
Pinellas County Housing & Community Development

Credit Underwriting Report (“CUR”)

Fairfield Avenue Apartments

Penny For Pinellas (“PFP”) Program

Section A: Report Summary

Section B: Supporting Information and Schedules

Prepared by

AmeriNat®

Final Report

October 21, 2025

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Supporting Information and Schedules

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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 \$12,400,000 to Fairfield Avenue Apartments, LLC ("Applicant") for the construction and permanent phase financing of Fairfield Avenue Apartments (the proposed "Development"). This recommendation is only valid for six months from the date of the report.

DEVELOPMENT & SET-ASIDES

Development Name: Fairfield Avenue Apartments

Address: 3200-3300 Fairfield Avenue

City: St. Petersburg Zip Code: 33712 County: Pinellas County Size: Large

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

Construction Type: Wood Frame Number of Stories: 5 & 6

Demographic Commitment:

Primary: Workforce for 100% of the Units

Buildings: Residential - 3 Non-Residential - 2

Parking: Parking Spaces - 297 Accessible Spaces - 16

Site Acreage: 6.92 Density: 38 units/acre Flood Zone Designation: X

Zoning: IT (Industrial Traditional) Flood Insurance Required?: No

Set Asides:	Program	% of Units	# of Units	% AMI	Term (Years)
	Penny for Pinellas	23%	53	50%	n/a
	Penny for Pinellas	25%	67	80%	n/a
	Penny for Pinellas	55%	144	120%	n/a

Prepared by: Kimberly A. Thorne, Senior Credit Underwriter

Kimberly A. Thorne

Reviewed by: Kyle Kuenn, Multifamily Chief Credit Underwriter

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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
1	1.0	36	628	50%			\$977			\$977	\$977	\$977		\$422,064
1	1.0	19	628	80%			\$1,564			\$1,564	\$1,564	\$1,564		\$356,592
1	1.0	19	628	120%			\$2,346			\$2,000	\$2,000	\$2,000		\$456,000
2	1.0	15	1,015	50%			\$1,173			\$1,173	\$1,173	\$1,173		\$211,140
2	1.0	43	1,015	80%			\$1,878			\$1,878	\$1,878	\$1,878		\$969,048
2	1.0	94	1,015	120%			\$2,817			\$2,450	\$2,450	\$2,450		\$2,763,600
2	2.0	10	1,030	120%			\$2,817			\$2,500	\$2,500	\$2,500		\$300,000
3	2.0	2	1,172	50%			\$1,356			\$1,356	\$1,356	\$1,356		\$32,544
3	2.0	5	1,172	80%			\$2,170			\$2,170	\$2,170	\$2,170		\$130,200
3	2.0	21	1,243	120%			\$3,255			\$3,255	\$3,255	\$3,255		\$820,260
		264	245,359											6,461,448

