
Pinellas County Housing & Community Development

Credit Underwriting Report (“CUR”)

Skytown

Penny For Pinellas (“PFP”) Program

Section A: Report Summary

Section B: Supporting Information and Schedules

Prepared by

AmeriNat®

1st Draft Report

May 14, 2025

Skytown**TABLE OF CONTENTS****Section A**

	<u>Page</u>
Report Summary	
➤ Recommendation	A1-A2
➤ 15 Year Pro Forma	A3-A4
➤ Financing Overview	A5-A9
➤ Changes from the Application	A10-A11
➤ Uses of Funds	A12-A15

Section B

Supporting Information and Schedules	
➤ Additional Development & Third-Party Information	B1-B2
➤ Applicant and Related Party Information	B3-B6

Exhibits

Description of Features & Amenity Characteristics	1 1
---	-----

Section A

Report Summary

Recommendation

AmeriNat® (“AmeriNat”) recommends the Pinellas County Housing & Community Development (“PCHCD”) issue a Penny for Pinellas (“PFP”) loan in the amount of \$5,500,000 to AC Skytown Site C, LLC (“Applicant”) for the construction and permanent phase financing of Skytown (the proposed “Development”). This recommendation is only valid for six months from the date of the report.

DEVELOPMENT & SET-ASIDES

Development Name: Skytown Site C

Address 3201 34th Street Street South

City: St. Petersburg Zip Code: 33711 County: Pinellas County Size: Large

Development Category: New Construction Development Type: Mid-Rise (5-6 Stories)

Construction Type: Wood Frame Number of Stories: 5

Demographic Commitment:

Primary: Family for 100% of the Units

Buildings: Residential - 1 Non-Residential - 1

Parking: Parking Spaces - 658 Accessible Spaces -

DDA: No SADDA: No QCT: Yes Multi-Phase Boost: No QAP Boost: No QAP Type:

Site Acreage: 4.56 Density: 87.94 Flood Zone Designation: X

Zoning: Retail Center (RC-1) Flood Insurance Required?: No

Set Asides:

Program	% of Units	# of Units	% AMI	Term (Years)
<u>Penny for Pinellas</u>	<u>15%</u>	<u>60</u>	<u>80%</u>	<u>n/a</u>
<u>Penny for Pinellas</u>	<u>15%</u>	<u>60</u>	<u>120%</u>	<u>n/a</u>
<u>Market Rate</u>	<u>70%</u>	<u>281</u>	<u>Market</u>	<u>n/a</u>

Please note that the analysis presented herein is largely based on the information requested of and provided by the Applicant. AmeriNat was advised that a portion of the development budget line items were estimates based on prior projects the development team has completed. Additionally, the Applicant indicated that they have not yet made a decision on whether the Development will be retained or sold upon completion. As such, an estimate of permanent financing, provided by the Applicant, has been used to calculate the debt service coverage ratio (“DSC”) for the Development.

Prepared by: George J. Repity, Senior Credit Underwriter



Reviewed by: Kyle Kuenn, Multifamily Chief Credit Underwriter



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

MSA (County): Tampa-St. Petersburg-Clearwater (Pinellas)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	HUD Max Gross Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
0	1.0	6	560	80%			1,338				1,405	1,338	1,338	96,336
0	1.0	6	560	120%			2,007				1,875	1,850	1,850	133,200
0	1.0	23	560	Mkt							1,875	1,850	1,850	510,600
0	1.0	2	569	80%			1,338				1,405	1,338	1,338	32,112
0	1.0	2	569	120%			2,007				1,875	1,850	1,850	44,400
0	1.0	10	569	Mkt							1,875	1,850	1,850	222,000
1	1.0	10	669	80%			1,433				1,505	1,433	1,433	171,960
1	1.0	10	669	120%			2,149				2,150	2,100	2,100	252,000
1	1.0	44	669	Mkt							2,150	2,100	2,100	1,108,800
1	1.0	12	781	80%			1,433				1,505	1,433	1,433	206,352
1	1.0	12	781	120%			2,149				2,150	2,149	2,149	309,456
1	1.0	54	781	Mkt							2,150	2,300	2,300	1,490,400
1	1.0	8	744	80%			1,433				1,505	1,433	1,433	137,568
1	1.0	8	744	120%			2,149				2,150	2,149	2,149	206,304
1	1.0	41	744	Mkt							2,150	2,250	2,250	1,107,000
2	2.0	5	965	80%			1,720				1,806	1,720	1,720	103,200
2	2.0	5	965	120%			2,580				2,709	2,580	2,580	154,800
2	2.0	21	965	Mkt							2,850	2,750	2,750	693,000
2	2.0	11	1,048	80%			1,720				1,806	1,720	1,720	227,040
2	2.0	11	1,048	120%			2,580				2,709	2,580	2,580	340,560
2	2.0	51	1,048	Mkt							2,850	2,950	2,950	1,805,400
2	2.0	2	1,197	80%			1,720				1,806	1,720	1,720	41,280
2	2.0	2	1,197	120%			2,580				2,709	2,580	2,580	61,920
2	2.0	13	1,197	Mkt							2,850	3,100	3,100	483,600
2	2.0	3	923	80%			1,720				1,806	1,720	1,720	61,920
2	2.0	3	923	120%			2,580				2,709	2,580	2,580	92,880
2	2.0	16	923	Mkt							2,850	2,725	2,725	523,200
3	2.0	1	1,370	80%			1,987				2,086	1,987	1,987	23,844
3	2.0	1	1,370	120%			2,980				3,129	2,980	2,980	35,760
3	2.0	8	1,370	Mkt							3,450	3,500	3,500	336,000
		401	334,482											11,012,892

