,050
Soils	\$	8,400
Legal	\$	200,000
Finance Fees	\$	649,204
Builders Risk Insurance	\$	84,000
Insurance	\$	67,200
P&P Bond	\$	126,142
Taxes	\$	-
Title and Recording	\$	129,000
Inspection Fee	\$	65,000
Appraisal	\$	500
Market Study	\$	13,500
Accounting	\$	40,000
Tax Credit Fees	\$	386,028
Marketing w/ Lease Up Reserves	\$	125,000
Building Permit Fees	\$	168,000
Local Subsidy & HFA credit und'g fees	\$	23,859
PCA	\$	3,125
Green Building Cert	\$	29,400
Furniture & Fixtures	\$	185,000
Construction Interest	\$	1,063,000
Construction Cost	\$	20,753,000
Hard Cost Contingency	5% \$	1,037,650
Soft Cost Contingency	5% \$	163,600
Syndicator Fee	\$	-
Retail Leasing Commissions	\$	9,594
Operating Reserve	\$	275,000
Impact Fees to Be Refunded	\$	608,724
Developer Overhead	4.00% \$	1,078,370
Developer Profit	14.00% \$	3,165,569
Total Development Cost	\$	32,186,903

Sources & Uses

Project Name Metro Grande III
 Number of Units 84
 Project Square Footage 75,551

Uses		Total Cost
Land Acquisition	\$	100,000
Land Carry	\$	-
Broker Fee	\$	-
Impact Fees Not Refunded	\$	200,093
Art in Public Places	\$	340,894
W&S Connection Fees	\$	260,000
Architect	\$	500,000
Engineer	\$	245,000
Surveying & Platting	\$	48,000
Environmental	\$	35,050
Soils	\$	8,400
Legal	\$	200,000
Finance Fees	\$	649,204
Builders Risk Insurance	\$	84,000
Insurance	\$	67,200
P&P Bond	\$	126,142
Taxes	\$	-
Title and Recording	\$	129,000
Inspection Fee	\$	65,000
Appraisal	\$	500
Market Study	\$	13,500
Accounting	\$	40,000
Tax Credit Fees	\$	386,028
Marketing w/ Lease Up Reserves	\$	125,000
Building Permit Fees	\$	168,000
Local Subsidy & HFA credit und'g fees	\$	23,859
PCA	\$	3,125
Green Building Cert	\$	29,400
Furniture & Fixtures	\$	185,000
Construction Interest	\$	1,063,000
Construction Cost	\$	20,753,000
Hard Cost Contingency	5% \$	1,037,650
Soft Cost Contingency	5% \$	163,600
Syndicator Fee	\$	-
Retail Leasing Commissions	\$	9,594
Operating Reserve	\$	275,000
Impact Fees to Be Refunded	\$	608,724
Developer Overhead	4.00% \$	1,078,370
Developer Profit	14.00% \$	3,165,569
Total Development Cost	\$	32,186,903
Sources		Total Cost
Tax Credit Equity		13,548,000
First Mortgage Loan		16,000,000
Bond Redemption		(9,400,000)
2020 Surtax		-
FHFC Subsidy		3,175,000
GOB		5,393,796
Redeployed Surtax		850,000
Other		-
Surtax		2,000,000
Deferred Developer Fee		620,107
TOTAL SOURCES	\$	32,186,903

EXHIBIT 4
PROJECT UNDERWRITING REPORT

Florida Housing Finance Corporation

Credit Underwriting Report

Metro Grande III

Community Development Block Grant – Disaster Recovery

**To be used in Conjunction with Tax-Exempt MMRB and Non-Competitive Housing Credits in
Counties Deemed Hurricane Recovery Priorities**

CDBG-DR/4% HC

RFA 2019-102 / 2020-041D

Section A Report Summary

Section B Loan Conditions and HC Allocation Recommendation and Contingencies

Section C Supporting Information and Schedules

Prepared by

Seltzer Management Group, Inc.

Final Report

September 2, 2021

METRO GRANDE III

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Section A
Report Summary

Recommendation

Seltzer Management Group, Inc. ("SMG" or "Seltzer") recommends Florida Housing Finance Corporation ("FHFC" or "Florida Housing") fund a Community Development Block Grant – Disaster Relief ("CDBG-DR") loan in the amount of \$3,175,000. SMG also recommends an annual Housing Credit ("HC") allocation of \$1,523,815 to Metro Grande III ("Development") for construction and permanent financing.

DEVELOPMENT & SET-ASIDES

Development Name: Metro Grande III

RFA/Program Numbers: 2019-102 / 2020-041D

Address: 2005 West Okeechobee Road

City: Hialeah Zip Code: 33010 County: Miami-Dade County Size: Large

Development Category: New Construction Development Type: High Rise

Construction Type: Masonry

Demographic Commitment: Workforce Housing

Unit Composition:

of ELI Units: 28 ELI Units Are Restricted to 30% AMI, or less. Total # of units with PBRA? 28

of Link Units: 14 Are the Link Units Demographically Restricted? Yes # of NHTF Units: 0

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	10	704	30%			\$508	\$87	\$421	\$1,082	\$1,082	\$1,082	\$1,082	\$129,840
1	1.0	4	704	30%			\$508	\$87	\$421	\$1,267	\$1,267	\$1,267	\$1,267	\$60,816
1	1.0	3	704	60%			\$1,017	\$87	\$930		\$930	\$930	\$930	\$33,480
1	1.0	13	704	70%			\$1,187	\$87	\$1,100		\$1,100	\$1,100	\$1,100	\$171,600
1	1.0	11	704	80%			\$1,356	\$87	\$1,269		\$1,269	\$1,270	\$1,269	\$167,508
2	2.0	9	1,064	30%			\$610	\$106	\$504	\$1,367	\$1,367	\$1,367	\$1,367	\$147,636
2	2.0	2	955	30%			\$610	\$106	\$504	\$1,600	\$1,600	\$1,600	\$1,600	\$38,400
2	2.0	3	1,064	60%			\$1,221	\$106	\$1,115		\$1,115	\$1,115	\$1,115	\$40,140
2	2.0	13	955	70%			\$1,424	\$106	\$1,318		\$1,318	\$1,318	\$1,318	\$205,608
2	2.0	10	955	80%			\$1,627	\$106	\$1,521		\$1,521	\$1,522	\$1,521	\$182,520
3	2.0	2	1,248	30%			\$705	\$126	\$579	\$1,839	\$1,839	\$1,839	\$1,839	\$44,136
3	2.0	1	1,248	30%			\$705	\$126	\$579	\$2,148	\$2,148	\$2,148	\$2,148	\$25,776
3	2.0	1	1,248	70%			\$1,645	\$126	\$1,519		\$1,519	\$1,519	\$1,519	\$18,228
3	2.0	2	1,248	80%			\$1,880	\$126	\$1,754		\$1,754	\$1,755	\$1,754	\$42,096
		84	72,995											\$1,307,784

This property was a Priority I application to the RFA, therefore the Applicant agreed that the Development will include the income and set-aside units in perpetuity, which has been defined as at least 99 years. Applicant will also be responsible for compliance monitoring fees for 50 years.

The Applicant committed to the Average Income Test at the time of Application; therefore, per the RFA, the Applicant must set aside at least 15% of the total units (13 units) as ELI set-aside units. However, the Applicant has elected to set aside 33.333% of the total units (28 units) as ELI units, which satisfies the requirement. The units set aside for Link Units for Persons with Special Needs and ELI set-aside units must be maintained in perpetuity.

Persons with Special Needs Set-Aside Commitment: The proposed Development must set aside fifty percent (50%) of the ELI Set-Aside units (14 units) as Link Units for Persons with Special Needs. In order to meet the commitment to set aside ELI units as Link Units for Persons with Special Needs, the Applicant must develop and execute a Memorandum of Understanding ("MOU") with at least one Florida Housing designated Special Needs Household Referral Agency that provides supportive services for Persons with Special Needs for the county where the proposed Development will be located (Miami-Dade County). The MOU was approved by FHFC on May 4, 2021.

CDBG-DR Subsidy Limits – Miami-Dade:

		Max/Unit	Total
41	One Bedroom	\$171,802	\$7,043,882
37	Two Bedroom	\$208,913	\$7,729,781
6	Three Bedroom	\$270,266	\$1,621,596
84			\$16,395,259

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
CDBG-DR Assisted Units /ELI/HC	33.333%	28	30%	99
CDBG-DR Assisted Units /HC	7.143%	6	60%	99
CDBG-DR Assisted Units/HC/Workforce	32.143%	27	70%	99
CDBG-DR Assisted Units/HC/Workforce	27.381%	23	80%	99

Absorption Rate 30 units per month for 3.0 months.

Occupancy Rate at Stabilization: Physical Occupancy 97.00% Economic Occupancy 96.80%
Occupancy Comments _____

DDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No
Site Acreage: 1.46 Density: 57.5342 Flood Zone Designation: AH
Zoning: Okeechobee Metrorail Station Rapid Transit Zone ("RTZ") Flood Insurance Required?: Yes

DEVELOPMENT TEAM		
Applicant/Borrower:	Metro Grande III Associates, Ltd.	% Ownership
General Partner	Cornerstone Metro Grande III, LLC	
Limited Partner	R4 Capital LLC, or an affiliate	
Construction Completion Guarantor(s):		
CC Guarantor 1:	Metro Grande III Associates, Ltd.	
CC Guarantor 2:	Cornerstone Metro Grande III, LLC	
CC Guarantor 3:	Jorge and Awilda Lopez	
CC Guarantor 4:	Leon J. Wolfe	
CC Guarantor 5:	Mara S. Mades	
CC Guarantor 6:	Cornerstone Group Partners, LLC	
Operating Deficit Guarantor(s):		
OD Guarantor 1:	Metro Grande III Associates, Ltd.	
OD Guarantor 2:	Cornerstone Metro Grande III, LLC	
OD Guarantor 3:	Jorge and Awilda Lopez	
OD Guarantor 4:	Leon J. Wolfe	
OD Guarantor 5:	Mara S. Mades	
OD Guarantor 6:	Cornerstone Group Partners, LLC	
Bond Purchaser	R4 Capital Funding or a designee	
Developer:	Cornerstone Group Partners, LLC	
Principal 1	Jorge Lopez	
Principal 2	Awilda Lopez	
Principal 3	M3 Acquisitions, LLC	
Principal 4	M.S. Mades Family Limited Partnership	
DEVELOPMENT TEAM (cont)		
General Contractor 1:	Brookstone Construction, LLC	
Management Company:	Cornerstone Residential Management, LLC	
Const. Credit Enhancer:		
Perm. Credit Enhancer:		
Syndicator:	R4 Capital LLC	
Bond Issuer:	Miami-Dade County Housing Finance Authority	
Architect:	Behar Font & Partners, P.A.	
Market Study Provider:	Novogradac Consulting LLP	
Appraiser:	Novogradac Consulting LLP	

PERMANENT FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Other
Lien Position	First Mortgage	Second Mortgage	Third Mortgage	Fourth Mortgage	Fifth Mortgage	
Lender/Grantor	HFAMD/R4CF	FHFC - CDBG-DR	Miami-Dade- GOB	PHCD-Surtax	Redeployed Surtax	
Amount	\$6,600,000	\$3,175,000	\$5,393,796	\$2,000,000	\$850,000	
Underwritten Interest Rate	4.21%	0.00%	0.00%	1.00%	0.75%	
Loan Term	16.0	20.0	55.0	30.0	30.0	
Amortization	40.0	N/A	N/A	N/A	N/A	
Market Rate/Market Financing LTV	28.1%	41.6%	64.5%	73.1%	77%	
Restricted Market Financing LTV	76.7%	113.7%	176.4%	199.6%	210%	
Loan to Cost - Cumulative	20.6%	30.5%	47.3%	53.5%	56.1%	
Debt Service Coverage	1.704	1.659	1.659	1.575	1.550	
Operating Deficit & Debt Service Reserves	\$280,000					
# of Months covered by the Reserves	4.8					

Deferred Developer Fee	\$661,514
As-Is Land Value	\$1,300,000
Market Rent/Market Financing Stabilized Value	\$23,500,000
Rent Restricted Market Financing Stabilized Value	\$8,600,000
Projected Net Operating Income (NOI) - Year 1	\$621,033
Projected Net Operating Income (NOI) - 15 Year	\$695,905
Year 15 Pro Forma Income Escalation Rate	2.00%
Year 15 Pro Forma Expense Escalation Rate	3.00%
Bond Structure	Direct Purchase
Housing Credit (HC) Syndication Price	\$0.875
HC Annual Allocation - Initial Award	\$1,041,930
HC Annual Allocation - Qualified in CUR	\$1,523,815
HC Annual Allocation - Equity Letter of Interest	\$1,532,834

CONSTRUCTION/PERMANENT SOURCES:				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Bonds	HFAMD/R4CF	\$16,000,000		\$0.00
Local HFA Bonds	HFAMD/R4CF		\$6,600,000	\$78,571.43
FHFC - CDBG-DR	FHFC - CDBG-DR	\$3,175,000	\$3,175,000	\$37,797.62
Local Government	Miami-Dade-GOB	\$5,393,796	\$5,393,796	\$64,211.86
Local Government	PHCD-Surtax	\$2,000,000	\$2,000,000	\$23,809.52
Local Government	Redeployed Surtax PHCD	\$850,000	\$850,000	\$10,119.05
HC Equity	R4 Capital LLC	\$2,011,650	\$13,411,000	\$159,654.76
Deferred Developer	Developer	\$2,660,864	\$661,514	\$7,875.17
TOTAL		\$32,091,310	\$32,091,310	\$382,039.40

Financing Structure:

Applicant submitted an application to the Housing Finance Authority of Miami-Dade County ("HFAMD") to provide locally-issued Tax-Exempt Bonds in the amount of \$14,000,000. Subsequently, Minutes from the HFAMD's May 24, 2021 Meeting and an executed Inducement Resolution, reflect approval of an increase in Bonds to \$16,000,000. R4 Capital Funding LLC ("R4CF"), or its designated funding lender, will loan \$16,000,000 to the HFAMD through a Tax-Exempt Loan ("TEL"), the proceeds of which will be loaned by HFAMD to the Borrower in connection with the construction financing of the Subject Development. Concurrently with the achievement of stabilization by the Development, the TEL will be paid down to a permanent amount of \$6,600,000.

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?		1
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?		2

Is the Development feasible using the set-asides committed to in the Application?		4
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?		3
Is the Development in all other material respects the same as presented in the Application?		4

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

1. Applicant submitted an application to the Housing Finance Authority of Miami-Dade County ("HFAMD") to provide locally-issued Tax-Exempt Bonds in the amount of \$14,000,000. Subsequently, Minutes from the HFAMD's May 24, 2021 Meeting and an executed Inducement Resolution, reflect approval of an increase in Bonds to \$16,000,000.

The Application did not include funding from Miami-Dade County Public Housing and Community Development ("PHCD"). Applicant provided an April 17, 2020 Conditional Loan Commitment where the Miami-Dade County Board of County Commissioners approved a \$2,000,000 Fiscal Year 2019 Documentary Stamp Program Surtax funding on February 4, 2020. Extension Number 1 was issued on February 5, 2021, extending the Conditional Loan Commitment to October 31, 2021.

The Application included a Letter of Intent ("LOI") for Housing Credit equity from Raymond James Tax Credit Funds, Inc. ("RJTCF") in the amount of \$0.94 per tax credit and total equity of \$9,793,000. Subsequently, the Applicant provided a November 23, 2020 LOI, then revised July 26, 2021, from R4 Capital LLC ("R4 Capital") reflecting an amount of \$0.875 per tax credit and total equity of \$13,411,000.

The Applicant provided an e-mail from Clarence D. Brown, Division Director for Community Development for the Public Housing and Community Development ("PHCD") and Sandra Raymond Dadaille, Principal Planner for PHCD that they are drafting an appropriate agenda item for the BCC to approve the redeployment of existing Surtax funding in the amount of \$850,000 from an existing property, Baywinds, to be used as funding for Metro Grande III. If the redeployment of Surtax funding is not approved by the BCC, the \$850,000 will be added as additional Deferred Developer Fee to balance the sources of funds.

2. Total Development Costs ("TDC") as stated in the application were \$26,666,772. TDC have increased to \$32,091,310, an increase of \$5,424,538. This increase is primarily due to increases in construction costs, general development costs, financial costs, developer fee and added operating deficit reserve.
3. As stated above, the rate of syndication decreased from \$0.94 to \$0.875.
4. Since the time of the application, FHFC staff approved on August 23, 2021 the change in income average set-asides as follows:

Original Set-Aside:	Requested Set-Aside Change:
13 units @ 30%	28 units @ 30%
36 units @ 60%	6 units @ 60%
31 units @ 70%	27 units @ 70%
4 units @ 80%	23 units @ 80%

These changes have no substantial material impact to the CDBG-DR and HC recommendations for this Development.

Does the Development Team have any FHFC Financed Developments on the Past Due/Noncompliance Report?

Florida Housing's Past Due Report dated July 16, 2021 reflects the following past due item(s): None

Florida Housing's Asset Management Noncompliance Report dated June 9, 2020 reflected no noncompliance items.

This recommendation is subject to satisfactory resolution of any outstanding past due and/or noncompliance items prior to loan closing and the issuance of the annual HC Allocation Recommendation herein.

Strengths:

1. Per the Market Study, Novogradac states the capture rates are low and indicate there is sufficient demand for the subject units and average occupancy for the comparables within the Subject's Primary Market Area ("PMA") is 99.6%.
2. Although the Borrower and managing member are newly formed, the Developer, General Contractor, and the management company all have sufficient experience and financial resources to develop, construct and operate the proposed Development.

Other Considerations: None

Waiver Requests/Special Conditions: None

Additional Information:

1. The United States is currently under a national emergency due to the spread of the virus known as COVID-19. The extent of the virus' impact to the overall economy is unknown. More specifically, it is unknown as to the magnitude and timeframe the residential rental market (e.g. absorption rates, vacancy rates, collection losses, appraised value, etc.) and the construction industry (e.g. construction schedules, construction costs, subcontractors, insurance, etc.) will be impacted. Recommendations made by Seltzer in this report, in part, rely upon assumptions made by third-party reports that are unable to predict the impacts of the virus.

Issues and Concerns: None

Mitigating Factors: None

Recommendation:

SMG recommends a CDBG-DR loan in the amount of \$3,175,000. SMG also recommends an Annual HC allocation of \$1,523,815 to Metro Grande III for construction and permanent financing.

This recommendation is based upon the assumptions detailed in the Report Summary (Section A) and Supporting Information and Schedules (Section C). In addition, this recommendation is subject to the CDBG-DR Loan Conditions (Section B). The reader is cautioned to refer to these sections for complete information.

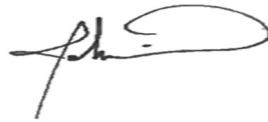
This recommendation is only valid for six months from the date of the report.

Prepared by:



Keith Whitaker
Credit Underwriter

Reviewed by:



Josh Scribner
Credit Underwriting Manager

Overview

Construction Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
First Mortgage	HFAMD/R4CF	\$14,000,000	\$16,000,000	\$16,000,000	4.21%	\$979,000
Second Mortgage	FHFC - CDBG-DR	\$3,175,000	\$3,175,000	\$3,175,000	0.00%	\$0
Third Mortgage	Miami-Dade-GOB	\$5,393,796	\$5,393,796	\$5,393,796	0.00%	\$0
Fourth Mortgage	PHCD-Surtax	\$0	\$2,000,000	\$2,000,000	0.00%	\$0
Fifth Mortgage	Redeployed Surtax	\$0	\$850,000	\$850,000	0.00%	\$0
HC Equity	R4 Capital LLC	\$1,959,000	\$2,011,650	\$2,011,650		
Deferred Developer Fee	Developer	\$2,138,976	\$2,675,655	\$2,660,864		
Total		\$26,666,772	\$32,106,101	\$32,091,310		\$979,000

Tax Exempt Construction Loan:

Per a July 23, 2021 Letter of Intent (“LOI”), R4CF, or its designated funding lender, will loan \$16,000,000 to the HFAMD through a TEL, the proceeds of which will be loaned by HFAMD to the Borrower in connection with the construction financing of the Subject Development. Concurrently with the achievement of stabilization by the Development, the TEL will be paid down to a permanent amount of \$6,600,000.

The construction period will be interest only and is anticipated to last 16 months from the date of closing with a construction/stabilization period of 30 months. The fixed rate of interest on the bonds will be established five business days prior to closing based upon the 10-year Treasury Index plus a spread of 2.65%, subject to a bond interest rate floor of 3.65%. As of August 6, 2021, the 10-year Treasury Index was 1.31%. For any future increases in the 10-year Treasury, Seltzer has included an underwriting cushion of 25 basis points, resulting in an all in interest rate of 4.21%. The construction debt service calculation above is the Applicant’s estimate based on the construction draw schedule and is deemed reasonable by SMG. In order to reduce construction period interest, the bonds will be funded on a draw down basis pursuant to a schedule mutually agreed upon prior to closing by the sponsor and R4CF. R4CF anticipates the draws will be in a minimum amount of \$250,000 and occur no more than once per month. An origination fee of 1.00% of the total bond amount will be payable at loan closing along with a construction fee of 0.50% on the total bond amount also payable at closing.

Other Construction Sources of Funds:

Additional construction sources of funds for this Development consist of CDBG-DR funds in the amount of \$3,175,000, \$5,393,796 of Building Better Communities General Obligation Bond Program (“GOB”) funds from Miami-Dade County, a \$2,000,000 Fiscal Year 2019 Surtax loan, redeployed Surtax funding of \$850,000, Housing Credit equity of \$2,011,650, and deferred Developer Fees in the amount of \$2,660,864. See the Permanent Financing section below for details.

