BROOKSVILLE
AFFORDABLE HOUSING

Confidential Investment & Development Package

Conceptual site rendering — 168-unit community on the 14.4-acre parcel (illustrative)

168-Unit Affordable Multifamily Community

510 W Dr Martin Luther King Jr Dr, Brooksville, Hernando County, Florida 34601

4% LIHTC + Tax-Exempt Bonds + SAIL + Project-Based Vouchers

Seeking a managing/capital partner for the next Florida Housing SAIL application cycle

Presented by the Owner | June 2026

CONTENTS

Section entries are clickable. Companion working files (live financial model, milestone tracker) are available to partners on request.

INVESTMENT SUMMARY & THE ASK

The opportunity is a 168-unit affordable multifamily community on a 14.4-acre site the sponsor owns in Brooksville, Florida. The recommended financing structure is fully sourced, it covers total development cost including the land, so it requires no construction equity gap. The capital sought is a managing/capital partner to provide at-risk pre-development and guarantee capital and Florida Housing developer-experience.

Recommended structure: 4% LIHTC + tax-exempt bonds + FHFC SAIL, with project-based vouchers on 42 three-bedroom units, built with RENCO composite block. Supportable residual land value ~$11.8M against a $4.0M basis, ~$7.8M of headroom, and a fully-sourced capital stack (Section 5 details the indicative partnership returns).

2026 tailwinds (pending confirmation): federal legislation increased state LIHTC allocation authority ~12% and reduced the tax-exempt bond financed-by test from 50% to 25% of basis, the latter would lower the bond debt needed to capture 100% of the 4% credits.

Headline economics (optimized 168-unit hybrid)	Value
Units / mix (1BR / 2BR / 3BR)	168 - 75 / 51 / 42 (revenue-optimized)
Site	14.4 acres, owned by the sponsor
Construction system	RENCO composite block (~$189/SF, FL-proven)
Year-1 net operating income	~$1.85M
Supportable first mortgage	~$20.7M
Tax-credit equity + soft sources	~$46.6M
Supportable residual land value	~$11.8M
GP / sponsor profit pool (fee + cash flow + back-end)	~$24.6M (illustrative)
Indicative investor IRR on $2M for 50% co-GP	~27% (illustrative - terms TBD, see Section 5)

WHAT WE ARE SEEKING

As the landowner, the sponsor brings site control (owned), a completed feasibility and optimization analysis, and an active path toward the approvals. Because the deal is fully sourced, the partner's capital is not a construction gap, it capitalizes the development entity. The sponsor is seeking:

- **A managing/capital partner** contributing ~$2M of at-risk pre-development and guarantee capital for a co-GP interest (indicative ~50%, terms to be negotiated; see Section 5).
- **Florida Housing developer-experience / guarantor capacity**, the gating eligibility item; ideally the same partner provides this, which is what justifies a larger interest.
- **Tax-credit equity and debt**, a syndicator for the 4% credits and a construction/permanent lender, coordinated through the SAIL/bond structure (typically provided at no cost to win the deal).

CURRENT STATUS

- **Site control:** complete; property owned by the sponsor.
- **Local entitlements:** City tree-mitigation interpretation confirmed in writing (favorable; ~$200k verified); PD site-plan amendment (216->168, tree-aware footprint) being initiated, likely a minor modification, with the Live Local Act path under evaluation.
- **Project-based vouchers:** inquiry open with the Hernando County Housing Authority for a ~42-unit (25%) award.
- **Diligence in hand:** verified tree survey and City-confirmed mitigation rules, confirmed connection fees, June 2026 rent survey, a four-way financing model, partnership-returns analysis, and a RENCO construction-method analysis.

THE NEXT 30 DAYS

Select the managing/capital partner within 30 days so the team is ready for the next SAIL RFA, expected ~September 2026 with a ~4-6 week submission window.

- Select the partner and confirm the co-developer/guarantor that satisfies Florida Housing eligibility.
- Engage the FHFC application consultant and tax-credit counsel; collect 2-3 syndicator equity letters.
- Order a current Phase I ESA and the FHFC-format market study; advance the PD site-plan amendment.
- Convert the housing-authority and City conversations into written commitments for the application.

The sections that follow provide the investment thesis, the optimized financial analysis, the development roadmap, the 11-phase plan, the investor partnership returns, the financial model exhibits, and a RENCO construction-method analysis. This package is confidential and is not an offer to sell securities; it is for discussion with prospective development and capital partners. All figures are planning-level and subject to diligence, Florida Housing rules, and the governing RFA.

OPTIMIZED DEAL — RESIDUAL LAND VALUE & RETURNS BY PROGRAM SIZE

Same RENCO system and optimized mix at every size. Per RFA 2025-205, FHFC soft funding is a fixed per-development cap, so the highlighted 168-unit program is recommended.

Program size (1BR/2BR/3BR)	Total project cost	NOI (Yr 1)	Developer fee [2]	Residual land value [1]	Investor IRR / mult. (Yr 15, on $2.0M) [3]
144 (64/44/36)	$43.2M	$1.56M	$7.8M	$13.1M	22.8% / 5.3x
168 (75/51/42)	**$50.3M**	**$1.82M**	**$9.1M**	**$11.9M**	**26.8% / 6.1x**
192 (86/58/48)	$57.5M	$2.08M	$10.3M	$10.7M	31.0% / 7.0x
216 (96/66/54)	$64.7M	$2.34M	$11.7M	$9.4M	35.2% / 7.9x

1. Residual land value is the maximum land cost the capital stack can support, a ceiling rather than a cash price (a comparable 2025 SAIL application carried about $2.0M of land in its pro forma). Per RFA 2025-205, FHFC soft funding is a **fixed per-development cap** (SAIL $9.5M Medium-county plus ELI $1.0M), not per unit — a rule reflected in 2025 application activity — so smaller programs concentrate the fixed soft money and show higher residual. 168 is the balance — small enough to concentrate that soft money, large enough for credit-equity scale, FHFC competitiveness, and the 42-unit project-based-voucher set-aside. The parcel sits in HUD QCT 405.01, confirming the 30% basis boost the credit equity relies on.

2. Developer fee shown is the FHFC maximum (18% of development cost) and is the developer's return inside the GP profit pool (note 3), not a separate payment to the investor. In practice it is largely **deferred and repaid from operating cash flow** to the GP and investor parties over the hold. The investor's IRR already reflects their negotiated 50% share of that pool. Split negotiable; see Section 5.

3. Investor IRR is the levered return on a fixed $2.0M co-GP contribution over a 15-year hold (illustrative; final terms negotiated, see Section 5). It rises with size because the fixed $2.0M buys into a larger profit pool, not because larger programs are safer; a larger program also needs more at-risk capital, which tempers those returns (see the sensitivity below).

SENSITIVITY: INVESTOR RETURN WHEN THE CHECK IS SIZED TO THE PROGRAM

Build more units, contribute more capital. Sized to the program, the partner's 50% interest and ~27% return hold at every size.

Program size	Investor capital required	Investor distributions (15-yr)	Equity multiple	Investor IRR (capital sized)	Memo: IRR if check held flat at $2.0M
144 units	$1.8M	$10.5M	5.9x	25.7%	22.8%
168 units	**$2.0M**	**$12.3M**	**6.1x**	**26.8%**	**26.8%**
192 units	$2.2M	$14.0M	6.3x	27.8%	31.0%
216 units	$2.4M	$15.8M	6.5x	28.5%	35.2%

Investor capital is sized to the program: ~$0.5M fixed pre-development plus ~$1.5M of guarantee and working capital that scales with project size. Sized this way the partner keeps a constant 50% interest and the return holds near 27% at every size. The higher memo-column figures arise only from holding the check flat at $2.0M while the program grows, which underprices the capital a larger deal requires.

SECTION 1

Investment Thesis

BROOKSVILLE AFFORDABLE HOUSING - PARTNER MEMO

510 W Dr Martin Luther King Jr Dr, Brooksville, FL 34601 | 14.4 acres | Land ask $4.0M | June 2026
Re-underwriting summary, verified costs, optimized program, and the financing path that pencils

1. EXECUTIVE SUMMARY

As originally underwritten - 216 units, wood frame, conventional or plain-vanilla tax-credit execution - this deal does not support the $4.0M land ask: the residual land value is negative $10-14M depending on assumptions. After re-underwriting every major input against source documents and re-engineering the program, a specific configuration emerges that supports the full ask with headroom:

168 units on a tree-aware site plan, executed as a 4% LIHTC bond deal with a 42-unit (25%) project-based voucher award, optimized to a 75/51/42 mix and built with RENCO composite block: supportable land value ~$11.8M vs the $4.0M ask.

Each lever below is independently verified and modeled in the accompanying workbook (all pages appended as exhibits). The deal's binding constraint was never construction cost or rents alone, it is that Brooksville market rents cannot carry market-financed debt, so land value is created almost entirely by the subsidy capital stack and, in the optimal structure, by federal operating subsidy (Section 8 PBV) that detaches revenue from the weak local market.

Lever	Finding	Land-value impact
Rent survey (new product)	New-build comps support 1.2x existing-stock rents	+$4.7M
Fee verification	Sewer fees confirmed to the dollar; City confirmed only live oaks are mitigated per caliper-inch, all other species a flat $33/tree	+$0.5M verified, removes a $2.1M downside risk
Tree-aware site plan	Survey-coordinate placement preserves the specimen live oaks that carry the high mitigation rate	+$0.4M at any size
Right-sizing to 168 units	Each marginal unit destroys ~$88k of residual at current rents	+$5.4M vs 216
25% PBV award (hybrid)	42 units at HUD contract rents pierce the market-rent ceiling	+$4.1M
RENCO composite block	FL-proven system at ~$189/SF; -5% opex	+$2.7M further

Priority actions: (1) Hernando County Housing Authority, PBV award conversation; (2) FHFC, confirm the fixed per-development soft-funding caps (verified); (3) City tree mitigation interpretation, now confirmed in writing; (4) RENCO construction quote.

2. MARKET SURVEY AND RENTS (June 2026)

The model previously used RentCast existing-stock estimates. A new-construction survey shows brand-new product commands a premium that the existing comps miss; we apply a 1.20x new-product factor (conservative for 3BRs):

Source	1BR	2BR	3BR
RentCast existing-stock (base)	$1,090	$1,250	$1,350
Apartments.com Brooksville new-build avg	$1,302	$1,459	$1,855
RentCafe Spring Hill avg (adjacent market)	$1,440	$1,669	$2,014
FHFC 70% AMI gross limit	$1,505	$1,806	$2,088
HUD FY2026 FMR (Tampa MSA)	$1,696	$1,977	$2,527

Key structural fact: program rent limits exceed achievable market rents at the 70% AMI tier even after the new-product factor, the market, not FHFC, caps revenue on the general units. This is what the PBV structure later solves.

3. COST VERIFICATION AGAINST SOURCE DOCUMENTS

Utility connection fees, verified clean.

The Raftelis Connection Fee Study (01/27/25) computes wastewater at exactly $6,467.46/ERU and water at $765.03/ERU, matching the model to the dollar. Open savings item: fees are per ERU (single-family equivalent, scaled by meter size); a master-metered project may be assigned fewer ERUs than units. Confirm via Resolution 2025-02 Exhibit B.

Tree mitigation, City-confirmed in writing and lower than carried.

The City of Brooksville (Planning and Zoning, June 2026) confirmed the controlling interpretation: per-caliper-inch mitigation applies to live oaks only ($100/in for 10 to 17.99 inches; $150/in for specimens 18 inches and larger), while all other regulated species, including laurel oak, water oak, turkey oak, sweetgum, pine and ash, are a flat $33 per tree. The survey shows 90 regulated live oaks (2,888 caliper-inches, including 67 specimens) and roughly 1,000 other trees. This rules out the higher per-species interpretations the prior report had flagged:

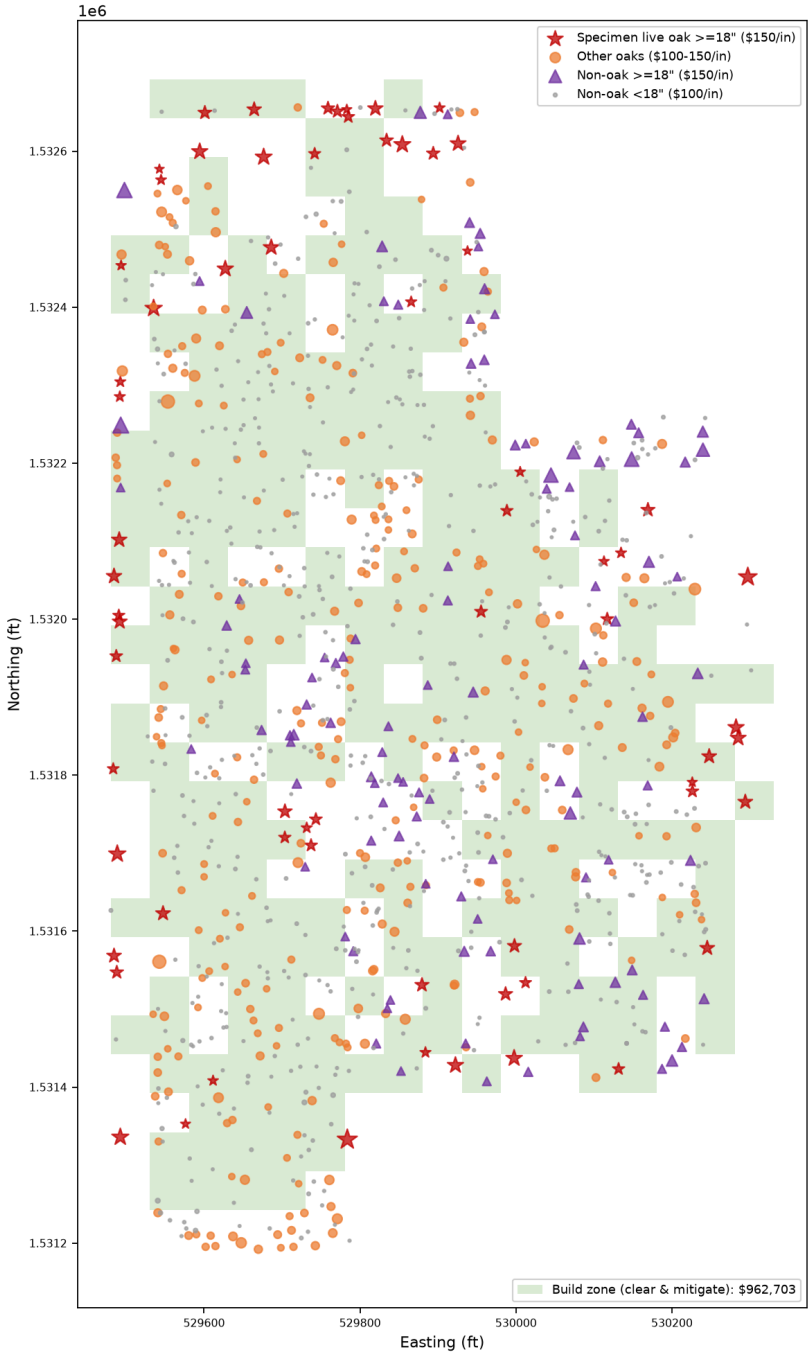
Tree mitigation scenario (City-confirmed rules)	Cost
Tree-aware footprint, preserve the specimen live oaks	~$67k - $184k
Model input (tree-aware plus contingency)	$200k
Full clearing, remove every regulated tree	$457k
Prior per-species interpretations (now ruled out)	$999k - $2.53M

Net effect: the verified tree figure (~$200k) is well below the ~$710k the model had carried, adding to residual land value, and the City's written answer eliminates the ~$2.1M downside risk that had been the deal's largest open question. The City also offers a $175 per caliper-inch credit for replanting approved trees, a further offset not yet modeled. Note: the City advised its fee schedule may be increased, so a contingency is retained.