15 Year Operating Pro Forma

FINANCIAL COSTS:		Year 1	Year 1 Per Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																	
INCOME:	Gross Potential Rental Income	\$11,012,892	\$27,464	\$11,233,150	\$11,457,813	\$11,686,969	\$11,920,708	\$12,159,123	\$12,402,305	\$12,650,351	\$12,903,358	\$13,161,425	\$13,424,654	\$13,693,147	\$13,967,010	\$14,246,350	\$14,531,277
	Miscellaneous	\$1,227,808	\$3,062	\$1,252,364	\$1,277,411	\$1,302,960	\$1,329,019	\$1,355,599	\$1,382,711	\$1,410,365	\$1,438,573	\$1,467,344	\$1,496,691	\$1,526,625	\$1,557,157	\$1,588,301	\$1,620,067
	Rent Concessions	(\$55,064)	(\$137)	(\$56,165)	(\$57,289)	(\$58,434)	(\$59,603)	(\$60,795)	(\$62,011)	(\$63,251)	(\$64,516)	(\$65,807)	(\$67,123)	(\$68,465)	(\$69,834)	(\$71,231)	(\$72,656)
	Gross Potential Income	\$12,185,636	\$30,388	\$12,429,349	\$12,677,936	\$12,931,494	\$13,190,124	\$13,453,927	\$13,723,005	\$13,997,465	\$14,277,415	\$14,562,963	\$14,854,222	\$15,151,307	\$15,454,333	\$15,763,420	\$16,078,688
	Less:																
	Physical Vac. Loss	Percentage: 4.76%	\$579,535	\$1,445	\$591,126	\$602,948	\$615,007	\$627,307	\$639,853	\$652,651	\$665,704	\$679,018	\$692,598	\$706,450	\$720,579	\$734,991	\$749,690
	Collection Loss	Percentage: 0.45%	\$55,064	\$137	\$56,165	\$57,289	\$58,434	\$59,603	\$60,795	\$62,011	\$63,251	\$64,516	\$65,807	\$67,123	\$68,465	\$69,834	\$71,231
	Total Effective Gross Income	\$11,551,037	\$28,806	\$11,782,058	\$12,017,699	\$12,258,053	\$12,503,214	\$12,753,278	\$13,008,344	\$13,268,511	\$13,533,881	\$13,804,558	\$14,080,650	\$14,362,263	\$14,649,508	\$14,942,498	\$15,241,348
	Annual Escalation Rate (Income):	2.00%															
	Fixed:																
	Real Estate Taxes	\$1,720,628	\$4,291	\$1,772,247	\$1,825,414	\$1,880,177	\$1,936,582	\$1,994,679	\$2,054,520	\$2,116,155	\$2,179,640	\$2,245,029	\$2,312,380	\$2,381,752	\$2,453,204	\$2,526,800	\$2,602,604
EXPENSES:	Insurance	\$641,600	\$1,600	\$660,848	\$680,673	\$701,094	\$722,126	\$743,790	\$766,104	\$789,087	\$812,760	\$837,142	\$862,257	\$888,124	\$914,768	\$942,211	\$970,478
	Variable:																
	Management Fee	Percentage: 2.50%	\$288,776	\$720	\$294,552	\$300,443	\$306,451	\$312,580	\$318,832	\$325,209	\$331,713	\$338,347	\$345,114	\$352,016	\$359,057	\$366,238	\$373,563
	General and Administrative	\$170,425	\$425	\$175,538	\$180,804	\$186,228	\$191,815	\$197,569	\$203,496	\$209,601	\$215,889	\$222,366	\$229,037	\$235,908	\$242,985	\$250,275	\$257,783
	Payroll Expenses	\$641,600	\$1,600	\$660,848	\$680,673	\$701,094	\$722,126	\$743,790	\$766,104	\$789,087	\$812,760	\$837,142	\$862,257	\$888,124	\$914,768	\$942,211	\$970,478
	Utilities	\$451,125	\$1,125	\$464,659	\$478,599	\$492,956	\$507,745	\$522,978	\$538,667	\$554,827	\$571,472	\$588,616	\$606,274	\$624,463	\$643,196	\$662,492	\$682,367
	Marketing and Advertising	\$155,525	\$388	\$160,191	\$164,996	\$169,946	\$175,045	\$180,296	\$185,705	\$191,276	\$197,014	\$202,925	\$209,013	\$215,283	\$221,741	\$228,394	\$235,246
	Maintenance and Repairs/Pest Control	\$340,850	\$850	\$351,076	\$361,608	\$372,456	\$383,630	\$395,139	\$406,993	\$419,203	\$431,779	\$444,732	\$458,074	\$471,816	\$485,971	\$500,550	\$515,566
	Grounds Maintenance and Landscaping	\$50,125	\$125	\$51,629	\$53,178	\$54,773	\$56,416	\$58,109	\$59,852	\$61,647	\$63,497	\$65,402	\$67,364	\$69,385	\$71,466	\$73,610	\$75,819
	Reserve for Replacements	\$100,250	\$250	\$100,250	\$100,250	\$100,250	\$100,250	\$100,250	\$100,250	\$100,250	\$100,250	\$100,250	\$103,258	\$106,355	\$109,546	\$112,832	\$116,217
Total Expenses		\$4,560,904	\$11,374	\$4,691,836	\$4,826,638	\$4,965,425	\$5,108,316	\$5,255,432	\$5,406,899	\$5,562,847	\$5,723,407	\$5,888,719	\$6,061,929	\$6,240,267	\$6,423,884	\$6,612,938	\$6,807,591
Annual Escalation Rate (Expenses):		3.00%															
Net Operating Income		\$6,990,133	\$17,432	\$7,090,222	\$7,191,061	\$7,292,628	\$7,394,898	\$7,497,846	\$7,601,445	\$7,705,664	\$7,810,474	\$7,915,840	\$8,021,721	\$8,128,196	\$8,235,224	\$8,342,960	\$8,451,357
Debt Service Payments																	
First Mortgage - TBD		\$6,098,400	\$15,208	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400
Second Mortgage - Pinellas County PPF		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage - City of Pinellas		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - TBD		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees - Pinellas County PPF		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage Fees - City of Pinellas		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments		\$6,098,400	\$15,208	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400	\$6,098,400
Cash Flow after Debt Service		\$891,733	\$2,224	\$991,822	\$1,092,661	\$1,194,228	\$1,296,498	\$1,399,446	\$1,503,045	\$1,607,264	\$1,712,074	\$1,817,440	\$1,920,321	\$2,023,596	\$2,127,224	\$2,231,160	\$2,335,357
Debt Service Coverage Ratios																	
DSC - First Mortgage plus Fees		1.15x		1.16x	1.18x	1.20x	1.21x	1.23x	1.25x	1.26x	1.28x	1.30x	1.31x	1.33x	1.35x	1.37x	1.38x
DSC - Second Mortgage plus Fees		1.15x		1.16x	1.18x	1.20x	1.21x	1.23x	1.25x	1.26x	1.28x	1.30x	1.31x	1.33x	1.35x	1.37x	1.38x
DSC - Third Mortgage plus Fees		1.15x		1.16x	1.18x	1.20x	1.21x	1.23x	1.25x	1.26x	1.28x	1.30x	1.31x	1.33x	1.35x	1.37x	1.38x
DSC - All Mortgages and Fees		1.15x		1.16x	1.18x	1.20x	1.21x	1.23x	1.25x	1.26x	1.28x	1.30x	1.31x	1.33x	1.35x	1.37x	1.38x
Financial Ratios																	
Operating Expense Ratio		39.5%		39.8%	40.2%	40.5%	40.9%	41.2%	41.6%	41.9%	42.3%	42.7%	43.1%	43.4%	43.9%	44.3%	44.7%
Break-even Econ Occup Ratio (all debt)		87.6%		86.9%	86.3%	85.7%	85.1%	84.5%	84.0%	83.4%	82.9%	82.4%	82.0%	81.6%	81.2%	80.8%	80.4%
Break-even Econ Occup Ratio (must pay debt)		77.9%															