Construction/Stabilization Period:

A June 21, 2021, executed AIA Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price reflects Brookstone Construction, LLC (“Brookstone”) achieving substantial completion of the development’s construction no

later than 16 calendar months from the date of commencement of the work. The Notice of Commencement will be the latter of 10 days from issuance of Notice to Proceed or the date upon which permits for construction are issued for the buildings, clubhouse, site and civil work, in total. In Novogradac's rental market analysis, the absorption performance of comparable/competitive apartment rentals was analyzed and indicated a range of 13 to 45 units per month with an average of 25 units per month. Novogradac placed greater weight on the LIHTC properties and expect the Development will experience an absorption rate of 30 units per month. This equates to a stabilized occupancy within approximately three months following construction completion. To be conservative and match the construction/stabilization period provided by the first lender, SMG has utilized a 30-month construction/stabilization period for purposes of this credit underwriting report.

Permanent Financing Sources

Source	Lender	Applicant	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt
First Mortgage	HFAMD/R4CF	\$6,500,000	\$6,600,000	\$6,600,000	4.21%	40	16	\$341,426
Second Mortgage	FHFC - CDBG-DR	\$3,175,000	\$3,175,000	\$3,175,000	0.00%	N/A	20	\$0
Third Mortgage	Miami-Dade-GOB	\$5,393,796	\$5,393,796	\$5,393,796	0.00%	N/A	55	\$0
Fourth Mortgage	PHCD-Surtax	\$0	\$2,000,000	\$2,000,000	1.00%	N/A	30	\$20,000
Fifth Mortgage	Redeployed Surtax	\$0	\$850,000	\$850,000	0.75%	N/A	30	\$6,375
HC Equity	R4 Capital LLC	\$9,793,000	\$13,411,000	\$13,411,000				
Def. Developer Fee	Developer	\$1,804,976	\$676,305	\$661,514				
Total		\$26,666,772	\$32,106,101	\$32,091,310				\$367,801

Tax Exempt Permanent Loan:

Per a July 23, 2021 LOI, R4CF will provide construction to permanent financing for Metro Grande III. Upon completion of construction and achievement of stabilization, the Multifamily Mortgage Revenue Note ("MMRN") TEL will be reduced by \$9,400,000 to an amount of \$6,600,000. The Development is anticipated to achieve stabilization within 30 months from closing. R4CF's stabilization requirements include: (i) the ratio of net operating income of the property for the prior three months to the maximum debt service in any three month period equals or exceeds 1.20x to 1.00x, (ii) the average economic occupancy in each of the three months equals at least 90%, and (iii) the property has achieved Final Completion. Following stabilization (prior to which will be an interest only period), mandatory prepayment of the MMRN shall occur, in part, on a monthly basis sufficient to fully amortize over 40 years. Upon and after the 16th anniversary of stabilization, the holder of the MMRN will have the option to require a mandatory prepayment of the MMRN (in whole) and will be required to provide 6 months notice for such mandatory prepayment.

Loan interest is based on a fixed rate locked at construction loan closing based upon the 10-year Treasury Index plus a spread of 2.65%, subject to a bond interest rate floor of 3.65%. As of August 6, 2021, the 10-year Treasury Index was 1.31%. For any future increases in the 10-year Treasury, Seltzer has included an underwriting cushion of 25 basis points, resulting in an all in interest rate of 4.21%.

The MMRN will mature forty (40) years following the achievement by the Development of stabilization. At maturity, Borrower may satisfy the MMRN via refinance or sale of the Development pending market feasibility. In the event the Borrower is unable to refinance or effectuate a sale to fund payoff of the MMRN, such event would not cause an event of default under the loan documents. Rather, should this situation occur, it would trigger a "Mortgage Assignment Event" whereby the R4CF designee agrees to cancel the MMRN in exchange for an assignment by the Fiscal Agent of the mortgage and all other related documents and accounts. The Fiscal Agent would cancel the MMRN and discharge the lien of the Funding Loan Agreement, and it would then assign the mortgage loan (Project Loan) and any other related documentation and collateral to a R4CF designee, effectively ending the transaction. Under this scenario, the MMRN will have been repaid/cancelled not by payment of cash but by the assignment of the mortgage loan documents and there is no default. As the new direct mortgagee, a R4CF designee would then be in position to work with the Borrower to arrive at a resolution without involvement of either FHFC, HFAMD or the Fiscal Agent (as the MMRN would have been cancelled and would no longer be outstanding).

Annual payment of fees to HFAMD will be required and have been included in the proforma. Fees include an ongoing issuer fee of 25 bps of the outstanding MMRN amount, compliance monitoring fees of \$30 per unit per year, and a fiscal agent fee of \$4,000 annually.

CDBG-DR Financing

The Applicant has applied to Florida Housing for \$3,175,000 in CDBG-DR (“Loan”) financing for the construction and permanent financing of this Development. The Loan shall be non-amortizing and shall have an interest rate of 0% per annum for a term of 20 years. The Loan will not require payment for as long as the proposed Development remains in Compliance. The loan will be forgiven after 20 years.

Annual payments of all applicable fees will be required. Fees include an annual Permanent Loan Servicing Fee based on 25 basis points of the outstanding loan amount with a maximum of \$883 per month, subject to a minimum of \$222 per month, an annual Compliance Monitoring Multiple Program Fee of \$964 and an annual Compliance Monitoring Multiple Program fee of \$964 for Link Units for Persons with Special Needs. Compliance monitoring fees will be for a term of 50 years.

Miami-Dade GOB:

Miami-Dade County Board of County Commissioners (“BCC”) approved and provided a July 23, 2019 Resolution allocating \$5,393,796 of Building Better Communities General Obligation Bond (“GOB”) Program for “Preservation of Affordable Housing Units and Expansion of Home Ownership” funds to Cornerstone Group Partners, LLC, or its subsidiaries for the construction of Metro Grande III. The funds are subject to a favorable tax opinion, a favorable underwriting report and Board approval of all of the necessary agreements. The GOB funds are allocated to a non-profit Florida Community Development Corporation (“FCDC”). According to an August 9, 2021 letter from FCDC, terms include an FCDC GOB loan to the Applicant in the amount of \$5,393,796. The loan has a term of 55 years, with a balloon payment at maturity, no amortization, and an interest rate of 0.00%.

Miami-Dade County FY 2019 Surtax Loan:

Per an April 17, 2020 Conditional Loan Commitment, the BCC approved a \$2,000,000 Fiscal Year 2019 Documentary Stamp Program Surtax funding on February 4, 2020. Loan terms include a 30 year loan with an interest rate of 0% during construction (years 1 and 2), 1.00% interest only payments for years 3-30 from development cash flow and 1.00% interest accruing and due at maturity. Full principal is due at maturity.

Extension Number 1 was issued on February 5, 2021, extending the Conditional Loan Commitment to October 31, 2021.

Redeployed Surtax Funding:

The Applicant provided an e-mail from Clarence D. Brown, Division Director for Community Development for the PHCD and Sandra Raymond Dadaille, Principal Planner for PHCD that they are drafting an appropriate agenda item for the BCC to approve the redeployment of existing Surtax funding in the amount of \$850,000 from an existing property, Baywinds, to be used as funding for Metro Grande III. Leyani Sosa, Loan Servicing Supervisor for PHCD, confirmed that terms of the redeployed Surtax funds include a 30 year loan with an interest rate of 0% during construction (years 1 and 2), 0.75% interest only payments for years 3-30 from development cash flow, with full principal due at maturity. If the

redeployment of Surtax funding is not approved by the BCC, the \$850,000 will be added as additional Deferred Developer Fee to balance the sources of funds.

Housing Credits Equity Investment:

The Borrower has applied to Florida Housing to receive 4% Housing Credits directly from the United States Treasury in conjunction with tax-exempt financing. A HC calculation is contained in Exhibit 4 of this credit underwriting report.

Based upon a July 26, 2021 Letter of Intent, R4 Capital or an affiliate will purchase a 99.99% membership interest in the Applicant and provide HC equity as follows:

Capital Contributions	Amount	Percent of Total	When Due
1st Installment	\$2,011,650	15.00%	Admission of Limited Partner to Partnership
2nd Installment	\$2,011,650	15.00%	Latest of 100% completion, 17 months after 1st Installment, or February 1, 2023.
3rd Installment	\$9,387,700	70.00%	Latest of Rental Achievement, Receipt of IRS form 8609, 11 months after 2nd Installment or January 1,
Total	\$13,411,000	100.00%	

Annual Tax Credits per Syndication Agreement: \$1,532,834

Total HC Available to Syndicator (10 years): \$15,326,807

Syndication Percentage (investor member interest): 99.99%

Calculated HC Exchange Rate (per dollar): \$0.875

Proceeds Available During Construction: \$2,011,650

Sufficient equity proceeds will be disbursed at closing to meet regulatory requirements.

Other Permanent Sources of Funds:

In order to balance the sources and uses of funds after all loan proceeds and capital contributions payable under the R4 Capital LOI have been received, the Developer will have to defer \$661,514 of Developer Fees.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accessory Buildings		\$129,615	\$129,615	\$1,543	
Demolition				\$0	\$0
Installation of Pre Fab Units				\$0	
New Rental Units	\$13,302,000	\$17,032,369	\$17,032,369	\$202,766	\$597,375
Off-Site Work				\$0	\$0
Recreational Amenities	\$300,000	\$220,816	\$220,816	\$2,629	
Rehab of Existing Common Areas				\$0	
Rehab of Existing Rental Units				\$0	
Site Work	\$1,722,000	\$823,200	\$823,200	\$9,800	\$123,480
Swimming Pool				\$0	
Furniture, Fixture, & Equipment				\$0	
Hard Cost Contingency - in Constr. Cont.				\$0	
Constr. Contr. Costs subject to GC Fee	\$15,324,000	\$18,206,000	\$18,206,000	\$216,738	\$720,855
General Conditions	\$2,142,000	\$1,092,000	\$1,092,000	\$13,000	
Overhead		\$363,000	\$363,000	\$4,321	
Profit		\$1,092,000	\$1,092,000	\$13,000	
Builder's Risk Insurance				\$0	
General Liability Insurance				\$0	
Payment and Performance Bonds				\$0	
Contract Costs not subject to GC Fee				\$0	
Total Construction Contract/Costs	\$17,466,000	\$20,753,000	\$20,753,000	\$247,060	\$720,855
Hard Cost Contingency	\$873,300	\$1,037,650	\$1,053,000	\$12,536	
PnP Bond paid outside Constr. Contr.		\$129,000	\$129,000	\$1,536	
Fees for LOC used as Constr. Surety				\$0	
Demolition paid outside Constr. Contr.				\$0	
FF&E paid outside Constr. Contr.	\$280,000	\$185,000	\$185,000	\$2,202	
Total Construction Costs:	\$18,619,300	\$22,104,650	\$22,120,000	\$263,333	\$720,855

Notes to the Construction Costs:

1. The Applicant has provided an executed AIA Document A102-2017 Standard Form of Agreement between Owner and Contractor where the basis of payment is the Cost of the Work plus a Fee with a Guaranteed Maximum Price dated June 21, 2021. The contract is in the amount of \$20,753,000 and calls for achievement of substantial completion no later than 16 calendar months from the date of commencement. The Notice of Commencement is the latter of 10 days from issuance of Notice to Proceed or the date permits for construction are issued for the buildings, clubhouse, site and civil work, in total. Ten (10%) percent retainage will be withheld on all work performed up to 50% completion and no retainage thereafter.

Final payment will be made when (1) the General Contractor has fully performed the contract, (2) the General Contractor has submitted a final accounting for the Cost of the Work and a final application for payment, and (3) final certificate for payment has been issued by the Architect. The Owner's final payment to the General Contractor shall be made no later than 30 days after the Architect's final Certificate for Payment.

The construction contract and Plan and Cost Analysis ("PCA") have been reviewed and they do not list any allowances.

2. SMG received the General Contractor's Certification of Requirements indicating an understanding of GC conditions per Rule 67-21, F.A.C. ("Rule").
3. The \$597,375 ineligible costs represent the estimated costs of the Subject's retail space.
4. General Contractor fees as stated are within the 14% maximum per the RFA and Rule. General liability insurance will be covered by the General Contractor under General Conditions. Cost of the payment and performance bond (\$129,000) will be paid by the Applicant outside the construction contract.
5. The hard cost contingency is within the 5.00% allowed by the RFA and Rule and is not included within the GC Contract or schedule of values. The Applicant had allocated less than allowed for Hard Cost Contingency. Seltzer has adjusted the contingency to 5.00%.
6. SMG engaged and received a PCA from Moran Construction Services ("Moran"). Complete results are set forth in Section C of this credit underwriting report.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Accounting Fees	\$45,000	\$45,000	\$45,000	\$536	\$45,000
Appraisal	\$15,000	\$12,000	\$12,000	\$143	
Architect's Fee - Site/Building Design	\$294,200	\$430,000	\$430,000	\$5,119	
Architect's Fee - Supervision	\$25,000	\$25,000	\$25,000	\$298	
Building Permits	\$189,000	\$168,000	\$168,000	\$2,000	
Builder's Risk Insurance	\$75,600	\$84,000	\$84,000	\$1,000	
Capital Needs Assessment/Rehab				\$0	
Engineering Fees	\$75,000	\$125,000	\$125,000	\$1,488	
Environmental Report	\$15,000	\$5,000	\$5,000	\$60	
Federal Labor Standards Monitoring				\$0	
FHFC Administrative Fees	\$93,596	\$137,955	\$137,144	\$1,633	\$137,144
FHFC Application Fee	\$3,000	\$3,000	\$3,000	\$36	\$3,000
FHFC Credit Underwriting Fee	\$24,551	\$28,573	\$19,099	\$227	\$19,099
FHFC Compliance Fee	\$215,000	\$220,000	\$220,135	\$2,621	\$220,135
FHFC Other Processing Fee(s)				\$0	
Impact Fee	\$350,425	\$352,420	\$352,420	\$4,195	
Lender Inspection Fees / Const Admin	\$60,000	\$65,000	\$65,000	\$774	
Green Building Cert. (LEED, FGBC, NGBS)	\$21,000	\$29,400	\$29,400	\$350	
Home Energy Rating System (HERS)				\$0	
Insurance	\$37,800	\$67,200	\$67,200	\$800	\$67,200
Legal Fees - Organizational Costs	\$200,000	\$250,000	\$250,000	\$2,976	\$187,500
Local Subsidy Underwriting Fee				\$0	
Market Study	\$5,000	\$6,000	\$6,000	\$71	\$6,000
Marketing and Advertising	\$125,000	\$125,000	\$125,000	\$1,488	\$125,000
Plan and Cost Review Analysis	\$5,000	\$15,000	\$15,000	\$179	
Property Taxes				\$0	
Soil Test	\$20,000	\$20,000	\$20,000	\$238	
Survey	\$35,000	\$50,000	\$50,000	\$595	\$25,000
Tenant Relocation Costs				\$0	
Title Insurance and Recording Fees	\$117,600	\$168,000	\$168,000	\$2,000	\$168,000
Traffic Study				\$0	
Utility Connection Fees	\$168,000	\$168,000	\$168,000	\$2,000	
Soft Cost Contingency	\$123,700	\$162,600	\$146,500	\$1,744	
Other: Art in Public Places		\$341,000	\$341,000	\$4,060	
Total General Development Costs:	\$2,338,472	\$3,103,148	\$3,076,898	\$36,630	\$1,003,078

Notes to the General Development Costs:

1. Architect's Fees for Site/Building Design and Supervision are based on the Agreement between Owner and Architect, Behar Font & Partners, P.A. (dated May 26, 2020), with a base cost of \$351,000 plus estimated additional expenses for budgeting purposes.
2. Engineering Fees are based on an initial agreement from Robayna and Associates Inc. dated June 28, 2019 and revised July 27, 2019 and an Agreement for Professional Services by and between the owner and JCM Consultants, Inc. dated February 1, 2021.
3. The FHFC Administrative Fee is based on 9% of the recommended annual allocation of HC. The FHFC Application Fee is reflective of the application fees stated in RFA 2019-102. The total FHFC Credit Underwriting Fees are \$19,099. FHFC Compliance Fees are based on a final allocation date of May 1, 2023.

4. Impact Fees were estimated by the Applicant based on previously completed transactions.
5. Green Building Certification reflects the contract amount in the Agreement for Professional Services dated January 19, 2021, between the Applicant and Abney + Abney Green Solutions ("Abney"). After construction completion, Abney will certify that the Development meets the National Green Building Standards ("NGBS").
6. Utility Connection Fees were estimated by the Applicant based on previously completed transactions.
7. Soft cost contingency is within the 5% limit as allowed per the RFA and Rule.
8. Art in Public Places represents a fee charged by Miami-Dade County in the amount of 1.5% of the total construction cost (Miami-Dade's valuation including architect, engineering, environmental, soils, permitting and hard and soft cost contingency) as a fee to a Public Art Fund as required by Miami-Dade County HOME Rule.
9. Other General Development Costs are based on the Borrower's estimates, which appear reasonable.

CDBG-DR AND HC CREDIT UNDERWRITING REPORT

SMG

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Construction Loan Application Fee				\$0	
Construction Loan Underwriting Fee		\$80,000	\$80,000	\$952	
Construction Loan Origination Fee	\$140,000	\$160,000	\$160,000	\$1,905	
Construction Loan Commitment Fee				\$0	
Construction Loan Closing Costs				\$0	
Construction Loan Interest	\$1,051,000	\$979,000	\$979,000	\$11,655	\$244,750
Construction Loan Servicing Fees				\$0	
Permanent Loan Application Fee				\$0	\$0
Permanent Loan Underwriting Fee				\$0	\$0
Permanent Loan Subsidy Layering Rev.				\$0	\$0
Permanent Loan Commitment Fee				\$0	\$0
Permanent Loan Origination Fee	\$65,000			\$0	\$0
Permanent Loan Closing Costs	\$301,000			\$0	\$0
Permanent Loan Interest				\$0	\$0
Permanent Loan Servicing Fee				\$0	\$0
Local HFA Application Bond Fee				\$0	\$0
Local HFA Bond Underwriting Fee		\$8,500	\$23,859	\$284	\$23,859
Local HFA Bond Subsidy Layering Rev.				\$0	\$0
Local HFA Bond Origination Fee				\$0	\$0
Local HFA Bond Commitment Fee				\$0	\$0
Local HFA Bond Trustee Fee				\$0	\$0
Local HFA Bond Credit Enh. Fee				\$0	\$0
Local HFA Bond Rating Fee				\$0	\$0
Local HFA Bond Cost of Issuance		\$305,048	\$305,048	\$3,632	\$305,048
Local HFA Bond Closing Costs				\$0	\$0
Local HFA Bond Interest				\$0	\$0
Local HFA Bond Servicing Fee				\$0	\$0
Local HFA Legal - Bond Counsel		\$75,000	\$75,000	\$893	\$75,000
Local HFA Legal - Borrower's Counsel				\$0	\$0
Local HFA Legal - Issuer's Counsel				\$0	\$0
Local HFA Legal - Lender's Counsel				\$0	\$0
Local HFA Legal - U/W's Counsel				\$0	\$0
Misc Loan Application Fee		\$25,000	\$25,000	\$298	\$25,000
Misc Loan Underwriting Fee				\$0	
Misc Loan Subsidy Layering Review				\$0	
Misc Loan Origination Fee				\$0	
Misc Loan Closing Costs		\$31,300	\$31,300	\$373	
Misc Loan Interest				\$0	
Misc Loan Servicing Fee				\$0	
Legal Fees - Financing Costs				\$0	
Negative Arbitrage				\$0	
Forward Rate Lock Fee				\$0	
Placement Agent/Underwriter Fee				\$0	
Initial TEFRA Fee				\$0	\$0
FHA MIP (Prepayment)				\$0	
FHA Exam Fee				\$0	
NIBP Commitment Fee				\$0	
Other: Retail Leasing Commissions		\$9,594	\$9,594	\$114	\$9,594
Other: CDBG-DR FHFC Closing Costs		\$31,750	\$12,500	\$149	
Total Financial Costs:	\$1,557,000	\$1,705,192	\$1,701,301	\$20,254	\$683,251
Dev. Costs before Acq., Dev. Fee & Reserves	\$22,514,772	\$26,912,990	\$26,898,199	\$320,217	\$2,407,184

METRO GRANDE III

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SEPTEMBER 2, 2021

Notes to the Financial Costs:

1. Construction Loan Underwriting Fee is a "Construction Fee" of and \$80,000 is based on 0.50% of the bond amount per R4CF.
2. Construction Origination Fee of \$160,000 is based on 1.00% of the bond amount per R4CF.
3. Construction Loan Interest is based on the Applicant's estimate, which SMG considers reasonable. The Applicant's calculation is based on the bond amount times an interest rate of 4.00%, over a construction term up to 24 months, with an average balance of 68.50%.
4. Local HFA Bond Cost of Issuance includes fees and expenses of the Issuer, Counsel, Trustee Fee, Servicer Fee, Legal, Conversion Fee and other fees.
5. Local HFA Bond Underwriting Fee consists of the Bond underwriting fee of \$8,500 plus Seltzer's Bond underwriting fee for Miami-Dade County of \$15,359.
6. Misc. Loan Application Fee consists of the Syndicator's up-front due diligence, closing costs and issuance of tax opinion fee.
7. Misc. Loan Closing Costs includes \$8,500 for Redeployed Surtax, \$2,800 for Surtax Administration and \$20,000 for Surtax fee.
8. The CDBG-DR FHFC Closing Costs include the estimated fees for FHFC's Legal Counsel.