4. TREE-AWARE SITE PLAN (coordinate-level analysis)

Every surveyed tree was priced at its exact location and a lowest-cost contiguous building footprint was grown across the parcel. Because only live oaks carry the per-inch mitigation, the design objective is to preserve the specimen live oak groves, which the survey shows cluster in identifiable areas. Preserved mature oak canopy doubles as a leasing amenity. Map below: green = build zone; unshaded pockets = preserve zones where specimen oaks (red stars) concentrate.

Brooksville 14.4 ac - Tree Mitigation Cost Map
Green = lowest-cost contiguous build footprint (216-unit program, ~68% of wooded area)
Unshaded = preserve zone: 47/67 specimen live oaks, ~8,850 caliper-inches avoided



5. RIGHT-SIZING: WHY 168 UNITS BEATS 216

At current rents and costs, each unit generates ~$238k of debt-plus-equity capacity against ~$326k of cost, every marginal unit destroys ~$88k of residual land value. The deal is carried by the soft capital stack (deferred fee + SAIL/ELI/HOME-ARP, ~$20.3M), and a smaller program spreads that stack over less cost:

Program	Non-land cost	Residual land value	Gap vs $4.0M ask
216 units	$78.7M	-$3.0M	-$7.0M
192 units	$69.9M	-$0.4M	-$4.4M
168 units	**$50.3M (incl. verified tree, RENCO)**	**+$11.8M hybrid**	**+$7.8M**
144 units	lower still	strongly positive	positive

FHFC soft funding is a fixed per-development cap (verified; SAIL $9.5M Medium-county + ELI $1.0M, not per-unit), so spreading it over fewer units lifts residual and 168 is the right-sized program. The 168-unit scenario keeps the deep set-aside intact (3 x 22% + 8 x 30% AMI units) and averages 59.0% AMI for income averaging.

6. FINANCING STRUCTURE COMPARISON (apples to apples)

Identical building, identical 168-unit mix, identical non-land cost, only the financing structure differs. Revenue ranking and land-value ranking are opposite: HUD rents double the NOI but the LIHTC capital stack is worth far more than any rent level. The hybrid takes both.

	Conventional	LIHTC/FHFC	HUD (PBV/FHA)	HYBRID 4%+PBV
Rent basis	New-build market	Program/achievable	FMR net of UA	Blend (25% PBV)
NOI (per unit)	~$2.0M	~$1.5M	~$3.0M	~$1.85M
Credit equity + soft stack	-	$46.6M	-	$46.6M
RESIDUAL LAND VALUE	**-$23.6M**	**+$6.7M**	**-$8.8M**	**+$11.8M**
Verdict vs $4.0M ask	**No**	**Below ask**	**No**	**SUPPORTS ASK**

7. THE OPTIMAL STRUCTURE: 4% LIHTC + PROJECT-BASED VOUCHERS

What a PBV is.

Project-Based Vouchers are Section 8 assistance that a housing authority attaches to specific units (vs tenant-based vouchers that move with the family), under a 15-20 year HAP contract. The tenant pays 30% of income; the authority pays the difference up to the contract rent, which can be set near HUD FMR regardless of the weak local market. Three effects transform the deal: (1) revenue detaches from Brooksville's market and collects ~$1,900 on a 2BR; (2) IRC Sec. 42(g)(2)(E) exempts PBV units from the LIHTC rent cap, so the same units carry credits AND the higher rents; (3) lenders size debt on HAP-contract income, the best-quality revenue in multifamily underwriting, with near-zero vacancy.

Sensitivity to PBV award size (168-unit program):

PBV units awarded	Residual land value	vs $4.0M ask
0 (LIHTC only)	+$6.7M	+$2.7M
42 (25%, standard cap, modeled base)	**+$11.8M**	**+$7.8M SUPPORTS ASK**
84 (50%, needs cap exceptions)	~+$15M	strongly positive

Discipline notes.

HUD subsidy-layering review trims over-subsidized deals, read surplus as headroom to absorb haircuts and still close at the ask, not as profit. PHA rent reasonableness may certify contract rents below the Tampa-MSA FMRs. Award size is a PHA decision subject to HOTMA project caps (~25% of units or 40 units, with exceptions for elderly/supportive/family units).

8. WHAT WE NEED FROM THE HOUSING AUTHORITY

Voucher capacity: confirm Hernando County HA (FL137, 425 vouchers) has budget authority to project-base ~42 units; their Annual PHA Plan will show committed vs available.

Selection path: PBVs can attach without separate competition to a project selected through another government competition, an FHFC award qualifies.

Commitments in sequence: letter of interest / conditional award (for FHFC and the lender), then AHAP before construction, then 20-year HAP contract at completion.

Contract-rent indication: what rent reasonableness will certify vs the Tampa-MSA FMR; the structure carries ~$700/unit/month of cushion.

9. RISK AND DILIGENCE REGISTER

#	Item	Exposure / upside	Owner
1	HA PBV award (size, rents, timing)	The +$4.1M swing; gates the GO	Development
2	FHFC soft funding (fixed per-development cap)	VERIFIED fixed; favors right-sizing to 168	Development
3	Tree ordinance interpretation	CLOSED, City confirmed in writing 06/2026	Land use counsel
4	Subsidy layering / rent reasonableness	Trims headroom; ~$1.5M cushion at 42 PBVs	HUD counsel
5	Hard-cost verification (incl. RENCO quote)	+$2.7M upside if RENCO pencils at $189/SF	Construction
6	ERU assignment for master-metered MF	Up to ~$0.5M of the sewer fees	Civil engineer
7	Syndicator basis/pricing on scaled equity	Validates the credit equity	Syndicator

Basis of presentation: planning-level analysis built in the accompanying live workbook; all model pages are appended as exhibits. Every figure recalculates from stated assumptions; key assumptions (fixed soft-stack caps, basis-scaled equity, benchmark construction pricing) are flagged in the workbook where they live. Independently cross-checked against mirror calculations; zero formula errors. Not an offer; subject to the diligence items above.

SECTION 2

Development Viability Report ? Best Scenario Selected

BROOKSVILLE DEVELOPMENT VIABILITY REPORT

Optimized comparison of four financing structures at 168 units — each with its own revenue-maximizing unit mix, best construction system, and operating profile

510 W Dr Martin Luther King Jr Dr, Brooksville, FL 34601 | 14.4 acres | Land ask $4.0M | June 12, 2026

THE VERDICT

The 4% LIHTC + project-based voucher hybrid is the best structure by every measure. At its optimal configuration it supports a land value of $11,841,395, a surplus of $7,841,395 over the $4.0M ask, with zero developer cash required.

Rank	Structure	Optimal residual land	Surplus / (gap) vs ask	Developer cash	Verdict
1	Hybrid	**$11,841,395**	$7,841,395	$0 (sourced)	SUPPORTS ASK
2	LIHTC	**$6,579,588**	$2,579,588	$0 (sourced)	SUPPORTS ASK
3	HUD	**($8,958,896)**	($12,958,896)	$24,197,308	Does not pencil
4	Conventional	**($25,192,437)**	($29,192,437)	$35,715,606	Does not pencil

All four use the same 168-unit count, the same 14.4-acre site, the same $4.0M land ask, the same RENCO construction system (independently the best in every scenario), and the same hold assumptions. They differ only in financing structure and the unit mix that structure rewards. Conventional and HUD-alone cannot support the land because neither has a capital subsidy stack; the LIHTC equity stack creates the value, and project-based vouchers amplify it.

OPTIMAL SETTINGS RECORDED FOR EACH STRUCTURE

Each structure was optimized independently: the unit mix was searched across all feasible combinations (family-housing guardrails: 1BR ≤45%, 2BR ≥25%, 3BR ≥20%), every construction system was tested, and the configuration maximizing residual land value was recorded.

Setting	Conventional	LIHTC / FHFC	HUD (PBV/FHA)	Hybrid 4%+PBV
Unit mix (1/2/3BR)	75/59/34	75/59/34	75/42/51	75/51/42
as % of units	45%/35%/20%	45%/35%/20%	45%/25%/30%	45%/30%/25%
Building scope (SF)	173,693	173,693	177,501	175,485
Construction system	RENCO	RENCO	RENCO	RENCO
Hard cost basis	$189/SF	$189/SF	$189/SF	$189/SF
PBV units / placement	—	—	all 168	42 on 3BR
Opex ratio (opex/EGI)	37.8%	43.8%	29.0%	36.6%
Non-land cost	$50,320,442	$50,320,442	$51,384,266	$50,821,065

WHY THE OPTIMAL MIX DIFFERS BY STRUCTURE

Revenue density (rent per square foot) drives the mix, and it ranks differently under each rent regime:

Conventional & LIHTC — 1BR is densest, then 2BR, then 3BR. The optimizer pushes 1BR to the 45% cap and fills with 2BR, holding 3BR at the 20% floor. Smaller units mean a smaller, cheaper envelope and higher revenue per dollar of cost.

HUD — at FMR rents, 1BR is densest but 3BR outranks 2BR. The mix shifts to 1BR then 3BR (45/25/30), and HUD posts the best NOI and the lowest operating-expense ratio (29%) because contract rents are highest.

Hybrid — the project-based voucher premium is largest on 3BR units (HUD vs LIHTC rent gap: +$804/mo on 3BR vs +$322 on 1BR). The optimizer therefore shifts toward 3BR (25%) and loads all 42 vouchers onto them, capturing the biggest subsidy delta where it pays most.

ECONOMICS & RETURNS COMPARISON (at the $4.0M ask)

Metric	Conventional	LIHTC / FHFC	HUD (PBV/FHA)	Hybrid 4%+PBV
Net operating income	$1,734,203	$1,354,448	$2,734,918	$1,850,972
NOI per unit	$10,323	$8,062	$16,279	$11,018
Yield on cost (NOI/TDC)	3.2%	2.5%	4.9%	3.4%
Supportable mortgage	$18,604,836	$15,136,208	$31,186,957	$20,684,949
Capital subsidy stack	—	$41,763,822	—	$41,977,511
Residual land value	**($25,192,437)**	**$6,579,588**	**($8,958,896)**	**$11,841,395**
Surplus / (gap) vs ask	**($29,192,437)**	**$2,579,588**	**($12,958,896)**	**$7,841,395**
Developer cash required	$35,715,606	$0	$24,197,308	$0
Year-1 cash flow	$274,094	$154,894	$331,247	$235,087
Year-1 cash-on-cash	0.8%	n/a	1.4%	n/a
Levered IRR — 10 yr	-4.4%	n/a	4.0%	n/a
Levered IRR — 30 yr	4.0%	n/a	7.8%	n/a

Reading the returns. LIHTC and the Hybrid are **fully sourced** at the $4.0M ask — the capital stack plus supportable debt exceed total cost, so the developer needs no cash and the surplus becomes additional capacity (reduced soft debt, returned equity, or land-basis cushion). Their leveraged IRR on a funding gap is therefore not applicable because there is no gap; the return is the developer fee plus the surplus, at effectively zero cash risk — the best risk-adjusted outcome. Conventional and HUD-alone require very large developer cash ($35.7M and $24.2M) to reach the ask, for weak or negative IRRs, because neither carries a capital subsidy. Yield-on-cost (comparable across all four) confirms the operating picture: HUD is strongest operationally, but operations alone cannot fund land without the subsidy stack.

RECOMMENDATION

Pursue the **4% LIHTC + project-based voucher hybrid** at 168 units: a RENCO-built program of roughly 75 one-bedroom, 51 two-bedroom, and 42 three-bedroom units, with the project-based vouchers placed on the three-bedrooms. This configuration supports the full $4.0M land ask with about $7.8M of surplus and requires no developer cash, giving the widest margin to absorb subsidy-layering haircuts, FHFC soft-stack adjustments, and cost surprises while still closing. LIHTC without vouchers is the fallback — it still pencils with about $2.6M of surplus. Conventional and HUD-alone are not viable on this site at this land price.

ASSUMPTIONS & CAVEATS

Engine. Figures come from an optimizer that mirrors the Brooksville workbook math (validated to the dollar against the live model). New-product rent factor 1.20x; market rents $1,308/$1,500/$1,620; HUD FMR net of UA $1,630/$1,892/$2,424; LIHTC blended achievable (59% AMI average) $1,116/$1,291/$1,416.

FHFC family-unit requirements may raise the 2BR/3BR floor. The mixes are economically optimal within general marketability guardrails; FHFC family-demographic rules and ELI set-asides could require fewer 1BRs, which would lower the numbers but not change the ranking (Hybrid still wins).

Capital stack held at award level. Credit equity scales with cost basis; deferred fee and SAIL/ELI/HOME-ARP are held at the prior award level - confirm FHFC sizing at 168 units.

RENCO is a benchmark, not a bid; confirm $189/SF with a quote. Tree mitigation $710k assumes the tree-aware footprint. Returns assume the $4.0M land basis and standard hold assumptions (3% escalations, 6.5% exit cap, 2% sale costs).

The Hybrid depends on a PBV award from the housing authority and clears subsidy-layering and rent-reasonableness review; surplus is headroom, not profit.

Companion documents: Brooksville_Partner_Memo, _Development_Roadmap, _11_Phases, _Milestone_Tracker, and the live Viability Model workbooks. Not legal, tax, or investment advice; retain qualified counsel.