Notes to the Operating Pro forma and Ratios:

1. The Development will be providing 120 of the 401 total units at 80% and 120% or less of AMI based on the HUD 2024 income/rent limits available at the time of the appraisal, in conjunction with the Penny for Pinellas funding which will impose rent restrictions; the remaining units will be market rate. Overall, the rents for the Development were adjusted by the appraiser to achievable levels as confirmed in the appraisal. A breakdown of the proposed rents for the Development appears on page A-2 of this report.
2. A 5.21% total economic vacancy rate and collection loss was concluded by the appraisal and was relied upon by AmeriNat for underwriting purposes.
3. Miscellaneous Income includes appraisal estimates for commercial income (\$577,808), utility reimbursements (\$300,000), and other income (\$350,000) related to late fees, application fees, transfer fees, and pet deposits.
4. Real Estate Tax expense is based on the appraiser's estimate of a per unit assessment of \$269,327, the applicable millage rate, and an early pay discount of 4% to arrive at the underwritten amount. The per unit assessment is in line with comparable in the market, which ranged between \$207,770 - \$280,894/unit.
5. AmeriNat utilized an estimate of \$1,600 per unit for insurance, which is consistent with the appraisal. The figure is more than the insurance expenses for restricted rent comparables presented by the appraiser, which ranged from \$726 to \$1,414 per unit. However, the appraiser estimates a higher per unit cost based on the Developer quotes received from insurance providers.
6. The Applicant indicated that, at the present time, a management company has not been chosen for the Development. Colliers utilized a rate of 2.50%, which has been used for analysis purposes. The appraiser states that third party management costs range between 2.50% - 3.00% in the market. Please note that the selection of the property manager and any agreements associated therewith are subject to review and approval by Pinellas County and are a precedent to loan closing.
7. Replacement Reserves are budgeted at \$282 per unit per year, which is consistent with industry standards of \$200 – \$300/unit.
8. Based upon an estimated Net Operating Income ("NOI") of \$6,990,133 for the proposed Development's initial year of stabilized operations, the first mortgage loan can be supported by operations at a 1.15x to 1.00 DSC, with all debt and fees supported by operations at a 1.15x to 1.00 DSC.

Financing Overview

CONSTRUCTION FINANCING INFORMATION						
	1st Source	2nd Source	3rd Source	4th Source	5th Source	Totals
Lien Position	First	Second	Third	Fourth	Fifth	Totals
Source	Reg. Mtg Lender	Local Gov. Subsidy	Local Gov. Subsidy	Other	Applicant	
Construction Amount	\$68,000,000	\$5,500,000	\$4,500,000	\$29,023,168	\$14,035,000	\$121,058,168
All In Interest Rate	7.23%	0.00%	0.00%	11.00%	0.00%	
Debt Service During Construction	\$4,916,400	\$0	\$0	\$3,192,548	\$0	
Bond Structure (if applicable)	n/a					

Proposed Construction Mortgage Loan:

The Applicant provided a term sheet from Fifth Third Bank, N.A. (the “Bank”) dated March 20, 2025 evidencing a construction loan in an amount equal to the lesser of \$68,000,000, a 50% “as stabilized” loan to value, a 56% loan to cost, or an amount that results in a minimum 1.20x DSC based on an untrended net operating income (“NOI”) as determined by an appraiser. Additional terms include an interest rate based on the 1-month Secured Overnight Financing Rate (“SOFR”) of 4.33% as of May 5, 2025 plus 265 basis points. A 25 bps underwriting cushion has been added to account for rate volatility for an all-in rate of 7.23%. The interest-only period is for up to 48-months with one 12-month extension available. Requirements of the extension include:

- A fee of 20 bps;
- Minimum 1.20x DSC based on the trailing three months, annualized, at least 30 days prior to the initial maturity date;
- Maximum 50% as-is loan to value, based on a new appraisal at the Bank’s option; and
- Any other conditions as required by the Bank

A loan origination fee of 75 bps will be due at loan closing.

Proposed Second Mortgage - Penny for Pinellas

The Applicant provided a proposal from PCHCD dated December 6, 2024 wherein the Development would receive an amount not to exceed \$5,500,000 in Penny for Pinellas Infrastructure Surtax funds specific to the vertical construction costs of the Development. Terms of the loan include an interest rate of 0.00% and a 30-year term. The proposal indicates the loan is forgivable, but no specific details were outlined to indicate what requirements must be met for the loan forgiveness.

Additionally, the proposal stipulates that 30% of all units must serve households earning no more than 120% of the Area Median Income (“AMI”) in accordance with annual Florida Housing Finance Corporation income limits. The 30% requirement will be divided equally with 15% to serve households earning no more than 80% of AMI and 15% to serve households earning no more than 120% of AMI.