NON-LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Building				\$0	
Building Acquisition Cost				\$0	
Developer Fee on Non-Land Acq. Costs			\$0	\$0	
Other:				\$0	
Other:				\$0	
Other:				\$0	
Total Non-Land Acquisition Costs:	\$0	\$0	\$0	\$0	\$0

Notes to the Non-Land Acquisition Costs: None.

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Developer Fee - Unapportioned	\$4,052,000	\$4,813,111	\$4,813,111	\$57,299	
DF to fund Operating Debt Reserve				\$0	
DF to Brokerage Fees - Land				\$0	
DF to Excess Land Costs				\$0	
DF to Excess Bldg Acquisition Costs				\$0	
DF to Consultant Fees				\$0	
DF to Guaranty Fees				\$0	
Total Other Development Costs:	\$4,052,000	\$4,813,111	\$4,813,111	\$57,299	\$0

Notes to the Other Development Costs:

1. Developer Fee is within 18% of the Development's construction cost, exclusive of land acquisition costs, Developer Fee and reserves, as required per the RFA and Rule.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Brokerage Fees - Land				\$0	\$0
Land Acquisition Cost				\$0	\$0
Land	\$100,000	\$100,000	\$100,000	\$1,190	\$100,000
Land Lease Payment				\$0	\$0
Land Carrying Costs				\$0	\$0
Total Acquisition Costs:	\$100,000	\$100,000	\$100,000	\$1,190	\$100,000

Notes to the Land Acquisition Costs:

- Applicant provided a Lease Agreement dated October 25, 2018 between Miami-Dade County, a political subdivision of the State of Florida and Cornerstone Group Partners, LLC. Lease shall become effective after its approval by the Federal Transit Administration, the Florida Department of Transportation and the Miami-Dade County Board of County Commissioners and the expiration of the ten day veto period by the Mayor of Miami-Dade County. The term of the lease is 75 years from the commencement date. Rent shall intentionally be delayed by the parties and will begin on the Financing Date. The Financing Date shall be the date the Tenant closes on its financing for the construction of any phase of the development. The Financing Date in no event shall be later than September 30, 2020. Rent: capitalized rent payment of \$100,000, 28% of Developer Fee and 28% of net cash flow and 2.5% of income from Retail Subtenants.

An Assignment and Acceptance Agreement dated October 25, 2018 was provided between Cornerstone Group Partners, LLC ("Assignor") and Okeechobee Lease Holdings, LLC ("Assignee")

A Sublease dated October 26, 2018 between Okeechobee Lease Holdings, LLC and Metro Grande III Associates, Ltd. was provided pursuant to unrecorded Lease Agreement between Miami-Dade County as landlord and Cornerstone Group Partners, LLC as tenant as assigned to Sublessor pursuant to Assignment of Lease between Cornerstone and Sublessor dated October 25, 2018 (the "Master Lease"). There is a Capitalized lease payment of \$100,000 required plus 28% of the Developer Fee and 28% of net cash flow on an annual basis and 2.5% of income from any retail sub-subtenants payable in arrears on a bi-annual basis (every six months).

A Lease Amendment dated November 2, 2020 was provided between Miami-Dade County and Okeechobee Lease Holdings, LLC extending the lease from September 30, 2020 to September 30, 2021.

The appraised value of the vacant land is \$1,300,000. The capital lease payment for the Subject property is \$100,000 and is below the appraised value.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
Operating Deficit Reserve (FHFC)				\$0	\$0
Operating Deficit Reserve (Lender)		\$280,000	\$280,000	\$3,333	\$280,000
Operating Deficit Reserve (Syndicator)				\$0	\$0
Total Reserve Accounts:	\$0	\$280,000	\$280,000	\$3,333	\$280,000

Notes to Reserve Accounts:

1. R4CF is requiring a minimum Operating Deficit Reserve (“ODR”) of \$280,000, or an amount equal to three months operating expenses, replacement reserve deposits and debt service.

At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC loan debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to the Applicant or the Developer from the Reserve Account cause the Developer Fee or General Contractor Fee to exceed the applicable percentage limitations provided for in Rule Chapter 67-21. Any and all terms and conditions of the ODR must be acceptable to Florida housing, its Legal Counsel and Servicer.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit	HC Ineligible Costs - CUR
TOTAL DEVELOPMENT COSTS:	\$26,666,772	\$32,106,101	\$32,091,310	\$382,039	\$2,787,184

Notes to the Total Development Costs:

1. Per RFA 2019-102, Total Development Cost (“TDC”) is limited on a per unit basis based on the construction type of the units as indicated by the Applicant. The Applicant has indicated a construction type of High Rise, which has a maximum allowable per unit cost of \$407,715, inclusive of Add-on, Multiplier and Escalation Adjustment. Per an analysis of the approved Development costs, identified in this report, the TDC per unit of \$377,745.83 does not exceed the maximum allowable TDC per the RFA, which includes the change in limits approved at the June 2018 Board Meeting and the \$5,000 boost for utilizing tax-exempt bonds, Federal Programs \$5,000 Boost and the 10% increase to the TDC limit approved at the July 2021 Board Meeting.

Operating Pro forma

OPERATING PRO FORMA				ANNUAL	PER UNIT
INCOME	Gross Potential Rental Income			\$1,307,784	\$15,569
	Rent Subsidy (ODR)			\$0	\$0
	Other Income:				
	Ancillary Income-Retail			\$31,890	\$380
	Miscellaneous			\$31,752	\$378
	Washer/Dryer Rentals			\$0	\$0
	Cable/Satellite Income			\$0	\$0
	Rent Concessions			\$0	\$0
	Alarm Income			\$0	\$0
	Gross Potential Income			\$1,371,426	\$16,327
	Less:				
	Economic Loss - Percentage:	0.0%		\$0	\$0
	Physical Vacancy Loss - Percentage:	2.2%		(\$30,618)	(\$364)
Collection Loss - Percentage:	1.0%		(\$13,714)	(\$163)	
Total Effective Gross Revenue				\$1,327,094	\$15,799
EXPENSES	Fixed:				
	Ground Lease			\$33,207	\$395
	Sub-Ground Lease			\$0	\$0
	Real Estate Taxes			\$170,900	\$2,035
	Insurance			\$46,200	\$550
	Other			\$0	\$0
	Variable:				
	Management Fee - Percentage:		5.0%	\$66,355	\$790
	General and Administrative			\$63,000	\$750
	Payroll Expenses			\$116,400	\$1,386
	Utilities			\$84,000	\$1,000
	Marketing and Advertising			\$0	\$0
	Maintenance and Repairs			\$100,800	\$1,200
	Grounds Maintenance and Landscaping			\$0	\$0
	Resident Programs			\$0	\$0
	Contract Services			\$0	\$0
	Security			\$0	\$0
	Other-Pest Control			\$0	\$0
Reserve for Replacements			\$25,200	\$300	
Total Expenses				\$706,062	\$8,405
Net Operating Income				\$621,033	\$7,393

Debt Service Payments			
DEBT SERVICE	First Mortgage - HFAMD/R4CF	\$341,426	\$4,065
	Second Mortgage - FHFC - CDBG-DR	\$0	\$0
	Third Mortgage - Miami-Dade-GOB	\$0	\$0
	Fourth Mortgage - PHCD-Surtax	\$20,000	\$238
	Fifth Mortgage - Redeployed Surtax	\$6,375	\$76
	First Mortgage Fees - HFAMD/R4CF	\$23,020	\$274
	Second Mortgage Fees - FHFC-CDBG-DR/Link Units	\$9,866	\$117
Total Debt Service Payments		\$400,687	\$4,770
Cash Flow After Debt Service		\$220,346	\$2,623
Debt Service Coverage Ratios			
	DSC - First Mortgage plus Fees	1.704	
	DSC - Second Mortgage plus Fees	1.659	
	DSC - Third Mortgage plus Fees	1.659	
	DSC - Fourth Mortgage plus Fees	1.575	
	DSC - Fifth Mortgage plus Fees	1.550	
	DSC - All Mortgages and Fees	1.550	
Financial Ratios			
	Operating Expense Ratio	53.2%	
	Break-Even Ratio	80.9%	

Notes to the Operating Pro forma and Ratios:

1. The Subject Development will be utilizing Housing Credits in conjunction with the CDBG-DR funding, which will impose rent restrictions. Metro Grande III is projected to achieve 2021 Maximum Allowable HC Rents and the 2021 maximum CDBG-DR Rents published by Florida Housing on all units based upon the appraiser's estimate of achievable rents per comparable properties surveyed. Please note that the rents listed under "Gross HC Rent" are a combination of Gross 2021 Housing Credit (60% and 70% of AMI) and CDBG (80% of AMI). The 80% of AMI rents in the 2021 FHFC CDBG-DR chart are slightly lower (about \$1 lower) than the 2021 FHFC Housing Credit chart. There are no 60% and 70% of AMI rent indications in the 2021 FHFC CDBG-DR chart. In addition, 21 units will be covered under a long term project-based Section 8 contract ("PBV") with vouchers to be paid by Hialeah Housing Authority. The contract rents will be paid at 95% of Fair Market Rents. PHCD provided an additional 7 PBV contracts that will pay rents at 110% of Fair Market Rents. Utility Allowances are based on the Hialeah Housing Authority Utility Chart dated September 1, 2019. The residents are responsible for paying the electricity and the Applicant paying for water, sewer, pest control, and trash pick-up. No manager/employee units are anticipated at this time.

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

MSA/County: Miami-Fort Lauderdale-West Palm Beach MSA / Miami-Dade County

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	10	704	30%			\$508	\$87	\$421	\$1,082	\$1,082	\$1,082	\$1,082	\$129,840
1	1.0	4	704	30%			\$508	\$87	\$421	\$1,267	\$1,267	\$1,267	\$1,267	\$60,816
1	1.0	3	704	60%			\$1,017	\$87	\$930		\$930	\$930	\$930	\$33,480
1	1.0	13	704	70%			\$1,187	\$87	\$1,100		\$1,100	\$1,100	\$1,100	\$171,600
1	1.0	11	704	80%			\$1,356	\$87	\$1,269		\$1,269	\$1,270	\$1,269	\$167,508
2	2.0	9	1,064	30%			\$610	\$106	\$504	\$1,367	\$1,367	\$1,367	\$1,367	\$147,636
2	2.0	2	955	30%			\$610	\$106	\$504	\$1,600	\$1,600	\$1,600	\$1,600	\$38,400
2	2.0	3	1,064	60%			\$1,221	\$106	\$1,115		\$1,115	\$1,115	\$1,115	\$40,140
2	2.0	13	955	70%			\$1,424	\$106	\$1,318		\$1,318	\$1,318	\$1,318	\$205,608
2	2.0	10	955	80%			\$1,627	\$106	\$1,521		\$1,521	\$1,522	\$1,521	\$182,520
3	2.0	2	1,248	30%			\$705	\$126	\$579	\$1,839	\$1,839	\$1,839	\$1,839	\$44,136
3	2.0	1	1,248	30%			\$705	\$126	\$579	\$2,148	\$2,148	\$2,148	\$2,148	\$25,776
3	2.0	1	1,248	70%			\$1,645	\$126	\$1,519		\$1,519	\$1,519	\$1,519	\$18,228
3	2.0	2	1,248	80%			\$1,880	\$126	\$1,754		\$1,754	\$1,755	\$1,754	\$42,096
		84	72,995											\$1,307,784

- Miscellaneous income includes damages, washer/dryer income at \$234 per unit, lease termination/month-to-month fees, application fees, pet fees at \$50 per month and miscellaneous other income, totaling \$378 per unit.
- The appraiser estimates a stabilized physical vacancy rate of 2% (plus a 10% vacancy on the retail space, or \$3,189) and collection loss of 1% for an economic occupancy of 96.80% and a physical occupancy rate of 97%.
- Real estate tax expense is based on the Appraiser's estimate.
- Insurance expense is based on expense comparables for LIHTC properties and the Applicant's estimate.
- Management Fees are based upon the Property Management Agreement provided by the Applicant that reflects a management fee in the amount of 5.0% of the gross collections.
- The Applicant states that the resident programs will be facilitated through the management company, Cornerstone Residential Management, LLC, and will incur very minimal financial impact as they partner with local and national non-profits to provide these programs.
- Other operating expense estimates are based on comparable properties and are supported by the appraisal.
- Replacement Reserves in the amount of \$300 per unit per year meet RFA and Rule requirements. R4 Capital requires the replacement reserve to be increased annually by 3.00%.
- A 15-year income and expense projection reflects increasing Debt Service Coverage ("DSC") through year fifteen. This projection is attached to this report as Exhibit 1.

Section B

Loan Conditions

HC Allocation Recommendation and Contingencies

Special Conditions

These recommendations are contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Executed Assignment of 28 Project Based Vouchers to the Development
2. Satisfactory completion of a Davis-Bacon Federal Labor Standards and Section 3 preconstruction conference
3. Davis-Bacon requirements to be added to the GC Contract
4. Receipt and Satisfactory review of the Affirmative Fair Marketing Plan

General Conditions

This recommendation is contingent upon the review and approval of the following items by SMG and Florida Housing at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Borrower to comply with any and all recommendations noted in the Plan and Cost Review.
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. Final "as permitted" (signed and sealed) site plans, building plans and specifications. The geotechnical report, if any, must be bound within the final plans and specifications.
4. 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.). Acceptable alternatives to this requirement are receipt and satisfactory review of a letter from the local permitting and approval authority 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.
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 sources and uses of funds schedule will be attached to the Loan Agreement as the approved Development budget.
6. A final construction draw schedule showing itemized sources and uses of funds for each monthly draw. CDBG-DR loan proceeds shall be disbursed during the construction phase in an amount per draw which does not exceed the ratio of the CDBG-DR loan to the Total Development Costs, unless approved by FHFC and the Credit Underwriter. The closing draw shall include appropriate backup and

ACH wiring instructions.

7. Construction Period Developer Fee shall be the lessor of i) 50% of the Total Developer Fee or ii) the Total Developer Fee less the Deferred Developer Fee listed in the Sources and Uses for the construction period, as calculated by the Servicer. At closing, a maximum of 35% of the Construction Period Developer Fee may be funded. Remaining Construction Period Developer Fee 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.

Once the Development has achieved 100% lien free completion and retainage has been released, the Post-Construction Period Developer Fee may be funded. Post-Construction Period Developer Fee is the remaining portion of Developer Fee less Deferred Developer Fee listed in the Sources and Uses for the permanent period, as calculated by the Servicer.

8. Evidence of insurance coverage pursuant to the Request for Application governing this proposed transaction and, if applicable, the FHFC Insurance Guide.
9. Evidence of 100% Payment and Performance ("P&P") Bonds, whose terms do not adversely affect Florida Housing's interest, issued in the name of the General Contractor, from a company rated at least "A-" by AMBest & Co., or a Florida Housing approved alternate security for the General Contractor's performance such as a letter of credit issued by a financial institution with a senior long term (or equivalent) credit rating of at least "Baa3" by Moody's, or at least "BBB-" by Standard & Poor's or Fitch, or a financial rating of at least 175 by IDC Financial. In either case, Florida Housing must be listed as co-obligee. Florida Housing 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 contain "evergreen" language and be in a form satisfactory to the Servicer, Florida Housing, and its Legal Counsel.
10. 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 of the Rehabilitation Act, the Americans with Disabilities Act ("ADA"), and Federal Fair Housing Act requirements, as applicable.
11. A copy of an Amended and Restated Operating Agreement reflecting purchase of the HC under terms consistent with the assumptions contained within this Credit Underwriting Report. The Amended and Restated Operating Agreement shall be in a form and of financial substance satisfactory to Servicer and to FHFC and its Legal Counsel.
12. Satisfactory resolution of any outstanding past due and/or noncompliance items.
13. Payment of any outstanding arrearages to the Corporation, its Legal Counsel, Servicer or any agent or assignee of the Corporation for past due issues applicable to the Development team (Applicant or Developer or Principal, Affiliate or Financial Beneficiary, of an Applicant or a Developer).
14. At all times there will be undisbursed loan funds (collectively held by Florida Housing, the first lender and any other source) sufficient to complete the Development. If at any time there are not sufficient funds to complete the Development, the Borrower will be required to expend additional equity on Development costs or to deposit additional equity with Florida Housing which is sufficient (in Florida Housing's judgment) to complete the Development before additional loan funds are disbursed. This

condition specifically includes escrowing at closing all equity necessary to complete construction or another alternative acceptable to Florida Housing in its sole discretion.

15. At the end of the Compliance Period, any remaining balance of the ODR less amounts that may be permitted to be drawn (which includes Deferred Developer Fee and reimbursements for authorized member/partner and guarantor loan(s) pursuant to the operating/partnership agreement), will be used to pay FHFC debt; if there is no FHFC loan debt on the proposed Development at the end of the Compliance Period, any remaining balance shall be used to pay any outstanding FHFC fees. If any balance is remaining in the ODR after the payments above, the amount should be placed in a Replacement Reserve account for the Development. In no event shall the payments of amounts to Applicant or the Developer from the Reserve Account cause the Developer fee or General Contractor Fee to exceed the applicable percentage limitations provided for in the Rule. Any and all terms and conditions of the ODR must be acceptable to FHFC, its Servicer and its Legal Counsel.

This recommendation is contingent upon the review and approval of the following items by Florida Housing and its Legal Counsel at least two weeks prior to loan closing. Failure to receive approval of these items within this time frame may result in postponement of the loan closing.

1. Documentation of the legal formation and current authority to transact business in Florida for the Borrower, the general partner/member(s)/principal(s)/manager(s) of the Borrower, the guarantors, and any limited partners/members of the Borrower.
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. An acceptable updated Environmental Audit Report, together with a reliance letter to Florida Housing, prepared within 90 days of CDBG-DR loan closing, unless otherwise approved by Florida Housing, and Legal Counsel, based upon the particular circumstances of the transaction. Borrower to comply with any and all recommendations noted in the Environmental Assessment(s) and Update and the Environmental Review, if applicable.
4. Title insurance pro-forma or commitment for title insurance with copies of all Schedule B exceptions, in the amount of the CDBG-DR loan naming FHFC as the insured. All endorsements required by Florida Housing shall be provided.
5. Florida Housing and its Legal Counsel shall review and approve all other lenders closing documents and the Operating Agreement or other applicable agreement. Florida Housing shall be satisfied in its sole discretion that all legal and program requirements for the Loans have been satisfied.
6. Evidence of insurance coverage pursuant to the CDBG-DR loan governing this proposed transaction and, as applicable, the FHFC Insurance Guide.
7. 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 documents;
 - c. The Loan 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 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/Operating Agreement and;
 - e. Such other matters as Florida Housing or its Legal Counsel may require.
8. Evidence of compliance with local concurrency laws, as applicable.
 9. UCC Searches for the Borrower, its partnerships, as requested by Legal Counsel.
 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 and its Legal Counsel, in connection with the loan(s).
 11. 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. Compliance with all provisions of Sections 420.507 and 420.5089, Florida Statutes, Rule Chapter 67-21, F.A.C., Rule Chapter 67-53 F.A.C., Rule Chapter 67-60 F.A.C., RFA 2019-102, 49 CFR 24 (URA), 24CFR 42(104 (d), 24 CFR Part 135, 24 CFR 570 (CDBG) and Section 414 of the Stafford Act, HUD environmental requirements 24 CFR Part 58, and any other State and federal requirements.
2. Development and execution by the Applicant of the required MOU with at least one designated Referral Agency serving the county and intended population where the Development will be located and rent units to households referred by the Referral Agency which the MOU is executed. The MOU was approved by FHFC on May 4, 2021. Upon approval by FHFC of the unit mix change with additional ELI and LINK units, FHFC will need to approve an amended MOU.
3. Acceptance by the Borrower and execution of all documents evidencing and securing the CDBG-DR Loan in form and substance satisfactory to Florida Housing and its Legal Counsel, including, but not limited to, the Promissory Note(s), the Loan Agreement(s), the Mortgage and Security Agreement(s), and the Land Use Restriction Agreement(s) and/or Extended Land Use Agreement(s) and Final Cost Certificate.
4. If applicable, receipt and satisfactory review of Financial Statements from all Guarantors dated within 90 days of Real Estate Closing.
5. Guarantors are to provide the standard FHFC Construction Completion Guaranty, to be released upon lien free completion as approved by the Servicer.

6. Guarantors for the CDBG-DR are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by the Applicant, Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15 DSC on the combined permanent first mortgage and CDBG-DR loan, as determined by FHFC or the Servicer, and 90% Occupancy and 90% of Gross Potential Rental Income net of utility allowances, if applicable, for a period equal to twelve (12) consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the debt service coverage ratio shall be made by Florida Housing or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final certificate of occupancy.
7. Guarantors are to provide the standard FHFC Environmental Indemnity Guaranty.
8. Guarantors are to provide the standard FHFC Guaranty of Recourse Obligations.
9. A mortgagee title insurance lender's policy naming Florida Housing as the insured mortgage holder in the amount(s) of the all FHFC loans is to be issued at closing. Any exceptions to the title insurance policy must be acceptable to Florida Housing or its Legal Counsel. All endorsements that are required by Florida Housing are to be issued and the form of the title policy must be approved prior to closing.
10. Property tax and hazard insurance escrows 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 servicing agent, the release of funds shall be at Florida Housing's sole discretion.
11. Replacement Reserves in the minimum amount of \$300 per unit per year are required to be deposited on a monthly basis into a designated escrow account, to be maintained by the First Mortgagee/Credit Enhancer, the Trustee, or Florida Housing's loan servicing agent. However, Applicant has the option to prepay Replacement Reserves, as allowed per the Rule, in the amount of \$25,578 (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 for year 1, increasing 3.00% per year thereafter. The initial Replacement Reserve will have limitations on the ability to be drawn. New construction or Redevelopment Developments (with or without acquisition) shall not be allowed to draw during the first five years or until the establishment of a minimum balance equal to the accumulation of five years of replacement reserves per unit.