SECTION 3

Development Roadmap & Critical Path

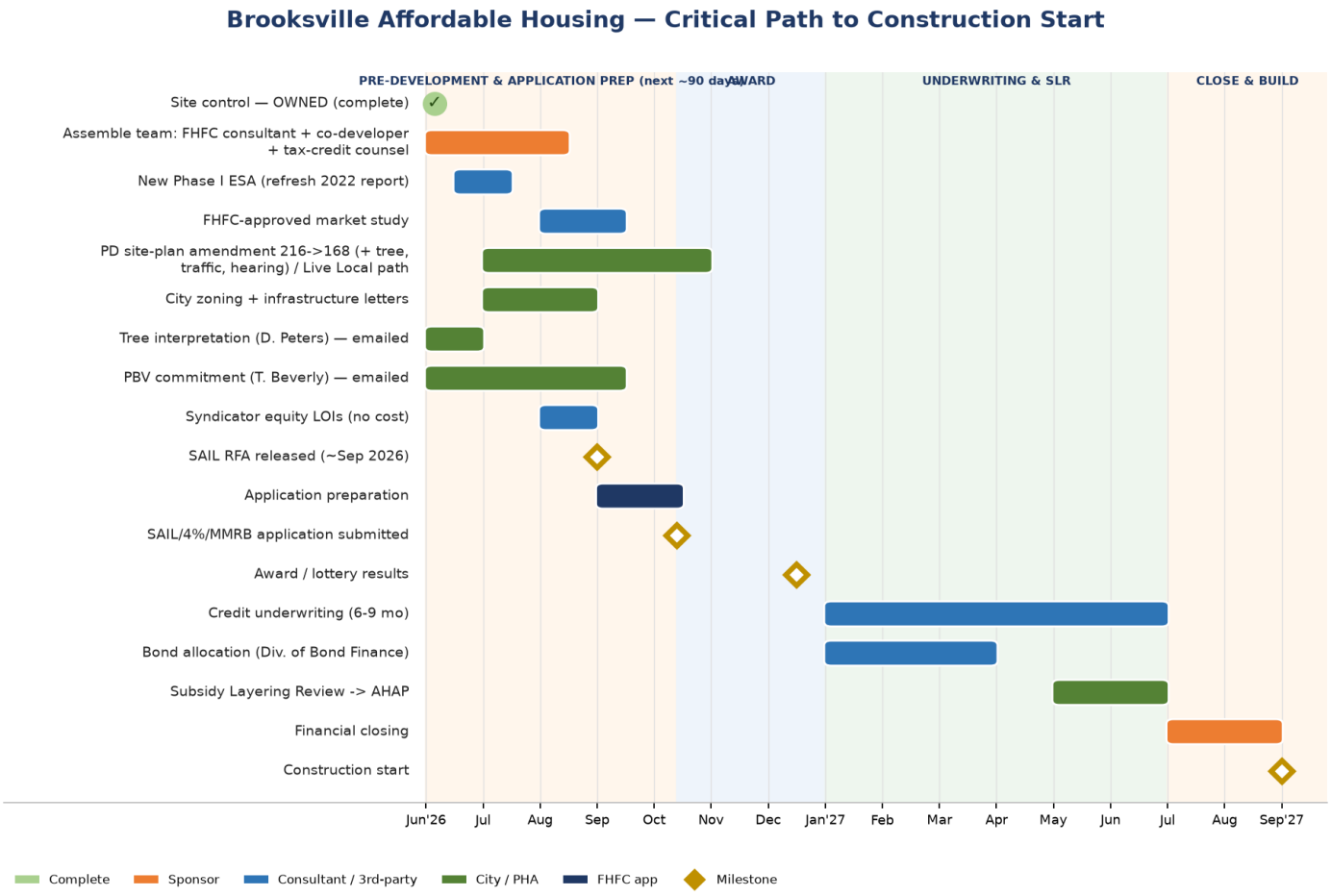
BROOKSVILLE AFFORDABLE HOUSING — DEVELOPMENT ROADMAP

510 W Dr Martin Luther King Jr Dr, Brooksville, FL 34601 | ~168 units | 4% LIHTC + tax-exempt bonds + SAIL + project-based vouchers | Updated June 14, 2026

Path from site control to construction start for a 4% LIHTC deal financed with tax-exempt bonds, FHFC SAIL gap funding, and project-based vouchers, applied through FHFC's competitive SAIL RFA (expected ~September 2026). **Current status: property owned (site control complete); tree-interpretation and PBV-inquiry conversations open with the City and the Housing Authority.**

2026 TAILWINDS (confirm with counsel)

Recent federal legislation increased state LIHTC allocation authority by ~12% and reduced the tax-exempt bond "financed-by" test from 50% to 25% of aggregate basis. The lower bond test would reduce the volume of tax-exempt bonds (and first-mortgage debt) needed to capture 100% of the 4% credits, improving the capital stack. Both items are new — confirm effective date and mechanics with tax-credit counsel.



AT-RISK PRE-DEVELOPMENT BUDGET (next ~6 months, most reimbursable from the deal at closing)

Item	Estimate	Status
Site control (owned)	$0	Complete
FHFC consultant (prep + success fee)	$75k - 150k	Candidate identified
Co-developer / guarantor (if needed for eligibility)	25-50% of dev fee	To confirm
Tax-credit counsel	$15k - 40k	Not started
New Phase I ESA (refresh of stale 2022 report)	$2.5k - 4.5k	Not started

Item	Estimate	Status
FHFC-approved market study	$8k - 15k	Not started
PD site-plan amendment 216->168 (attorney, civil, traffic, tree plan, fees)	$45k - 135k	Not started
Syndicator equity LOIs	$0 (free)	Not started
Pre-development total at risk	~$100k - 250k+	-

PHASE-BY-PHASE

Phase	What happens (status reflected)	Lead	Est. cost
0. Pre-development	Site control COMPLETE (owned). Order a new Phase I ESA (the 2022 report is stale and runs to the prior developer). Engage architect for the 168-unit tree-aware plan.	Sponsor	$3k-5k
1. Assemble team	FHFC consultant (candidate identified), tax-credit counsel, syndicator, and - critically - resolve developer-experience eligibility (co-developer/guarantor), which may take a share of the developer fee.	Sponsor	$75k-150k+
2. Entitlements	Tree interpretation requested (D. Peters). PD site-plan amendment 216->168 reflecting the tree-aware footprint - likely a minor modification; evaluate the Live Local Act administrative path. City zoning + infrastructure letters for the application.	City / civil	$45k-135k
3. PBV award	PBV inquiry sent to Hernando County HA (T. Beverly). Secure a conditional commitment letter for the application. After FHFC award, the HA can project-base without separate competition. SLR -> AHAP before construction -> HAP contract at completion.	PHA / sponsor	$0
4. FHFC SAIL RFA	~4-6 week window when the RFA drops (~Sep 2026). Bundles SAIL + bonds + 4% credits. Submit site control, letters, pro forma, experience docs, equity & debt letters, set-aside + PBV commitment. Part scored, part lottery. Bonds must NOT have closed.	Consultant	in fee
5. Bond allocation	Private-activity bond allocation via FL Division of Bond Finance (pool June 1-Sep 30). The bond "financed-by" test historically required >=50% of aggregate basis bond-financed for 100% of the 4% credits; 2026 legislation appears to reduce this to 25%, lowering the bond debt needed (confirm with counsel). TEFRA hearing.	FHFC / counsel	bond counsel
6. Credit underwriting	FHFC underwriter independently re-verifies costs, rents, market study, operating expenses, sources & uses. Output: firm commitment for SAIL, bonds, and credits.	Underwriter	FHFC fees
7. Subsidy Layering Review	Required because PBV stacks with LIHTC + SAIL. Runs off credit-underwriting numbers; must clear before the AHAP.	HUD / FHFC	-
8. Closing	Simultaneous: bond issuance & pricing, construction loan, LIHTC equity admission, SAIL/ELI closing, partnership formation, LURA recording, AHAP, Davis-Bacon decision, notice to proceed.	All / counsel	closing costs
9. Construction	~18-24 months. Monthly draws, FHFC/lender inspections, Davis-Bacon compliance. Tree permit + mitigation paid. RENCO procurement decided with GC.	GC / sponsor	in budget
10. Conversion & lease-up	Placed-in-service -> IRS Form 8609. Final cost certification. HAP contract execution -> rents begin. Lease-up to stabilization; PBV units from HA waitlist. 8609 -> final equity.	Sponsor / CPA	in budget
11. Compliance	15-yr federal compliance + extended use (FHFC ~50 yr). Annual FHFC & HUD reporting, PBV HAP administration, recertifications.	Asset mgmt	ongoing

YOUR NEXT 90 DAYS (do in parallel, before the ~Sep 2026 RFA)

1. **Resolve developer-experience eligibility** - confirm whether your FHFC contact is a consultant or a co-developer/guarantor; this is the gating risk.
2. **Order a new Phase I ESA** with reliance to your entity, lender, and investor.
3. **Start the PD site-plan amendment** (216->168) - ask the City about minor-modification and Live Local eligibility.
4. **Push the two government replies** - tree interpretation (D. Peters) and PBV capacity (T. Beverly).
5. **Engage market analyst and tax-credit counsel; collect 2-3 syndicator LOIs (free).**
6. **Track the SAIL RFA calendar** and the 2026 bond-test / allocation changes with counsel - watch for the draft RFA.

Sources: FHFC RFA 2025-205; FL Division of Bond Finance (pab.sbafla.com); 24 CFR Part 983 (PBV); HUD PBV SLR Guidelines (Fed. Reg. 2023-05045); 2025-26 federal LIHTC expansion (allocation +12%, bond financed-by test 50%->25%). Timeline assumes a ~Sep 2026 SAIL RFA; the governing RFA and final legislation control. Companion: Brooksville_Milestone_Tracker. Not legal or tax advice.

SECTION 4

The 11 Development Phases

BROOKSVILLE AFFORDABLE HOUSING

The 11 Development Phases - status and estimated cost, from site control to long-term compliance

510 W Dr Martin Luther King Jr Dr, Brooksville, FL 34601 | ~168 units | Updated June 14, 2026

PHASE 0 Pre-development

TIMELINE	Now -> ongoing	STATUS	Complete (site) / In progress	EST. COST	$3k-5k (new Phase I)

Site control is COMPLETE - the property is owned, the strongest form FHFC recognizes. The remaining item is a fresh Phase I ESA, because the 2022 report is stale and runs to the prior developer.

Key work product / deliverables:

- Site control - OWNED (complete)
- New Phase I ESA with reliance to you, lender, investor (~$3k-5k)
- ALTA survey update
- Architect: 168-unit tree-aware site plan

PHASE 1 Assemble the team

TIMELINE	Next 30 days	STATUS	In progress	EST. COST	$75k-150k+ / co-dev fee share

FHFC consultant candidate identified. The pivotal item is developer-experience eligibility: if a co-developer or guarantor is required, that party typically takes a share of the developer fee.

Key work product / deliverables:

- FHFC application consultant (candidate identified; confirm fee structure)
- Developer-experience / co-developer-guarantor decision (gating)
- Tax-credit counsel ($15k-40k)
- Syndicator, civil engineer, architect, GC, FHFC-approved market analyst

PHASE 2 Local entitlements

TIMELINE	Parallel; 3-6 months	STATUS	In progress	EST. COST	$45k-135k

Tree interpretation requested from the City. The 216-unit PD must be amended to 168 units and the tree-aware footprint - likely a minor modification given the density reduction. Evaluate the Live Local Act administrative path.

Key work product / deliverables:

- Written tree mitigation interpretation (D. Peters) - the $2.1M-swing question
- PD site-plan amendment 216->168 (attorney $15k-40k, civil $20k-60k)
- Traffic trip-gen comparison memo ($3k-8k)
- Tree preservation/mitigation plan ($5k-15k); fee ~$710k separate
- City zoning + infrastructure letters for FHFC

PHASE 3 PBV award

TIMELINE	STATUS	EST. COST
Parallel; commitment by application	In progress	$0

PBV inquiry sent to the Housing Authority. Secure a conditional commitment letter to include in the FHFC application; after an FHFC award the HA can project-base without its own competition.

Key work product / deliverables:

- Confirm HA voucher capacity and process
- Conditional PBV commitment letter (the +$4M swing)
- HUD environmental review (before AHAP)
- SLR -> AHAP before construction -> HAP contract at completion
- Cap ~25% of units (exceptions for elderly/supportive/family)

PHASE 4 FHFC SAIL RFA application

TIMELINE	STATUS	EST. COST
~4-6 wk window, ~Sep 2026	Not started	in consultant fee

The main event. When the next SAIL RFA drops, bundle the SAIL loan, tax-exempt bonds, and 4% credits in one application. Part scored, part lottery.

Key work product / deliverables:

- Site control, zoning + infrastructure letters, pro forma in FHFC format
- Principal disclosure, developer/GC experience documentation
- Syndicator equity letter + lender debt letter
- AMI set-aside + PBV commitment letter, surveys, plans
- Bonds must NOT have closed before the deadline

PHASE 5 Bond allocation

TIMELINE	STATUS	EST. COST
Concurrent with award	Not started	bond counsel

Tax-exempt private-activity bonds via the FL Division of Bond Finance. The bond financed-by test historically required >=50% of aggregate basis bond-financed for 100% of the 4% credits; 2026 legislation appears to reduce this to 25%, lowering the bond debt needed (confirm with counsel).

Key work product / deliverables:

- Private-activity bond allocation (Statewide pool, June 1 - Sep 30)
- Financed-by test: historically >=50%; 2026 reduction to 25% (confirm)
- TEFRA public hearing
- Non-competitive components complete underwriting by Dec 31

PHASE 6 Credit underwriting

TIMELINE	STATUS	EST. COST
~6-9 months post-award	Not started	FHFC fees

An independent underwriter re-verifies everything - costs, rents, market study, operating expenses, sources & uses.

Key work product / deliverables:

- Appraisal, market study, plan & cost review
- Final pro forma and partnership/loan documents
- Output: firm commitment for SAIL, bonds, and 4% credits

PHASE 7 Subsidy Layering Review

TIMELINE	Before the AHAP	STATUS	Not started	EST. COST	-

Because PBV stacks with LIHTC and SAIL, HUD reviews for over-subsidization. Runs off the credit-underwriting numbers and must clear before the AHAP.

Key work product / deliverables:

- SLR submission off credit-underwriting figures
- Confirms the deal is not over-subsidized
- Clears the path to AHAP execution

PHASE 8 Closing

TIMELINE	~9-12 months after award	STATUS	Not started	EST. COST	closing costs

A single, simultaneous close of every source. Construction can begin once it lands.