Proposed Third Mortgage – City of St. Petersburg

The Applicant provided a draft Borrower Agreement between the Applicant and the City of St. Petersburg (the “City”) wherein the City will provide a loan in the amount of \$4,500,000 from the City’s Housing Capital Improvement Program for the benefit of the Development. The loan will bear interest at 0.00% per year and have a maturity of thirty (30) years. Repayment terms shall be set forth in the Mortgage Note; however, if the Applicant complies with the terms and conditions of the Agreement, then:

- The lien established by the City Mortgage shall expire as set forth in the City Mortgage, and
- The loan shall be forgiven at the end of the term for the loan set forth in the City Mortgage

Sixty (60) units will be restricted to households with incomes of 80% of AMI as defined by and in accordance with the Florida Housing Finance Corporation (“FHFC”) for their Low-Income Housing Tax Credits (“LIHTC”) program or less, and sixty-one (61) units will be restricted to households with incomes of 120% AMI or less. The 121 income restricted units shall be considered City Assisted Units and shall carry rent and occupancy restrictions for a 30-year period of affordability.

Other Sources – Bank of America

AmeriNat received a Letter for Discussion (“LD”) dated December 11, 2024 wherein Banc of America Community Development Company, LLC (“BACDC”), a subsidiary of Bank of America, N.A., (the “Bank”) would provide an equity investment in an amount not to exceed \$36,000,000 for the construction financing of the Development; the Applicant expects a total of \$31,465,000.15 in proceeds to be used. Based on the analysis presented herein, AmeriNat has adjusted this amount to \$29,023,168 to balance the construction period uses. The equity can be accessed by means of an investor capital call; however, (a) the amount requested in any investor capital call shall not be less than \$4,000,000, (b) the investor capital call shall include the Construction Budget and any deviations thereof to date, and (c) the investor capital call shall not be more frequently than once every 45-days, and (d) the Managing Member shall make all investor capital calls within the first twelve (12) months following the date hereof.

An origination fee of 1.00% is due at closing and there is an annual investment management fee of \$25,000.

Per the LD, BACDC’s Preferred Return on the investment amount invested shall be:

- Construction: 11.0%
- Lease-Up: 10.0%
- Stabilization: 8% if the 10-year treasury does not increase above 4.5% and the deal closes by March 31, 2025.

Compounding is simple. The Preferred Return may be accrued during the construction and lease-up period. Preferred Return payments are to be made quarterly commencing with stabilization. Note that the Preferred Return rates described herein are based on the yields required by the Bank as of the date of the LD and are subject to change. Further terms associated with this source of funding are as follows:

Redemption Fees:

- Months 0 to 12: 5.0%
- Months 13 to 24: 3.0%
- Months 25-48: 2.0%
- Months 49-60: 1.0%
- Months 61+: 0.50%

Exit Fee:

In the event the Mandatory Redemption is satisfied by an open market sale of the Development, Investor shall be entitled to an Exit Fee of 5.0% of the Net Sale Profits after the return of all amounts invested by Investor, Sponsor Partners, and all accrued preferred returns thereon. Redemption Fees do not apply in the event of an open market sale. The 5.0% fee only applies if Altis Cardinal is selling to a third party, not selling or transferring to a fund or entity controlled by Altis Cardinal.

Mandatory Redemption:

Mandatory Redemption required at the end of the 60th month following closing, or sooner subject to the Redemption Fees, as applicable, including upon occurrence of an event of default of Prospective Owner as defined in and set forth in the applicable operating document.

Mandatory Redemption Extension:

So long as no default exists between Prospective Owner and Investor, or with respect to any financing documentation encumbering the Prospective Owner or the project, the Mandatory Redemption may be extended for up to five (5) consecutive 1-year periods by providing (a) 15-calendar day notice of such Extension and (b) an agreement to increase the then in place Preferred Return rate by the following schedule:

- Year 6: None
- Year 7: None
- Year 8: None
- Year 9: None
- Year 10: 25 bps
- Year 11+: 25 bps

Land

The Applicant utilized an estimate of \$35,000/unit to arrive at the \$14,035,000 valuation used for the land value. The appraisal indicated a slightly higher valuation (\$35,910/unit), which supports the value used for this analysis.

PERMANENT FINANCING INFORMATION						
Lien Position	First	Second	Third	NA	NA	Totals
Source	Reg. Mtg Lender	Local Gov. Subsidy	Local Gov. Subsidy	Other	Applicant	
Lender/Grantor	TBD	Pinellas County CDC	City of St. Petersburg	BACDC	Developer	
Permanent Amount	\$78,353,606.00	\$5,500,000	\$4,500,000	\$18,669,562	\$14,035,000	\$121,058,168
Permanent Funding Per Unit	\$220,094	\$15,449	\$12,640	\$52,443	\$39,424	\$340,051
% of Permanent Funding	64.7%	4.5%	3.7%	15.4%	11.6%	100.0%
Underwritten Interest Rate	6.75%	0.00%	0.00%	n/a	n/a	
All In Interest Rate	6.75%	0.00%	0.00%	n/a	n/a	
Loan Term	30	30	30	n/a	n/a	
Amortization	30	n/a	n/a	n/a	n/a	
Must Pay or Cash Flow Dependent	Must-Pay					
Permanent Debt Service, No Fees	\$6,098,400	\$0	\$0	\$0	\$0	\$6,098,400
Permanent Debt Service, with Fees	\$6,098,400	\$0	\$0	\$0	\$0	\$6,098,400
Debt Service Coverage, with Fees	1.15x	1.15x	1.15x	1.15x	1.15x	
Operating Deficit & Debt Service Reserves						
# of Months covered by the Reserves	1.0					
Market Rate/Market Financing LTV	55.8%	3.9%	3.2%	13.3%	10.0%	
Loan to Cost - Cumulative	64.7%	4.5%	3.7%	15.4%	11.6%	

Permanent First Mortgage - TBD

The Applicant indicated that a decision whether to retain ownership or sell the Development will be made at the time of construction completion. As such and for analysis purposes, the Applicant has provided a baseline permanent take out loan with the following terms to calculate the DSC of the Development once stabilized:

<u>Permanent Loan</u>	<u>Agency (Fannie or Freddie)</u>	
	<i>Bank</i>	
10-yr		4.35%
Spread		1.30%
Perm Loan Interest		6.75%
Max Loan by DSCR	\$	79,145,057
Perm Loan Fee		1.00%
Net Loan Amount (after Fee)	\$	78,353,606
Perm Loan NOI	\$	7,700,000
Cap Rate		5.00%
Value	\$	154,000,000
LTV		51.39%
DSCR		1.25
Perm Loan I/O		0 months
Perm Loan Amortization		360 months
<u>Outstanding Equity</u>		
Permanent Loan	\$	78,353,606
Construction Loan	\$	68,000,000
Return of Capital	\$	10,353,606

Utilizing the assumptions and projections presented by the developer as illustrated above, the proposed net permanent loan amount will be used to pay off the \$68,000,000 construction period loan from Fifth Third. Please note that the Perm Loan NOI amount used above is an estimate by the developer to account for increases in rent expected by the time the Development is completed. The return of capital in the amount of \$10,353,606 represents the difference between the permanent period loan and the construction period loan that will be distributed to BACDC as repayment of the Capital Contributions. Please note that AmeriNat has adjusted the total equity amount during the permanent phase downward to account for underwritten uses which are \$2,441,832.15 less than the Applicant's current budgeted amount of \$123,500,000.15.