The amount established as a Replacement Reserve shall be adjusted based on a Capital Needs Assessment ("CNA") to be received by the Corporation or its servicers, prepared by an independent third party and acceptable to the Corporation and its servicers at the time the CNA is required, beginning no later than the 10th year after the first residential building in the Development receives a certificate of occupancy, a temporary certificate of occupancy, or is placed in service, whichever is earlier ("Initial Replacement Reserve Date"). A subsequent CNA is required no later than the 15th year after the Initial Replacement Reserve Date and subsequently every five (5) years thereafter.

12. Moran Construction Consultants ("Moran") or other construction inspector acceptable for Florida Housing is to act as Florida Housing's inspector during the construction period.
13. Under the construction contract, a minimum of 10% retainage holdback on all construction draws will be withheld until construction is 50% complete and thereafter no additional retainage is withheld.

Retainage will not be released until successful lien free completion of construction and issuance of all certificates of occupancy, which satisfies the RFA and Rule minimum requirement.

14. Satisfactory completion of a pre-loan closing compliance audit conducted by Florida Housing or its Servicer, if applicable.
15. Closing of all funding sources prior to or simultaneous with the closing of the CDBG-DR loan.
16. Satisfactory evidence of compliance with the Davis Bacon Act and other applicable Federal Labor Standards during the construction of this Development. Evidence of compliance must be through satisfactory completion of a compliance audit by HUD and its authorized subcontractor.
17. CDBG-DR funds are subject to the National Environmental Policy Act ("NEPA") of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 "Environmental Review Procedures". No CDBG-DR funds may be committed to a Development before completion of the environmental review process and HUD approval of the environmental review and Request for Release of Funds.
18. Any other reasonable requirements of the Servicer, Florida Housing or its Legal Counsel.

Housing Credit Allocation Recommendation

Seltzer Management Group, Inc. recommends a preliminary annual Housing Credit allocation of \$1,523,815. Please see the HC Allocation Calculation section of this report for further details.

Contingencies

The HC allocation recommendation is contingent upon the receipt and satisfactory review of the following items by SMG and the Florida Housing Finance Corporation by the deadline established in the Preliminary HC Allocation. Failure to submit these items within this time frame may result in forfeiture of the HC Allocation.

1. All items listed under the Special Conditions section of the Loan Conditions to Close.
2. Satisfactory resolution of any outstanding past due items and/or noncompliance items.
3. Any reasonable requirements of Florida Housing, SMG or its Legal Counsel.

Section C

Supporting Information and Schedules

September 2, 2021

Additional Development and Third Party Supplemental Information

Appraised Value: Seltzer reviewed a July 9, 2021 Appraisal of Metro Grande III with an effective date as of February 26, 2021. The Appraisal was prepared by Brad Weinberg, MAI, CRE, CVA State Certified General Real Estate Appraiser (Florida License No. RZ 3249) and Abby M. Cohen State Certified General Real Estate Appraiser (Florida License No. RZ 4143) of Novogradac Consulting LLP ("Novogradac") of Bethesda, Maryland.

Market Rents/Market Financing

The appraised value is \$23,500,000 as if completed and stabilized, based on market rents and market financing. In consideration of the appraised value and a permanent period first mortgage loan in the amount of \$6,600,000 from R4 Capital Funding ("R4CF"), the loan-to-value ("LTV") ratio is 28.1%. The combined LTV for the permanent first mortgage and CDBG-DR loan of \$3,175,000 is 41.6%.

Restricted Rents/Market Financing

The appraised value is \$8,600,000 as if completed and stabilized and based on restricted rents and market financing. In consideration of the appraised value and a permanent period first mortgage loan in the amount of \$6,600,000 from R4CF, the LTV ratio is 76.7%. The combined LTV for the permanent first mortgage and CDBG-DR loan of \$3,175,000 is 113.7%.

"As Is" Value

Novogradac concluded the "As Is" land value for the Subject is \$1,300,000. The appraised value exceeds the capital lease payment of the land at \$100,000.

Market Study:

A Market Study was prepared for the subject property by Novogradac dated May 11, 2021 with an effective date of February 26, 2021. The Subject property will be comprised of one, seven-story, elevator serviced, high rise residential building, including 2,785 square feet of retail space. Site amenities will include a business center/computer lab, elevators, garage, on-site management, clubhouse/meeting room/community, exercise facility, and off-street parking. Novogradac notes that the Subject will be superior and compatible to the existing surroundings and is well suited for this type of housing.

The Market Study confirms that the property is located in a Qualified Census Tract ("QCT"), 7.12.

The Subject will be located at 2005 West Okeechobee Road, Hialeah, Miami-Dade County, Florida 33010. The Subject's neighborhood is comprised of the Okeechobee Metrorail Station, one-story industrial buildings in average condition, and retail and commercial uses including

clothing stores, restaurants and motels. The Subject will be located in close proximity to many services, including medical facilities and various retail uses. The surrounding uses makes this a desirable location for a family development. Okeechobee Metrorail Station, which provides access to rail and bus lines is directly north of the Subject site. Miami-Dade Metrorail service is offered to other cities throughout the area, including downtown Miami and Miami International Airport. The station also has stops for Miami-Dade Metrobuses 73 and 267. Both buses are local routes that have bus connections to many other parts of the area. The Subject neighborhood benefits from a well-connected transportation network that accommodates the area between the Miami metro area and the State of Florida. The proposed site is convenient to expressways that connect to Interstates I-95, I-75 and I-195. The Subject property is zoned RTZ, Okeechobee Metrorail Station in the Rapid Transit Zone.

The Primary Market Area ("PMA") is considered to be the area within a five-mile radius of the subject. Novogradac notes that the total personal and property crime indices in the PMA are modestly elevated relative to the national average and above the surrounding MSA. The Subject will offer limited access via intercom, patrol, and video surveillance as security features. The building design also offers inherent security characteristics such as elevators, interior corridors and limited access points of entry. Novogradac states that there is one LIHTC rental development within the Subject's PMA (South Wind), therefore it was necessary to expand their search outside of the PMA to include five LIHTC comparables which are located 4.1 to 5.6 miles from the Development. Novogradac states there are no similar developments under construction within the submarket, and one proposed development, HHA Seminola, but it has a "senior" resident base and not "family" like Metro Grande III. The potential pool of income-qualified renter households in the PMA for the 30% AMI units is 13,687 and a capture rate of 0.11%, for the 60% AMI units is 20,932 and a capture rate of 0.04%, for the 70% AMI units is 4,637 and a capture rate of 0.75%, and for the 80% AMI units is 3,614 and a capture rate of 0.16%. The capture rates are low and indicate there is sufficient demand for the subject units. Novogradac anticipates that the subject should not have a significant long-term impact on the existing developments within the submarket. The weighted average occupancy for the comparables is 99.6% (more than 92% minimum required by Rule). Novogradac noted that there are no FHFC Guarantee Fund Developments within a five mile radius of the Subject.

Novogradac projects that the subject development will obtain maximum allowable 2021 HC rents for all units within the subject development. According to FHFC requirements, market rents are to exceed restricted rents by a minimum of 10%. Novogradac estimates the overall weighted

average market rent is 110% greater than estimated average restricted rent, thus meeting FHFC requirements.

In the rental market analysis, the absorption performance of comparable/competitive apartment rentals was analyzed. The analysis indicated a range of 13 to 45 units per month. Based on this data, Novogradac determined an absorption rate of 30 units per month and estimates the subject will achieve stabilized occupancy within three months after receiving its first certificate of occupancy.

Environmental Report:

Hydrologic Associates U.S.A., Inc. ("HAI") of Miami, Florida performed a Phase I Environmental Site Assessment ("ESA") in accordance with ASTM Standard E-1527-13. The ESA indicates an inspection date of July 16, 2021 and a report issue date of July 29, 2021.

The ESA revealed the subject site is developed as the Okeechobee Metro Rail Station and includes a multi-level covered parking garage, two electrical buildings, the metro rail station/rail line and an additional asphalt parking area.

HAI states that based on information provided by the Miami-Dade County Property Appraiser and by reviewing historical aerial photographs, the site was developed as the Okeechobee Metro Rail Station in 1985. Prior to 1999, the site was developed with commercial buildings since at least 1968. During the site visit, HAI reported that there were no indications of Underground Storage Tanks ("UST"), surface staining, stressed vegetation or unidentified materials were observed on the Subject site. In addition, no noxious liquids, pits or unnatural fill areas were observed. Furthermore, HAI did not observe the presence of sumps, floor drains or other underground structures that would be considered a concern. One 1,500 gallon steel double walled diesel fuel Aboveground Storage Tank ("AST") was observed at the western portion of the Subject site. The AST is associated with the US 27 Underpass Storm Water Pump Station which is situated on the western property boundary. HAI states there were no obvious signs of contamination observed. HAI reported locating one monitoring well located at the southern side of the electrical building located at the northeastern corner of the site and reports no evidence for the potential of vapor-phase contaminants from onsite sources to intrude into the Subject site buildings. HAI contracted Environmental Data Resources, Inc. ("EDR") to compile regulatory information for the Subject site and vicinity. Additionally, HAI visited the Miami-Dade County DERM online database and the Florida Department of Environmental Protection ("FDEP") online database to obtain and review the regulatory files for the Subject site and off-site facilities identified as Recognized Environmental Conditions (REC). There are off-site facilities identified with soil and/or groundwater contamination within a one-mile radius of

the Subject site. Based on the regulatory information reviewed and the distance and/or direction of these listed facilities from the Subject site, they are not considered RECs.

HAI previously conducted a Phase I ESA dated June 3, 2019 and a Phase II dated May 12, 2020. Based upon the findings of the previously conducted Phase I ESA, a Phase II ESA was conducted. The groundwater testing did not reveal subsurface impacts; therefore, HAI has not identified RECs.

In conclusion, the assessment revealed no RECs in connection with the historical or current uses of the Subject site. Therefore, no further assessment is warranted at this time.

Soil Test Report:

Seltzer has reviewed a Geotechnical Field Testing report dated June 28, 2019 and then revised on August 22, 2019 and April 12, 2021 by Tierra South Florida, Inc. ("Tierra") on the Subject property. To investigate the subsurface soil conditions, Tierra performed eight Standard Penetration Test ("SPT") borings to a depth of 20 and 25 feet and two Borehole Permeability ("BHP") tests were drilled to a depth of 15 feet within the proposed structure areas.

Based on visual classifications, the subsoils below the topsoil (or asphalt layer) typically consisted of three and one-half to four feet of a light brown sandy limestone fill material followed by a sandy limestone layer that continued to depths between 23 and 28 feet below the existing grades. The upper limestone layer was followed by a light gray sand (SP) material that continued down to a depth of 38 feet below the existing grade. Groundwater was typically recorded during the course of the investigation in the depth range of about five to six feet below existing grade. Tierra estimates that the normal wet seasonal high groundwater level could fluctuate within two feet of where groundwater was detected during the drilling operation.

Based upon the results of Tierra's geotechnical investigation, Tierra provided a recommendation for a shallow foundation system for the proposed two to three-story parking garage structure and the seven-story structure. Tierra recommends an allowable soil bearing pressure of 4,000 pounds per square foot ("psf"). Utilization of this soil bearing pressure will necessitate appropriate subgrade and fill preparation as outlined in the report. Tierra recommended site preparation details regarding the removal of existing asphalt, brush, stumps, topsoil, any construction debris or other above-ground debris. Also, any underground utilities and foundation remnants, if any, should be removed within the area of the proposed construction. Prior to the construction of the ground floor slab, the area should be proof rolled with a self-propelled roller (Ingersoll-Rand SD 100D or equivalent) and compacted to a field dry density not less than 95% of the material's

maximum dry density as determined by the Modified Compaction Test (ASTM D1557) or inspected or probed by the Geotechnical Engineer if founded on limestone. In areas where the ground floor slab elevation is above existing grade, engineering fill will be necessary to support slab-on-grade and other surface features such as entrance ramps driveways, and sidewalks. Such fill should also be compacted to the aforementioned 95% criteria. The engineering fill materials must be placed under Tierra's close inspection and testing. The fill should be inorganic granular soils free from deleterious materials approved by Tierra. The fill should be placed in lifts of no greater than 12 inches thick, and each lift should be compacted to the aforementioned 95% criteria. In restricted areas where a small compactor must be used, the lift thickness should be reduced to six inches to nine inches.

Tierra states that the geotechnical study completed for the proposed Development confirms that the site is suitable for the planned construction when viewed from a soil mechanics and foundation engineering perspective.

Seltzer's recommendation is contingent upon the Applicant, Developer and General Contractor adhering to all recommendations of the Geotechnical Engineer as to design, construction practices and supervision of the construction.

Pre-Construction Analysis:

SMG has reviewed a Plan and Cost Analysis ("PCA") from Moran Construction Consultants, LLC ("Moran") dated July 19, 2021.

The PCA states that the construction documents, inclusive of the drawings, limited specification and engineering reports do appear to include adequate detail to complete the proposed scope of work. The documents were prepared by licensed Architects and Engineers and do appear to address governing codes or ordinances. The materials, systems, and assemblies are considered appropriate with regards to industry standard and project type and are generally of adequate quality.

Moran notes the Fair Housing Act ("FHA") requirements and Americans with Disabilities Act ("ADA") building codes do appear to be included in the design documents and that all buildings/units will be inspected for FHA/ADA compliance prior to receipt of Certificates of Occupancy.

The PCA stated the review of the construction cost breakdown provided by the Contractor indicates a cost per square foot of \$154.63 and a cost per unit of \$247,059.52. Moran notes that based on the current itemized schedule of values, the development teams' experience with the product type, and available contingency, the budget does appear adequate to complete the proposed scope of work. Moran estimated the insurable value to be \$13,984,994.60.

The construction schedule indicates a project completion date of 16 calendar months from the date of commencement. It is Moran's opinion that the construction schedule is adequate to complete the proposed scope of work if the subcontractors are managed well and work is properly sequenced.

Site Inspection:

Krizia Navarro of Seltzer Management Group, Inc., conducted a site visit on September 15, 2020, for the above referenced development. Construction has not begun on the Subject site. There is an existing Metro Rail station located on the Subject site and is within a warehouse district in Miami-Dade County.

The site is located approximately three and a half miles east of State Road 826 (Palmetto Expressway). The immediate surrounding area consists of commercial businesses and residential homes. There are numerous elementary, middle and high schools within three miles of the site. Hialeah Park Racing & Casino, a historic landmark, is northeast from the site. Several city parks are located within two miles north, south and east of the Subject site. Near the north side of the site is the Okeechobee Metrorail Station with connecting Miami-Dade bus service. Several train and bus routes to popular destinations such as Miami International Airport, Tri-Rail Station, post office, malls and nearby towns are available at this Metrorail station. The surrounding area consists of retail stores, churches, libraries, pharmacies, banks, warehouse districts, hotels and restaurants. There is an affordable housing community, Russ Allen Apartments, approximately three miles north of the site and two senior affordable housing communities; Hialeah Residences approximately two and a half miles from the site and Puerta Del Sol approximately three miles from the site.

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

Features, Amenities, and
Resident Programs:

Borrower committed to provide certain features and amenities and certain resident programs in the RFA 2019-102 Application. These commitments are set forth in the attached Exhibit 2.

Borrower Information

Applicant/Borrower Name: Metro Grande III Associates, Ltd.

Applicant/Borrower Type: Florida Limited Partnership

Ownership Structure: Metro Grande III Associates, Ltd. is a Florida Limited Partnership registered with the State of Florida on August 23, 2017. A copy of the October 15, 2018 Limited Partnership Agreement has been provided for the Borrower. The current Certificate of Status was verified with the Secretary of State.

The General Partner of the Borrower is Cornerstone Metro Grande III, LLC ("GP") with a 0.01% ownership. The initial Investor Limited Partner is Jorge Lopez. A copy of GP's Operating Agreement dated October 15, 2018, reflected Jorge Lopez and Awilda Lopez, Tenants by Entirety with 50% ownership, M3 Acquisitions, LLC ("M3") with 25% ownership and Mara S. Mades with 25% ownership. Also, the First Amendment to Operating Agreement dated January 1, 2019 was provided, where M3 assigned its entire membership interest in GP to 9501 Partners, LLC. GP is a Florida Limited Liability Company registered with the State of Florida on August 21, 2017.

Based upon a HC Equity LOI dated July 26, 2021, R4 Capital, LLC or an affiliate will purchase a 99.99% ownership interest concurrent with or prior to the closing of the construction/permanent loan, replacing the Limited Partners listed above.

The Developer of Metro Grande III is Cornerstone Group Partners, LLC ("Cornerstone"). Cornerstone is a Florida Limited Liability Company organized under the laws of the State of Florida June 3, 2015. Copies of the Articles of Organization have been provided. The current Certificate of Status was verified with the Secretary of State. The owners of Cornerstone are Jorge Lopez and Awilda Lopez (50%), M3 (25%) and M.S. Mades Family Limited Partnership (25%).

Contact Information: Mara S. Mades

Telephone (305) 443-8288

Facsimile (305) 443-9339

E-Mail: mara.mades@cornerstonegrp.com

Address: 2100 Hollywood Blvd.
Hollywood, FL 33020

Federal Employer ID: 36-4819888

Experience: The Applicant and its General Partner are single purpose entities created expressly to acquire, own, and operate real property, and have no development experience.

The Developer of the subject, Cornerstone, is an entity whose philosophy is to create value by developing high quality, rental housing properties for low- and moderate-income households. Cornerstone is an affiliate of The Cornerstone Group which was established in 1993. The Cornerstone Group is a fully integrated residential real estate firm that provides development, construction, and property management services for affordable rental and workforce housing throughout the State of Florida. In the past 25 years The Cornerstone Group has developed over 65 affordable housing properties across the State of Florida consisting of over 15,000 total units. These properties were funded utilizing a combination of Florida Housing funding, local and federal subsidies, and the use of Low Income Housing Tax Credits. It is The Cornerstone Group's goal and objective to remain committed to the Florida markets, providing a wide range of quality residential housing, tenant and management services to its residents. Collectively, its principals have several years experience in the field of real estate development, finance, construction, and management.

Credit Evaluation:

The Applicant and its General Partner are single purpose entities created expressly to acquire, own, and operate real property, and have no development experience, meaningful operating or credit history, financial statements, business references, contingent liabilities or previous tax returns.

A comprehensive business report for Cornerstone dated August 4, 2021 reflected limited credit history and no trade activity. No adverse information was reflected.

A comprehensive credit report for Jorge Lopez and Awilda Lopez dated August 4, 2021 reported a satisfactory credit history with no significant adversities.

A comprehensive credit report for Leon J. Wolfe dated August 4, 2021 reported a satisfactory credit history with no significant adversities.

A comprehensive credit report for Mara S. Mades dated August 4, 2021 reported a satisfactory credit history with no significant adversities.

Banking/Trade References:

The Applicant and its General Partner are single purpose entities created expressly to acquire, own, and operate real property, and have no operating or credit history, financial statements, business references or previous tax returns.

Bank and trade references for Cornerstone, Mr. and Mrs. Lopez, Leon Wolfe and Mara Mades reported satisfactory depository and payment relationships.

SMG has received bank statements for Cornerstone, Jorge Lopez and Awilda Lopez, Leon J. Wolfe, and Mara S. Mades evidencing cash and

equivalents consistent with amounts reflected in the submitted financial statements.

Financial Statements:

Cornerstone Group Partners, LLC:

Cash and Equivalents:	\$366,444
Total Assets:	\$9,487,217
Total Liabilities:	\$683,132
Equity:	\$8,804,085

Financial data is from an Audited December 31, 2020 financial statement prepared by Cohn Reznick, LLP. Assets other than cash consist of Developer Fee Receivables, Due from Affiliates, Pre-development Costs and Other Assets. Liabilities consist of Accounts Payable and Due to Affiliates. SMG also reviewed the 2018 and 2019 Form 1065 U.S. Return of Partnership Income tax returns and a copy of an extension for filing the 2020 tax return.

Jorge Lopez and Awilda Lopez:

Cash and Equivalents:	\$64,022,185
Total Assets:	\$79,451,175
Total Liabilities:	\$17,141,428
Equity:	\$62,309,747

Financial data is from an unaudited financial statement dated June 30, 2021. Major assets other than cash consist of Life Insurance, 401(k), Partnership Interests, and Personal Property. Liabilities consist of loans and a home loan. SMG also reviewed the 2018 and 2019 Form 1040 U.S. Individual Income Tax Return and a copy of an extension for filing the 2020 tax return.

Leon J. Wolfe:

Cash and Equivalents:	\$103,825
Total Assets:	\$4,732,302
Total Liabilities:	\$10,000
Equity:	\$4,722,302

Financial data is from an unaudited financial statement dated June 30, 2021 and certified as true and correct by Leon J. Wolfe. Major Assets other than Cash consist of 401(k), Interest in Other Entities, Securities and Personal Property. Liabilities consist of consumer credit card balances. SMG also reviewed the 2018 and 2019 Form 1040 U.S. Individual Income Tax Returns and a copy of an extension for filing the 2020 tax return.

Mara S. Mades:

Cash and Equivalents:	\$286,092
Total Assets:	\$2,690,891
Total Liabilities:	\$0
Equity:	\$2,690,891

Financial data is from an unaudited financial statement dated June 30, 2021 and certified as true and correct by Mara S. Mades. Major Assets other than Cash consist of Cash Surrender of Life Insurance, 401(K), Real Estate and Personal Property. No liabilities were reflected. SMG also reviewed the 2018 and 2019 Form 1040 U.S. Individual Income Tax Returns and a copy of an extension for filing the 2020 tax return.