Key work product / deliverables:

- Bond issuance & pricing; construction loan; LIHTC equity admission
- SAIL/ELI closing; partnership formation
- LURA and Extended Use Agreement recorded; AHAP executed
- Davis-Bacon wage decision; notice to proceed

PHASE 9 Construction

TIMELINE	~18-24 months	STATUS	Not started	EST. COST	in budget

Build the project with the compliance and inspection overlay subsidized deals require.

Key work product / deliverables:

- Monthly draws; FHFC and lender inspections
- Davis-Bacon prevailing-wage compliance (if triggered)
- Tree permit and mitigation payment
- RENCO procurement decided with the GC

PHASE 10 Conversion & lease-up

TIMELINE	~12 months	STATUS	Not started	EST. COST	in budget

Place in service, deliver the tax credits, turn on the rents, and lease to stabilization.

Key work product / deliverables:

- Placed-in-service -> IRS Form 8609 (delivers the credits)
- Final cost certification (CPA audit)
- HAP contract execution -> rents begin
- Lease-up; PBV units from HA waitlist; 8609 -> final equity

PHASE 11 Compliance

TIMELINE	15-50 years	STATUS	Not started	EST. COST	ongoing

Maintain the affordability restrictions and subsidy contracts for the full term.

Key work product / deliverables:

- 15-yr federal compliance + extended use (FHFC ~50 yr)
- Annual FHFC and HUD reporting
- PBV HAP administration; tenant recertifications

Status and cost estimates as of June 14, 2026; planning-level, to be confirmed with vendors and the City. The 50%->25% bond financed-by test and the +12% LIHTC allocation are 2026 legislative changes pending confirmation with counsel. Companion: Brooksville_Development_Roadmap and Brooksville_Milestone_Tracker. Not legal, tax, or investment advice.

SECTION 5

Investor Partnership & Returns

INVESTOR PARTNERSHIP & RETURNS

How a $2M co-GP investment is structured and what each side earns (indicative)

INDICATIVE ONLY — TERMS SUBJECT TO NEGOTIATION. The $2.0M-for-50% structure and the returns below are illustrative, intended to show return potential for a prospective partner. Final partnership terms, the equity split, the developer-fee allocation, and the waterfall will be negotiated and documented prior to submission of the Florida Housing application.

Because the recommended hybrid is **fully sourced**, the mortgage, tax-credit equity, soft sources, and deferred developer fee cover total development cost including the $4.0M land, the development needs no construction equity, and a return cannot be expressed as cash-on-cash on a zero outlay. Instead, the return is the **developer fee, operating cash flow, and Year-15 refinance/sale back-end**. A capital partner's contribution capitalizes the GP/sponsor entity and is at risk pre-award, since the SAIL allocation is competitive.

Illustrative structure: an investor contributes $2.0M for a 50% co-GP interest; the sponsor contributes the land (recovered as $4.0M cash at closing) and 50%. The two share the GP profit pool 50/50.

ILLUSTRATIVE RETURNS

	Investor ($2M in, 50%)	Sponsor (land + 50%)
Base case — soft loans repaid at sale (back-end ~$14M)		
50% profit share	~$11.8M	—
Total received	~$11.8M	~$15.8M (land $4M + $11.8M)
Equity multiple	~5.9x	—
Levered IRR	~25%	~31%
Upside — soft loans deferred/forgiven (back-end ~$26M)		
50% profit share / total	~$17.8M	~$21.8M
Levered IRR	~27%	~32%

The investor's capital is effectively returned by ~Year 2-3 (their share of the construction-period developer fee), after which distributions are profit. The back-end is the largest swing and turns on whether the SAIL/ELI/HOME-ARP soft loans are repaid at sale or deferred (a ~$12M difference).

HOW THE SPLIT SHOULD BE SET (TO BE NEGOTIATED)

Keeping 100% nets the sponsor ~$27.5M, but then the sponsor funds the pre-development at risk, posts all guarantees, and must satisfy Florida Housing's developer-experience requirement alone. The 50% shown is illustrative; the negotiated split should reflect what the partner brings:

- **Experienced co-developer / guarantor** (provides experience + guarantees + capital): a co-development split weighted toward whoever carries the guaranties is market; the sponsor should target retaining ~40–50% of the developer fee and promote, recover the land value at closing, and keep administrative-GP consent rights.
- **Capital-only investor** (no experience/guarantees): 50% would be rich, a preferred return (~8–12%) plus a minority promote (~10–25%) is more typical, since the experience/guarantee gap remains unsolved.

Basis of presentation: illustrative and subject to the negotiated partnership waterfall, Florida Housing developer-fee limits and related-party rules, the Year-15 exit assumptions, and credit underwriting. Final terms will be set prior to the application submission. A live, editable version of this analysis is in the financial model exhibits (Appendix A, tab 1c-Partnership). Not investment, legal, or tax advice.

Financing upside (Opportunity Zone): the parcel is in a rural Opportunity Zone (OZ 2.0), which lets a gain-bearing capital partner defer and shelter a capital gain through a Qualified Rural Opportunity Fund (30% basis step-up at 5 years, tax-free appreciation at 10). See Appendix D.

APPENDIX A

Financial Model Exhibits (168-Unit, Optimized 75/51/42 Mix)

ASSUMPTIONS - Master Control Panel (working tab, not part of the printed report)

Edit BLUE cells only. Yellow = decision drivers. The numbered report pages recalculate from this tab and Hold-Exit Assumptions.
Sample data = Brooksville 216-unit deal - overwrite for any project.

0 - PROJECT IDENTITY			
Project name	Brooksville 168-Unit	text	Drives report titles
Address / location	510 W Dr Martin Lut	text	
Analysis date / analyst	06.12.26 - tree-awa	text	
1 - STRATEGY AND SITE			
Development strategy	Subsidized/Tax Cre	selector	Subsidized/Tax Credit or Conventional
Land ask price	$4,000,000	$	Target / asking land price
Parcel size	14	acres	
Total units	168	units	Edit unit counts on 2-Revenue
Construction scope	175,485	sf	Total building SF for the program
Minimum year-1 cash-on-cash	8.0%	%	Developer return threshold for GO
2 - CONSTRUCTION AND SITE COST			
Cost method	Bottoms-up build	selector	Bottoms-up build, or Baseline budget + hard-cost delta (requires baseline on 7-Reference)
Hard cost source	Manual $/SF	selector	Manual $/SF or Benchmark $/unit
Manual hard cost	$189.00	$ / sf	Contractor / RSMeans estimate
Benchmark hard cost	$233,000	$ / unit	Agency or underwriting benchmark for the product type
Selected hard cost	$189.00	$ / sf	Per source selector
Selected total hard cost	$33,166,665	$	$/SF x scope SF
Soft cost percentage	25.0%	% of hard	Bottoms-up method
Financing / carry percentage	10.0%	% of hard+soft	Bottoms-up method
Developer fee / OH / profit	7.5%	% before land	Bottoms-up method
Site cost: tree mitigation + permits	$200,000	$	Planning & Zoning): 1" or caliper-inch mitigation applies to LIVE OAKS ONLY ($100/in for 10-17.99", $150/in specimen >=18"); ALL other species incl. laurel/water/turkey oak = flat $33/tree. Survey: 90 regulated live oaks (2,888 cal-in incl. 67 specimens) + 1,002 other trees. Full-clear $457k; tree-aware footprint preserving specimen oaks ~$67-184k. Model uses $200k
Impact / connection fees	$6,467	$ / unit	wastewater $6,467.46/ERU, water $765.03/ERU (1 ERU = single-family equiv). Master-metered MF may be assigned <1.0 ERU/unit (200 GPD LOS vs ~130-150 GPD apartment demand) - confirm Resolution 2025-02 Exhibit
Include optional per-unit fee?	No	Yes/No	Secondary fee toggle
Optional per-unit fee	$765	$ / unit	
Site contingency	-	$	
Non-land development cost	$50,310,933	$	Selected cost-method result (3-Costs)
3 - REVENUE			
Rent mode	Market	selector	Market (capped at program net), Program Net Rent, or Program Gross Limit
Other income	$67,200	$ / yr	Laundry, fees, ancillary
Vacancy / collection loss	6.0%	%	
Achievable avg rent	$1,246	$ / unit / mo	Weighted average from 2-Revenue (market rents entered per row there)
4 - OPERATING AND FINANCING			
Base annual operating expenses	$1,018,944	$ / yr	Scaled pro-rata from 216-unit Apex 2023 budget (1,310,071 x 168/216). Re-underwrite line items at site plan stage.
Opex escalation to current	9.0%	%	Adjusts a dated opex figure to today; 0% if current
Current operating expenses	$1,055,117	$ / yr	
Replacement reserves	$350	$ / unit / yr	
Asset management fee	0.5%	% of EGI	
Subsidized-deal DSCR	1.20x	x	Bond / agency sizing
Permanent mortgage rate	6.75%	%	
Amortization	35	years	
Conventional DSCR	1.25x	x	
Conventional cap rate	5.75%	%	
Conventional profit cushion	10.0%	% of non-land	
5 - SUBSIDY SOURCES (subsidized strategy only)			
Tax credit / subsidy equity	$28,003,076	$	Syndication proceeds or capitalized subsidy
Equity mode	Scale with cost basi	selector	As entered, or Scale with cost basis from baseline (requires baseline on 7-Reference)
Deferred developer fee	$9,500,000	$	FHFC dev fee runs to ~15% of dev cost and is near-fully deferred. Calibrated to a comparable 2025 SAIL application (RFA 2025-205): ~$10.9M deferred on 192 units -> ~$9.5M scaled to 168 units
Soft subordinate sources / grants	$10,852,300	$	FIXED per development per RFA 2025-205 caps (a rule, not award-dependent): SAIL $9.5M Medium-county per-dev + ELI $1.0M per-dev + HOME-ARP $0.85M. Does NOT scale per unit. Upside: SAIL to $9.5M cap, HOME-ARP to $2.95M cap, Live Local fee waivers.
Equity used by model	$21,475,006	$	Reflects equity-mode selector
6 - METHOD ADOPTION (pair with 3b-Methods)			**HELD at 216-unit deal level - CONFIRM with FHFC sizing whether DDF capacity shrinks at 168 units**
Construction-method opex adjustment	-5%	%	Construction-method opex delta. Soft stack now VERIFIED FIXED per development vs 2025 Brooksville SAIL comp; see FHFC FUNDING BASIS block below.
7 - MARKET POSITION			
New-product rent factor	1.20x	x	Premium of brand new product over existing stock comps. Survey 06/2026: Brooksville new-build avg $1,302/$1,459/$1,855 vs RentCast existing $1,090/$1,250/$1,350 = 1.19x/1.17x/1.37x. Applied to market rents in both models

PRINT REPORT: double-click 'Print Viability Report to PDF.command' in this folder to render every page to PDF in one step.

HOLD / EXIT ASSUMPTIONS - drives 5b-Hold-IRR (working tab)

Edit BLUE cells. Sale price = forward NOI / exit cap. Net proceeds = price less closing costs less mortgage payoff.

GROWTH			
Annual rent / income escalation	3.0%	%	Applied to EGI after year 1
Annual operating expense escalation	3.0%	%	Applied to opex after year 1

EXIT / SALE			
Exit cap rate	6.50%	%	Applied to forward (next-year) NOI in the sale year
Sale / closing costs	2.0%	% of price	Brokerage, legal, transfer, transaction friction
Mortgage payoff at sale	Computed		Remaining balance from rate / amortization on Assumptions; paid off from sale price

RETURN BASIS			
Initial equity (IRR basis)	-	$	Developer cash required at the ask (funding gap). IRR treats this as the year-0 outflow. If zero (deal fully sourced), returns show n/a.

BROOKSVILLE 168-UNIT AFFORDABLE HOUSING (OPTIMIZED FOOTPRINT) - INVESTME

510 W Dr Martin Luther King Jr Dr, Brooksville, FL 34601 - 168 units on 14.4 acres - Strategy: Subsidized/Tax Credit - 06.12.26 - tree-aware site plan scenario

A - THE DECISION

Verdict	**GO**	GO requires: land value supported >= ask, and year-1 cash-on-cash >= 8%

Recommendation

PROCEED - the project supports the asking land price and clears the return threshold. Move to contract diligence: confirm municipal fee exhibits, contractor-verify hard costs, and confirm equity / subsidy sizing with the capital partners.

B - CAN THE PROJECT PAY FOR THE LAND?