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																
Gross Potential Rental Income	\$6,461,448	\$24,475	\$6,590,677	\$6,722,490	\$6,856,940	\$6,994,079	\$7,133,961	\$7,276,640	\$7,422,173	\$7,570,616	\$7,722,028	\$7,876,469	\$8,033,998	\$8,194,678	\$8,358,572	\$8,525,743
Other Income: (2.45%)																
Miscellaneous	\$158,400	\$600	\$161,568	\$164,799	\$168,095	\$171,457	\$174,886	\$178,384	\$181,952	\$185,591	\$189,303	\$193,089	\$196,950	\$200,890	\$204,907	\$209,005
Gross Potential Income	\$6,619,848	\$25,075	\$6,752,245	\$6,887,290	\$7,025,036	\$7,165,536	\$7,308,847	\$7,455,024	\$7,604,125	\$7,756,207	\$7,911,331	\$8,069,558	\$8,230,949	\$8,395,568	\$8,563,479	\$8,734,749
Less:																
Economic Loss Percentage: 2.00%	\$132,397	\$502	\$135,045	\$137,746	\$140,501	\$143,311	\$146,177	\$149,100	\$152,082	\$155,124	\$158,227	\$161,391	\$164,619	\$167,911	\$171,270	\$174,695
Physical Vac. Loss Percentage: 3.00%	\$198,595	\$752	\$202,567	\$206,619	\$210,751	\$214,966	\$219,265	\$223,651	\$228,124	\$232,686	\$237,340	\$242,087	\$246,928	\$251,867	\$256,904	\$262,042
Total Effective Gross Income	\$6,288,856	\$23,821	\$6,414,633	\$6,542,925	\$6,673,784	\$6,807,260	\$6,943,405	\$7,082,273	\$7,223,918	\$7,368,397	\$7,515,765	\$7,666,080	\$7,819,401	\$7,975,790	\$8,135,305	\$8,298,011
Annual Escalation Rate (Income): 2.00%																
Fixed:																
Ground Lease	\$107,265	\$406	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265	\$107,265
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	\$196,680	\$745	\$202,580	\$208,658	\$214,918	\$221,365	\$228,006	\$234,846	\$241,892	\$249,148	\$256,623	\$264,321	\$272,251	\$280,419	\$288,831	\$297,496
Variable:																
Management Fee Percentage: 3.54%	\$222,649	\$843	\$227,102	\$231,644	\$236,277	\$241,002	\$245,822	\$250,739	\$255,754	\$260,869	\$266,086	\$271,408	\$276,836	\$282,373	\$288,020	\$293,781
General and Administrative	\$79,200	\$300	\$81,576	\$84,023	\$86,544	\$89,140	\$91,815	\$94,569	\$97,406	\$100,328	\$103,338	\$106,438	\$109,631	\$112,920	\$116,308	\$119,797
Payroll Expenses	\$396,000	\$1,500	\$407,880	\$420,116	\$432,720	\$445,701	\$459,073	\$472,845	\$487,030	\$501,641	\$516,690	\$532,191	\$548,157	\$564,601	\$581,539	\$598,986
Utilities	\$145,200	\$550	\$149,556	\$154,043	\$158,664	\$163,424	\$168,327	\$173,376	\$178,578	\$183,935	\$189,453	\$195,137	\$200,991	\$207,020	\$213,231	\$219,628
Marketing and Advertising	\$13,200	\$50	\$13,956	\$14,004	\$14,424	\$14,857	\$15,302	\$15,761	\$16,234	\$16,721	\$17,223	\$17,740	\$18,272	\$18,820	\$19,385	\$19,966
Maintenance and Repairs/Pest Control	\$184,800	\$700	\$190,344	\$196,054	\$201,936	\$207,994	\$214,234	\$220,661	\$227,281	\$234,099	\$241,122	\$248,356	\$255,806	\$263,481	\$271,385	\$279,527
Reserve for Replacements	\$79,200	\$300	\$79,200	\$79,200	\$79,200	\$79,200	\$79,200	\$79,200	\$79,200	\$79,200	\$81,576	\$84,023	\$86,544	\$89,140	\$91,815	
Total Expenses	\$1,424,194	\$5,395	\$1,459,099	\$1,495,007	\$1,531,947	\$1,569,949	\$1,609,043	\$1,649,263	\$1,690,639	\$1,733,207	\$1,777,000	\$1,824,432	\$1,873,232	\$1,923,443	\$1,975,105	\$2,028,260
Annual Escalation Rate (Expenses): 3.00%																
Net Operating Income	\$4,864,662	\$18,427	\$4,955,533	\$5,047,918	\$5,141,837	\$5,237,311	\$5,334,361	\$5,433,010	\$5,533,279	\$5,635,190	\$5,738,764	\$5,841,648	\$5,946,169	\$6,052,346	\$6,160,201	\$6,269,752
Debt Service Payments																
First Mortgage - Highland/HUD 221(d)(4)	\$4,397,382	\$16,657	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382
Second Mortgage - Pinellas County HCD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage - City of St. Petersburg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
First Mortgage Fees - Highland/HUD 221(d)(4)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Fees - Pinellas County HCD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Mortgage Fees - City of St. Petersburg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Payments	\$4,397,382	\$16,657	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382	\$4,397,382
Cash Flow after Debt Service	\$467,280	\$1,770	\$558,152	\$650,536	\$744,455	\$839,929	\$936,980	\$1,035,629	\$1,135,898	\$1,237,808	\$1,341,383	\$1,444,267	\$1,548,787	\$1,654,965	\$1,762,819	\$1,872,370
Debt Service Coverage Ratios																
DSC - First Mortgage plus Fees	1.11x		1.13x	1.15x	1.17x	1.19x	1.21x	1.24x	1.26x	1.28x	1.31x	1.33x	1.35x	1.38x	1.40x	1.43x
DSC - Second Mortgage plus Fees	1.11x		1.13x	1.15x	1.17x	1.19x	1.21x	1.24x	1.26x	1.28x	1.31x	1.33x	1.35x	1.38x	1.40x	1.43x
DSC - Third Mortgage plus Fees	1.11x		1.13x	1.15x	1.17x	1.19x	1.21x	1.24x	1.26x	1.28x	1.31x	1.33x	1.35x	1.38x	1.40x	1.43x
DSC - All Mortgages and Fees	1.11x		1.13x	1.15x	1.17x	1.19x	1.21x	1.24x	1.26x	1.28x	1.31x	1.33x	1.35x	1.38x	1.40x	1.43x
Financial Ratios																
Operating Expense Ratio	22.65%		22.75%	22.85%	22.95%	23.06%	23.17%	23.29%	23.40%	23.52%	23.64%	23.80%	23.96%	24.12%	24.28%	24.44%
Break-even Econ Occup Ratio (all debt)	88.12%		86.91%	85.73%	84.58%	83.46%	82.36%	81.29%	80.24%	79.22%	78.22%	77.28%	76.36%	75.46%	74.59%	73.74%
Break-even Econ Occup Ratio (must pay debt)	88.12%		86.91%	85.73%	84.58%	83.46%	82.36%	81.29%	80.24%	79.22%	78.22%	77.28%	76.36%	75.46%	74.59%	73.74%

Notes to the Operating Pro forma and Ratios:

1. The Development will be providing 264 units at 50%, 80% and 120% or less of AMI based on the HUD 2025 income/rent limits, in conjunction with the Penny for Pinellas funding which will impose rent restrictions. 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 4.00% total economic vacancy rate and collection loss was concluded by the appraisal; however, for underwriting purposes, a 5.00% total economic vacancy rate and collection loss was utilized.
3. Miscellaneous Income includes appraisal estimates related to late fees, application fees, transfer fees, and pet deposits.
4. The Development will be placed under a 99-year ground lease with the Housing Finance Authority of Pinellas County as Trustee of the Pinellas County Land Assembly Trust – Fairfield Avenue Apartments to allow the proposed rent restricted multifamily use. Based on HUD requirements, the land lease payments must stay static over the 99-year period. The average fair market value over the 99-year period provides for total annual payments of \$107,625.
5. Florida Statute 196.1978 1(a), properties that meet certain low-income housing criteria and owned by a nonprofit entity that is a corporation not for profit, qualified as charitable under s. 501(c)(3) of the Internal Revenue Code are exempt from ad valorem taxation. Based on the appraiser's analysis, the Development is eligible for this discount and will benefit from it upon completion. The discount can be renewed annually after compliance audits are performed. No costs are associated with renewing each year. The discount will be applied as a 100% reduction on the assessed value to those portions of the affordable housing property, and applied to all standard millage rates, including public school levies. Non-ad valorem taxes will be due in full, with no discount applied. The appraiser concluded \$0 in Real Estate Taxes.
6. AmeriNat utilized an estimate of \$196,680 for insurance, which is consistent with the appraisal.
7. The appraiser noted a 3.54% management fee, which is consistent with the fee of 3.50% provided in the Management Agreement.
8. Replacement Reserves are budgeted at \$300 per unit per year, which is consistent with industry standards.
9. Based upon an estimated Net Operating Income ("NOI") of \$4,864,662 for the proposed Development's initial year of stabilized operations, the first mortgage loan, including an MIP Fee of 0.35%, can be supported by operations at a 1.11x to 1.00 DSC, with all debt and fees supported by operations at a 1.11x to 1.00 DSC.

Financing Overview

CONSTRUCTION FINANCING INFORMATION					
	1st Source	2nd Source	3rd Source	5th Source	Totals
Lien Position	First	Second	Third	Fifth	
Source	Reg. Mtg Lender	Local Gov. Subsidy	Local Gov. Subsidy	Other	
Lender/Grantor	Highland/HUD 221(d)(4)	Pinellas County HCD	City of St. Petersburg, Florida	Sponsor's Equity	
Construction Amount	\$63,830,500	\$12,400,000	\$9,700,000	\$7,262,933	\$93,193,433
All In Interest Rate	5.99%	0.00%	0.00%		
Debt Service During Construction	\$3,504,826	\$0	\$0		

See below for the terms of all Sources.

PERMANENT FINANCING INFORMATION					
Lien Position	First	Second	Third	Fourth	Totals
Source	Reg. Mtg Lender	Local Gov. Subsidy	Local Gov. Subsidy	Other	
Lender/Grantor	Highland/HUD 221(d)(4)	Pinellas County HCD	City of St. Petersburg, Florida	Sponsor's Equity	
Permanent Amount	\$63,830,500	\$12,400,000	\$9,700,000	\$7,262,933	\$93,193,433
Permanent Funding Per Unit	\$241,782	\$46,970	\$36,742	\$27,511	\$353,005
% of Permanent Funding	68.5%	13.3%	10.4%	7.8%	100.0%
Underwritten Interest Rate	5.99%	0.00%	0.00%		
All In Interest Rate	5.99%	0.00%	0.00%		
Loan Term	40	30	30		
Amortization	40	0	0		
Must Pay or Cash Flow Dependent	Must-Pay				
Permanent Debt Service, No Fees	\$4,397,382	\$0	\$0		\$4,397,382
Permanent Debt Service, with Fees	\$4,397,382	\$0	\$0		\$4,397,382
Debt Service Coverage, with Fees	1.11x	1.11x	1.11x		
Operating Deficit & Debt Service Reserves	\$2,216,259				
# of Months covered by the Reserves	4.6				
Restricted Market Financing LTV	575.05%	686.76%	774.15%	839.58%	
Loan to Cost - Cumulative	68.49%	81.80%	92.21%	100.00%	

Proposed First Mortgage - HUD

In accordance with the terms and conditions of the Firm Commitment issued on August 5, 2025 by the U.S. Department of Housing and Urban Development ("HUD") to Highland Commercial Mortgage, LLC ("Highland" or "Mortgagee") for FHA insurance under Section 221(d)(4) of the National Housing Act, and the Rate Lock Authorization dated August 6, 2025. Highland shall issue and sell GNMA Mortgage-Backed Securities in order to provide funding for the Mortgage Loan, subject to the following rates, terms and conditions:

Loan Amount: \$61,881,900

Permanent Loan Term: 40 Years (480 months total) fully amortizing or as determined by HUD

Construction Loan Term: 20+2 months following Initial Endorsement or Early Start Date

Permanent Interest Rate: 5.99%

Annual Construction Interest Rate: 5.99%

Annual MIP Percentage Rate: 0.35%

There is a 5% variable of the initial loan amount, and the Applicant anticipates a first mortgage loan amount of \$63,830,500 as underwritten. For HUD-insured mortgages, it is standard practice to lock the interest rate upon receipt of the Firm Commitment and subsequently submit an amendment request to HUD to adjust the loan amount accordingly.

Proposed Second Mortgage - Penny for Pinellas

The Applicant provided a proposal from PCHCD dated November 8, 2023 wherein the Development would receive a total amount not to exceed \$12,400,000 in Penny for Pinellas to include \$6,200,000 for land acquisition plus closing costs to be placed in the Land Trust with the Trustee, the HFA of Pinellas County and \$6,200,000 for construction costs of the Development. Terms of the loan include an interest rate of 0.00% and a 30-year term. The construction loan will be non-amortizing with loan forgiveness provided at the end of the term at the sole discretion of the County once it has been determined that all affordability requirements have been satisfied.