Contingent Liabilities:

Cornerstone does not report contingent liabilities as of February 5, 2021.

Jorge Lopez and Awilda Lopez reports having Contingent Liabilities totaling \$42,825,335 related to six developments, as of March 31, 2021.

Leon J. Wolfe reports having contingent liabilities totaling \$46,990,337 related to five developments, as of June 30, 2021.

Mara S. Mades reports having contingent liabilities totaling \$39,637,335 related to five developments, as of March 31, 2021.

Summary:

Based upon the information provided, Cornerstone and Jorge Lopez and Awilda Lopez, Leon J. Wolfe, and Mara S. Mades, individually and through various corporate and partnership entities, appear to have the experience and financial resources to develop and operate the subject Development.

Guarantor Information

Guarantor Name:	Metro Grande III Associates, Ltd., Cornerstone Metro Grande III, LLC, Cornerstone Group Partners, LLC, Jorge Lopez, Awilda Lopez, Leon J. Wolfe, and Mara S. Mades, individually
Contact Information:	Mara S. Mades Telephone (305) 443-8288 Facsimile (305) 443-9339 E-Mail: mara.mades@cornerstonegrp.com
Address:	2100 Hollywood Blvd. Hollywood, FL 33020
Nature of the Guarantee:	The Guarantors will sign standard FHFC Construction Completion, Environmental Indemnity, Recourse Obligation and Operating Deficit Guaranties. The Construction Completion Guaranty will be released upon 100% lien-free completion as approved by the Servicer. For the CDBG-DR, Guarantors are to provide the standard FHFC Operating Deficit Guaranty. If requested in writing by Applicant, the Servicer will consider a recommendation to release the Operating Deficit Guaranty if all conditions are met, including achievement of a 1.15x Debt Service Coverage ("DSC") Ratio on the combined permanent first mortgage and CDBG-DR, as determined by the FHFC or Servicer and 90% occupancy and 90% of the Gross Potential Rental Income, net of Utility Allowances, if applicable, for a period of 12 consecutive months, all certified by an independent Certified Public Accountant ("CPA") and verified by the Servicer. The calculation of the DSC Ratio shall be made by FHFC or the Servicer. Notwithstanding the above, the Operating Deficit Guaranty shall not terminate earlier than three (3) years following the final Certificate of Occupancy ("C/O").
Financial Statements:	Please refer to the Borrower Information section of this Credit Underwriting Report.
Contingent Liabilities:	Please refer to the Borrower Information section of this Credit Underwriting Report.
Summary:	Based upon the financial information provided, the Guarantors appear to have adequate development experience and financial strength to serve as Guarantors for the Subject Development.

Syndicator Information

Syndicator Name: R4 Capital LLC ("R4 Capital")

Contact Person: Michael Hopps

Telephone: (646) 863-6827

E-Mail: mhopps@R4cap.com

Address: 780 Third Avenue, 16th Floor
New York, NY 10017

Experience: R4 Capital, LLC, is a national affordable housing syndicator founded in 2011 by its President and CEO, Marc Schnitzer, and the Regis Group, a 60+ year old, London Based, privately-held residential property investment firm.

R4 Capital's senior executive team has on average 25 years of Housing Tax Credit experience, with a track record that includes over \$15 billion of Housing Tax Credit investments on behalf of more than 200 corporate investors. R4 Capital has longstanding relationships with the nation's top LIHTC developers built over 30 years in more than 2,000 transactions. R4 Capital maintains offices in New York, NY, Boston, MA, Newport Beach, CA, and Austin, TX.

Since May 2012, R4 Capital has raised more than \$3.2 billion of LIHTC equity investments from 89 institutional investors in 23 multi-investor funds and 10 proprietary funds. R4 Capital's portfolio includes 307 properties located in 44 states, the District of Columbia, Puerto Rico, and the Northern Mariana Islands. In January 2016, R4 Capital launched R4 Capital Funding, a tax-exempt lending business that provides mortgage capital for affordable multifamily housing properties throughout the U.S.

Financial Statements: *R4 Capital LLC and Subsidiaries:*

Cash and Equivalents:	\$16,401,093
Total Assets:	\$157,410,329
Total Liabilities:	\$130,063,659
Equity:	\$27,346,670

Financial Information was taken from a Consolidated Financial Statement and Independent Auditor's Report for the year ended December 31, 2020. R4 Capital reports Net Income for the year of \$22.7 million on Revenues of \$55.1 million.

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

General Contractor Information

General Contractor Name: Brookstone Construction, LLC ("Brookstone")

Type: A Florida Limited Liability Company

Contact Person: Michael Alan Brinegar

Telephone (305) 443-2310

Facsimile (305) 443-0537

E-Mail: mike.brinegar@cornerstonegrp.com

Address: 160 South Dixie Highway, Suite C107
Hollywood, Florida 33020

Experience: Brookstone acts as the construction manager and General Contractor for properties developed by its principals, Jorge Lopez, Leon J. Wolfe, and Mara S. Mades. The principals of Brookstone have completed construction of over 15,000 units throughout the State of Florida. Mr. Fernandez-Davila is responsible for overseeing construction operations for multifamily units (condominiums, apartments, and townhomes) throughout the state of Florida. Prior to the formation of Brookstone in April 2013, Mr. Fernandez-Davila was Vice President of CSG Construction.

Brookstone's Florida Certified General Contractor's License is held by Mr. Michael Alan Brinegar, License Number CGC1505009, with an expiration date of August 31, 2022.

Credit Evaluation: A comprehensive Business Credit Report for Brookstone, dated August 3, 2021, reflected satisfactory credit history with an average of 48 days beyond terms with minor late payment activity, but no adverse public filings. There were two UCC Filings shown.

Banking/Trade References: Banking, trade and business references for Brookstone reported satisfactory working relationships and payment history.

Financial Statements: *Brookstone Construction, LLC:*

Cash and Equivalents:	\$1,021,590
Total Assets:	\$7,735,712
Total Liabilities:	\$6,974,794
Equity:	\$760,918

Financial information for Brookstone is based upon a 2019 Form 1065 U.S. Return of Partnership Income. Assets other than cash and equivalents consist primarily of contracts receivable and Earnings Over Billings. Liabilities consist primarily of Billings Over Earnings, Retainage Payable, State Accrued Tax and Due to Affiliates. SMG also reviewed the 2018 Form 1065 U.S. Return of Partnership Income. A copy of Form 7004 (Application for Automatic Extension) for 2020 has been received.

Brookstone provided a Draft Performance Bond dated April 16, 2021 from the surety, Western Surety Company ("Western"). Western has an A.M. Best Rating of A (Excellent) with a Financial Size Category of XIV (\$1.5 Billion to \$2 Billion).

Contingent Liabilities:

Brookstone reports no contingent liabilities per a Statement of Financial/Credit Affairs dated July 22, 2021.

Summary:

SMG recommends that Brookstone be accepted as the General Contractor subject to the conditions listed in the Recommendations section of this report, if any.

Property Manager Information

Property Manager Name: Cornerstone Residential Management, LLC ("CRM")

Type: A Florida Limited Liability Company

Contact Information: Nola Castillo, President, Manager

Telephone (305) 443-8288

Facsimile (305) 443-9339

Address: 2100 Hollywood Blvd
Hollywood, Florida 33020

Experience: CRM is a Florida Limited Liability Company registered with the State of Florida February 14, 2002. Since 1997, CRM has provided complete marketing, leasing, administrative and accounting, compliance, and other services for its own properties, as well as for others on a fee basis. The President of CRM, Nola Castillo, heads up all residential management services for CRM and brings over 30 years experience in working with both commercial and multifamily properties.

CRM has overseen the management of sixty-six (66) properties throughout the State of Florida, comprised of over 15,000 units. Currently, CRM oversees the management of sixty-one (61) properties in Florida comprised of 13,599 units.

Management Agreement: Applicant submitted an executed Management Agreement dated February 16, 2021, between Applicant and CRM. The agreement shall be in effect for a period commencing as of the date of the agreement and ending three years thereafter. The term shall be automatically extended for one year period thereafter subject to the following conditions: (a) either owner or CRM may elect not to extend the agreement by notifying the other party at least 60 calendar days in advance of the last day of the initial period or any annual extension period thereafter (b) this agreement may be terminated by mutual written consent of owner and CRM. A management fee equal to 5.0% of gross collections will be paid monthly.

Management Plan: Applicant submitted a Management Plan with CRM that appears satisfactory.

Summary: The selection of CRM as a management company has previously been approved by the Asset Management Department of FHFC. The Asset Management Department of FHFC will need to approve the selection of CRM for Metro Grande III prior to the commencement of lease-up activity. Continued approval will be contingent upon ongoing satisfactory performance.

Exhibit 1
Metro Grande III
15 Year Income and Expense Projection

FINANCIAL COSTS:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																
INCOME	Gross Potential Rental Income	\$1,307,784	\$1,333,940	\$1,360,618	\$1,387,831	\$1,415,587	\$1,443,899	\$1,472,777	\$1,502,233	\$1,532,277	\$1,562,923	\$1,594,181	\$1,626,065	\$1,658,586	\$1,691,758	\$1,725,593
	Rent Subsidy (ODR)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other Income:															
	Ancillary Income-Retail	\$31,890	\$32,528	\$33,178	\$33,842	\$34,519	\$35,209	\$35,913	\$36,632	\$37,364	\$38,112	\$38,874	\$39,651	\$40,444	\$41,253	\$42,078
	Miscellaneous	\$31,752	\$32,387	\$33,035	\$33,695	\$34,369	\$35,057	\$35,758	\$36,473	\$37,203	\$37,947	\$38,706	\$39,480	\$40,269	\$41,075	\$41,896
	Washer/Dryer Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cable/Satellite Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Rent Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Alarm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Potential Income	\$1,371,426	\$1,398,855	\$1,426,832	\$1,455,368	\$1,484,476	\$1,514,165	\$1,544,448	\$1,575,337	\$1,606,844	\$1,638,981	\$1,671,761	\$1,705,196	\$1,739,300	\$1,774,086	\$1,809,567
	Less:															
	Economic Loss - Percentage:															
	Physical Vacancy Loss - Percentage: 2.2%	(\$30,618)	(\$31,230)	(\$31,854)	(\$32,492)	(\$33,141)	(\$33,804)	(\$34,480)	(\$35,170)	(\$35,873)	(\$36,591)	(\$37,323)	(\$38,069)	(\$38,830)	(\$39,607)	(\$40,399)
	Collection Loss - Percentage: 1.0%	(\$13,714)	(\$13,989)	(\$14,268)	(\$14,554)	(\$14,845)	(\$15,142)	(\$15,444)	(\$15,753)	(\$16,068)	(\$16,390)	(\$16,718)	(\$17,052)	(\$17,393)	(\$17,741)	(\$18,096)
	Total Effective Gross Revenue	\$1,327,094	\$1,353,636	\$1,380,709	\$1,408,323	\$1,436,489	\$1,465,219	\$1,494,524	\$1,524,414	\$1,554,902	\$1,586,000	\$1,617,720	\$1,650,075	\$1,683,076	\$1,716,738	\$1,751,073
EXPENSES	Fixed:															
	Ground Lease	\$33,207	\$34,203	\$35,229	\$36,286	\$37,375	\$38,496	\$39,651	\$40,840	\$42,066	\$43,328	\$44,627	\$45,966	\$47,345	\$48,766	\$50,229
	Sub-Ground Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Real Estate Taxes	\$170,900	\$176,027	\$181,308	\$186,747	\$192,349	\$198,120	\$204,064	\$210,185	\$216,491	\$222,986	\$229,675	\$236,566	\$243,663	\$250,972	\$258,502
	Insurance	\$46,200	\$47,586	\$49,014	\$50,484	\$51,999	\$53,558	\$55,165	\$56,820	\$58,525	\$60,281	\$62,089	\$63,952	\$65,870	\$67,846	\$69,882
	Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Variable:															
	Management Fee - Percentage: 5.0%	\$66,355	\$67,682	\$69,035	\$70,416	\$71,824	\$73,261	\$74,726	\$76,221	\$77,745	\$79,300	\$80,886	\$82,504	\$84,154	\$85,837	\$87,554
	General and Administrative	\$63,000	\$64,890	\$66,837	\$68,842	\$70,907	\$73,034	\$75,225	\$77,482	\$79,807	\$82,201	\$84,667	\$87,207	\$89,823	\$92,518	\$95,293
	Payroll Expenses	\$116,400	\$119,892	\$123,489	\$127,193	\$131,009	\$134,940	\$138,988	\$143,157	\$147,452	\$151,876	\$156,432	\$161,125	\$165,959	\$170,937	\$176,065
	Utilities	\$84,000	\$86,520	\$89,116	\$91,789	\$94,543	\$97,379	\$100,300	\$103,309	\$106,409	\$109,601	\$112,889	\$116,276	\$119,764	\$123,357	\$127,058
	Marketing and Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Maintenance and Repairs	\$100,800	\$103,824	\$106,939	\$110,147	\$113,451	\$116,855	\$120,360	\$123,971	\$127,690	\$131,521	\$135,467	\$139,531	\$143,717	\$148,028	\$152,469
	Grounds Maintenance and Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Resident Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contract Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Security	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Other-Pest Control	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Reserve for Replacements	\$25,200	\$25,956	\$26,735	\$27,537	\$28,363	\$29,214	\$30,090	\$30,993	\$31,923	\$32,880	\$33,867	\$34,883	\$35,929	\$37,007	\$38,117
	Total Expenses	\$706,062	\$726,580	\$747,701	\$769,441	\$791,820	\$814,857	\$838,570	\$862,980	\$888,107	\$913,973	\$940,599	\$968,008	\$996,223	\$1,025,268	\$1,055,168
	Net Operating Income	\$621,033	\$627,056	\$633,008	\$638,882	\$644,669	\$650,363	\$655,954	\$661,434	\$666,796	\$672,028	\$677,122	\$682,067	\$686,853	\$691,470	\$695,905
	Debt Service Payments															
DEBT SERVICE	First Mortgage - HFAMD/R4CF	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426	\$341,426
	Second Mortgage - FHFC - CDBG-DR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Third Mortgage - Miami-Dade-GOB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fourth Mortgage - PHCD-Surtax	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	Fifth Mortgage - Redeveloped Surtax	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375	\$6,375
	First Mortgage Fees - HFAMD/R4CF	\$23,020	\$22,858	\$22,689	\$22,513	\$22,329	\$22,137	\$21,937	\$21,729	\$21,512	\$21,285	\$21,048	\$20,802	\$20,544	\$20,276	\$19,996
	Second Mortgage Fees - FHFC-CDBG-DR/Link Units	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866	\$9,866
Total Debt Service Payments	\$400,687	\$400,525	\$400,356	\$400,180	\$399,996	\$399,804	\$399,604	\$399,396	\$399,178	\$398,952	\$398,715	\$398,469	\$398,211	\$397,943	\$397,663	
Cash Flow After Debt Service		\$220,346	\$226,531	\$232,652	\$238,702	\$244,673	\$250,558	\$256,349	\$262,039	\$267,617	\$273,076	\$278,407	\$283,598	\$288,642	\$293,527	\$298,242
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees		1.704	1.721	1.738	1.755	1.772	1.789	1.805	1.821	1.837	1.853	1.868	1.883	1.898	1.912	1.925
DSC - Second Mortgage plus Fees		1.659	1.676	1.693	1.709	1.725	1.742	1.758	1.773	1.789	1.804	1.819	1.833	1.847	1.861	1.874
DSC - Third Mortgage plus Fees		1.659	1.676	1.693	1.709	1.725	1.742	1.758	1.773	1.789	1.804	1.819	1.833	1.847	1.861	1.874
DSC - Fourth Mortgage plus Fees		1.575	1.591	1.607	1.622	1.638	1.653	1.668	1.683	1.698	1.712	1.726	1.740	1.753	1.766	1.778
DSC - Fifth Mortgage plus Fees		1.550	1.566	1.581	1.596	1.612	1.627	1.642	1.656	1.670	1.684	1.698	1.712	1.725	1.738	1.750
DSC - All Mortgages and Fees		1.550	1.566	1.581	1.596	1.612	1.627	1.642	1.656	1.670	1.684	1.698	1.712	1.725	1.738	1.750
Financial Ratios																
Operating Expense Ratio		53.2%	53.7%	54.2%	54.6%	55.1%	55.6%	56.1%	56.6%	57.1%	57.6%	58.1%	58.7%	59.2%	59.7%	60.3%
Break-Even Ratio		80.9%	80.7%	80.6%	80.5%	80.4%	80.4%	80.3%	80.3%	80.3%	80.3%	80.3%	80.3%	80.3%	80.4%	80.4%

Metro Grande III
RFA 2019-102 (2020-041D)
DESCRIPTION OF FEATURES AND AMENITIES

A. The Development will consist of:

84 High Rise Apartment units located in one residential building

Unit Mix:

Forty-One (41) one bedroom / one bath units

Thirty-Seven (37) two bedroom / two bath units

Six (6) three bedroom / two bath units

84 Total Units

All units are expected to meet all requirements as outlined below. The quality of the construction features committed to by the Applicant is subject to approval of the Board of Directors.

The Development must meet the Housing Quality Standards provided by HUD on the webpage https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/hqs. All features and amenities committed to and proposed by the Applicant that are not unit-specific shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.

B. Applicant commits to provide the following General Features:

1. Broadband infrastructure which includes cables, fiber optics, wiring, or other infrastructure, as long as the installation results in accessibility in each unit;
2. Termite prevention;
3. Pest control;
4. Window covering for each window and glass door inside each unit;
5. Cable or satellite TV hook-up in each unit and, if the Development offers cable or satellite TV service to the residents, the price cannot exceed the market rate for service of similar quality available to the Development's residents from a primary provider of cable or satellite TV;
6. Single Family Homes must have washer and dryer hook ups in each of the Development's units. All other Development Types must have washer and dryer hook ups in each of the Development's units or an on-site laundry facility for resident use. If the proposed Development will have an on-site laundry facility, the following requirements must be met:

- There must be a minimum of one Energy Star certified washer and one Energy Star certified dryer per every 15 units. To determine the required number of washers and dryers for the on-site laundry facility; divide the total number of the Development's units by 15, and then round the equation's total up to the nearest whole number; and
 - If the proposed Development consists of Scattered Sites, the laundry facility shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both.
7. At least two full bathrooms in all 3 bedroom or larger units;
 8. Bathtub with shower in at least one bathroom in at least 90 percent of the units; and
 9. A full-size range and oven in all units.
- C. Applicant commits to provide the following Accessibility, Universal Design and Visitability Features:
1. Federal Requirements and State Building Code Requirements for all Developments. All proposed Developments must meet all federal requirements and state building code requirements, including the following, incorporating the most recent amendments, regulations and rules:
 - Florida Accessibility Code for Building Construction as adopted pursuant to Section 553.503, Florida Statutes;
 - The Architectural Barriers Act of 1968;
 - The Fair Housing Act as implemented by 24 CFR 100;
 - Section 504 of the Rehabilitation Act of 1973*; and
 - Titles II and III of the Americans with Disabilities Act of 1990 as implemented by 28 CFR 35.

* All Developments must comply with Section 504 of the Rehabilitation Act of 1973, as implemented by 24 CFR Part 8 ("Section 504 and its related regulations"). All Developments must meet accessibility standards of Section 504. Section 504 accessibility standards require a minimum of 5 percent of the total dwelling units, but not fewer than one unit, to be accessible for individuals with mobility impairments. An additional 2 percent of the total units, but not fewer than one unit, must be accessible for persons with hearing or vision impairments.

To the extent that a Development is not otherwise subject to Section 504 and its related regulations, the Development shall nevertheless comply with Section 504 and its related regulations as requirements of the Corporation funding program to the same extent as if the Development were subject to Section 504 and its related regulations in all respects. To that end, all Corporation funding shall be deemed "Federal financial assistance" within the meaning of that term as used in Section 504 and its related regulations for all Developments.

Federal and state law and building code regulations requires that programs, activities, and facilities be readily accessible to and usable by persons with disabilities. Florida Housing requires

that the design, construction, or alteration of its financed Developments be in compliance with federal and state accessibility requirements. When more than one law and accessibility standard applies, the Applicant shall comply with the standard (2010 ADA Standards, Section 504, Fair Housing Act, or Florida Building Code, Accessibility) which affords the greater level of accessibility for the residents and visitors. Areas required to be made accessible to mobility-impaired residents and their visitors, including those in wheelchairs, shall include, but not be limited to, accessible routes and entrances, paths of travel, primary function areas, parking, trash bins, mail and package receiving areas for residents, pool and other amenities, including paths of travel to amenities and laundry rooms, including washers and dryers.

2. Required Accessibility Features, regardless of the age of Development.

a. Required Accessibility Features in all Units

- Primary entrance doors on an accessible route shall have a threshold with no more than a ½-inch rise;
- All door handles on primary entrance door and interior doors must have lever handles;
- Lever handles on all bathroom faucets and kitchen sink faucets;
- Mid-point on light switches and thermostats shall not be more than 48 inches above finished floor level; and
- Cabinet drawer handles and cabinet door handles in bathroom and kitchen shall be lever or D-pull type that operate easily using a single closed fist.

b. All Developments must provide reinforced walls for future installation of horizontal grab bars in place around each toilet/shower, or a Corporation-approved alternative approach for grab bar installation. The installation of the grab bars must meet or exceed the 2010 ADA Standards for Accessible Design, Section 604.5.1 (Side Wall) and 604.5.2 (Rear Wall).