The terms and amounts of the PCHCD and City of St. Petersburg sources shown and described in and under the "Construction Financing Information" table are unchanged during the permanent term.

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?		1
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?	X	
If the Development has committed to serve a special target group (e.g. elderly, large family, etc.), do the development and operating plans contain specific provisions for implementation?	X	
Is the Development in all other material respects the same as presented in the Application?	X	

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

1. Per the application for funding submitted to PCHDC, the Applicant requested a total of \$6,000,000 in assistance from Pinellas County. This request was reduced to \$5,500,000. A construction loan in the amount of \$64,000,000 to be provided by Fifth Third Bank, N.A. has been increased to \$68,000,000. Equity has increased from \$31,854,082.83 to an amount not to exceed \$36,000,000 to be provided by Banc of America Community Development Corporation.
2. Total Development Costs ("TDC") increased from \$120,389,083 to \$121,058,168 for a difference of \$669,085 since the time of application due to increases in General Development, Financial Costs, and Reserves. That amount increases to \$2,441,832.15 based on the Applicant's most recent TDC of \$123,500,000.15.

Strengths:

1. The Development Team has demonstrated the ability to successfully develop and operate multifamily rental communities using a variety of different subsidies.
2. A Market Study performed by Colliers International Valuation & Advisory Services ("Collier's") dated April 25, 2025 concludes the Development's location is rated as good. This location rating considers the Development's general market area (Tampa-St. Petersburg-Clearwater), its submarket (South St. Petersburg) and the surrounding uses and immediate neighborhood. It also takes into account the Development's exposure and access to employment centers, educational facilities, and shopping centers. All of these characteristics provide supporting uses for the Development's site making it desirable for multifamily development. Overall, there are no known factors that would limit the site's development according to its highest and best use.

3. The Market Study concluded that there is market support for the proposed 401 units at approximately 95.0% occupancy, with rental rates approved for Pinellas County.

Other Considerations:

None

Issues and Concerns:

None

Additional Information:

Items needed as a condition to closing:

- 1) Final Plan & Cost Review
- 2) Selection of a Property Manager and all associated agreements associated therewith, all of which are subject to review and approval by PCHCD.

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
New Commercial/Retail/Office Space	\$1,232,245	\$1,000,000	\$1,000,000	\$2,809
New Rental Units	\$85,110,000	\$83,016,275	\$70,222,886	\$197,255
Recreational Amenities	\$0	\$0	\$250,000	\$702
Site Work	\$401,000	\$1,000,000	\$1,325,000	\$3,722
Swimming Pool	\$0	\$0	\$390,200	\$1,096
Furniture, Fixture, & Equipment	\$0	\$860,000	\$860,000	\$2,416
Constr. Contr. Costs subject to GC Fee	\$86,743,245	\$85,876,275	\$74,048,086	\$208,000
General Conditions (5.9%)	\$0	\$0	\$4,400,000	\$12,360
Overhead (2.1%)	\$0	\$0	\$1,581,262	\$4,442
Profit (3.2%)	\$0	\$0	\$2,371,894	\$6,663
General Liability Insurance	\$0	\$0	\$615,033	\$1,728
Total Construction Contract/Costs	\$86,743,245	\$85,876,275	\$83,016,275	\$233,192
Hard Cost Contingency (4.0%)	\$4,185,743	\$3,000,000	\$3,403,667	\$9,561
Other: Additional work outside of GMP	\$0	\$1,806,728	\$1,806,728	\$5,075
Other: Signage	\$0	\$50,000	\$50,000	\$140
Total Construction Costs:	\$90,928,988	\$90,733,003	\$88,276,670	\$247,968

Notes to Actual Construction Costs:

1. A Standard Form of Agreement Between the Owner and Contractor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price in the amount \$83,016,275 (the "Construction Contract") has been provided. The Construction Contract was entered into as of April 10, 2025, and is executed by the Applicant and Summit Contracting Group, Inc. ("General Contractor"). It indicates construction completion within 1,030 calendar days from the date of commencement. The Construction Contract indicates retainage of ten percent (10%) will be withheld until 50% of the work is complete based on the Schedule of Values, at which point no further retainage will be withheld. Allowances listed in the Construction Contract are as follows:

Allowances:	
Temporary security perimeter fencing	\$20,000
Crane gravel pad	\$50,000
MOT	\$75,000
Courtyard drainage	\$125,000
Landscape and irrigation	\$400,000
Hardscape	\$800,000
Parking garage - striping and signage	\$30,000
Rooftop amenity canopy	\$250,000
Primary - conduit only	\$25,000
Distributed antenna system	\$125,000
Total	\$1,900,000

The Vertex Companies, LLC ("Vertex"), the construction consultant retained to complete a Plan & Cost review of the Development, indicated the allowances are in the acceptable range for the items provided.

Underwritten costs and line items are based on the Schedule of Values included in the Construction Contract.