Additionally, the proposal stipulates that 53 units must serve households earning less than 50% AMI, 67 units for households below 80% AMI and 144 units for households below 120% AMI.

Proposed Third Mortgage – City of St. Petersburg

The Applicant provided summary term sheet, dated November 13, 2023, from the City of St. Petersburg (the “City”) whereby the City will provide \$9,700,000 of South St. Petersburg Redevelopment District Fund (1104) to the Development. The term sheet expired on 12/31/23. Terms include a zero percent (0.00%) interest rate per annum, the loan will be deferred and then forgiven at the end of 30 years if terms of the agreement are met. The 264 units shall be designated per the Declaration of Restrictions for a period of 30 years. There is no pre-payment penalty.

The Applicant also provided a draft Funding Agreement between the Applicant and the City of St. Petersburg (the “City”) wherein the City will provide a loan in the amount of \$9,700,000 from the City’s Affordable Housing Redevelopment Loan Program for the benefit of the Development. Terms and conditions were not provided in the Funding Agreement. Receipt of a fully executed Funding Agreement reflecting similar or improved terms as underwritten, is a condition to close.

Proposed Fourth Source – Sponsor's Equity

The Sponsor's Equity will be used to provide financial support to the successful construction and completion of the Development. A Certification for Sponsor's Continuing Commitment was provided by the Brandes Family Trusts in the amount up to \$8,500,000 and dated June 5, 2025. Also provided was a letter dated June 5, 2025 from BNY Wealth confirming the Brandes Family has access to at least \$8,500,000.

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?	1	
Are all funding sources the same as shown in the Application?		2
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?		3
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?		4

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

1. Since the time of Application, the organization structure has changed for the Applicant with the removal of minority members with 3.00% or less ownership in the Applicant. See page B-3 for the updated organization chart.
2. Per the Application for funding submitted to HUD, the first mortgage amount increased from \$61,881,900 to \$63,830,500. The Sponsor's Equity has increased from \$4,220,061 to \$7,262,933.
3. Total Development Costs ("TDC") increased from \$91,547,000 to \$93,193,433 for a difference of \$1,646,433 since the time of application due to increases in General Development, Financial Costs, and Reserves.
4. Since the time of Application, the unit mix has changed as follows:

From

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%
1	1.0	36	628	50%
1	1.0	19	628	80%
1	1.0	19	628	120%
2	1.0	15	1,015	50%
2	1.0	43	1,015	80%
2	1.0	95	1,015	120%
2	2.0	10	1,030	120%
3	2.0	2	1,172	50%
3	2.0	5	1,172	80%
3	2.0	20	1,243	120%
		264	245,131	

To

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%
1	1.0	36	628	50%
1	1.0	19	628	80%
1	1.0	19	628	120%
2	1.0	15	1,015	50%
2	1.0	43	1,015	80%
2	1.0	94	1,015	120%
2	2.0	10	1,030	120%
3	2.0	2	1,172	50%
3	2.0	5	1,172	80%
3	2.0	21	1,243	120%
		264	245,359	

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 ValueTech Realty Services, Inc. ("ValueTech") dated April 22, 2025, concludes the Development's location is suitable for multifamily development with access to the adjacent Pinellas Trail. The location is near Pinellas Technical College along U.S. Highway 19. U.S. Highway 19 is a primary commercial corridor that traverses in a north-south direction linking to a variety of employment and recreational centers. Due to a scarcity of vacant land that can accommodate apartment development, the Development's neighborhood has limited new opportunities. Income-restricted properties in the Development's primary market area average 97.6% occupancy. Demand levels exceed supply, indicating the Development will have long-term sustainability.

Other Considerations:

None

Issues and Concerns:

None

Additional Information:

Items needed as a condition to closing:

- 1) Final, executed GC Contract to be issued post-closing
- 2) Amended Commitment from HUD increasing the first mortgage loan amount
- 3) Fully executed Funding Agreement from the City of St. Petersburg reflecting terms and conditions similar or improved as underwritten
- 4) A fully executed Management Agreement

Uses of Funds

CONSTRUCTION COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Demolition	\$146,000	\$0	\$0	\$0
New Rental Units	\$57,679,000	\$56,135,509	\$56,135,508	\$212,635
Site Work	\$4,760,000	\$5,914,294	\$5,914,294	\$22,403
Constr. Contr. Costs subject to GC Fee	\$62,585,000	\$62,049,803	\$62,049,802	\$235,037
General Conditions (6.5%)	\$4,787,000	\$4,033,237	\$4,033,237	\$15,277
Overhead (2.1%)	\$0	\$1,321,661	\$1,321,661	\$5,006
Profit (5.6%)	\$2,985,000	\$3,485,277	\$3,485,277	\$13,202
General Liability Insurance	\$0	\$1,097,444	\$1,097,444	\$4,157
Payment and Performance Bonds	\$0	\$528,300	\$528,300	\$2,001
Total Construction Contract/Costs	\$70,357,000	\$72,515,722	\$72,515,721	\$274,681
Hard Cost Contingency (0.0%)	\$1,005,000	\$0	\$0	\$0
PnP Bond paid outside Constr. Contr.	\$1,175,000	\$0	\$0	\$0
FF&E paid outside Constr. Contr.	\$100,000	\$82,750	\$82,750	\$313
Other: Subcontractor Default Insurance	\$528,000	\$645,792	\$645,793	\$2,446
Other: Demolition	\$0	\$205,000	\$205,000	\$777
Total Construction Costs:	\$73,165,000	\$73,449,264	\$73,449,264	\$278,217