At the request of and at no charge to a resident household, the Development shall purchase and install grab bars around each tub/shower unit and toilet in the dwelling unit. The product specifications and installation must meet or exceed 2010 ADA Standards for Accessible Design. The Development shall inform a prospective resident that the Development, upon a resident household's request and at no charge to the household, will install grab bars around a dwelling unit's tub/shower unit, pursuant to the 2010 ADA Standards. At a minimum, the Development shall inform each prospective lessee by including language in the Development's written materials listing and describing the unit's features, as well as including the language in each household's lease.

D. Applicant commits to provide the following required Green Building Features in all Developments for all Units:

1. Low or No-VOC paint for all interior walls (Low-VOC means 50 grams per liter or less for flat; 150 grams per liter or less for non-flat paint);
2. Low-flow water fixtures in bathrooms—WaterSense labeled products or the following specifications:

- Toilets: 1.28 gallons/flush or less,
 - Urinals: 0.5 gallons/flush,
 - Lavatory Faucets: 1.5 gallons/minute or less at 60 psi flow rate,
 - Showerheads: 2.0 gallons/minute or less at 80 psi flow rate;
3. Energy Star certified refrigerator;
 4. Energy Star certified dishwasher;
 5. Energy Star certified ventilation fan in all bathrooms;
 6. Water heater minimum efficiency specifications:
 - Residential Electric:
 - Up to 55 gallons = .95 EF or .92 UEF; or
 - More than 55 gallons = Energy Star certified; or
 - Tankless = Energy Star certified;
 - Residential Gas (storage or tankless/instantaneous): Energy Star certified,
 - Commercial Gas Water Heater: Energy Star certified;
 7. Energy Star certified ceiling fans with lighting fixtures in bedrooms;
 8. Air Conditioning (choose in-unit or commercial):
 - Air-Source Heat Pumps – Energy Star certified:
 - ≥ 8.5 HSPF/ ≥15 SEER/ ≥12.5 EER for split systems
 - ≥ 8.2 HSPF ≥15 SEER/ ≥12 EER for single package equipment including gas/electric package units
 - Central Air Conditioners – Energy Star certified:
 - ≥15 SEER/ ≥12.5 EER* for split systems
 - ≥15 SEER/ ≥12 EER* for single package equipment including gas/electric package units.

NOTE: Window air conditioners and portable air conditioners are not allowed. Package Terminal Air Conditioners (PTACs) / Package Terminal Heat Pumps (PTHPs) are allowed in studio and 1-bedroom units.

In addition to the required Green Building features outlined in above, proposed Developments must achieve one of the following Green Building Certification programs: Leadership in Energy and Environmental Design (LEED); Florida Green Building Coalition (FGBC); Enterprise Green Communities; or ICC 700 National Green Building Standard (NGBS). The Applicant committed to provide NGBS.

- E. Applicant committed in their Application (question 9) to provide the following resident programs outlined below:
 - Adult Literacy – The Applicant or its Management Company must make available, at no cost

to the resident, literacy tutor(s) who will provide weekly literacy lessons to residents in private space on-site. Various literacy programming can be offered that strengthens participants' reading, writing skills, and comprehension, but at a minimum, these must include English proficiency and basic reading education.

Training must be held between the hours of 8:00 a.m. and 7:00 p.m. and electronic media, if used, must be used in conjunction with live instruction. If the Development consists of Scattered Sites, this resident program must be provided on the Scattered Site with the most units.

- Financial Management Program – The Applicant or its Management Company shall provide a series of classes to provide residents training in various aspects of personal financial management. Classes must be held at least quarterly, consisting of at least two hours of training per quarter, and must be conducted by parties that are qualified to provide training regarding the respective topic area. If the Resident Program is offered on site, and if the Development consists of Scattered Sites, the Resident Program must be held on the Scattered Site with the most units. Residents residing at the other sites of a Scattered Site Development must be offered transportation, at no cost to them, to the classes. The topic areas must include, but not be limited to:
 - Financial budgeting and bill-paying including training in the use of technologies and web-based applications;
 - Tax preparation including do's and don'ts, common tips, and how and where to file, including electronically;
 - Fraud prevention including how to prevent credit card and banking fraud, identity theft, computer hacking and avoiding common consumer scams;
 - Retirement planning & savings options including preparing a will and estate planning; and
 - Homebuyer education including how to prepare to buy a home, and how to access to first-time homebuyer programs in the county in which the development is located.

Different topic areas must be selected for each session, and no topic area may be repeated consecutively.

COMPLETENESS AND ISSUES CHECKLIST

DEVELOPMENT NAME: Metro Grande IIIDATE: September 2, 2021

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

CREDIT UNDERWRITING REQUIRED ITEMS:	STATUS	NOTE
	Satis. /Unsatis.	
1. The Development's final "as submitted for permitting" plans and specifications. Note: Final "signed, sealed, and approved for construction" plans and specifications will be required thirty days before closing.	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.	Satis.	
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 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 the Rule for credit enhancers, Borrower, general partner, principals, guarantors and general contractor.	Satis.	

11. Resumes and experience of Borrower, 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.	
18. Draft construction draw schedule showing sources of funds during each month of the construction and lease-up period.	Satis.	
19. Fifteen-year income, expense, and occupancy projection.	Satis.	
20. Executed general construction contract with “not to exceed” costs.	Satis.	
21. HC ONLY: 15% of the total equity to be provided prior to or simultaneously with the closing of the construction financing.	Satis.	
22. Any additional items required by the credit underwriter.	Satis.	

NOTES AND APPLICANT’S RESPONSES:

None

HC Allocation Calculation

Section I: Qualified Basis Calculation	
Development Cost	\$32,091,310
Less Land Cost	(\$100,000)
Less Federal Funds	\$0
Less Other Ineligible Cost	(\$2,687,184)
Less Disproportionate Standard	\$0
Total Eligible Basis	\$29,304,126
Applicable Fraction	100.00%
DDA/QCT Basis Credit	130.00%
Qualified Basis	\$38,095,364
Housing Credit Percentage	4.00%
Annual Housing Credit Allocation	\$1,523,815

Notes to the Qualified Basis Calculation:

1. Other Ineligible Costs primarily include a portion of new rental units, a portion of site work, accounting fees, FHFC administrative, application, underwriting, and HC compliance fees, insurance, legal fees, Market Study, marketing, survey, title insurance, construction loan interest, permanent loan origination and commitment fees, Housing Finance Authority of Miami-Dade County ("MDHFA") cost of issuance, closing costs, land costs and operating deficit reserve.
2. The Borrower committed to a set aside of 100%. Therefore, SMG has utilized an Applicable Fraction of 100.00%.
3. The Development is located in a Qualified Census Tract, 7.12. Therefore, the 130% basis credit has been applied to the Eligible Basis.
4. On December 27, 2020 the Consolidated Appropriation Act was signed into law. This Act sets forth an amendment to Section 42(b) of the Internal Revenue Code instituting a 4% credit floor for LIHTC projects, new or existing. To qualify for the 4% floor, buildings must be placed in service after December 31, 2020 and either: (1) receive a LIHTC allocation after December 31, 2020 or (2) be financed by a tax-exempt bond issued after December 31, 2020 that is subject to the applicable volume cap. The Applicant elected to make no election pursuant to Section 42(b)(2)(A)(ii) of the code and accordingly the applicable percentage for a building shall be that for the month in which the particular building is placed in service. The Applicant has not yet closed on the acquisition of the property and is eligible for the 4% minimum floor.

Section II: Gap Calculation	
Total Development Cost (Including Land and Ineligible Costs)	\$32,091,310
Less Mortgages	(\$18,018,796)
Less Grants	\$0
Equity Gap	\$14,072,514
Percentage to Investment Partnership	99.99%
HC Syndication Pricing	\$0.875
HC Required to Meet Gap	\$16,084,482
Annual HC Required	\$1,608,448

Notes to the Gap Calculation:

1. Mortgages include the R4 Capital Funding first mortgage, FHFC CDBG-DR second mortgage, Miami-Dade County GOB third mortgage, PHCD Surtax fourth mortgage and a redeployed Surtax fifth mortgage.
2. HC Syndication Pricing and Percentage to Investment Partnership are based upon the July 26, 2021 LOI from R4 Capital.

Section III: Tax-Exempt Bond 50% Test	
Total Depreciable Cost	\$29,304,126
Plus Land Cost	\$100,000
Aggregate Basis	\$29,404,126
Tax-Exempt Bond Amount	\$16,000,000
Less Debt Service Reserve	\$0
Less Proceeds Used for Costs of Issuance	\$0
Plus Tax-exempt GIC earnings	\$0
Tax-Exempt Proceeds Used for Building and Land	\$16,000,000
Proceeds Divided by Aggregate Basis	54.41%

Notes to 50% Test:

1. SMG estimates the Tax-Exempt MMRB amount to be 54.41% of Depreciable Development Costs plus Land Acquisition Costs. If, at the time of Final Cost Certification, the Tax-Exempt Bond Amount is less than 50%, developer fees will have to be reduced by an amount to ensure compliance with the 50% Test. That may, in turn, result in a reduction to HC Equity.

Section IV: Summary	
HC per Qualified Basis	\$1,523,815
HC per Gap Calculation	\$1,608,448
Annual HC Recommended	\$1,523,815

Notes to the Summary:

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

ATTACHMENT 1
GOB ADMINISTRATIVE RULES

[To Be Attached]

BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM ADMINISTRATIVE RULES

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ARTICLE I - GENERAL CONDITIONS

SECTION 1. BACKGROUND

These administrative rules govern the implementation by Miami-Dade County (the “County”) of its Building Better Communities General Obligation Bond Program as established by Ordinance No. 05-47 (the “Ordinance”).

SECTION 2. SCOPE

These administrative rules have been prepared to address the administration and allocation of funds for the projects and programs identified in the Building Better Communities General Obligation Bond Program (“BBC GOB Program”). In addition to the funding of Projects specifically listed in the BBC GOB Program, eligible projects may be funded through the process described in these administrative rules with monies from four (4) funds. The funds are the Historical Preservation Fund, the Economic Development Fund, the Not-for-Profit Community Organization Capital Fund, and the Primary Health Care Facilities Fund (collectively, the “Funds”).

SECTION 3. GENERAL

All recipients of funding for specific projects identified in the BBC GOB Program and for projects approved for funding from one of the Funds are required to follow these administrative rules. Failure to do so may lead to disqualification.

Additional copies of the administrative rules and/or application materials may be obtained by contacting the Office of Management and Budget. All inquiries, correspondence and applications for the BBC GOB Program should be addressed to:

Miami-Dade County
Office of Management and Budget
111 NW 1 Street
22nd Floor
Miami, Florida 33128
Attention: Coordinator, Office of Management and Budget

or to a Department or agency of Miami-Dade County, serving as the County Mayor’s Designated Representative.

SECTION 4. DEFINITIONS

The following is a list of terms and definitions that are used in these administrative rules:

“Acquisition” means the act of obtaining real property and/or capital assets or interests and rights in real property and/or capital assets by various legal means to serve public purposes.

“Applicant” means a Public Agency, not-for-profit organization, Municipality or other entity eligible to participate in the BBC GOB Program, which submits a Funding Application Package to the County.

"Application" means the process described in these rules to make a formal request for Funding Allocation which remains open until the execution of a Grant Agreement or Interlocal Agreement, as the case may be, or a decision by the County not to provide a Funding Allocation.

"Application Submission Period" means a formally announced period of time for the submission of a Funding Application Package in a given Funding Cycle.

"Authorizing Resolutions" mean Resolution Nos. R - 912-09, R - 913-09, R - 914-09, R - 915-09, R - 916-09, R - 917-09, R - 918-09 and R - 919-09, as each may be amended from time to time.

"Board of County Commissioners" or "Board" means the legislative and the governing body of the County.

"Community-Based Organization" or "CBO" shall refer to any not-for-profit 501(c)(3) agency, group, organization, society, association, partnership, or individual whose primary purpose is to provide a community service designed to improve or enhance the well-being of the community of Miami-Dade County at large or to improve or enhance the well-being of certain individuals within this community who have special needs.

"County" means Miami-Dade County, Florida.

"County Mayor" or "Mayor" means the head of the administrative branch of the County government or his/her designated representative.

"Development" means the act of physically improving an area, facility, resource or site to increase its ability or capacity to serve the public.

"Designated Projects" means the specific Projects listed in Appendix A to each of the Authorizing Resolutions for inclusion in the BBC GOB Program.

"Fixtures, Furniture and Equipment" or "FF&E" means 1) Fixtures - items that are permanently affixed to the building or property, i.e., doors, bathroom stalls, A/C units, etc.; 2) Furniture - indoor furnishings needed to allow proper use of a building, i.e., desks, chairs, tables, workstations, etc.; and 3) Equipment - non-consumable tangible property with a life of at least one year that is directly related to the funded project, such as bleachers for courts, audio/visual equipment for community rooms, computers for computer labs, portable basketball goals for gymnasiums, etc.

"Fund Projects" means the specific Projects approved by the Board pursuant to these administrative rules for a Funding Allocation from one of the Funds.

"Funding Allocation" means (i) the total amount of Building Better Communities General Obligation Bond funds approved by the Board for use by a Recipient for a specific Project as set forth in the Authorizing Resolutions; or (ii) the total amount approved by the Board from a Fund for use by a Recipient for a specific Project.

"Funding Application Form" means the base application form provided by the County Mayor or County Mayor's designee to be completed by the Applicant and submitted as part of a Funding Application Package.

"Funding Application Package" means the complete submittal package required by these administrative rules and submitted by an Applicant for a Project. (See Article II, Section 2).

"Funding Cycle" means the time between the opening of an Application Submission Period and the approval by the Board of the Projects to receive a Funding Cycle Allocation.

"Funding Cycle Allocation" means the amount of the Building Better Communities General Obligation Bond funds approved by the Board in a given year for use by a Recipient for implementation of a Project pursuant to these administrative rules.

"Funds" means any and/or all of the following four funds included in the BBC GOB Program to address grant requests for Fund Projects: the Economic Development Fund, the Historical Preservation Fund, the Not-for-Profit Community Organization Capital Fund, and the Primary Healthcare Facilities Fund.

"Grant Agreement" means an executed grant agreement between the County and a Recipient (other than a grant to a Municipality or Public Agency, which grant will be evidenced by an executed Interlocal Agreement) setting forth mutual obligations regarding a Funding Cycle Allocation and/or Funding Allocation for a Project.

"Interlocal Agreement" means an executed grant agreement between the County and a Recipient that is a Municipality or Public Agency setting forth mutual obligations regarding a Funding Cycle Allocation and/or Funding Allocation for a Project.

"LEED" refers to *Leadership in Energy and Environmental Design* and means an ecology oriented building certification under a program sponsored by the U.S. Green Building Council.

"Match" means cash committed by the Recipient, as stipulated in the approved Grant Agreement or the Interlocal Agreement, as the case may be, to complement funding awarded from the BBC GOB Program.

"Municipality" means a political unit, such as a city, town, or village, incorporated for local self-government within the confines of Miami-Dade County.

"Ordinance" means the Building Better Communities General Obligation Bond Ordinance No. 05-47.

"Pre-Agreement Expenses" means eligible expenses identified in Article III, Section 1(B), of these rules incurred by a Recipient for accomplishment of a Project prior to full execution of a Grant Agreement or an Interlocal Agreement, as the case may be.

"Project" means each Designated Project or Fund Project, as the case may be, approved by the County for a Funding Allocation.

"Public Agency" or **"Public Agencies"** means an agency or agencies or administrative division or divisions of the United States government, the State of Florida, the County, or any Municipality within the County.

"Recipient" means an entity receiving a Funding Allocation.

“REMI Model” means a simultaneous equations econometric model developed by REMI, Inc., and suitable for estimating the dynamic economic impacts of real property and other capital investments in Miami-Dade County.

"Soft Costs" means real and verifiable expenditures for administration, project management (not related to construction supervision), indirect costs (accounting/purchasing/personnel, etc.), imposed fees (e.g., permit processing fees), and those costs NOT related to construction material, labor, equipment, or construction sub-contractors. Soft Costs for the purpose of this Program are classified by the following three areas:

- Project Administration - administration, project management (not related to construction supervision), indirect costs (accounting/purchasing/personnel, etc.), and imposed fees (e.g., Professional Services Agreement selection/permit processing fees). Project management related to construction supervision is not considered a soft cost; and
- Planning Services - Master Plan development and approval and feasibility studies; and
- Design Services - schematic design, design development, construction documents, bidding or negotiation and as-built drawings.

Construction supervision and/or inspection are not considered Soft Costs. All costs associated with land acquisition such as: appraisals, due diligence, cost of land, project administration related to land purchase, legal fees, etc. are not part of the Soft Costs.

“Strategic Area” means geographic areas identified as the Opa-locka Executive Airport property and designated adjacent areas, the Civic Center/Medical District area, the Port of Miami, the Kendall-Tamiami Executive Airport and designated adjacent areas, and the Homestead Air Force Reserve Base and designated adjacent areas. The boundaries of these areas are identified in Exhibit L to these Administrative Rules.

“Targeted Urban Areas” or **“TUA”** means the geographical communities that have been designated by the Board and defined in the County Code of Ordinances Article VI, Sec.30A-129(2).

"UMSA" means Unincorporated Municipal Service Area of the County for which the County provides municipal services. Projects occurring within areas defined as UMSA are subject to the same administrative rules as any other project seeking Building Better Communities General Obligation Bond funding, regardless of the entity involved in the Project.

ARTICLE II – FUNDING PROCEDURES

SECTION 1. FUNDING CYCLES; APPLICATION SUBMISSION PERIODS

An Application Submission Period may be established on a periodic basis or a Funding Allocation may be awarded to a Recipient by the Board on a case by case basis. Each Project may be awarded a Funding Cycle Allocation during one or more Funding Cycles.

Eligible entities must apply for these Funding Cycle Allocations. A Grant Agreement or Interlocal Agreement between the County and the Recipient, as the case may be, implements the Funding Cycle Allocations.

If an Application Submission Period is opened, the Funding Application Package shall be delivered on or before the last day of the announced Application Submission Period. The County may announce an additional Application Submission Period if funds remain or become available after the preceding Application Submission Period is complete. Each Application Submission Period and other pertinent application information shall be publicly announced in newspapers of general circulation in the County at least one (1) month prior to the deadline for submission of the Funding Application Package, unless otherwise waived by the Board.

Funding Application Packages for Projects under the Economic Development Fund program will be evaluated on a case by case basis, and may be submitted for review by the County Mayor or the County Mayor's designee at any time as long as funding under this Fund is available.

Final grant award of Funding Allocations pursuant to an Application Submission Period are subject to approval by the Board.

SECTION 2. FUNDING APPLICATION

An Applicant must submit a complete Funding Application Form in order to be eligible to receive a Funding Allocation award. A complete Funding Application Package means one that meets all the requirements of the Ordinance and these administrative rules and is supported by proper documentation required by these administrative rules. The Funding Application Package shall consist of:

- 1) Completed Funding Application Form.
- 2) Completed line item budget. The line item budget must be submitted with budget justifications for the Construction and Fixtures, Furniture and Equipment line items. The justification should provide detailed descriptions of the project elements. Reimbursement for Fixtures, Furniture & Equipment is contingent upon prior inclusion and approval of these expenses in the Grant Agreement or Interlocal Agreement, as the case may be. (See Article III, Section 1(C), and for Projects under the Economic Development Fund Program, Article II, Section 3(B) 1).
- 3) Letter(s) of commitment for matching funds that complement the Funding Allocation request as may be required by the Application.
- 4) Projected completion date for the Project and if the Project will be constructed in phases, the completion date of each phase.
- 5) Project location map.
- 6) For Development Projects, certification of ownership of a site by the Applicant or evidence of land tenure sufficient to satisfy the County that the Project may be developed on the designated site.
- 7) Written evidence (resolution or other legally required documentation), which at a minimum:
 - (i) authorizes the execution of the Grant Agreement or the Interlocal Agreement, as the case

may be; (ii) commits the Applicant to complete the Project; (iii) as applicable, commits the Applicant to provide operating, maintenance and programming funds upon completion of the Project, to the extent allowed by law; and (iv) provides that the Funding Allocation shall not be used in substitution of other capital project funding available to the Applicant.

8) Any other documentation that the Board may require from time to time.

An Applicant may request funding for a major Project in phases. Each phase shall constitute a distinct portion of the proposed Project. Each Applicant requesting funding for a Project in phases shall commit to completing the Project as defined in the Grant Agreement or the Interlocal Agreement, as the case may be, unless otherwise modified by approval of the Board in accordance with these rules and the Ordinance.

In the event an applicant intends to submit a request for pre-agreement reimbursement, the applicant shall comply with Article III, Section 1(B).

SECTION 3. ELIGIBILITY REQUIREMENTS

A) Designated Projects

Eligibility requirements for Applicants:

- Active and duly registered Florida not-for-profit 501(c)(3) corporation. Comply with the County's Administrative Order 3-15.
- Active and duly registered Florida for-profit corporation or recognized business entity.
- Municipality or Public Agency based in Miami-Dade County.
- Owner or lessee of residential or commercial property located within Miami-Dade County on which the Designated Project shall be situated.
- Financially stable including financial commitments to complete the Designated Project.

B) Fund Projects

1. Funds Objectives

The Economic Development Fund (the "EDF") is a component of the Building Better Communities Bond Program and is available for the purpose of providing infrastructure improvements to spur economic development and attract new businesses to the community in order to create jobs. The EDF includes \$75 million that is available countywide and \$15 million that is specifically focused on the County's designated Targeted Urban Areas. Eligible uses of the EDF include, but are not limited to: infrastructure funding for road construction, water and sewer lines, fencing, sidewalks, entryways, lighting, and handicap accessibility; acquisition of land or buildings subject to certain limitations and to be evaluated on a case-by-case basis; new construction or renovation of buildings subject to certain limitations and to be evaluated on a case-by-case basis; and construction or acquisition of parking lots and structures subject to certain limitations and to be evaluated

on a case-by-case basis. Ineligible uses of the EDF include but are not limited to: working capital; furniture and fixtures; office equipment; and other non-capital related expenses.