2. The Applicant has advised AmeriNat that a Payment and Performance Bond will not be provided, with General Liability and owner carried Builder's Risk Insurance in its place.
3. Additional work outside the GMP is based on information provided by the Applicant and includes retail/tenant improvements associated with the buildouts.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Architect's Fees	\$1,418,000	\$1,655,300	\$1,655,300	\$4,650
Builder's Risk Insurance	\$1,000,000	\$1,500,000	\$1,500,000	\$4,213
Building Permits	\$563,000	\$500,000	\$500,000	\$1,404
Engineering Fees	\$100,000	\$70,000	\$70,000	\$197
Impact Fee	\$0	\$537,001	\$537,001	\$1,508
Legal Fees - Organizational Costs	\$0	\$92,538	\$92,538	\$260
Lender Inspection Fees / Const Admin	\$0	\$275,000	\$275,000	\$772
Market Study	\$0	\$0	\$6,000	\$17
Marketing and Advertising	\$200,000	\$200,000	\$200,000	\$562
Plan and Cost Review Analysis	\$0	\$0	\$8,500	\$24
Property Taxes	\$260,650	\$260,650	\$260,650	\$732
Survey	\$18,508	\$18,508	\$18,509	\$52
Soft Cost Contingency (10.7%)	\$0	\$600,000	\$600,000	\$1,685
Other: Other Fees	\$709,539	\$0	\$0	\$0
Other: Interior Design	\$0	\$193,000	\$193,000	\$542
Other: Miscellaneous Professional Fees	\$0	\$110,000	\$110,000	\$309
Other: Consultant Fees	\$0	\$200,000	\$200,000	\$562
Total General Development Costs:	\$4,269,697	\$6,211,997	\$6,226,498	\$17,490

Notes to the General Development Costs:

1. Impact Fees were provided by the Applicant and based on the multimodal and toilet fee schedule for Pinellas County.
2. Soft Cost Contingency is based on the Applicant's development budget and equates to approximately 10.7% of the General Development costs shown above.
3. Miscellaneous Professional Fees consist of expected expenses to provide necessary services associated with the construction of the Development.
4. Consultant fees are based on the Applicant's budget and will be used for Architectural and Engineering services for time and material items where necessary.
5. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Application Fee	\$1,491,380	\$1,560,000	\$1,560,000	\$4,382
Construction Loan Interest	\$4,723,561	\$4,800,000	\$4,800,000	\$13,483
Other: Investor Fees	\$0	\$460,000	\$460,000	\$1,292
Other: Retail Commissions	\$0	\$350,000	\$350,000	\$983
Total Financial Costs:	\$6,214,941	\$7,170,000	\$7,170,000	\$20,140
Dev. Costs before Acq., Dev. Fee & Reserves	\$101,413,626	\$104,115,000	\$101,673,168	\$285,599

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the LOI's for equity and construction and permanent financing and appear reasonable to AmeriNat.
2. The Construction Loan Interest is supported by the Construction Loan terms illustrated in the LOI's provided by the construction lenders, the duration of construction referenced in the Construction Contract and the resultant calculation completed by AmeriNat through the use of a construction draw schedule provided by the Applicant.
3. The remaining Financial Costs appear reasonable and are based on information provided by the Applicant showing a breakout of costs for fees associated with BACDC and Retail Commissions for leases of the commercial space (10 year leases and related leasing fees).

DEVELOPER FEE ON NON-ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Developer Fee - Unapportioned	\$4,550,647	\$4,200,000	\$4,200,000	\$11,798
Total Dev. Fee on Non-Acq. Costs (4.1%):	\$4,550,647	\$4,200,000	\$4,200,000	\$11,798

Notes to the Developer Fee on Non-Acquisition Costs:

1. The Developer Fee is based on the Applicant's budgeted amount.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land	\$14,035,000	\$14,035,000	\$14,035,000	\$39,424
Total Acquisition Costs:	\$14,035,000	\$14,035,000	\$14,035,000	\$39,424

Notes to Land Acquisition Costs:

1. The Applicant provided a Purchase & Sale Agreement ("P&SA") dated November 10, 2021 between Altis Cardinal Skyline 2, LLC, a related entity of the Applicant, and ABR Properties LLC, a Florida limited liability company, to purchase a master parcel of which the Development will occupy space on. The purchase price was \$40,000,000. A Special Warranty Deed, recorded December 16, 2021, reflects Altis Cardinal Skyline 2, LLC as the Grantee of the Development. A settlement statement for the land purchase was requested but not provided.
2. An Appraisal prepared by prepared by Colliers dated October 18, 2024 identified an "As Is" value for the vacant land of \$14,400,000 for the 4.562 acre portion associated with the Development. This yields a per unit valuation of \$35,910, which supports the \$35,000/unit amount used for underwriting purposes.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserves	\$389,810	\$850,000	\$850,000	\$2,388
Reserves - Working Capital	\$0	\$300,000	\$300,000	\$843
Total Reserve Accounts:	\$389,810	\$1,150,000	\$1,150,000	\$3,230

Notes to Reserve Accounts

1. Operating Deficit Reserve ("ODR") equates to approximately one month of operating expenses and debt service.
2. Working Capital is based on the Applicant's budgeted amount.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	\$120,389,083	\$123,500,000.15	\$121,058,168	\$340,051

Notes to Total Development Costs:

1. None

Section B

Supporting Information & Schedules

Additional Development & Third-Party Supplemental Information

Appraisal Summary:

Appraisal Summary Questions	Responses	Note
Appraisal Firm Name	Colliers International Valuation & Advisory Services	
Date of Report	2/18/2025	
Confirm certified and prepared for AmeriNat (Y/N)	N	
Date appraisers license expires (should be after report date)	11/30/2026	
Occupancy at Stabilization: Economic (%)	94.8%	
Occupancy at Stabilization: Physical (%)	95.2%	
Value: As Is market value of the land	\$14,400,000	
As of date and type of interest (as if vacant land)	2/8/2025	
Value: "As Complete and Stabilized", subject to unrestricted rents	\$140,300,000	
As of date and type of interest (unrestricted rents)	2/8/2025	
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	

Market Study Summary:

Market Study Summary Questions	Responses	Note
Market Study Firm Name	Colliers International Valuation & Advisory Services	
Date of Report	4/25/2025	
Confirm certified and prepared for AmeriNat (Y/N)	Y	
Absorption Rate	25 units per month	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application (Y/N)	Y	

Environmental Report Summary:

Environmental Report Summary Questions	Responses	Note
Preparer Firm Name	ECS Florida, LLC	
Date of Report	3/25/2025	
Type of Report	Phase I	
Confirm certified and prepared for AmeriNat (Y/N)	N	
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	N	
Is any further investigation required? (Y/N)	N	

Soils Test Report Summary:

Soils Test Report Summary Questions	Responses	Note
Preparer Firm Name	ECS Florida, LLC	
Date of Report	3/12/2024	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	