Supportable land value (residual)	**$6,815,083**	Sources the project generates, less all non-land costs
Land ask	$4,000,000	
Surplus / (gap) vs ask	**$2,815,083**	Negative = project cannot support the ask
Supportable value per unit	$40,566	
Supportable value per acre	$473,270	

C - SOURCES AND USES AT THE ASK

Land (at ask)	$4,000,000	
Non-land development cost	$50,310,933	See 3-Costs for the build-up
Total development cost	**$54,310,933**	
Permanent mortgage	$15,298,709	Sized off NOI and DSCR
Tax credit / subsidy equity	$21,475,006	Subsidized strategy only
Deferred developer fee	$9,500,000	
Soft subordinate sources / grants	$10,852,300	
Total sources	**$57,126,015**	
DEVELOPER CASH REQUIRED	-	The check the developer writes if the deal closes at the ask

D - YEAR-1 OPERATIONS

Gross potential income	$2,578,836	
Vacancy / collection loss	($154,730)	
Effective gross income	$2,424,106	
Operating expenses	$1,055,117	Base opex escalated to current
Net operating income	**$1,368,989**	
Annual debt service	$1,140,824	
Cash flow after debt / reserves / AM fee	$157,244	
Year-1 cash-on-cash		Vs minimum threshold on Assumptions
Sizing DSCR	1.20x	
Break-even occupancy	85.2%	(Opex + debt service) / GPI

E - WHAT WOULD MAKE IT WORK

Land price the project supports today	$6,815,083	
Extra soft funding to pay the ask	-	Grant / subsidy that closes the land gap
Required NOI to support the ask	$1,117,085	NOI that sizes enough debt / value for land + cost
Required average rent	$1,113	$ / unit / month
Required rent increase vs achievable	-10.7%	
Hard cost $/SF that pencils at the ask	$207.94	Holding rents and sources constant
Hard-cost cut needed	0.0%	Vs current selected hard cost

F - WHY, AND KEY RISKS

Cost driver	*Non-land cost $50.3M = $-15.3M vs baseline budget*
Rent driver	*111 of 168 units are market-capped below program rents (after the new-product factor)*
Fee risk	*Confirm municipal impact / connection fee exhibits before relying on the per-unit fee inputs.*
Equity risk	*Basis-scaled equity is a proportional approximation; capital partners must confirm eligible basis and pricing.*
Cost risk	*Hard cost is an input, not a bid - contractor verification required before any commitment.*

Financing Scenario Comparison - Conventional / LIHTC / HUD / Hybrid 4% + PBV

Same envelope, same cost basis, SAME UNIT COUNT AND MIX (168 units). Each column carries only its rents, vacancy, opex, and capital structure. Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint)

SCENARIO					
Capital structure	**CONVENTIONAL**	**LIHTC / FHFC**	**HUD (PBV / FHA**	**HYBRID 4% + P**	Blue = input. Green = linked live.
Rent basis	Highest new-build market (survey 06/26)	Program achievable (limits capped at market x factor)	HUD FY2026 FMR net of UA, all units	placed on 3BR first (highest FMR-vs-LIHTC premium), then	
UNIT MIX (equal across all columns)					
1BR units	75	75	75	75	All columns linked to the deal mix on 2-Revenue
2BR units	51	51	51	51	
3BR units	42	42	42	42	
Total units	**168**	**168**	**168**	**168**	
SF used	175,485	175,485	175,485	175,485	
PBV-assisted units (hybrid)	-	-	-	42	the usual HOTMA ceiling (exceptions for elderly/supportive/family). Assumed spread pro-rata across
RENTS ($ / UNIT / MONTH)					
1BR rent	$1,302	$1,056	$1,630	$1,056	HUD = FMR $1,696 less $66 UA
2BR rent	$1,459	$1,328	$1,892	$1,328	HUD = FMR $1,977 less $85 UA
3BR rent	$1,855	$1,485	$2,424	$2,424	HUD = FMR $2,527 less $103 UA
REVENUE TO NOI					
Annual residential revenue	**$2,999,628**	**$2,511,636**	**$3,846,600**	**$2,984,928**	LIHTC linked exactly to the deal revenue
Other income	$67,200	$67,200	$67,200	$67,200	Shared
Vacancy / collection loss	6.0%	6.0%	3.0%	5.3%	Hybrid blends by PBV share
Effective gross income	$2,882,818	$2,424,106	$3,796,386	$2,891,891	
Opex per unit / year	$6,280	$6,280	$6,650	$6,373	HUD/PBV adds compliance load; hybrid blends
Operating expenses	$1,055,116	$1,055,117	$1,117,200	$1,070,637	LIHTC = live deal opex
NET OPERATING INCOME	**$1,827,703**	**$1,368,989**	**$2,679,186**	**$1,821,255**	
NOI per unit	$10,879	$8,149	$15,948	$10,841	
FINANCING					
Sizing DSCR	1.25x	1.20x	1.18x	1.20x	Hybrid uses the bond/agency execution
Mortgage rate	6.75%	6.75%	6.00%	6.75%	HUD incl. MIP
Amortization (years)	35	35	40	35	
Mortgage constant	7.46%	7.46%	6.60%	7.46%	
Supportable mortgage	**$19,607,919**	**$15,298,709**	**$34,505,073**	**$20,352,857**	
Tax credit equity + DDF + soft s	-	$41,827,306	-	$41,827,306	Hybrid carries the full LIHTC capital stack (subject to subsidy layering review)
COST AND LAND VALUE					
Non-land development cost	$50,310,933	$50,310,933	$50,310,933	$50,310,933	Identical - equal units and envelope
Stabilized value at cap rate	$31,786,134	$23,808,510	$46,594,539	$31,673,993	
RESIDUAL LAND VALUE	**($23,555,892)**	**$6,815,083**	**($8,747,487)**	**$11,869,231**	Conv/HUD: value less cost less cushion. LIHTC/Hybrid: sources less cost.
Surplus / (gap) vs ask	**($27,555,892)**	**$2,815,083**	**($12,747,487)**	**$7,869,231**	
Verdict	No positive land v	Supports ask	No positive land v	Supports ask	

All columns share the deal unit mix (linked to 2-Revenue) so only the financing structure differs; non-land cost is identical by construction. HYBRID = a 4% LIHTC deal where the PHA project-bases vouchers on the input number of units: those units collect HUD contract rents (IRC Sec. 42(g)(2)(E) exempts Section 8 PBV/PBRA units from the LIHTC rent cap), the rest collect program rents; vacancy and opex blend pro-rata; debt is sized on the blended NOI at LIHTC terms and the full credit/soft stack applies. CAVEATS: HUD subsidy layering review will trim any excess (read surplus as headroom, not profit); PHA rent reasonableness may set contract rents below the Tampa-MSA FMR; PBV award size is a PHA decision. Conventional rents = highest verified new-build comps (June 2026 s

Investor Partnership Structure & Returns

Illustrative 50/50 co-GP structure: an investor contributes at-risk pre-development & guarantee capital for a 50% interest in the GP/sponsor profit. Edit blue cells.

INPUTS (edit blue cells)		
Investor capital contribution	$2,000,000	At-risk pre-development + guarantee/working capital (NOT a construction gap)
Investor equity share	50.0%	Investor % of GP profit; sponsor keeps the rest
Sponsor land value (paid by deal at closing	$4,000,000	Sponsor recovers land value in cash at closing
Total developer fee	$9,055,968	FHFC max = 18% of non-acq development cost; the primary developer return. Largely deferred and repaid from operating cash flow to the GP/investor parties over the hold.
Fee paid during construction (Yr 2)	$4,000,000	
Fee deferred (repaid Yrs 3-12)	$5,055,968	
GP operating distribution / yr (Yrs 13-15)	$500,000	
Soft-loan treatment at exit	Repaid at sale	Drives the Year-15 back-end (biggest swing)
Back-end to GP if soft loans repaid at sal	$14,000,000	
Back-end to GP if soft loans deferred/forg	$26,000,000	
Back-end applied (Yr 15)	$14,000,000	
Hold period (years)	15	

GP / SPONSOR PROFIT POOL — ANNUAL CASH FLOW ($)

Year	Developer fee	Operating dist	Back-end (refi/sale)	GP pool total	Investor CF (50%)	Sponsor CF (land+50%)
0	-	-	-	-	($2,000,000)	($4,000,000)
1	-	-	-	-	-	-
2	$4,000,000	-	-	$4,000,000	$2,000,000	$6,000,000
3	$505,597	-	-	$505,597	$252,798	$252,798
4	$505,597	-	-	$505,597	$252,798	$252,798
5	$505,597	-	-	$505,597	$252,798	$252,798
6	$505,597	-	-	$505,597	$252,798	$252,798
7	$505,597	-	-	$505,597	$252,798	$252,798
8	$505,597	-	-	$505,597	$252,798	$252,798
9	$505,597	-	-	$505,597	$252,798	$252,798
10	$505,597	-	-	$505,597	$252,798	$252,798
11	$505,597	-	-	$505,597	$252,798	$252,798
12	$505,597	-	-	$505,597	$252,798	$252,798
13	-	$500,000	-	$500,000	$250,000	$250,000
14	-	$500,000	-	$500,000	$250,000	$250,000
15	-	$500,000	$14,000,000	$14,500,000	$7,250,000	$7,250,000

RETURNS		
GP profit pool (total)	$24,555,968	
INVESTOR — capital in	$2,000,000	
INVESTOR — total distributions	$12,277,984	
INVESTOR — equity multiple	**6.14x**	
INVESTOR — levered IRR	**26.8%**	On the $2M at-risk contribution
SPONSOR — total received (land + 50%	$16,277,984	
SPONSOR — IRR (basis = land value)	**31.9%**	Land recovered at closing + 50% of GP profit
Memo: sponsor if 100% (no partner)	$28,555,968	Keeps all upside but funds pre-dev/guarantees & solves FHFC experience alone

Illustrative and subject to the negotiated partnership waterfall, FHFC developer-fee limits and related-party rules, and the Year-15 exit. The $2M is at-risk PRE-AWARD (competitive SAIL RFA). The 50% interest is appropriate only if the partner also provides the developer-experience / guarantor capacity the deal requires.

Development Size Sensitivity - Residual Land Value by Unit Count

Hybrid (4% LIHTC + 25% PBV), RENCO, verified tree fee. FHFC soft funding is FIXED per development (VERIFIED vs RFA 2025-205 caps and 2025 SAIL application ac
SAIL/ELI/HOME-ARP per-development caps), so smaller programs concentrate the fixed soft money and show higher residual. Blue = editable.

RESIDUAL LAND VALUE BY PROJECT SIZE

Units	1BR	2BR	3BR	Scope SF	Tree fee	Non-land cost	NOI	Mortgage	Residual land value
144	64	44	36	150,512	$180,000	$43,159,127	$1,561,958	$17,455,169	**$13,070,631**
156	70	47	39	162,830	$190,000	$46,687,957	$1,690,062	$18,886,752	**$12,479,650**
168	75	51	42	175,485	$200,000	$50,310,933	$1,821,255	$20,352,857	**$11,869,231**
180	80	55	45	188,140	$215,000	$53,938,909	$1,952,447	$21,818,962	**$11,255,945**
192	86	58	48	200,458	$230,000	$57,472,738	$2,080,551	$23,250,544	**$10,662,098**
204	91	62	51	213,113	$245,000	$61,100,714	$2,211,744	$24,716,649	**$10,048,813**
216	96	66	54	225,768	$260,000	$64,728,690	$2,342,937	$26,182,754	**$9,435,528**

WHAT THIS SHOWS

- Soft stack is FIXED per development (VERIFIED vs RFA 2025-205 caps, reflected in 2025 SAIL applications: SAIL $9.5M Medium-county + ELI $1.0M per-development caps).

- The verified tree fee (~$200k vs the old $710k) lifts every size by ~$0.3M but does NOT change the ranking; trees are a minor factor in sizing.

- FIXED soft stack favors smaller programs (concentrates the fixed soft money); 168 is the right-sized balance of residual, credit-equity scale, and the 42-unit PBV set-aside.

Working columns M-S (PBV allocation, revenue, EGI, opex) support the table and are excluded from print.

Revenue - Unit Mix and Achievable Rents

Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint) - Rent mode: Market

Rents below are MARKET (they drive the conventional / residual comparison). The OPTIMAL hybrid structure uses Section 8 PBV contract rents on the 42 voucher units (see 4-Subsidized and 1b-Compare).

Program Band	Unit Type	Units	Avg SF	Program Gross Limit	Utility Allow.	Program Net Rent	Market Rent (existing comps)	Achievable Rent	Annual Rent
22% AMI	1BR	3	802	$472	$66	$406	$1,090	$406	$14,616
30% AMI	1BR	1	802	$644	$66	$578	$1,090	$578	$6,936
30% AMI	2BR	4	1,139	$773	$85	$688	$1,250	$688	$33,024
30% AMI	3BR	3	1,363	$894	$103	$791	$1,350	$791	$28,476
40% AMI	1BR	30	802	$859	$66	$793	$1,090	$793	$285,480
40% AMI	2BR	10	1,139	$1,032	$85	$947	$1,250	$947	$113,640
40% AMI	3BR	6	1,363	$1,192	$103	$1,089	$1,350	$1,089	$78,408
70% AMI	1BR	41	802	$1,505	$66	$1,439	$1,090	$1,308	$643,536
70% AMI	2BR	37	1,139	$1,806	$85	$1,721	$1,250	$1,500	$666,000
70% AMI	3BR	33	1,363	$2,088	$103	$1,985	$1,350	$1,620	$641,520
Total / Weighted Avg		**168**	1,045					**$1,246**	**$2,511,636**

Achievable Rent logic - Market mode: MIN(program net, existing-comp market x new-product factor). Program Net Rent: net of utility allowance. Program Gross Limit: gross ceiling. The new-product factor (Assumptions B56) applies to the market arm in both models.

MARKET RENT EVIDENCE (editable reference - does not drive the model)

Source	As-of	Type A	Type B	Type C	Note
RentCast estimate	2026-06-09	$1,090	$1,250	$1,350	Existing-stock API estimate at subject - the BASE market rents in col H
Apartments.com new-build avg	June 2026 survey	$1,302	$1,459	$1,855	Brooksville recent-build average - supports ~1.2x factor (3BR ~1.37x)
RentCafe Spring Hill avg	March 2026	$1,440	$1,669	$2,014	Larger adjacent market; new product runs higher still
Program 60% gross limit	Eff. 2026-05-01	$1,290	$1,548	$1,789	Sample: FHFC limits, gross before UA
Program 70% gross limit	Eff. 2026-05-01	$1,505	$1,806	$2,088	Sample: market cap still binding at this tier after the 1.2x factor
HUD FMR	FY2026	$1,696	$1,977	$2,527	Sample: metro fair market rents

Compare program limits to market evidence - whichever is lower caps achievable revenue.

Compare program limits to market evidence x factor - whichever is lower caps achievable revenue. See 2b-Mix for the revenue-optimized un

Unit Mix Optimization - Greatest Gross Revenue Potential

Envelope-bound optimum: hold the 175,485 SF construction scope and let unit count float. New-product factor 1.20x applied. Blue counts are editable - all totals recompute.

OPTIMIZED MIX (vs current mix on 2-Revenue)

Program Band	Unit Type	Units	Avg SF	Program Gross Limit	Utility Allow.	Program Net Rent	Market Rent (existing comps)	Achievable Rent	Annual Rent
22% AMI	1BR	3	802	$472	$66	$406	$1,090	$406	$14,616
30% AMI	1BR	1	802	$644	$66	$578	$1,090	$578	$6,936
30% AMI	2BR	4	1,139	$773	$85	$688	$1,250	$688	$33,024
30% AMI	3BR	3	1,363	$894	$103	$791	$1,350	$791	$28,476
40% AMI	1BR	69	802	$859	$66	$793	$1,090	$793	$656,604
70% AMI	1BR	40	802	$1,505	$66	$1,439	$1,090	$1,308	$627,840
70% AMI	2BR	84	1,139	$1,806	$85	$1,721	$1,250	$1,500	$1,512,000
70% AMI	3BR	47	1,363	$2,088	$103	$1,985	$1,350	$1,620	$913,680
		0	0	$0	$0	$0	$0	$0	-
		0	0	$0	$0	$0	$0	$0	-
Total / Weighted Avg		**251**	1,032					**$1,259**	**$3,793,176**

FEASIBILITY CHECKS AND REVENUE COMPARISON

SF used vs construction scope	259008 / 175,485 sf	Optimized mix must fit the building envelope
Weighted average AMI	59.9%	Must stay at or under 60% for income-averaging deals; blank rows count as 0
Optimized units	251	More units than 2-Revenue = revisit per-unit fees and lump-sum opex before adopting
Optimized revenue - subsidized	**$3,793,176**	
Current annual revenue - subsidized	$2,511,636	
Gain vs current - subsidized	**$1,281,540**	
Optimized revenue - conventional	**$4,329,648**	
Current annual revenue - conventional	$2,911,680	
Gain vs current - conventional	**$1,417,968**	

HOW THIS WAS OPTIMIZED, AND HOW TO ADOPT IT

Objective: maximize gross revenue per SF of envelope. With the 1.2x new-product factor, achievable rent density is 1BR $1.63/SF > 2BR $1.32 > 3BR $1.19 at 70% AMI - so the optimum shifts toward 1BRs and pushes every fill unit to the highest band the income-averaging cap allows.