The Historical Preservation Fund, the Primary Healthcare Facilities Fund and the Not-for-Profit Community Organization Capital Fund are a component of the Building Better Communities General Obligation Bond initiative for the purpose of funding projects that support the County's historic preservation, primary healthcare, and community agency infrastructure needs. These are capital projects that improve the quality of life for the County's citizens, enhance medical facilities, rehabilitate historic properties, save irreplaceable historic venues, and serve as a catalyst for preserving and protecting Miami-Dade County's future. Medical institutions, historically and culturally significant properties, and Community-Based Organizations needing capital funds for construction, renovation, and expansion of facilities within the community that meet the criteria for the following programs may be eligible for assistance from these funds.

2) Program Descriptions and Criteria

a) Economic Development Fund.

The Economic Development Fund includes \$75 million that is available for "game changing" projects. The primary objectives of this program are to provide infrastructure improvements to spur economic development and attract new businesses to the community in order to create jobs by providing incentives that catalyze private sector investments, accelerate job creation, and attract capital investments with a strong potential to transform the local economy in ways that strengthen the economy's capacity for innovation and commercialization of scientific advancements, expand leadership in local industry clusters, such as Aviation and Aerospace, Financial and Professional Services, Homeland Security and Defense, Information Technology, Life Sciences, and International Trade and Global Commerce, and/or produce job opportunities. These industry clusters exist in the Strategic Areas (see Exhibit L attached to these Administrative Rules). This component of the Economic Development Fund is referred to as Project No. 124. No more than \$15 million or less than \$10 million may be allocated to any single entity or project.

The Economic Development Fund also includes \$15 million that is specifically available for projects in the County's designated Targeted Urban Areas to spur economic development and attract new businesses in order to create jobs. This component of the Economic Development Fund is referred to as Project No. 320. No more than \$3 million from Project 320 may be allocated to any single Targeted Urban Area.

Eligibility Requirements for Applicants:

Notwithstanding eligibility requirements for applicants set forth in any other section of these administrative rules, the eligible applicants for the Economic Development Fund are:

- Active and duly registered Florida not-for-profit 501(c)(3) corporation.

- Active and duly registered Florida for-profit corporation or recognized business entity.
- Owner or lessee of residential or commercial property located within Miami-Dade County on which the Economic Development Fund Project will be situated.
- Demonstrated financial capacity and financial commitment using other non-County sources to complete the Economic Development Fund Project.

b) Historic Preservation Fund

This program includes \$10 million and is intended to provide matching funds to private property owners, private nonprofit organizations, and municipal government agencies for the acquisition, relocation and rehabilitation of designated historic properties, or properties eligible for designation as a historic property or as a contributing historic district property, which has applied for such a designation within Miami-Dade County.

Eligibility Requirements for Applicants:

Notwithstanding eligibility requirements for applicants set forth in any other section of these administrative rules, the eligible applicants for the Historic Preservation Fund are:

- Active and duly registered Florida not-for-profit 501(c)(3) corporation.
- Active and duly registered Florida for-profit corporation or recognized business entity.
- Municipality entity or Public Agency based in Miami-Dade County.
- Owner of residential or commercial property located within Miami-Dade County.
- Individually listed as municipal, County, State or National Register of historic property located in Miami-Dade County.
- Contributing Property within a designated municipal, County, State or national historic district located in Miami-Dade County.
- Property determined eligible for listing as an individual historic site or as a contributing historic district property, and which has applied for such designation, in a Municipality, County, State or National Register, and located within Miami-Dade County.
- Those listed in any Request For Proposal's related to this Fund.

c) Not-for-Profit Community Organization Capital Fund

The objective of this fund is to build and sustain the capability and capacity of the not-for-profit sector and support entities that enhance the quality of life of Miami-Dade County by delivering needed services. The \$30 million allocated to this fund recognizes the importance and continuing contributions that these organizations make to the future of Miami-Dade County.

Eligibility Requirements for Applicants:

Notwithstanding eligibility requirements for applicants set forth in any other section of these administrative rules, the eligible applicants for the Not-for-Profit Community Organization Capital Fund are:

- Legally incorporated 501(c)(3) not-for-profit organization lacking access to government sources of capital funding.
- Demonstrable financial stability.
- Organization's mission is consistent with goals identified in the Miami-Dade County Strategic Plan.
- Demonstrate ownership of or intent to purchase a facility.
- Letter of Commitment confirming the resources necessary to accomplish the project.
- Architectural/engineering study and/or equipment specifications and professional cost estimate.
- Two (2) year management and budget plan for the facility.
- Those listed in any Request For Proposal's related to this Fund.

d) Primary Healthcare Facilities Fund

The objective of this fund is to build and sustain the capability and capacity of the not-for-profit sector and support entities that enhance the quality of primary healthcare within Miami-Dade County by delivering needed services. The \$25 million allocated to this fund recognizes the importance and continuing contributions that these organizations, and the care that they provide, make to the future of Miami-Dade County.

Eligibility Requirements for Applicants:

Notwithstanding eligibility requirements for applicants set forth in any other section of these administrative rules, the eligible applicants for the Primary Healthcare Facilities Fund are:

- Legally incorporated 501(c)(3) not-for-profit organization lacking access to government sources of capital funding.
- Demonstrable financial stability.
- Organization's mission is consistent with goals identified in the Miami-Dade County Strategic Plan.
- Demonstrate ownership of or intent to purchase a facility.
- Letter of Commitment confirming the resources necessary to accomplish the project.
- Architectural/engineering study and/or equipment specifications and professional cost estimate.
- Two (2) year management and budget plan for the facility.
- Those listed in any Request For Proposal's related to this Fund.

SECTION 4. ELIGIBILITY DETERMINATION AND EVALUATION

A) Economic Development Fund – Project 124

The County Mayor or the County Mayor's designee will review and evaluate each Funding Application Package for funding eligibility or ineligibility. The County Mayor or the County

Mayor's designee may consult with the following entities to assist in the review of the Funding Application Package:

- Department of Housing and Community Development
- Coalition of Chambers of Commerce
- Task Force on Urban Revitalization
- Miami-Dade Economic Advocacy Trust
- Beacon Council
- Greater Miami Chamber of Commerce
- Dade League of Cities

1. Eligibility Requirements for Projects

- Grant awards under Project 124 must be used for public infrastructure, including parking structures, public facilities and other improvements subject to certain limitations and evaluated on a case by case basis, and support economic development activities and attract new businesses having the potential to create a significant number of permanent jobs in Miami-Dade County; and
 - Economic development projects supported with Project 124 funds must demonstrate long-term economic benefits to Miami-Dade County in spurring future economic growth through an analysis of local economic and County fiscal impacts over a 20-year time period using a Miami-Dade County REMI model or an equivalent economic impact model widely available and professionally accepted among economists for economic and fiscal impact analysis; and
 - Does the project improve infrastructure for a greater area of impact that can advance economic development substantially beyond the project footprint?; and
 - Is the project a target industry identified in the May 2012 One Community One Goal Strategic Report or identified by the Beacon Council, from time to time?; and
 - Does it advance green technology or energy green industry?; and
 - Does it enhance or advance transit-oriented development?; and
- Would the project be vulnerable to sea level rise that would require adaptation strategies and, if so, would it contribute to any overall sea level rise adaptation goals established by the County?

Development projects that are LEED certified will receive additional consideration in the evaluation process commensurate with the level of LEED certification in order to provide an incentive to build energy efficient facilities and reduce CO₂ emissions.

2. Special Conditions Regarding Reimbursements

- The grant may reimburse up to 100 percent of public infrastructure costs per project, but subject to a maximum cap of \$15 million and a minimum amount of \$10 million.
- Actual grant funds would be disbursed on a reimbursement basis only after verified completion of the public infrastructure project upon receipt of an audited financial accounting of infrastructure development costs and subject to funding availability and compliance with federal tax laws.
- Grants in excess of \$5 million would be disbursed over no more than a 5 year period from the date the public infrastructure improvements are completed when taxable

bonds are issued to fund such public infrastructure improvements. If tax-exempt bonds are issued for the public infrastructure improvements reimbursements for such public infrastructure improvements will be disbursed over no more than a three year period from the date of the expenditure but in no case later than 18 months from the date the public infrastructure project is placed in service.

- Annual benchmarks for required non-infrastructure capital investments in a Project will be established and specified in the Grant Agreement, and disbursement of grant funds would be subject to attainment of said benchmarks in accordance with IRS rules and regulations governing the issuance of tax exempt bonds. A clawback provision in the event that established benchmarks are not met subsequent to disbursement of grant funds shall be included in the Grant Agreement. The Grant Agreement shall require that the grant recipient provide collateral securing the clawback provision. The collateral may include, but shall not be limited to, any instrument such as a personal guarantee, performance bond, restrictive covenant, or any other collateral as appropriate. A prorated grant disbursement may be allowed when actual project investment falls short of benchmarks.
- As a condition of the grant award for public infrastructure improvements, the grant recipient agrees as a matter of contract to the application of Section 2-11.16 of the Code on the portion of the project that is specifically tied to EDF-funded public infrastructure improvements.

3. Determination and Evaluation

The County Mayor or the County Mayor's designee will review and evaluate each Funding Application Package and may recommend to the Board an award of a Funding Allocation, by submitting a resolution seeking award of grant funds, and approval of the terms of a Grant Agreement or Interlocal Agreement, as the case may be.

B) Economic Development in Targeted Urban Areas Fund – Project 320

1. Eligibility Requirements for Projects

- Grant awards under Project 320 must be used for public infrastructure, including parking structures, public facilities and other improvements subject to certain limitations and evaluated on a case by case basis, within the boundaries of the County's Targeted Urban Areas.
- The infrastructure improvements must support economic development and attract new businesses in order to create jobs in the Targeted Urban Areas.
- The project must include private sector investment and leverage public bond monies with other funding sources.
- The project must create a significant number of jobs that are available to residents of a Targeted Urban Area.

2. Special Conditions Regarding Reimbursements

- No more than \$3 million of reimbursements can be allocated within any one Targeted Urban Area.
- The grant may reimburse up to 100 percent of public infrastructure costs per project, but subject to a cap of the lesser of \$3 million or the total amount of grant funding

available within such Targeted Urban Area.

- Actual grant funds would be disbursed on a reimbursement basis only after verified completion of the public infrastructure project upon receipt of an audited financial accounting of infrastructure development costs and subject to funding availability and compliance with federal tax laws.
- Grants would be disbursed over no more than a 5 year period from the date the public infrastructure improvements are completed when taxable bonds are issued to fund such public infrastructure improvements. If tax-exempt bonds are issued for the public infrastructure improvements reimbursements for such public infrastructure improvements will be disbursed over no more than a three year period from the date of the expenditure but in no case later than 18 months from the date the public infrastructure project is placed in service.
- Benchmarks for required non-infrastructure capital investments in a Project will be established and specified in the Grant Agreement, and disbursement of grant funds would be subject to attainment of said benchmarks. A clawback provision in the event that established benchmarks are not met subsequent to disbursement of grant funds shall be included in the Grant Agreement. The Grant Agreement shall require that the grant recipient provide collateral securing the clawback provision. The collateral may include, but shall not be limited to, any instrument such as a personal guarantee, performance bond, restrictive covenant, or any other collateral as appropriate. A prorated grant disbursement may be allowed when actual project investment falls short of benchmarks.
- As a condition of the grant award for public infrastructure improvements, the grant recipient agrees as a matter of contract to the application of Section 2-11.16 of the Code on the portion of the project that is specifically tied to EDF-funded public infrastructure improvements.

3. Determination and Evaluation

The County Mayor or the County Mayor's designee will review and evaluate each Funding Application Package and may recommend to the Board an award of a Funding Allocation by submitting a resolution seeking award of grant funds and approval of the terms of a Grant Agreement or Interlocal Agreement, as the case may be. The County Mayor or the County Mayor's designee may convene a committee of members of the Task Force on Urban Economic Revitalization, community leaders and/or economic development experts to assist in the review of Project 320 grant applications. Any such entity shall adhere to protocols specified under Administrative Order No. 3-31 and Florida law.

C) Determination and Evaluation of Applications for Other Funds

If an Application Submission Period is established, then following closure of the Application Submission Period, the County Mayor or the County Mayor's designee will review and evaluate each Funding Application Package for funding eligibility or ineligibility. The County Mayor or the County Mayor's designee may use entities such as the following to assist him in the review and may create Project Review Committees.

Historic Preservation Fund

- Dade Heritage Trust
- Historic Preservation Board

Not-for-Profit Community Organization Capital Fund

- Alliance for Human Services
- Dade Community Foundation

Primary Healthcare Facilities Fund

- Office of Countywide Health Care Planning

Any such entity shall adhere to protocols specified under Administrative Order No. 3-31 and Florida law. Funding Allocations for eligible projects may be recommended to the County Mayor or the County Mayor's designee by the Project Review Committee. The County Mayor or the County Mayor's designee and the Project Review Committee may determine that a Funding Application Package be classified as:

- a) **Ineligible.** Declaration that the Project identified in a Funding Application Package is ineligible.
- b) **Conditionally Eligible.** Declaration that a Project is eligible for funding upon satisfaction of specified conditions.
- c) **Eligible.** Declaration that a Project identified in a Funding Application Package is fully eligible.

Funding Application Packages determined to be Eligible or Conditionally Eligible shall be reviewed and competitively evaluated to recommend Funding Allocations. A listing of all Funding Application Packages shall be presented to the Board by the County Mayor or the County Mayor's designee in the form of a Resolution stating the eligibility determination, presenting the funding recommendations of the County Mayor or the County Mayor's designee based on the competitive evaluation and seeking approval for the award of a Funding Allocation and the disbursement of funds. In the event that an award of a Funding Allocation to a Conditionally Eligible Recipient is approved by the Board, staff shall verify that all conditions precedent have been satisfied prior to executing a Grant Agreement or an Interlocal Agreement, as the case may be.

ARTICLE III – GRANT ADMINISTRATION

SECTION 1. FUNDING ALLOCATION ADMINISTRATION & REIMBURSEMENT POLICY

A) Grant Agreement or Interlocal Agreement

- 1) As a condition of award of a Funding Cycle Allocation, the County and the Recipient shall enter into a Grant Agreement or an Interlocal Agreement, as the case may be, which sets forth the responsibilities and duties of each regarding administration of the approved Project and approved Funding Cycle Allocation.
- 2) The Grant Agreement or the Interlocal Agreement, as the case may be, shall specify the following and shall incorporate such other terms and conditions as may be required by particular circumstances:
 - a) A Project Narrative/Description of Project, including location of Project, and beginning and end dates;
 - b) An overall budget for the final Project, identifying additional sources of revenue;
 - c) A Funding Cycle Allocation and Funding Allocation line item budget (proposed use of BBC GOB funds);
 - d) If the Recipient is a Community-Based Organization or other entity (not a Municipality or Public Agency), a letter of commitment of matching funds validly executed committing the organization to raise any additional capital funds necessary to complete the Project, and committing to provide operating, maintenance and programming funds upon completion of the Project, all as authorized and approved by the Recipient's Board of Directors or governing entity;
 - e) If the Recipient is a Municipality or Public Agency, a letter of commitment of matching funds validly executed committing the organization to appropriate capital funds necessary to complete the Project and to provide operating, maintenance and programming funds upon completion of the Project, all as authorized and approved by the governing board of such Municipality or Public Agency;
 - f) Certification of ownership, or evidence of lease or other use agreement for a minimum un-expired term of 25 years;
 - g) Business plan and/or operating pro-forma, defining and identifying strategies to address the impact the Project will have on the organization's operational structure; and
 - h) A list of consultants that will be involved in the development of the Project (e.g., Owner's project manager(s), Architecture and Engineering team, Specialty Consultants, Developers, General Contractor or Construction Manager, etc.) as they become available.

B) **Pre-Agreement Expenses.** The incurring of Pre-Agreement Expenses by a Recipient creates no obligation on the County to execute a Grant Agreement or Interlocal Agreement, as the case may be, or otherwise satisfy those expenses. However, prior to the effective date of the Grant Agreement or Interlocal Agreement, as the case may be, a Recipient may incur eligible Pre-Agreement Expenses and then after the effective date of the Grant Agreement or Interlocal Agreement, as the case may be, be reimbursed for those costs, provided that:

- 1) The costs and activities are funded as part of the Funding Allocation award and are in compliance with the requirements of the Ordinance and these rules.

- 2) For those Projects funded by bond proceeds from bond sales subsequent to the sale of the Series 2005 Bonds, reimbursement of Pre-Agreement Expenses is limited to those Pre-Agreement Expenses incurred one (1) year prior to the first day of the Application Submission Period, unless previously approved by the Board. Pre-Agreement Expenses in the case of Economic Development Fund projects are limited to those Pre-Agreement Expenses incurred one (1) year prior to the application for an Economic Development Fund award.
- 3) The Recipient has notified the County Mayor or the County Mayor's designee in writing of the intent to submit eligible Pre-Agreement expenses for reimbursement within 30-days of a Grant Agreement or Interlocal Agreement being executed. Recipients shall send a letter addressed to the County Mayor or the County Mayor's designee for review and approval of eligible expenses.

C) Payment. Recipients are paid allocated funds subject to the following conditions:

- 1 **BBC GOB Program Administration.** Not more than one percent (1%) of the value of each Funding Allocation award may be earmarked for all costs incidental to the administration of the BBC GOB Program.
- 2 **Timing.** With the exception of eligible Pre-Agreement Expenses, Project costs eligible for reimbursement shall be incurred between the effective date of, and the Project completion date identified in, the Grant Agreement or the Interlocal Agreement, as the case may be.
- 3) **Soft Cost Limits.** Project Soft Costs for Planning Services, Design Services and Project Administration, as defined in Article 1, Section 4, "Soft Costs", are eligible for funding provided that bond proceeds utilized to pay for such costs do not exceed seventeen percent (17%) of the total bond proceeds allocated to a given Project. This limitation may be waived by the Board. Where a major Project is funded in phases, this cost limit may not necessarily apply to each individual Project phase, but must apply to the Funding Allocation for the Project.

In order for GOB project to effectively comply with the Sustainable Building Ordinance (Ordinance 07-65), the amount eligible for reimbursement for project soft costs will be increased from 17% to 20% to accommodate both the costs of green building design, commissioning and pre-certification services in accordance with the Sustainable Buildings Ordinance and Implementing Order 8-8. For those projects where it is not practical to attain certification, design services can be employed to implement design interventions that on the average will result in an estimated payback of up to 10 years. Typical categories of payback include, but are not limited to, energy efficiency, water efficiency, productivity and operations, and maintenance.

- 4) Recipients will implement their own procurement process; however, they shall comply with all applicable Federal, State and local laws and regulations, including the County ordinances and regulations.
- 5) Recipients are responsible for managing the day-to-day operations of Funding Cycle Allocation supported activities, and maintaining communications with the County Mayor or the County Mayor's designee regarding the Project. Recipients must monitor Funding Cycle Allocation supported activities to assure compliance with the Ordinance, these rules, the Grant

Agreement or Interlocal Agreement, as the case may be, and all applicable Federal, State and local requirements.

- 6) Payments to the Recipient may be withheld at any time that the Recipient fails to comply with the terms of the Grant Agreement or the Interlocal Agreement, as the case may be. Funds withheld for failure to comply with the terms of the Grant Agreement or the Interlocal Agreement, as the case may be, but without suspension of the Funding Cycle Allocation shall be released to the Recipient upon subsequent compliance. Recipients will not be required to reimburse the County for payments already received by the County unless the Recipient fails to acquire, purchase, construct, develop and/or operate the Project for the purpose described in the Funding Application Package or is otherwise in default under the Grant Agreement or Interlocal Agreement.
- 7) Recipients must complete the authorized signature form (Exhibit A).
- 8) a. In general, payment shall be made on a reimbursement basis. A Funding Cycle Allocation Recipient may submit a Request for Advance Payment form (Exhibit B) for review and approval by the County Mayor or the County Mayor's designee. Approved Recipients may receive an advance payment no more than 180 days in advance of the allocation schedule approved by the Board, for up to 25% of the value of the Funding Allocation for the subject Project.
- b. However, in accordance with the guidelines reflected below, the County Mayor or the County Mayor's designee may, on a case-by-case basis and at his sole discretion, consider advance payment of up to 90% of a Municipality's Funding Allocation for a specific project. Upon the decision by the County Mayor or the County Mayor's designee that a request for advance payment of up to 90% of a Municipality's Funding Allocation for a specific Project will be considered, the guidelines below will be applied consistently and in their entirety.

Conditions under which a Municipality may receive up to 90% of its Funding Allocation for a subject Project:

- A Municipality must not owe money to the County and the County must not have any outstanding claims against the Municipality;
- Project activity to date is proceeding on-schedule;
- Construction schedules are being updated on a monthly basis and all required documentation has been submitted to Miami-Dade's Office of Management and Budget (OMB);
- The Municipality must have contract(s) in place to complete the Project and no outstanding claims or disputes can exist between the Municipality and their contractors on the Project; and
- Municipality payments to contractors, subcontractors and suppliers are being made timely.

Field Evaluations will be conducted on a case-by-case basis by Miami-Dade's Office of Management and Budget (OMB) and will include items such as:

- Field audit determination that the Project is on-schedule including physical

- construction; and
- Follow-up field audit inspections will be performed by OMB to ensure Project completion.

OMB will submit a written recommendation to the County Mayor or County Mayor's designee to approve any disbursement under these provisions. The Municipalities will be required to execute a supplemental agreement acknowledging these terms.