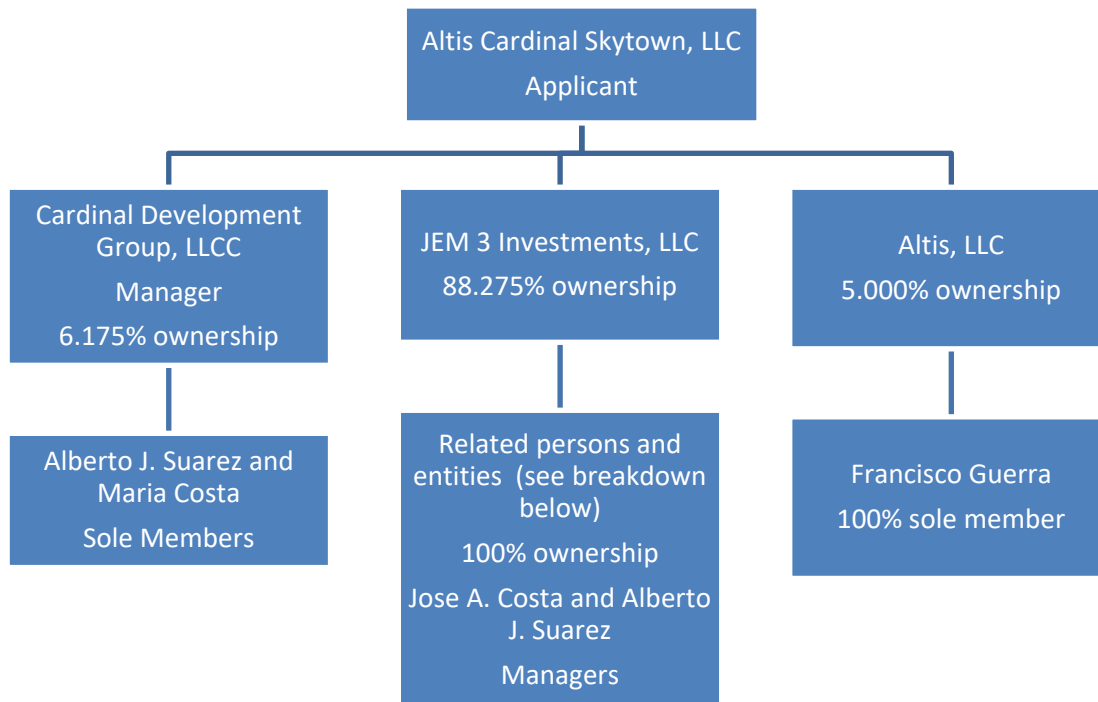
Plan & Cost Review Summary:

Plan & Cost Review (PCR) Summary Questions	Responses	Note
Preparer Firm Name	The Vertex Companies, Inc.	
Date of Report	5/2/2025	1.
Confirm certified and prepared for AmeriNat (Y/N)	Y	
Were all features and amenities present in the PCA report? (Y/N)	Y	
Is the GC Contract a Guaranteed Maximum Price Contract? (Y/N)	Y	
General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)	Y	
Cost per Unit	\$214,504	
Costs for Similar Type Developments (Include Range)	\$191,316 - \$534,669	
Is the Cost per Unit reasonable? (Y/N)	Y	
Construction schedule to substantial completion	1030 days	
Is the development timeline considered feasible? (Y/N)	Y	
Does the design conform with all applicable Florida Building and Design Codes? (Y/N)	Y	
Are the drawings and specifications satisfactory for completion and adherence to the scope of the project? (Y/N)	Y	