Constraints: building envelope <= construction scope SF; deep set-aside preserved (3 x 22% and 8 x 30% units); income-averaging cap = 60% AMI weighted average; marketability guardrails 1BR <= 45%, 2BR >= 25%, 3BR >= 20% of units. Upgrades 40%->70% allocated by per-unit rent gain (2BR +$553/mo, 3BR +$531, 1BR +$515).

Result at sample inputs: 251 units (vs 216) in the same 260,000 SF envelope. Subsidized revenue +$322,680/yr (+9.3%); conventional + $358,704/yr (+9.0%). Alternative if unit count must stay 216: upgrade four 40% 3BRs to 70% (uses the remaining income-averaging slack) for ~+ $25k/yr.

To adopt: copy the unit counts into 2-Revenue, then revisit Assumptions - per-unit impact fees scale automatically, but lump-sum operating expenses (B36) and any per-unit benchmarks were calibrated to 216 units. Confirm 1BR depth with local lease-up data before committing.

Development Cost - Two Methods, One Selected Result

Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint) - Cost method: Bottoms-up build

HARD AND SITE COSTS			
Selected hard cost	$189.00	$ / sf	Per Assumptions hard-cost selector
Total hard cost	$33,166,665	$	Selected $/SF x construction scope SF
Site cost: tree mitigation + permits	$200,000	$	Label set on Assumptions
Impact / connection fees	$1,086,456	$	Per-unit fee x total units
Optional per-unit fee (toggle)	-	$	Included only when toggle = Yes
Site contingency	-	$	
Site-specific subtotal	$1,286,456	$	All site adders

METHOD A - BASELINE BUDGET + HARD-COST DELTA (requires baseline on 7-Reference)			
Method A non-land cost	$55,984,259	$	Baseline non-land + (new hard cost - baseline hard cost) + site adders; carries baseline soft costs implicitly

METHOD B - BOTTOMS-UP BUILD			
Soft costs	$8,291,666	$	Hard cost x soft-cost %
Financing / carry	$4,145,833	$	(Hard + soft) x financing %
Developer fee / OH / profit	$3,420,312	$	(Hard + soft + financing) x fee %
Method B non-land cost	$50,310,933	$	Hard + soft + financing + fee + site adders

SELECTED RESULT			
SELECTED NON-LAND COST	**$50,310,933**	$	Feeds every page in this package

BREAK-EVEN SOLVER (feeds 1-Summary and 6-Sensitivity)			
Max non-land cost that supports the ask	$55,222,494	$	Sources (with equity-mode algebra) less land ask
Max total hard cost that supports the ask	$36,489,497	$	Backs hard cost out of max non-land cost
Max hard cost $/SF supporting the ask	$207.94	$ / sf	Max hard cost / scope SF

UNIT METRICS			
Non-land cost per unit	$299,470	$ / unit	
Hard cost per unit	$197,421	$ / unit	Compare to benchmark on Assumptions
Non-land cost per SF	$286.70	$ / sf	

Construction Method Comparison - Alternative Systems and Automation

Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint) - Baseline = selected hard cost $189.00/SF. Each row re-solves cost, NOI (via opex delta), debt sizing, and residual land.

METHOD COMPARISON - COST AND OPERATING IMPACTS

Method / System	Delta $/SF vs baseline	Method hard cost $/SF	Delta opex /yr	Non-land cost	Residual land value	Delta residual vs current	Schedule, insurance, and risk notes
Current selection (baseline)	base	$189.00	base	$50,310,933	$6,815,083	-	Reference row - ties to 3-Costs selected result and 1-Summary residual exactly
Concrete block (CMU) + frame	+$8	$197.00	-3%	$52,386,043	$5,979,458	($835,625)	FL hurricane standard; masonry premium vs wood; insurance -10% to -25%/yr and lower maintenance
Light-gauge steel, panelized	-$3	$186.00	-1%	$49,532,766	$7,379,003	$563,921	Framing ~$12-15/SF vs wood ~$13-19/SF installed; waste <2% vs ~20%; panel field time up to -50%; no termite/rot
ICF (insulated concrete forms)	+$6	$195.00	-8%	$51,867,265	$6,866,354	$51,271	Wall premium ~$6-9/SF of wall area; energy -50% to -70%; wind/insurance credits; strong FL fit
SIPs / foam panel envelope	-$2	$187.00	-5%	$49,792,155	$7,701,978	$886,896	Material +15-25% vs stud+batt but ~55% framing-labor savings; energy -40% to -60%; faster dry-in
3D-printed concrete walls (robotic)	-$10	$179.00	-4%	$47,717,045	$8,773,425	$1,958,343	Automated wall printing: wall-system cost -20% to -30%, labor -70%; walls ~40-50% of shell; low-rise track record only
RENCO composite block	-$12	$177.00	-5%	$47,198,268	$9,188,676	$2,373,593	FL 96-unit 3-story precedent: structure $32.50/SF vs ~$45; 11 workers / 8 weeks; insurance ~-20%
Modular volumetric	-$8	$181.00	base	$48,235,823	$8,004,441	$1,189,358	Unit cost +2-15% but 40-50% schedule compression cuts carry/GC; earlier lease-up; crane + logistics critical
AAC panel/block (Hebel-type) - future invest.	+$4	$193.00	-8%	$51,348,488	$7,163,693	$348,611	AAC: 4-hr fire, R~10 (effective R-30 via thermal mass), pest/moisture/mold proof, hurricane-rated, ~50% HVAC savings. Premium material (~2.5% over frame in N. FL) partly offset by speed; verify US multifamily pricing.
Mass timber / CLT - future invest	+$6	$195.00	-2%	$51,867,265	$6,158,886	($656,196)	path; premium for low-rise (better fit mid-rise). Verify FL availability/cost and

WHAT THE COMPARISON SAYS

Best method (highest residual land)	**RENCO composite block**	
Best-case residual land value		**$9,188,676**
Improvement vs current selection		**$2,373,593**
Reminder - $/SF that fully pencils at the ask	**$207.94**	
Best-case method $/SF		

To adopt a method: enter its $/SF in Assumptions > Manual hard cost (B17) AND its opex delta in Assumptions > Method adoption (B54). The verdict, debt sizing, residual, and the 5b-Hold-IRR model all re-solve.

Deltas are planning-level benchmarks from 2025-2026 published data (see source register and instructions). Opex deltas blend owner-paid energy, insurance, and maintenance effects - calibrate to your utility structure (tenant-paid utilities shrink the energy share). Verify with local GC/sub pricing and confirm code approval path before erwriting.

Subsidized / Tax Credit Model - Pro Forma, Capital Stack, Residual Land

Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint) - Equity mode: Scale with cost basis from baseline

Annual residential rent (achievable)	$2,511,636	$	2-Revenue achievable rents x 12
Other income	$67,200	$	
Gross potential income	$2,578,836	$	
Vacancy / collection loss	($154,730)	$	
Effective gross income	$2,424,106	$	
Operating expenses	$1,055,117	$	Base opex x escalation input
Net operating income	$1,368,989	$	
Mortgage constant	7.46%	x	From rate / amortization inputs
Supportable annual debt service	$1,140,824	$	NOI / subsidized-deal DSCR
Supportable permanent mortgage	$15,298,709	$	Debt service / mortgage constant
Tax credit / subsidy equity (per mode)	$21,475,006	$	Per equity-mode selector; falls back to entered value if no baseline
Equity scaled with cost basis	$21,475,006	$	Baseline equity x cost-basis growth; approximation - confirm with syndicator
Deferred developer fee	$9,500,000	$	
Soft subordinate sources / grants	$10,852,300	$	
Total supportable sources	$57,126,015	$	Mortgage + equity + DDF + soft
Non-land development cost	$50,310,933	$	From 3-Costs
RESIDUAL LAND VALUE	**$6,815,083**	$	Sources less non-land cost = what the project can pay for land
Residual per unit	$40,566	$ / unit	
Residual per acre	$473,270	$ / acre	
Feasibility status	Supports ask		
Residual - equity as entered	$13,343,152	$	Comparison scenario
Residual - equity scaled with basis	$6,815,083	$	Comparison scenario
Developer cash required at ask	-	$	Land ask + cost less sources
Year-1 cash flow after debt / reserves / AM	$157,244	$	NOI - debt service - reserves - asset mgmt
Year-1 cash-on-cash		%	Cash flow / developer cash at ask

Conventional Market-Rate Model (no subsidy)

Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint) - Could this site work as a market-rate deal?

Annual residential rent (market, uncapped)	$2,911,680	$	Unit mix x existing-comp rents x new-product factor
Other income	$67,200	$	
Gross potential income	$2,978,880	$	
Vacancy / collection loss	($178,733)	$	
Effective gross income	$2,800,147	$	
Operating expenses	$1,055,117	$	Same opex as subsidized model
Net operating income	$1,745,031	$	
Stabilized value at cap rate	$30,348,360	$	NOI / cap rate input
Mortgage constant	7.46%	x	
Supportable annual debt service	$1,396,025	$	NOI / conventional DSCR
Supportable mortgage	$18,720,999	$	
Developer profit cushion	$5,031,093	$	Non-land cost x cushion %
Non-land development cost	$50,310,933	$	
RESIDUAL LAND VALUE	**($24,993,666)**	$	Value less cost less cushion
Residual per unit	($148,772)	$ / unit	
Residual per acre	($1,735,671)	$ / acre	
Developer equity at ask	$35,589,933	$	Cost + land ask less mortgage
Year-1 cash flow after debt / reserves / AM	$276,205	$	
Year-1 cash-on-cash	0.8%	%	
Feasibility status	Not feasible conventionally		

Required average market rent for conventional feasibility appears on 1-Summary when strategy = Conventional.

Hold Analysis - APOD, Long-Term Cash Flow, and IRR

Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint) - Strategy: Subsidized/Tax Credit - Exit: forward NOI / 6.50% cap, less 2% sale costs and mortgage payoff

YEAR-1 APOD (strategy-aware, construction-method-adjusted)		
Gross potential income	$2,578,836	
Vacancy / collection loss	($154,730)	
Effective gross income	$2,424,106	
Operating expenses (adjusted)	$1,055,117	Base opex x escalation x method opex adjustment (Assumptions B54)
NET OPERATING INCOME	**$1,368,989**	
Annual debt service	$1,140,824	
Replacement reserves	$58,800	
Asset management fee	$12,121	
Cash flow (after DS, res, AM)	**$157,244**	
Debt coverage ratio	1.20x	
Operating expense ratio	43.5%	
Break-even occupancy	85.2%	(Opex + debt service) / GPI
Cap rate on total dev cost	2.5%	
NOI per unit	$8,149	

HOLD / EXIT INPUTS (edit on Hold-Exit Assumptions tab)		
Annual rent / income escalation	3.0%	
Annual opex escalation	3.0%	
Exit cap rate	6.50%	
Sale / closing costs	2.0%	
Initial equity (IRR basis)	-	Developer cash required at the ask

RETURNS BY HOLD PERIOD

Metric	10-Year	15-Year	20-Year	30-Year
Levered IRR	n/a	n/a	n/a	n/a
Equity multiple	n/a	n/a	n/a	n/a
Total profit / (loss)	n/a	n/a	n/a	n/a
Average annual cash-on-cash	n/a	n/a	n/a	n/a
Net sale proceeds in exit year	$13,978,736	$19,653,625	$26,535,076	$45,269,176

Investor IRR / mult. - $2.0M co-GP (15-yr) **26.8%** **6.14x**

Project IRR above is n/a (deal fully sourced, $0 equity); the relevant return is the investor's on the $2.0M co-GP. See 1c-Partnership.

ANNUAL CASH FLOWS (sale modeled in the hold column's final year)

Year	NOI	Operating cash flow	Sale value (fwd NOI / cap)	Net sale proceeds if sold	CF - 10-yr hold	CF - 15-yr hold	CF - 20-yr hold	CF - 30-yr hold
0					-	-	-	-
1	$1,368,989	$157,244	$21,693,216	$6,072,213	$157,244	$157,244	$157,244	$157,244
2	$1,410,059	$197,950	$22,344,012	$6,829,334	$197,950	$197,950	$197,950	$197,950
3	$1,452,361	$239,878	$23,014,332	$7,613,897	$239,878	$239,878	$239,878	$239,878
4	$1,495,932	$283,063	$23,704,762	$8,427,056	$283,063	$283,063	$283,063	$283,063
5	$1,540,810	$327,543	$24,415,905	$9,270,020	$327,543	$327,543	$327,543	$327,543
6	$1,587,034	$373,358	$25,148,382	$10,144,060	$373,358	$373,358	$373,358	$373,358
7	$1,634,645	$420,548	$25,902,834	$11,050,512	$420,548	$420,548	$420,548	$420,548
8	$1,683,684	$469,153	$26,679,919	$11,990,779	$469,153	$469,153	$469,153	$469,153
9	$1,734,195	$519,216	$27,480,316	$12,966,336	$519,216	$519,216	$519,216	$519,216
10	$1,786,221	$570,782	$28,304,726	$13,978,736	$14,549,518	$570,782	$570,782	$570,782
11	$1,839,807	$623,894	$29,153,868	$15,029,611		$623,894	$623,894	$623,894
12	$1,895,001	$678,599	$30,028,484	$16,120,679		$678,599	$678,599	$678,599
13	$1,951,851	$734,946	$30,929,338	$17,253,750		$734,946	$734,946	$734,946
14	$2,010,407	$792,983	$31,857,218	$18,430,729		$792,983	$792,983	$792,983
15	$2,070,719	$852,761	$32,812,935	$19,653,625		$20,506,386	$852,761	$852,761
16	$2,132,841	$914,333	$33,797,323	$20,924,552			$914,333	$914,333
17	$2,196,826	$977,752	$34,811,243	$22,245,743			$977,752	$977,752
18	$2,262,731	$1,043,073	$35,855,580	$23,619,549			$1,043,073	$1,043,073
19	$2,330,613	$1,110,354	$36,931,247	$25,048,453			$1,110,354	$1,110,354
20	$2,400,531	$1,179,653	$38,039,185	$26,535,076			$27,714,729	$1,179,653
21	$2,472,547	$1,251,032	$39,180,360	$28,082,181				$1,251,032
22	$2,546,723	$1,324,551	$40,355,771	$29,692,690				$1,324,551
23	$2,623,125	$1,400,276	$41,566,444	$31,369,688				$1,400,276
24	$2,701,819	$1,478,274	$42,813,438	$33,116,435				$1,478,274
25	$2,782,873	$1,558,610	$44,097,841	$34,936,377				$1,558,610
26	$2,866,360	$1,641,358	$45,420,776	$36,833,158				$1,641,358
27	$2,952,350	$1,726,587	$46,783,399	$38,810,630				$1,726,587
28	$3,040,921	$1,814,373	$48,186,901	$40,872,872				$1,814,373
29	$3,132,149	$1,904,793	$49,632,508	$43,024,198				$1,904,793
30	$3,226,113	$1,997,926	$51,121,483	$45,269,176				$47,267,102

Sale price = next-year NOI / exit cap. Mortgage payoff = remaining balance at the sale year from the Assumptions rate/amortization. Each hold column contains only its own sale - no double-counted proceeds. Construction-method opex savings (Assumptions B54) compound through every year of NOI above.