Safeguards/Corrective Actions to be implemented by the County in case of non-compliance by a Municipality with the BBC-GOB Program Administrative Rules or if satisfactory progress is not being maintained will include:

- Funding for municipal or other GOB-funded Project to be performed by the subject Municipality will be withheld;
- The County will ask to be reimbursed the amount given to the Municipality as part of the Grant Agreement and/or withheld funds due to the Municipality from other County funding sources such as PTP; and
- If the Municipality refuses to reimburse the County the amount due under the Grant Agreement, the County may employ all available means to recover the subject funds up to and including litigation.

The aforementioned safeguards will be implemented by the County in Cases of non-compliance. All conditions shall be a part of all Interlocal Agreements with a Municipality. All existing Interlocal Agreements will be amended to include the provisions referenced above and all new Interlocal Agreements will likewise include these provisions.

Any disbursement of funds under these provisions will be reported to the Board.

- c. All advance payments received by a Recipient shall be maintained in a separate interest bearing account and may not be commingled with other funds. All advances and interest earned must be fully accounted for. The Recipient shall submit evidence of interest earned (Exhibit C) to the County with any subsequent reimbursement request. The amount of interest earned shall be deducted from such subsequent payment to the Recipient. If at any time the amount of interest earned is greater than the reimbursement request, the Recipient shall submit payment to the county an amount equal to the interest earned less the reimbursement request. Upon the County's receipt of the payment and any required supporting documentation from the Recipient, the reimbursement request may be paid. Checks must be made payable to Miami-Dade County Board of County Commissioners and forwarded to the Office of Management and Budget.
- 9) Recipients must submit reimbursement/payment requests no later than quarterly. If a Recipient is unable to submit a reimbursement/payment request by the quarterly deadline, a written justification indicating the reason for the delay and expected submission date is required to be submitted by the deadline. Failure to comply with this requirement shall render the Recipient in non-compliance with the Administrative Rules and may result in reduction or forfeiture of payment, at the discretion of the County Mayor or the County Mayor's designee. Failure to submit two consecutive requests shall be deemed a forfeiture of all rights unless specifically waived by the County Mayor or the County Mayor's designee. The Recipient

must submit a written explanation for such delays in order to be considered for a waiver of this requirement and all such waivers shall be made at the sole discretion of the County Mayor or the County Mayor's designee.

- 10) Recipients shall complete, sign, and submit to the County the appropriate Reimbursement Request forms as necessary (Exhibits D through F) accompanied by supporting documentation (i.e., copies of invoices, receipts and check payments).
- 11) Reimbursement requests for Fixtures, Furniture & Equipment items must be included and approved in the Grant Agreement or the Interlocal Agreement, as the case may be, prior to acquisition. Written requests for Fixtures, Furniture & Equipment approval must be accompanied by Exhibit G.
- 12) In accordance with State law, five percent (5%) of the value of the BBC GOB Program funding for a given Project shall be retained by the County for all projects in excess of \$100,000, unless otherwise recommended in writing by staff and approved by the Board. Upon completion of a Project, a signed project completion certificate (Exhibit I) must be submitted with the final reimbursement request forms in order for the remaining retainage to be released.
- 13) The County Mayor or the County Mayor's designee may require that reimbursement requests for any Funding Allocations requiring a cash match must be accompanied by documentation of the expenditure of committed match funds (i.e., copies of invoices, canceled checks, etc.).
- 14) Each Recipient will ensure that all contractors and consultants perform in accordance with the terms, conditions, drawings and specifications of their contracts or purchase orders and that all Federal, State and local contracting rules apply.
- 15) Each Recipient shall maintain an accounting system, which meets generally accepted accounting principles, and shall maintain all required financial records to properly account for all Building Better Communities General Obligation Bond funds and any supplemental funds used for the Project. The Recipient shall at all times maintain a separate accounting of all Building Better Communities General Obligation Bond funds.
- 16) Each Recipient shall be responsible for reporting, on a continuous, on-going basis, any contractual relationship established to perform work on the project, start dates, progress payments, completion dates, etc. in the system provided by the County.
- 17) The Recipient shall be responsible for completing the Project. If the total cost of the Project exceeds the value of the Funding Allocation, then the Recipient must provide any supplemental funds required. In the event that supplemental funds are necessary for completion of a Project, as of the point in time that it is known that supplemental funds are needed, the Recipient must demonstrate that such supplemental funds have been committed to the Project prior to and as a condition of disbursement or further disbursement of Funding Cycle Allocations. The requirement for a Recipient to provide supplemental funds may be modified, in part or whole, by the Board, to the extent that it approves in writing any reduction or change to the Project scope of work in accordance with the Ordinance. Approval of any reduction or change in scope of work is at the sole discretion of the Board.

D) Acquisition Projects. Guidelines and requirements for administering Acquisition Project Funding Allocations are as follows:

- 1) **Appraisal Required.** Prior to acquisition of a Project site, a Recipient must obtain an appraisal or appraisals supporting the fair market value of the land to be acquired. Pursuant to State law, if the property is \$500,000 or less in appraised value, one appraisal is required. If the property exceeds \$500,000 in appraised value, two appraisals are required.
- 2) **Amount Authorized for Payment.** The amount of Funding Cycle Allocation authorized for payment for land acquisition shall in no case exceed the Funding Allocation available for the Project. In the event that the negotiated acquisition price exceeds by ten percent or greater the appraised value of the land, the disbursement of Funding Allocation shall be conditioned upon a written justification for the purchase price and other conditions attendant to the proposed purchase, which justification is declared satisfactory by the Board in writing. Appraisal costs are eligible Funding Allocation costs as long as the appraised property is being realistically and seriously considered for Acquisition, regardless of the outcome.
- 3) **Environmental Survey.** The Recipient may not acquire land for a BBC GOB Program funded Project until a Phase I environmental survey is completed, which demonstrates that the property is suitable for its intended general use and for the specific Project. GOB funds may be used for the necessary clean-up a Phase II environmental survey may require provided the scope of the Project is not impacted. Changes to the scope of the Project require BCC approval.
- 4) **Signage.** For six months following an Acquisition, the County shall post a sign, in the general design provided by the County, containing the Building Better Communities General Obligation Bond logo, identifying the source of Project funding. The cost of such a sign is eligible for payment from the Funding Allocation.
- 5) **Ownership.** Title to land acquired with BBC GOB Program funds or facilities constructed/developed with Building Better Communities General Obligation Bond funds shall vest with a Public Agency, a legally incorporated 501(c)(3) not-for-profit Community-Based Organization, or an active and duly registered Florida for-profit corporation or other recognized business entity.

E) Development Projects. Guidelines and requirements for administering Development Project Funding Allocations are as follows:

- 1) **Licensed Contractors; Contractor Bonds.** Duly licensed contractors shall perform all construction. Construction contracts for work in excess of the threshold amounts established in Section 255.20 of the Florida Statutes shall require payment and performance bonds, which comply with the requirements of Section 255.05, Florida Statutes, to the extent applicable.
- 2) **Cost Elements.**
 - a) **Construction Equipment.** Recipients are required to use their own equipment, if available. If a Recipient's equipment is used, the maximum Funding Allocation payment shall cover

operating and routine maintenance costs of such equipment; the Funding Allocation excludes any depreciation or replacement cost from payment. If a Recipient's equipment is used, a report or source document must describe the work performed, indicate the hours used and be related to the Project. If a Recipient does not have needed construction equipment available, then the Recipient may rent such equipment.

- b) Construction Supplies and Materials. Supplies and materials may be purchased for a specific Project or may be drawn from a central stock, providing they are claimed at a cost no higher than that which the Recipient paid. When supplies and/or materials are purchased with the intention of constructing a piece of equipment, structure or part of a structure, the costs that are charged as supplies and materials may be capitalized according to the Recipient's normal practice or policy. If capitalized, only the cost reasonably attributable to the Project may be claimed under the Project.
- c) Personnel or Employee Services. Services of the Recipient's employees who perform work directly related to the accomplishment of the Project are eligible costs payable from the Funding Allocation. These costs must be computed according to the Recipient's prevailing wage or salary scales and may include fringe benefit costs, such as vacations, sick leave, FICA, MICA, health and life insurance, and workers compensation at the Recipient's established fringe benefit rate. Costs charged to the Project must be computed on the basis of actual time spent on the Project, and supported by time and attendance records describing the work performed on the Project. Overtime costs may be allowed under the Recipient's established policy, provided that the regular work time was devoted to the same Project. Salaries and wages claimed for employees working on allocation-funded Projects must not exceed the Recipient's established rates for similar positions or rates per industry standards. Alternative methodologies for established wage rates must be pre-approved by the Board.
- d) Consultant Services. The costs of consultant services necessary for the Project are eligible for payment from the Funding Allocation. The Recipient must pay consultants according to the Recipient's customary or established method and rate. No consultant fee may be paid to the Recipient's own employees.

3) Cost Activities.

- a) Construction activities. The cost of all necessary construction activities, from site preparation (including demolition, survey, excavation and other site work) to the completion of a structure is eligible for payment from the Funding Allocation.
- b) Fixtures, Furniture and Equipment. Except for Projects funded by the Economic Development Fund, the cost of Fixtures, Furniture and Equipment necessary to operate the facility are eligible for payment from the Funding Allocation, if approved in the Grant Agreement or the Interlocal Agreement, as the case may be, and a detailed list of eligible items is submitted in writing and approved by the County Mayor or the County Mayor's designee prior to its purchase (See Article III, Section 1 (c)). Costs for consumable goods shall not be considered eligible for payment from the Funding Allocation. Also, refer to Article I, Section 4, for a detailed definition of Fixtures, Furniture, and Equipment.
- c) Interpretive Signs and Aids. The cost of signs, display boards or other interpretive aids

relating to the Project are eligible for payment from the Funding Allocation.

- d) Signage. During the time period of Development, the County shall post a sign in a prominent location at the Project site in the general design provided by the County depicting the Building Better Communities General Obligation Bond logo and identifying the source of funding for the Project. The cost of such a sign is eligible for payment from the Funding Allocation.

Recipients are encouraged to use value-engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

- 4) The following is a nonexclusive list of costs ineligible for payment from the Funding Allocation:

- a) Funding Application costs.
- b) Ceremonial expenses.
- c) Expenses for publicity.
- d) Bonus payments unless specifically authorized by the Board.
- e) Charges in excess of the lowest responsive and responsible bid or proposal in accordance with the governing rules and procedures of the Recipient, when the law requires the Recipient to utilize competitive selection. In the event a selection process is used, other than a low bid process any cost in excess of the cost of the highest ranked firm shall be considered ineligible.
- f) Charges for deficits or overdrafts.
- g) Charges incurred contrary to the policies and practices of the Recipient.
- h) Interest expense (May be reimbursed at the discretion of the Board if incurred during the construction period and is attributable only to the construction period).
- i) Litigation expenses or judgments.
- j) The cost of services, material or equipment obtained under any other program.
- k) Costs of discounts not taken.
- l) The cost of purchasing a non-refundable option when acquiring land.

F) Budget Changes.

- 1) Recipients shall adjust their Project budgets to reflect actual costs and updated cost estimates and shall submit adjusted Project budgets to the County Mayor or the County Mayor's designee as soon as the recipient is aware of a material budget change.

- 2) Budget adjustments may not exceed the 17% Soft Cost limitation for design, planning, and program administration, with the exception of those projects meeting the Sustainable Building Ordinance, nor exceed the Project Funding Allocation without approval of the Board.
- 3) Recipients shall obtain the prior written approval of the Board whenever budget adjustments are anticipated as outlined in a, b, and c below. The request must be in the same budget format the Recipient used in the Grant Agreement or Interlocal Agreement, as the case may be, and shall be accompanied by a narrative justification for the proposed revision. Such request for adjustment shall, if approved, amend the Grant Agreement or Interlocal Agreement, as the case may be. Requests for budget changes shall be considered whenever any of the following adjustments are required:
 - a) For any Project involving both Acquisition and Development activities, any proposed budget transfers from Development to Acquisition.
 - b) Any proposed reduction or revision of the scope or objectives of the Project (regardless of whether there is an associated budget adjustment) that substantially changes the original intent of a project.
 - c) Any change that would increase Soft Costs for planning, design, and project administration which exceeds the limit specified in Article III, Section 3 (c)(1).

In the event that a Recipient has completed the approved scope of work for a Project and has unexpended funds, the Recipient may submit a request to the Office of Management and Budget to expend these funds in an existing or new budget line item for the Project. The County Mayor or the County Mayor's designee is authorized to approve such budget changes and expenses not to exceed 15% of the total budget.

- G) **Cost Overruns.** The Recipient shall fund all cost overruns. During the execution of work on a Project, the Recipient may find that actual Project costs exceed the approved budget. For cost overruns that will require additional funding for the Project, or otherwise require a budget adjustment for which prior Board approval is required pursuant to paragraph E above, the Recipient shall:
- 1) Provide a justification for the additional costs;
 - 2) Identify available funds for the completion of the Project; and, if necessary
 - 3) Request from the Board a change or revision in the Project scope consistent with the terms of the Ordinance and the Authorizing Resolutions.

The Board, at its discretion, may authorize in writing a change or revision in the scope of the Project: (i) where change or revision of the scope is consistent with the Ordinance; and (ii) where the change or revision is justified by the Recipient; and (iii) where the Recipient does not have sufficient funds to complete the Project with the available funds. Under those circumstances, the Board, in its sole discretion, may identify other funds available under the Ordinance for the Project.

SECTION 2. COMPLIANCE RESPONSIBILITIES

The following constitute general requirements for program compliance:

- A) An annual independent audit of the Building Better Communities General Obligation Bond funds must be submitted by all Recipients to the Office of Management and Budget no later than six months after the close of the Recipient's fiscal year for which a Funding Allocation was received and each year thereafter until Project completion. The audit report must include the Fund Summary Status Report, Exhibit J. The audit must be performed by certified independent auditors and include the following:
 - 1) Test for compliance with the Grant Agreement or Interlocal Agreement, as the case may be, Miami-Dade County Ordinance No. 05-47, applicable resolutions and the Building Better Communities General Obligation Bond Administrative Rules.
 - 2) Test to verify compliance with advance requirements.
 - 3) Sufficient tests, as determined by the independent auditor, to verify true and accurate reflection of Project expenditures.
 - 4) Tests to verify expenditure of required match dollars.
 - 5) Verification of the Fund Summary Status Report.
- B) Land and facilities acquired, developed, improved, or rehabilitated by Funding Allocation shall be dedicated and maintained in perpetuity for the use and benefit of the general public except where leases are in effect. Any land, facilities, or equipment acquired with Building Better Communities General Obligation Bond funds may not be sold or transferred without the written consent of the County and may require an equitable reimbursement of bond funding based on residual value. All projects shall be open to the public at reasonable times and shall be managed in a safe and attractive manner appropriate for public use.
- C) Funding Allocation for the purposes of development, improvement, rehabilitation, or restoration shall be expended for these purposes only on lands owned by a Recipient or on lands for which the Recipient holds a lease or other use agreement. Such lease or other use agreement must be for an unexpired minimum term of 25 years. The Funding Allocation Recipient may demonstrate the eligibility of the Project to the reasonable satisfaction of the Board, through a joint ownership, use, franchise or other agreement, evidencing that the lands and/or the Project will be utilized for the public benefit, consistent with the terms of the Ordinance, for a term of at least 25 years in duration. The lease must not be revocable at will.
- D) Recipient shall maintain all financial and programmatic records, supporting documents and other records pertinent to the Funding Allocation for a period of three years from the starting date defined below. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three year period, the records must be retained until completion of the action and resolution of all issues that arise from it, or until the end of the regular three year period, whichever is later. When Funding Allocation support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the Recipient submits to the County its single or last expenditure report for that period. In all other cases, the retention period starts on the day the Recipient submits its final expenditure report.

- E) The Board and the County, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers or other records of the Recipient in order to make audits, examinations, excerpts and transcripts.

Office of the Miami-Dade County Inspector General (IG) (MDC Code Section 2-1076) shall have the authority and power to review past, present and proposed County programs, accounts, records, contracts, and transactions. The IG shall have the power to subpoena witnesses, administer oaths, and require the production of records. Upon ten (10) days written notice to the Recipient from IG, the Recipient shall make all requested records and documents available to the IG for inspection and copying. The IG shall have the power to report and/or recommend to the Board whether a particular project, program, contract, or transaction is or was necessary and, if deemed necessary, whether the method used for implementing the project or program is or was efficient both financially and operationally. Monitoring of an existing project or program may include reporting whether the project is on time, within budget and in conformity with plans, specifications, and applicable law. The IG shall have the power to analyze the need for, and reasonableness of, proposed change orders.

The IG may, on a random basis, perform audits on all County contracts throughout the duration of said contract (hereinafter "random audits"). This random audit is separate and distinct from any other audit by the County. To pay for the functions of the Office of the Inspector General, any and all payments to be made to the Recipient under the Grant Agreement will be assessed one quarter of one percent of the total amount of the payment, to be deducted from each progress payment as the same becomes due unless, as stated in the Code or the Grant Agreement, the Project is federally or state funded and federal or state law or regulations preclude such a charge. The Recipient shall in stating its agreed prices be mindful of this assessment.

The IG shall have the power to retain and coordinate the services of an independent private sector inspector general (IPSIG) who may be engaged to perform said random audits, as well as audit, investigate, monitor, oversee, inspect, and review the operations, activities, and performance and procurement process including, but not limited to, project design, establishment of bid specifications, bid submittals, activities of the contractor, its officers, agents, and employees, lobbyists, County staff, and elected officials in order to ensure compliance with contract specifications and detect corruption and fraud.

- F) If a Recipient materially fails to comply with any term of an award, the Board or the County Mayor or the County Mayor's designee may take one or more of the following actions, as appropriate in the circumstances:
- 1) Temporarily withhold cash payments pending correction of the deficiency by the Recipient;
 - 2) Disallow all or part of the cost of the activity or action not in compliance;
 - 3) Wholly or partly suspend or terminate the current award for the Recipient's Project;
 - 4) Withhold further Funding Allocation awards from the Recipient; or
 - 5) Take other remedies that may be legally available.

- G) Any of the enforcement actions listed in paragraph F above, taken by the County Mayor or the County Mayor's designee, which are contested and unresolved between the Recipient and the County within thirty days of such action, will result in the Board providing the Recipient with an opportunity to be heard on the issue. Said hearing will occur within sixty days of the Board receiving the Recipient's written request. Staff will recommend appropriate action to the Board.
- H) Costs to Recipient resulting from obligations incurred by the Recipient during a suspension or after termination of an award are not eligible for reimbursement unless the County Mayor or his designee expressly authorizes them in the notice of suspension or termination or subsequently authorizes reimbursement in writing. Other costs incurred by the Recipient during suspension or after termination, which are necessary and not reasonably avoidable, are eligible for reimbursement, if:
- 1) The costs result from obligations that were properly incurred by the Recipient before the effective date of suspension or termination, were not in anticipation of it, and in the case of a termination, are non-cancelable; and
 - 2) The costs would be eligible for reimbursement if the award were not suspended or if the award expired normally at the end of the funding period in which the termination takes effect.
- I) Inspections. Staff of the Board or the County, or both, shall periodically inspect each Project to ensure compliance with these rules, the Ordinance, and the Grant Agreement or Interlocal Agreement, as the case may be. Staff shall perform an inspection of the Project site to ensure compliance prior to release of the final Funding Allocation payment.

SECTION 3. REPORTS

Recipients are required to submit the Project Status Report no later than monthly (Exhibit E), in the format stipulated by the County Mayor or the County Mayor's designee. Additional reports that shall be due upon request of the County Mayor or the County Mayor's designee may include, but are not limited to:

- A) Actual accomplishments of each Funding Cycle Allocation;
- B) Problems encountered in implementation of each Funding Cycle Allocation; and
- C) Anticipated start and/or completion dates of each Funding Cycle Allocation.

Recipient may be required to meet with the Board to discuss the Project.

SECTION 4. PROJECT CLOSE-OUT

- A) A Recipient has up to forty-five (45) days after the expiration or termination of the Funding Allocation to submit all final documentation including final reimbursement requests and Project completion certificates.
- B) The close-out of a Funding Allocation does not affect:
 - 1) The County's right to disallow costs and recover funds on the basis of a later audit or review;
 - 2) The Recipient's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
 - 3) Records retention responsibilities set forth above;
 - 4) Continuing responsibilities set forth in the Ordinance, the Grant Agreement or Interlocal Agreement, as the case may be, and these rules; and
 - 5) Audit rights set forth in these rules.
- C) Any amounts paid to Recipient in excess of the amount to which the Recipient is finally determined to be entitled under the terms of the Grant Agreement or Interlocal Agreement, as the case may be, constitute a debt to the County. If not paid within a reasonable period after demand, the County may reduce the debt by:
 - 1) Making an administrative offset against other requests for reimbursement;
 - 2) Withholding payments otherwise due to the Recipient; or
 - 3) Taking other action provided by law.

Any overdue debt of the Recipient shall accrue interest at the maximum rate allowed by law.

SECTION 5. INTERPRETATION; ADMINISTRATION

These administrative rules have been promulgated under the Ordinance. In the event of a conflict between these rules and the provisions of the Ordinance, the Ordinance shall prevail.

The County Mayor or the County Mayor's designee shall be authorized to interpret the provisions of these administrative rules and their interpretation of any matters governed hereby shall be final and may only be overturned by a majority vote of the Board. The County Mayor or the County Mayor's designee shall submit recommendations amending these administrative rules to the Board, which may approve or reject such recommendations by majority vote.

The County Mayor or the County Mayor's designee shall be authorized and required to administer the Building Better Communities General Obligation Bond Program consistent with the Ordinance and these administrative rules.