Notes to Actual Construction Costs:

1. An unexecuted and undated US Department of Housing and Urban Development Lump Sum Construction Contract (the “Construction Contract”) between Kast Construction Company Florida, LLC and the Applicant has been provided. Exhibit D-Schedule of Values was included in the Construction Contract reflecting the total construction costs at \$73,161,514, which includes the Subcontractor Default Insurance cost. The construction completion date is not included; however, the Plan & Cost Review indicates a 596-day completion from the date of commencement. The Construction Contract indicates the existing standard of 10% retainage will be required only until 50% completion. After 50% completion, the retainage may be reduced to 5% until 75% completion and then may be reduced to 2.5% retainage until the loan reaches Final Endorsement. A fully executed Construction Contract is a condition to post-closing.
2. Dominion Due Diligence Group (“DDDG”), the construction consultant retained to complete a Plan & Cost review of the Development, did not note any allowances.
3. No Hard Cost Contingency was listed in the Construction Contract or the Applicant’s budget. HUD doesn’t allow a budgeted contingency on new construction projects. However, there is a required Working Capital Escrow that is equal to 4% of the loan amount, half of which (or 2%) is used as new construction contingency to fund HUD approved change orders, construction cost overruns and other cost overruns not caused by the General Contractor.
4. A Payment and Performance Bond will be provided and the cost is reflected in the Schedule of Values.

GENERAL DEVELOPMENT COSTS:	Applicant Costs	Revised	Underwriters Total	Cost Per Unit
		Applicant Costs	Costs - CUR	
Accounting Fees	\$0	\$15,000	\$15,000	\$57
Appraisal	\$25,000	\$27,000	\$27,000	\$102
Architect's Fees	\$996,000	\$1,225,735	\$1,225,735	\$4,643
Builder's Risk Insurance	\$300,000	\$295,000	\$295,000	\$1,117
Building Permits	\$400,000	\$252,000	\$252,000	\$955
Engineering Fees	\$175,000	\$0	\$175,000	\$663
Environmental Report	\$30,000	\$13,300	\$13,300	\$50
Impact Fee	\$0	\$245,000	\$245,000	\$928
Insurance	\$0	\$5,466	\$5,466	\$21
Legal Fees - Organizational Costs	\$0	\$50,000	\$50,000	\$189
Lender Inspection Fees / Const Admin	\$0	\$319,153	\$319,153	\$1,209
Market Study	\$25,000	\$26,700	\$26,700	\$101
Plan and Cost Review Analysis	\$0	\$19,000	\$19,000	\$72
Soil Test	\$0	\$11,860	\$11,860	\$45
Survey	\$20,000	\$0	\$0	\$0
Title Insurance and Recording Fees	\$54,000	\$159,576	\$159,576	\$604
Soft Cost Contingency (0.0%)	\$0	\$0	\$0	\$0
Other: Other Fees	\$885,000	\$0	\$0	\$0
Other: Zoning	\$50,000	\$0	\$0	\$0
Other: Consultants	\$0	\$1,058,643	\$883,643	\$3,347
Other: Site Plan & Site Plan Review	\$0	\$89,000	\$89,000	\$337
Other: Asbestos Abatement	\$0	\$53,160	\$53,160	\$201
Total General Development Costs:	\$2,960,000	\$3,865,593	\$3,865,593	\$14,642

Notes to the General Development Costs:

1. Impact Fees were provided by the Applicant and are an estimate.
2. No Soft Cost Contingency was listed in the Applicant's development budget. HUD doesn't allow a budgeted contingency on new construction projects. However, there is a required Working Capital Escrow that is equal to 4% of the loan amount, half of which (or 2%) is used as new construction contingency to fund HUD approved change orders, construction cost overruns and other cost overruns not caused by the General Contractor.
3. 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.
4. The remaining general development costs appear reasonable.

FINANCIAL COSTS:	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Construction Loan Commitment Fee	\$0	\$638,305	\$638,305	\$2,418
Construction Loan Interest	\$0	\$3,504,826	\$3,504,826	\$13,276
Legal Fees - Financing Costs	\$62,000	\$0	\$0	\$0
Placement Agent/Underwriter Fee	\$0	\$159,576	\$159,576	\$604
FHA MIP (Prepayment)	\$0	\$446,814	\$446,814	\$1,692
FHA Exam Fee	\$0	\$127,661	\$127,661	\$484
Other: Financing & Other Carrying Costs	\$4,770,000	\$0	\$0	\$0
Other: HUD Reopening Fee	\$0	\$31,915	\$31,915	\$121
Total Financial Costs:	\$4,832,000	\$4,909,097	\$4,909,097	\$18,595
Dev. Costs before Acq., Dev. Fee & Reserves	\$80,957,000	\$82,223,954	\$82,223,954	\$311,454

Notes to the Financial Costs

1. Financial costs were derived from the representations illustrated in the LOI's for the 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.