Sensitivity and Scenario Comparison

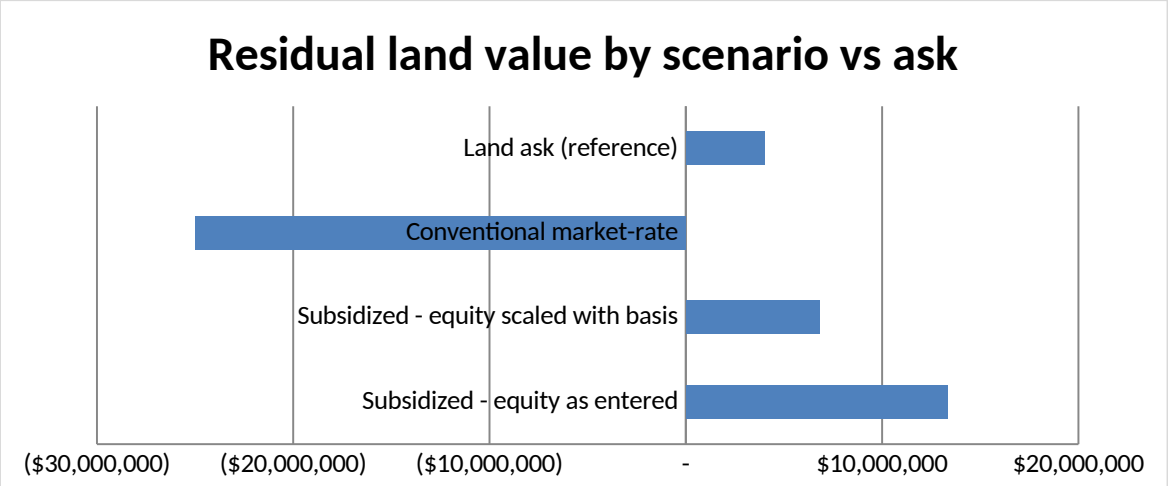
Project: Brooksville 168-Unit Affordable Housing (Optimized Footprint) - Computed for: Subsidized/Tax Credit / Scale with c

RESIDUAL LAND VALUE BY SCENARIO	
Subsidized - equity as entered	$13,343,152
Subsidized - equity scaled with basis	$6,815,083
Conventional market-rate	($24,993,666)
Land ask (reference)	$4,000,000

SENSITIVITY - RESIDUAL LAND VALUE (rent change across, cost change down)

Cost \ Rent	-10%	-5%	0%	5%	10%
-10%	$7,060,284	$8,379,479	$9,698,675	$11,017,871	$12,337,067
-5%	$5,618,487	$6,937,683	$8,256,879	$9,576,075	$10,895,271
0%	$4,176,691	$5,495,887	$6,815,083	$8,134,279	$9,453,474
5%	$2,734,895	$4,054,090	$5,373,286	$6,692,482	$8,011,678
10%	$1,293,098	$2,612,294	$3,931,490	$5,250,686	$6,569,882

Center cell = base case. Green = supports more land; red = deeper gap. Grid follows the selected strategy and equity mode.



Reference - Optional Baseline Budget and Source Register

Baseline = a prior budget for this site or a close comparable. Needed only for the delta cost method and basis-scaled equity. Leave as-is (or zero) when using bottoms-up costing with as-entered equity.

OPTIONAL BASELINE BUDGET (sample: Brooksville Apex 2023 proforma)			
Baseline total uses	$69,604,678	$	Sample source: prior proforma SOURCES & USES
Baseline land input	$4,000,000	$	
Baseline non-land cost	$65,604,678	$	Total uses less land
Baseline hard cost (comp.)	$44,073,540	$	Hard-cost subtotal on the same scope basis as your new estimate
Baseline annual opex	$1,310,071	$	Informational; feeds the Assumptions opex sample
Baseline credit equity	$28,003,076	$	Used only by basis-scaled equity mode

SOURCE REGISTER (document every hardcoded assumption)

Source ID	Item	As-of	Source	Value / Note
BASE-1	Prior / comparable budget	2023-07-18	(sample) Prior proforma	Baseline values above
RENT-1	Market rent estimate	2026-06-09	(sample) RentCast API	Per-row market rents on 2-Revenue
PROG-1	Program rent limits	Eff. 2026-05-01	(sample) State HFA	Gross limits / utility allowances on 2-Revenue
COST-1	Hard-cost benchmark	2025 RFA draft	(sample) State HFA	Benchmark $/unit on Assumptions
FEE-1	Water/wastewater connection fees	Study 2025-01-27	Raftelis / City of Brooksville	VERIFIED: $6,467/ERU wastewater + $765/ERU water (Connection Fee Study_012725_deck.pdf); ERU/unit assignment open
SITE-1	Tree mitigation - City verified	D. Peters email 0	City of Brooksville Planning & Zoning	VERIFIED: live oaks only are per-inch ($100/$150); all other species flat $33/tree. Full-clear $457k; tree-aware ~$67-184k; model $200k. Fees may increase; $175/in replant credit.
METH-1	Alt-method cost benchmarks	2025-2026	(sample) Published industry data	Deltas on 3b-Methods - verify with local GC/subs before underwriting

LEGAL REFERENCE - IRC SEC. 42(g)(2)(E) (PROJECT-BASED VOUCHER RENT TREATMENT)

Statute	26 U.S.C. Sec. 42(g)(2)(E): for the gross-rent test of Sec. 42(g)(2)(A), gross rent does NOT include any rental assistance payment under Section 8 of the U.S. Housing Act of 1937 (or comparable federal/state/local assistance).
Mechanism	The tenant-paid portion of rent must still satisfy the LIHTC rent limit, but the Section 8 / project-based voucher CONTRACT rent may exceed that limit. A PBV unit can therefore carry both the 4% credit and above-limit contract rents - the basis for the hybrid structure in this model (tab 1b-Compare).
Effect here	Lets the 42 PBV units collect ~HUD FMR (net of UA) while remaining credit-eligible, detaching revenue from the weak local market.
Authority	IRS Rev. Rul. 2004-82 (Q&A on Sec. 42) - irs.gov/pub/irs-drop/rr-04-82.pdf

APPENDIX B

RENCO Construction Method Analysis

RENCO Construction Method for Apartment Buildings

Product, method, costs, Florida market examples, videos, strengths, weaknesses, and source links.
Prepared June 14, 2026.

Bottom line: RENCO is a structural building system using interlocking mineral-composite blocks, joists, decking, and adhesive. It is most compelling for repetitive low- to mid-rise multifamily projects in hurricane markets where schedule, labor, storm resilience, and reduced jobsite waste can materially affect project economics.

Executive Summary

- RENCO's MCFR system is a molded mineral composite structural system, not a conventional concrete block, wood-frame, or steel-frame system. See RENCO Product & Process.
- The structure is assembled from color-coded interlocking units and bonded with methacrylate adhesive, then finished with conventional WRB, cladding, gypsum, MEP, roof, windows, doors, and interiors.
- The main completed Florida proof point is Lakewood Village in Palm Springs, Palm Beach County: four three-story buildings totaling 96 apartments.
- Public cost claims center on the structural shell: roughly 20% faster and 20% cheaper than conventional hurricane-zone concrete construction, plus a reported $30/sf RENCO block comparison versus $40/sf concrete block.
- The most important diligence item today is current code status. The public IAPMO report reviewed was revised May 10, 2024 and showed validity through July 31, 2025, so a 2026 project should verify the current renewal before relying on it.

What The Product Is

RENCO stands for renewable composite. The product family is called MCFR, or Mineral Composite Fiber Reinforced. RENCO describes the system as repurposed glass fibers, resin and limestone/calcite made into structural blocks and profiles. The MCFR block EPD lists ingredient ranges including PET recycled resin, calcium carbonate, E-glass roving, aluminum hydroxide, and other minor ingredients.

Component	Role in the building
Interlocking wall blocks	Load-bearing and non-load-bearing walls, exterior and interior walls, and shear walls within the evaluated scope.
Joists, bridging, decking	Floor and roof structure; profiles are mechanically fastened and/or bonded into wall assemblies.
RENCO adhesive	Two-part methacrylate adhesive used to bond wall units and joists; evaluation report identifies Plexus MA530 by ITW Polymers.
Fasteners	Self-drilling screws and other fasteners used for decking, bridging, gypsum, lath, and related assemblies.
Install plans	Color-coded assembly drawings that tell crews which block type goes where and in what sequence.

Construction Method

- Architectural/structural plans are translated into a RENCO block configuration and project kit.
- Blocks are delivered to the jobsite in component groups and assembled according to color-coded plans.

- Wall units are stacked in a running bond pattern; block protrusions and recesses interlock vertically, and side channels interconnect horizontally.
- Adhesive is applied to the required horizontal joints, interior slots, and joist pocket faces per the installation manual and evaluation report.
- Joists are installed into beam pockets; bridging and decking are mechanically fastened to joists and wall ledgers.
- Exterior assemblies still require WRB and approved exterior cladding. The evaluation report references Master Wall Aggre-Flex Class PB EIFS over WRB and metal lath for covered wall assemblies.
- Interior faces are finished with gypsum board; plumbing, electrical, HVAC, roofing, windows, doors, cabinets, and finishes are conventional trades.

Reported field tools are intentionally simple: rubber mallet, adhesive gun, and fastening tools. Media coverage repeatedly describes the Lakewood Village shell as assembled by a small crew using a mallet and glue gun. See the Fast Company repost and WPTV repost.

Code And Technical Status

The primary technical source reviewed is IAPMO UES ER-508. It evaluates the RENCO MCFR Building System as an alternative material, design, or method of construction under IBC Section 104.11 for equivalence in quality, strength, effectiveness, fire resistance, durability, and safety within the report's scope.

Topic	Details to verify/use
Recognized uses	Interior and exterior unreinforced load-bearing or non-load-bearing walls and shear walls, floors, and roofs.
Codes listed	2021, 2018, 2015, 2012 IBC/IRC; 2023 and 2020 Florida Building Code supplements attached in the report.
Florida approval	FL28487-R3, structural wall category, approved for HVHZ and non-HVHZ, impact resistant, design pressure +94/-94 psf.
Wall axial load	Maximum allowable axial compression gravity load: 4,669 plf for walls with floor-to-floor heights up to 10 feet in the report.
Out-of-plane load	Maximum allowable wall out-of-plane wind load: 94 psf, exclusive of EIFS; EIFS coating load listed at 74 psf.
Roof uplift assembly	Report lists 50 psf for the cited RENCO purlin/decking assembly, with support member design by the structural designer.
Fire assemblies	IAPMO listing and ER report include 1-hour and 2-hour fire-resistance-rated assemblies.
Adhesive limits	Adhesive shelf life and installation temperature range matter; report lists application between 40°F and 100°F.
Seismic limitation	Use as a seismic lateral force-resisting system in Seismic Design Categories C, D, E, and F is outside the report scope.
Current-status caution	The public ER-508 copy reviewed showed validity through July 31, 2025. Verify current IAPMO/FBC status for any 2026 project.

Florida Market Examples

Lakewood Village - Palm Springs, Palm Beach County

Lakewood Village is the primary completed U.S. example found. Public sources describe it as RENCO's first completed U.S. building: four three-story buildings totaling 96 apartment units in Palm Springs, Florida. RENCO's own homepage says the complex was erected and assembled in less than eight weeks by 11 non-traditionally trained construction workers and saved about 20% of time and cost versus conventional hurricane-zone concrete. See RENCO homepage and Pro Builder repost.

Attribute	Reported detail
Location	Palm Springs, Florida, west of I-95 in Palm Beach County.
Building type	Apartment community / multifamily housing.
Scale	96 units, four buildings, three stories.
Shell crew	Reported 11 workers for assembly.
Shell schedule	Reported approximately eight weeks / less than two months.
Rents reported	Miami Herald repost reported two-bedroom units around $2,000/month and three-bedroom units around $2,500/month.
Development/construction participants	Media coverage references Coastal Construction and Cuentas-related project context; verify entity roles in deal documents.

Other Florida Activity

- RENCO lists a Jupiter, Florida manufacturing center at 15501 Park of Commerce Blvd., Suite 900. Source: RENCO Facilities.
- Cuentas announced a planned 360-unit complex on a 26-acre Tampa property using RENCO technology. Treat this as announced/planned unless independently confirmed as completed. Source: Cuentas/RENCO announcement.

Costs And Economics

The public cost information is useful directionally, but it should be underwritten as a structural-shell comparison, not as a total apartment project budget. Land, sitework, foundations, utilities, podiums, MEP, roofing, interiors, permits, design, insurance, financing, and developer soft costs still remain.