1. A final PCR is a condition precedent to loan closing.

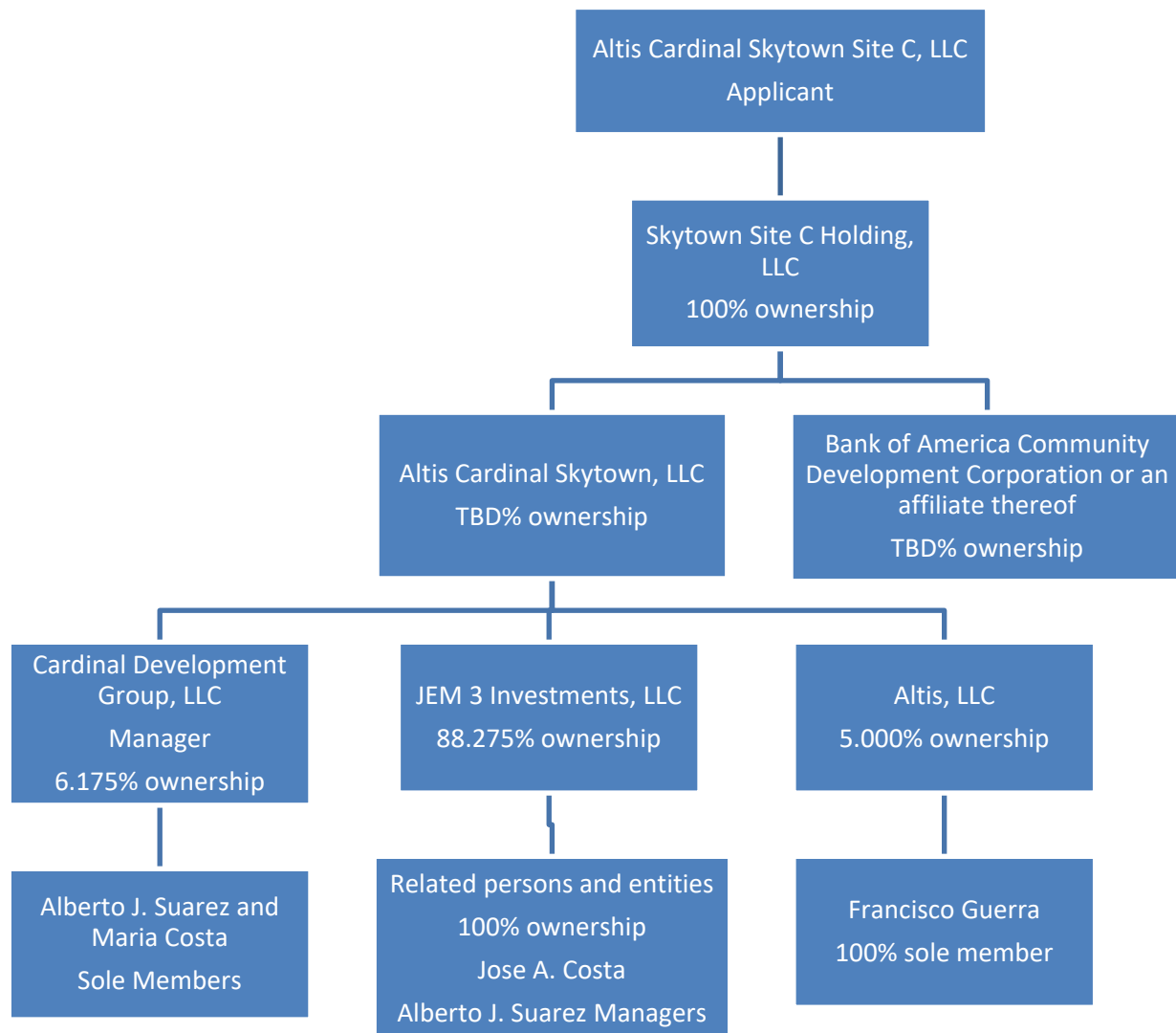
Applicant & Related Party Information

Current Borrower and Developer Org Chart:



JEM 3 Investments Ownership:

ECC 2012 Decedents' Trust	6.111%
Margie 2012 Decedents' Trust	6.8292%
MEC ECC Exempt Trust	1.5277%
JAC ECC Exempt Trust	0.7639%
ECC 2010 Decedents' Trust	5.3471%
Jose & Nicole Costa	13.455%
ECC Nonexempt Investments, LLC	1.5277%
MEC MCS Exempt Trust	6.111%
JAC MCS Exempt Trust	6.111%
Sansom St. Capital, LLC	7.6387%
JAC III NE Investments, LLC	13.7497%
Alberto J. Suarez and Maria Costa	11.3905%
MEC JAC III Exempt Trust	6.111%
St. Petersburg Costa, LLC	13.3263%

Proposed Borrower and Developer Org Chart:

The Applicant provided an unexecuted draft Operating Agreement which outlined the proposed partnership between BACDC and the Applicant. Actual ownership percentages were not yet agreed upon and are reflected as such in the proposed organizational chart shown above, inclusive of entities that have been proposed but not yet formed.

	AC Skytown Site C, LLC	JEM 3 Development, LLC	Cardinal Development Group, LLC	Altis, LLC	Francisco "Frank" Guerra	Alberto J. Suarez	Summit Contracting Group, Inc.	Management Company - TBD	Note
Relationship Type	Applicant	88.825% member of the Applicant	6.175% member of the Applicant	5.000% member of the Applicant	Sole member of Altis, LLC	Sole member of Cardinal Development Group, LLC	General Contractor	Property Manager	
Contact Person Name & Title	Frank Guerra Manager	Alberto J. Suarez Manager	Alberto J. Suarez Manager	Frank Guerra Manager			Bernard Cornelius Vice President	TBD	1.
Contact Information	901 Ponce de Leon Blvd. Ste 700 Coral Gables, FL 33134 fguerra@altiscardinal.com (305) 338-5232	901 Ponce de Leon Blvd. Ste 700 Coral Gables, FL 33134	901 Ponce de Leon Blvd. Ste 700 Coral Gables, FL 33134	901 Ponce de Leon Blvd. Ste 700 Coral Gables, FL 33134 fguerra@altiscardinal.com (305) 338-5232	901 Ponce de Leon Blvd. Ste 700 Coral Gables, FL 33134 fguerra@altiscardinal.com (305) 338-5232	901 Ponce de Leon Blvd. Ste 700 Coral Gables, FL 33134	7595 Bay Meadows Way Ste 100 Jacksonville, FL 32256	TBD	
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	N	N	N	N	N	N	N/A	N/A	
Does entity have the necessary experience?	Y	Y	Y	Y	Y	Y	Y	N/A	
Has a credit evaluation been completed and is it satisfactory?	Y	Y	Y	Y	Y	Y	Y; see note	N/A	2.
Have bank statements and/or trade references been received and reviewed and are they adequate?	Y	Y	Y	Y	Y	Y	N	N/A	3.
Have all financial statements been reviewed and are they adequate?	Y	Y	Y	Y	Y	Y	Y	N/A	
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	Y	Y	Y	Y	Y	Y	Y	N/A	
P&P Bond, or LOC, required and received from company adequately rated?							Y		
Have the Management Agreement and Plans been received, dated, and executed?								N	1.
Has the selection of the Management Company been approved by Pinellas County?								N	1.
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	Y	Y	Y	Y	Y	Y	Y	N/A	

1. The Applicant indicated that a property manager has not yet been chosen. The Applicant has been advised that selection of the property manager and all associated documents related thereto are subject to review and approval by Pinellas County.
2. The Dun and Bradstreet credit evaluation for the General Contractor returned three active lawsuits. AmeriNat requested and received acceptable background information on the lawsuits, as follows:
 - a. Brandi Thompson, as Personal Representative for the Estate of Randy William Thompson, V. Dave Anthony Dean, Robert's Diesel Site Prep, LLC, Novu Normandy Residences, LLC, Summit Contracting Group, Inc., and Taylor & White, Inc. – trial scheduled for 4/13/2026.

- b. Jamal Wilson v. Summit Contracting Group, Inc. et al – mediation scheduled for 5/7/25; results pending.
 - c. Navigators Specialty Insurance Company v. Summit Contracting Group, Inc. – plaintiff dismissed the case with prejudice on 9/1/2023.
3. The General Contractor declined to provide bank statements, citing a concern for privacy.

Skytown
Pinellas County
DESCRIPTION OF FEATURES AND AMENITIES

<u>Description</u>	<u>Area in s.f.</u>
<u>Interior</u>	
Main Lobby	1,120
Private Dining	602
Clubhouse	700
Game room	1,187
Package room	254
Co-work	1,586
Fitness Center 1	1,323
Fitness Center 2	1,816
<u>Exterior</u>	
Courtyad A	35,000
Pool	2,250
Courtyad B	12,000
dog park	
Fire pit	
Bbq area	

The Applicant indicated that no specific Features and Amenities are required as a condition for receiving the Penny for Pinellas funding. As such, they provided the items listed above based on the proposed scope of the Development.