LAND ACQUISITION COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Land Acquisition Cost	\$6,200,000	\$6,200,000	\$6,200,000	\$23,485
Total Acquisition Costs:	\$6,200,000	\$6,200,000	\$6,200,000	\$23,485

Notes to Land Acquisition Costs:

1. The Applicant provided a Commercial Contract ("Contract") dated April 10, 2024 between the Applicant and Mirror Lake Reflection, LLC to purchase the land for the Development. The purchase price was \$6,200,000 with a closing date on or June 30, 2025. Two Extension Addendum to Contracts were provided extending the closing date to on or before October 31, 2025.
2. The Applicant will execute a sale lease back with Pinellas County for \$6,200,000. The ground lease will be for 99 years with an annual lease payment of \$107,265 per year.
3. An Appraisal prepared by Dohring Ahern Appraisal-Brokerage dated September 12, 2025, identified an "As Is" value for the vacant land of \$6,200,000.

RESERVE ACCOUNTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
Operating Deficit Reserves	\$4,390,000	\$2,216,259	\$2,216,259	\$8,395
Reserves - Working Capital	\$0	\$2,553,220	\$2,553,220	\$9,671
Total Reserve Accounts:	\$4,390,000	\$4,769,479	\$4,769,479	\$18,066

Notes to Reserve Accounts

1. Operating Deficit Reserve (“ODR”) equates to approximately five months of operating expenses and debt service.
2. Working Capital Escrow is a requirement of HUD and is equal to approximately 4.00% of the loan amount.

TOTAL DEVELOPMENT COSTS	Applicant Costs	Revised Applicant Costs	Underwriters Total Costs - CUR	Cost Per Unit
TOTAL DEVELOPMENT COSTS:	\$91,547,000	\$93,193,433	\$93,193,433	\$353,005

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	Dohring Ahern Appraisal-Brokerage	
Date of Report	9/12/2025	
Date appraisers license expires (should be after report date)	11/30/2026	
Occupancy at Stabilization: Economic (%)	98.0%	1.
Occupancy at Stabilization: Physical (%)	95.0%	1.
Value: As Is market value of the land	\$6,200,000	2.
As of date and type of interest (as if vacant land)	9/9/2025 (Fee Simple)	
Value: "As Complete and Stabilized", subject to restricted rents	\$11,100,000	1.
As of date and type of interest (restricted rents)	4/12/2025 (Leasehold)	
Does the As Is value of land or land & improvements to be acquired support the acquisition cost? (Y/N)	Y	

- BBG Real Estate Services provided a HUD appraisal, dated May 29, 2025, for the Development value and pro forma.
- Dohring Ahern Appraisal-Brokerage provided an appraisal, dated September 12, 2025, for the land value only.

Market Study Summary:

Market Study Summary Questions	Responses	Note
Market Study Firm Name	ValueTech Realty Services, Inc.	
Date of Report	8/21/2025	
Absorption Rate	20 units per month	
Will the development achieve maximum allowable HC Rents? (Y/N)	Y	
Does market exist to support both the demographic and income restriction set-asides committed to in the Application or as approved by FHFC or the Board? (Y/N)	Y	

Environmental Report Summary:

Environmental Report Summary Questions	Responses	Note
Preparer Firm Name	Dominion Due Diligence Group	
Date of Report	5/31/2023	
Type of Report	Phase I	
Were any Recognized Environmental Conditions (RECs) noted? (Y/N)	N	1.
Is any further investigation required? (Y/N)	N	

- The report recommended an AMC report based on the buildings on the property. Per the Developer, the buildings have since been removed. Therefore, the AMC is not necessary.

Soils Test Report Summary:

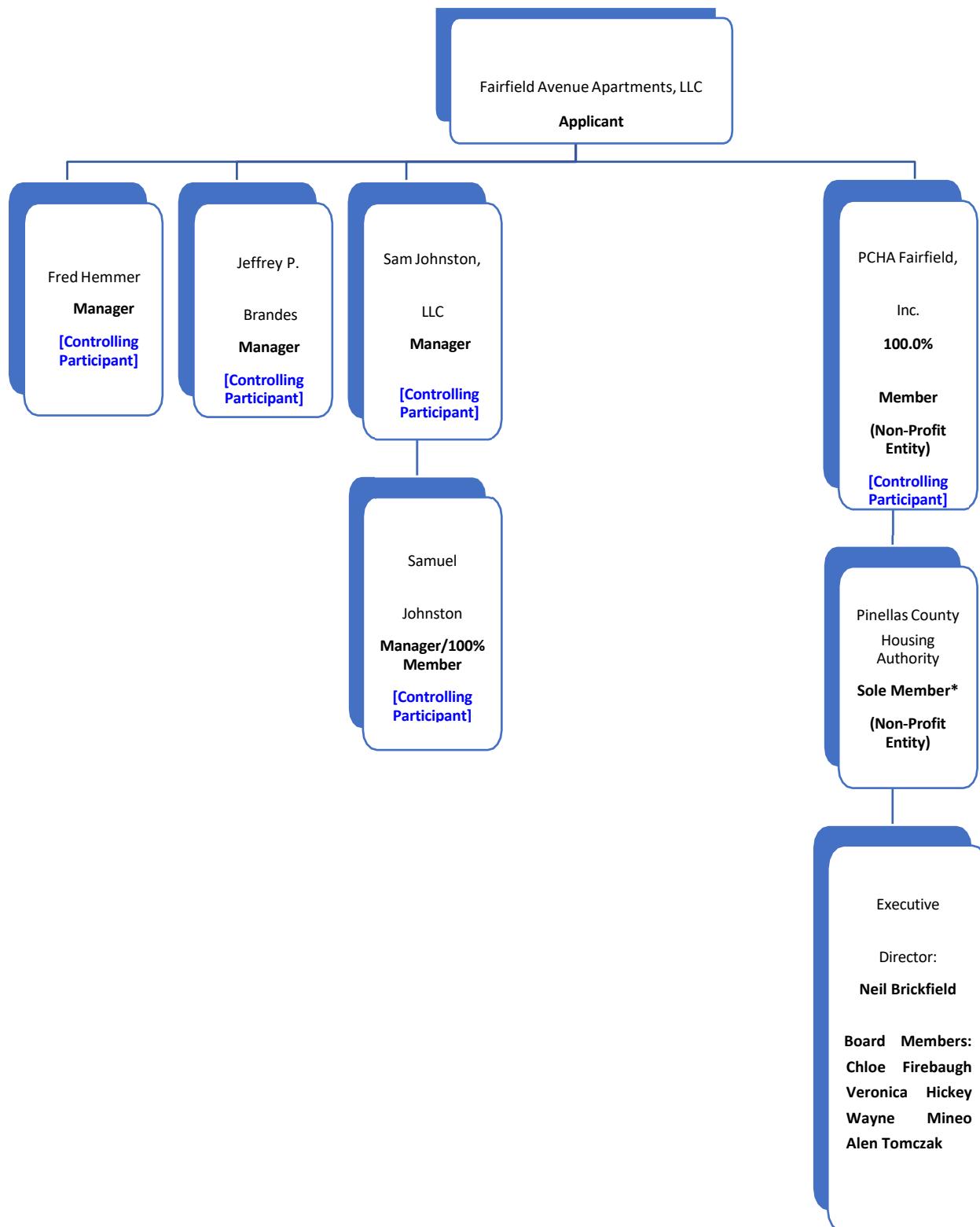
Soils Test Report Summary Questions	Responses	Note
Preparer Firm Name	Central Florida Test Laboratories, Inc.	
Date of Report	8/1/2022	
Did the engineer provide recommendations for site prep, foundation, stormwater, and pavement that would make the site suitable for the proposed development? (Y/N)	Y	
Were recommendations outlined consistent with Structural/Engineering Drawings? (Y/N)	Y	

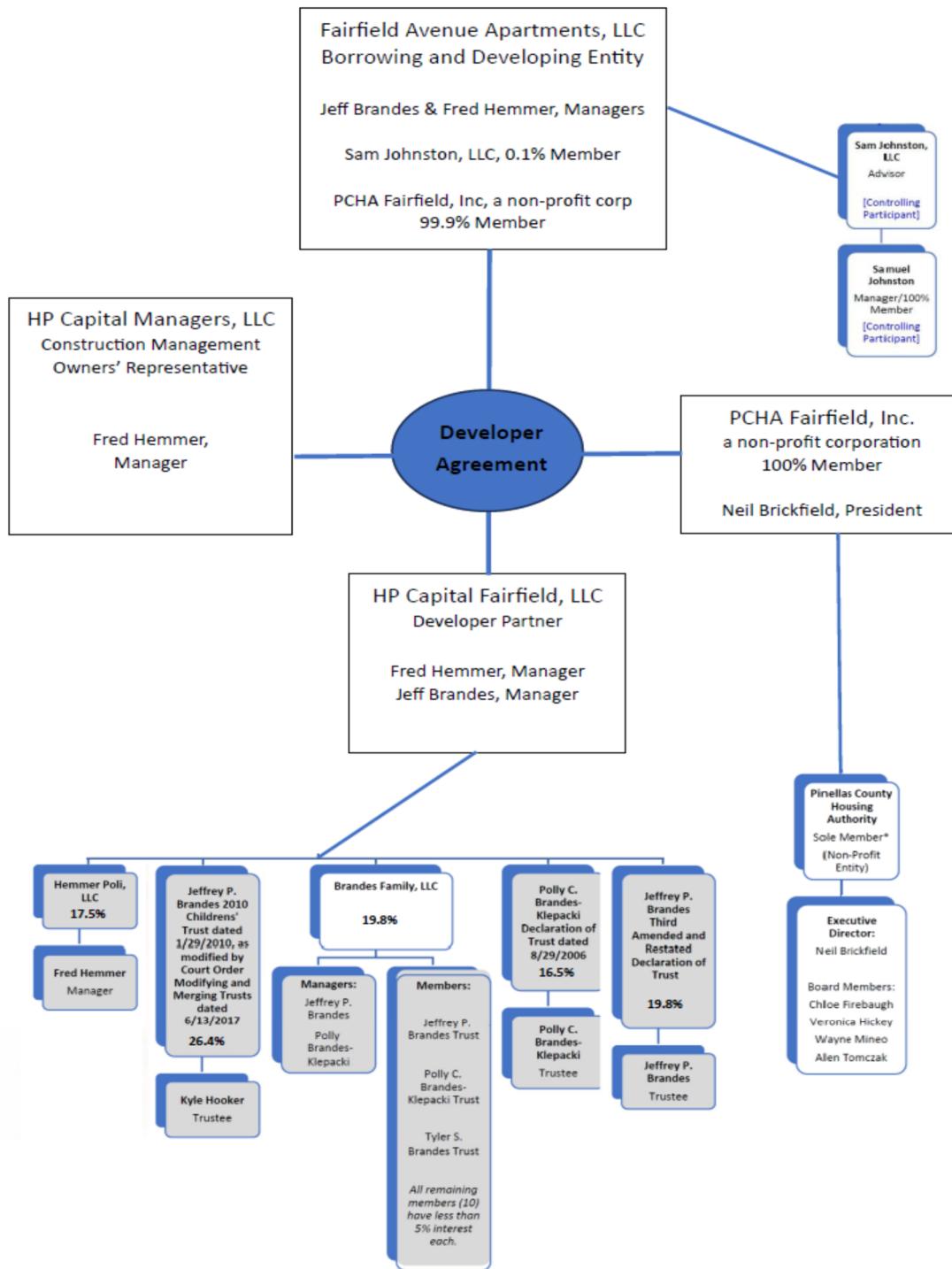
Plan & Cost Review Summary:

Plan and Cost Report (PCR) Summary Questions	Responses	Note
Preparer Firm Name	Dominion Due Diligence Group	
Date of Report	11/20/23 & 6/10/2025	
General Contract (GC Contract) Amount (PCA should match GC Contract)(\$)	Y (\$73,161,514)	
Cost per Unit	\$277,127	
Is the Cost per Unit reasonable? (Y/N)	Y	
Construction schedule to substantial completion	Y	
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	

Applicant & Related Party Information

Current Borrower and Developer Org Chart:



Proposed Borrower and Developer Org Chart:

	Fairfield Avenue Apartments, LLC	PCHA Fairfield, Inc.	Pinellas County Housing Authority	Sam Johnston, LLC	Samuel Johnston	Jeffrey P. Brandes	Fred Hemmer	HP Capital Fairfield, LLC	Kast Construction	Arbour Valley Management, LLC	Note
Relationship Type	Applicant	100% Member of Applicant	Sole Member of PCHA	Controlling Participant	Controlling Participant	Controlling Participant	Controlling Participant	Developer	General Contractor	Management Company	
Contact Person Name & Title	Jeff Brandes, Fred Hemmer & Angelo Cappelli		Neil Brickfield, Executive Director					Jeff Brandes, Fred Hemmer & Angelo Cappelli	Kristin Retetagos, SVP	Stephanie Tinney, President	
Contact Information	9800 – 4th Street N., Suite 200 St. Petersburg, FL 33702 727-735-1711 hpcapitalgroup.com		11479 Ulmerton Road, Largo FL 33778 727-443-7684 nbrickfield@pinellashousing.com					9800 – 4th Street N., Suite 200 St. Petersburg, FL 33702 727-735-1711 hpcapitalgroup.com	3615 Bromley Grand Ave STE 210 Tampa, FL 33607 813-421-7373 kretetagos@kastbuild.com	242 Inverness Center Drive Birmingham, Alabama 35242 205-909-0061	
Are Construction Completion, Operating Deficit, Environmental Indemnity and Recourse Obligations required to be signed?	N	N	N	N	N	N	N	N			
Does entity have the necessary experience?	Pass Thru	Y	Y	Pass Thru	Y	Y	Y	Y	Y	Y	
Has a credit evaluation been completed and is it satisfactory?	Y	Y	Y	Y	Y	Y	Y	Y	Y		1.
Have bank statements and/or trade references been received and reviewed and are they adequate?	Pass Thru	Pass Thru	Y	Pass Thru	Y	Y	Y	Pass Thru	Y		
Have all financial statements been reviewed and are they adequate?	Pass Thru	Pass Thru	Y	Pass Thru	Y	Y	Y	Pass Thru	Y		
Have a Statements of Financial & Credit Affairs been reviewed for contingent liabilities?	Y	Y	Y	Y	Y	Y	Y	Y			
P&P Bond, or LOC, required and received from company adequately rated as required by Rule?									Closing Item		
Have the Management Agreement and Plans been received, dated, and executed?										N	2.
Does the entity have the relevant experience and possess the financial wherewithal to successfully construct and operate the Development as proposed?	Pass Thru	Y	Y	Pass Thru	Y	Y	Y	Pass Thru	Y	Y	

1. The Dun and Bradstreet credit evaluation for the General Contractor returned one active lawsuit. Kast stated its defense is being paid for by the insurance company and any settlement, if necessary, will be as well. Kast stated it does not have any exposure on this claim.
2. The Property Management Agreement is not executed. A fully executed Agreement is a condition to close.

Fairfield Avenue Apartments
Pinellas County
DESCRIPTION OF FEATURES AND AMENITIES

The amenities package at Fairfield Avenue Apartments consists of a community room with kitchen, TV, chairs, tables, and a bar/serving area, on-site management, playground, pool with splash zone, fitness center, gazebos and grilling stations outside each building, bike storage, bike repair shop, and a computer lab in each building. The residents will have direct access to Pinellas Trail via a secured gate entrance in the southeast corner of the subject site.

Unit Amenities include a full appliance package including energy star dishwashers, electric ranges/ovens, microwaves, and full-size refrigerators, along with laminate countertops in the kitchen and a garbage disposal. Every unit will have vinyl plank flooring in the foyer, kitchen, living/dining areas, and bathrooms. Each unit will be equipped with a washer and dryer. The unit flooring will consist of wood vinyl and ceramic tile. The windows will have blinds and each will have a Juliet balcony. 24-hour emergency maintenance will be available for the residents.

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.