Claim/source	What it means	Caution
20% faster and 20% cheaper	RENCO/coverage claim for Lakewood versus conventional hurricane-zone concrete.	Project-specific; verify with actual bids.
$30/sf vs $40/sf	Miami Herald repost said RENCO estimated its blocks around $30/sf versus concrete block around $40/sf.	Likely structural/block comparison, not full hard cost.
50% project-insurance savings	Global Construction Review repost says RENCO claimed savings from simplified process and shorter duration.	Construction insurance, not necessarily permanent property insurance.
Fewer laborers	Small crews can assemble shell components with color-coded plans.	Finish trades and licensed MEP still required.
Less waste/equipment	Less cutting, less formwork, fewer dumpsters, less need for cranes/scaffolding in reported example.	Depends on design complexity and site logistics.

The strongest economic case is for repetitive low-rise multifamily where the shell can be standardized and assembled quickly. RENCO's public comments suggest savings come mainly from time and labor. See Miami Herald repost and

Global Construction Review repost.

Strengths

- Speed: shell assembly can be significantly faster when the design is repetitive and the kit is coordinated.
- Labor: reduces dependence on scarce masons, carpenters, formwork crews, and crane-heavy shell operations.
- Weight: RENCO says the system is similar to wood-frame weight and about one-quarter of concrete; Miami Herald repost reported about 75% lighter than comparable concrete block.
- Hurricane-market fit: Florida approval and Category 5 resilience claims align with Florida insurance and storm-resilience concerns.
- Termite and mold resistance: no wood in the structural wall blocks; RENCO markets the material as water, mold, mildew, pest, and termite resistant.
- Fire assemblies: IAPMO listing and evaluation documents include tested 1-hour and 2-hour fire-rated assemblies.
- Lower jobsite waste: less cutting, less formwork waste, fewer dumpsters, and less disruptive heavy machinery in the reported build.
- Sustainability story: recycled/repurposed inputs and EPD documentation support an environmental narrative.
- Repeatability: strongest for garden apartments, workforce housing, townhomes, senior housing, and other repeated unit plans.

Weaknesses And Risks

- Limited U.S. operating history: Lakewood Village is the main completed U.S. apartment proof point found.
- Proprietary supply: project depends on RENCO for design conversion, molds, blocks, adhesives, training, QA, and ongoing support.
- Approval currency: public ER-508 copy reviewed showed validity through July 31, 2025. Confirm current IAPMO/FBC documents before design or financing reliance.
- Height and lateral limits: public sources referenced five-story permitting at the time and hopes for eight-story approvals; seismic C-F lateral use is outside the reviewed report scope.
- Design constraints: irregular plans, long spans, podium transitions, cantilevers, complex facades, and late changes may reduce savings.
- Adhesive quality control: bond strength depends on correct adhesive, shelf life, mix, temperature, surface prep, application pattern, and inspection.
- AHJ/lender/insurer education: alternative materials can slow approvals unless the team packages testing, reports, details, and precedent cleanly.
- Future alterations: penetrations, retrofits, structural modifications, and major repairs need RENCO-specific guidance.
- Total-cost risk: savings in shell work may be offset by local manufacturing lead time, logistics, project learning curve, or conservative bids from unfamiliar subs.

Best-Fit Use Cases

Good fit	Why
Workforce/garden apartments	Repetitive plans, strong need for speed and affordability, Florida storm-resilience story.
Townhomes and low-rise rentals	Repeated unit shells and predictable wall layouts.
Senior/student housing	Repeatability and speed can matter more than extreme architectural customization.
Hurricane-resilient public/private housing	Florida HVHZ approval and storm narrative are directly relevant.
Small hotels or hospitality support buildings	Repetitive room layouts may benefit if spans and code details align.

Weak fit / needs caution	Why
High-rise towers	Current public examples and approval discussion center on low- to mid-rise, not towers.
Highly custom one-off architecture	Custom geometry may erode kit efficiency.
Seismic markets requiring SDC C-F lateral system approval	Outside reviewed report scope.
Projects with late design volatility	Molded kit systems reward early coordination and standardization.
Teams unwilling to educate AHJ/lenders/insurers	Alternative systems require documentation discipline.

Diligence Checklist Before Using RENCO

- Get the latest IAPMO ER-508 and current Florida Product Approval directly from IAPMO/FBC, not only a downloaded copy.
- Ask RENCO for a project-specific design-assist proposal with block count, lead time, logistics, training, inspection, and warranty assumptions.
- Price the full building, not just the shell: foundations, MEP, roofing, cladding, windows, interiors, sitework, insurance, financing, and contingencies.
- Have structural engineer, architect, code consultant, fire consultant, and AHJ review the proposed assemblies early.
- Clarify fire ratings, shaft walls, party walls, acoustic assemblies, penetrations, wet areas, balconies, stairs, corridors, and roof attachments.
- Ask insurers whether construction and permanent coverage savings are real for your project type and location.
- Visit Lakewood Village or arrange a call with the owner, GC, architect, engineer, and AHJ if possible.
- Get written guidance for future repairs, tenant improvements, coring/penetrations, water intrusion response, and structural modifications.

Videos And Visual References

- RENCO YouTube channel - product and project videos.
- RENCO fire testing video - hosted MP4 fire test footage.
- WPTV Lakewood Village coverage repost - local news-style overview.
- RENCO News & Resources page - index of GMA, FOX, CNBC, BD+C, Miami Herald, Fast Company and other coverage.

Source Links

1. RENCO USA homepage

Company overview, Lakewood Village summary, speed/cost claims, material overview, contact details.

2. RENCO Product & Process

MCFR material, installation method, advantages, block sizes, testing/documentation links.

3. IAPMO UES ER-508 Evaluation Report

Code evaluation, structural uses, limitations, load values, installation and adhesive requirements.

4. Florida Building Code Product Approval

FL28487-R3, HVHZ/non-HVHZ approval, impact resistance, +94/-94 psf design pressure.

5. IAPMO Listing UEL-5025

ASTM/NFPA testing recognition, fire-rated assembly details.

6. RENCO MCFR Block EPD

Environmental product declaration, ingredient ranges, cradle-to-gate scope.

7. RENCO Flooring System Specifications

Deck and joist system description, weights, modulus of elasticity and load table documentation.

8. RENCO Facilities

Jupiter, Florida manufacturing center and Turkey facility descriptions.

9. Fast Company repost: 11 people built the apartment complex

Lakewood Village construction crew, timeline, Turkey history, cost/schedule claims and block system details.

10. Miami Herald repost: cheaper, greener way to build

Florida cost comparison, rents, manufacturing plans, approval/testing context.

11. Pro Builder repost: Florida multifamily complex

Lakewood Village overview, Palm Springs example, storm resilience and insurance context.

12. WPTV repost: Palm Springs apartments

Local news coverage, public-perception comments, insurance-premium discussion, construction method.

13. Global Construction Review repost

Project insurance savings claim, no heavy equipment/scaffolding/cutting, five-story use statement.

14. Cuentas/RENCO announcement repost

Lakewood Village investment context and announced Tampa 360-unit project plan.

15. RENCO YouTube channel

Video channel for product and project footage.

16. RENCO Fire Testing Video

Fire-testing video hosted by RENCO.

Notes

This report summarizes public information found during research and should be used as a diligence starting point, not as engineering, legal, code, insurance, or construction-pricing advice. All active project decisions should be checked against current product approvals, sealed project documents, the authority having jurisdiction, and current supplier/contractor pricing.

Appendix B (continued). Future Construction-System Investigations

The construction-method comparison (Appendix A, tab 3b-Methods) now screens ten systems. RENCO composite block remains the modeled base for its Florida 3-story precedent and lowest hard cost. Two newer categories merit future diligence as the design advances, and one specific product was flagged for investigation.

CANDIDATES SCREENED (planning-level; see 3b-Methods)

System	Modeled $/SF	Residual vs current	Why it merits a look
RENCO composite block (modeled base)	$177	+$2.37M	FL 96-unit 3-story precedent; lowest hard cost; -5% opex
AAC panel/block (Hebel-type)	$193	+$0.35M	4-hr fire, effective R-30, pest/moisture/mold proof, hurricane-rated, ~50% HVAC savings; premium material
Mass timber / CLT	$195	-$0.66M	Low-carbon, fast erection; better fit for mid-rise; verify FL cost/insurance

PRODUCT TO INVESTIGATE: XBETON (nano-graphene AAC)

XBeton is autoclaved aerated concrete (AAC) infused with a proprietary nano-graphene admixture ("Beton Dose Pack"). The product line covers blocks, lintels/U-blocks, and wall, cladding, floor, and roof panels - a full envelope system. Stated certifications: ASTM, UL, NET ZERO.

Vendor performance claims (to verify):

- ~40% faster construction, ~30% lower total cost, ~50% less HVAC energy versus wood, CMU, or tilt-up.
- Non-combustible, certified up to 4-hour fire ratings (withstands ~6500°F); pest- and moisture-resistant (inorganic, no dry rot); lightweight and seismically favorable.
- Dose Pack formulations: XBOND (thin-set/panel adhesive), XFINISH (finish coats), XSEAL (joints/flashings/WRB), XBASE (leveling/structural repair), XRENDER (graphene-reinforced stucco).

Diligence before modeling: these claims are aggressive for a newer product. Obtain a US multifamily quote, third-party test data, and code approvals (ICC-ES / Florida Product Approval) before substituting it for RENCO in the base case. Contact: xbeton.com, info@xbeton.com, 855-2XBETON. Established AAC reference: Hebel (hebel.com.au / U.S. Hebel panels).

Planning-level screen for future diligence; not a recommendation to change the base case. Brochure on file. Sources: XBeton product brochure and xbeton.com; Hebel (hebel.com.au); AAC industry data.

Appendix C. School Concurrency (Hernando High) and Subject-Property Record

This appendix augments the Section 1 Risk and Diligence Register (adds item 8) and the Section 3 Development Roadmap (adds an entitlement sub-item under the PD site-plan amendment). It records a diligence finding and a placeholder contingency. It does not change the base-case residual land value.

FINDING

- Florida uses school concurrency, not a development moratorium. A project proceeds; if a school level is over capacity, the developer satisfies concurrency through proportionate-share mitigation (a payment toward capacity).
- The subject site is zoned to Hernando High School. The district is expanding high-school capacity (about $42M of classroom additions at Central and Hernando High). That expansion would bring the district high-school level of service to about 89%, which indicates current high-school utilization is high.
- For roughly 168 family apartments this is a genuine diligence item, tempered by four points: family apartments generate far fewer students per unit than single-family homes; the project realistically delivers around 2028 to 2029, by which time the district additions may add capacity; mitigation is a cost, not a veto; and the mitigation payment can fund the very capacity the district is already planning.

TREATMENT IN THE MODEL

Item	Amount
Base-case residual land value (hybrid 4% LIHTC + PBV)	~$11.8M
Less: school-concurrency mitigation placeholder (pending district determination)	up to ($0.3M)
Risk-adjusted residual land value	~$11.5M
Risk-adjusted surplus over the $4.0M land basis	~$7.5M

The placeholder is held outside the base case because the mitigation may be $0 if high-school capacity is available. The amount is confirmed by the district's concurrency determination.

NEXT STEP AND ROADMAP PLACEMENT

- Request a preliminary school concurrency determination from Hernando County Schools, Facilities and Construction / Planning and Growth Management, (352) 797-7000: current Hernando High capacity versus enrollment, the multifamily student-generation rate the district applies, and the estimated proportionate-share mitigation for 168 family apartments.
- Tracked in the Milestone Tracker as item 10a (determination, target September 2026) and item 10b (mitigation if the high school is over capacity), as sub-items of the PD site-plan amendment.

SUBJECT PROPERTY — RECORD DETAIL

Owner of record	BROOKSTONE APARTMENTS LLC
Parcel ID (PID)	R27 222 19 3010 00A0 0010
Legal description	Parsons Add to Brooksville
Site area	14.3969 acres (627,128 sf)
Coordinates	28.5475, -82.3935
Use / zoning code	Vacant Residential
Zoned high school	Hernando High School

Source: Hernando County Property Appraiser / StellarMLS tax report for the subject parcel. The same record confirms the zoned high school used in the concurrency analysis above.

Appendix D. Opportunity Zone (OZ 2.0) - Rural Equity Enhancement

A financing upside confirmed after the main analysis. The subject parcel is in a federal Opportunity Zone under the new permanent OZ 2.0 regime, with US Treasury "Rural" status, which unlocks the enhanced Qualified Rural Opportunity Fund (QROF) benefits. This is a partner-side equity sweetener, not a base-case source.

FINDING

- The parcel is in census tract 405.01 (GEOID 12053040501), Hernando County, confirmed on the US Treasury Opportunity Zone map as an OZ 2.0 tract with **Rural status**. Tract metrics: median family income $60,232 versus the Tampa MSA median of $89,566 (about 67%, inside the 70% threshold), 61% renter households (strong rental demand), and an area of 4.45 sq mi.
- OZ 2.0 is the permanent regime created by the 2025 federal tax law; IRS Notice 2026-40 is the transitional guidance. New designations take effect **January 1, 2027**, which lines up with this deal's capital raise and construction window (2026-205 application in fall 2026, construction 2027 to 2028).
- Ground-up new construction automatically meets the OZ "original use" requirement, so the 168-unit program is a clean fit.

BENEFITS TO A CAPITAL PARTNER (via a Qualified Opportunity Fund)

Step	Benefit
Invest a capital gain in a QOF	Defer the capital-gains tax (rolling 5-year recognition)
Hold 5 years - RURAL / QROF	30% basis step-up (3x the standard 10%): 30% of the deferred gain is permanently excluded; plus a reduced substantial-improvement threshold
Hold 10+ years	Basis steps up to fair market value: all appreciation on the OZ investment is tax-free

WHY IT MATTERS, AND THE CAVEATS

- **Widens the equity pool** to anyone holding capital gains, and lets the ~$2M co-GP partner shelter a gain while investing. It **stacks ("twins") with the 4% LIHTC** structure, and the timing aligns with the January 1, 2027 effective date.
- **Caveat - subsidized deal.** In a deeply subsidized LIHTC project the 10-year tax-free appreciation is muted by the affordability restrictions, so treat OZ as a partner-side sweetener and a wider equity net, not a load-bearing source like the SAIL stack.
- **Structure with tax counsel.** LIHTC + OZ twinning has real complexity (QOF timing, the 90% / 70% asset tests, deferred-gain mechanics). Final designation is effective January 1, 2027 via Florida's nomination; confirm the tract on Florida's final designated list.

Sources: IRS Notice 2026-40 (irs.gov/pub/irs-drop/n-26-40.pdf); US Treasury Opportunity Zone map, tract 405.01 (deolmsgis.maps.arcgis.com); Florida Commerce Opportunity Zones 2.0 (floridajobs.org/rural/opportunity-zones-program). Illustrative; not tax advice; subject to final designation, IRS regulations, and tax-credit counsel.