

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

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Meeting Date:	February 3, 2026	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
Department:	Housing and Economic Development	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing

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I. EXECUTIVE BRIEF

**Motion and Title:** Staff recommends motion to:

- A) **approve** General Obligation Housing Bond Loan Program (HBLP) for the Affordable Housing Multifamily Development award to Spectra HTG, LTD (Drexel) for the Drexel Senior Apartments (Project) located at 1745 Drexel Road in West Palm Beach, FL 33417 in the amount of \$13,185,000;
- B) **delegate authority** to the County administrator, or designee, to execute the Loan Agreement, amendments thereto, and all other documents necessary for project implementation that do not substantially change the scope of work, terms or conditions of the Loan Agreement; and
- C) **approve** a Budget Transfer of \$13,185,000 within the HBLP Fund to recognize the allocation of HBLP funds to the Project.

**Summary:** On June 4, 2024, the Board of County Commissioners (BCC) conceptually approved \$13,185,000 in HBLP funding for the proposed senior living apartment project (Agenda Item 5D-1). The Project, to be developed by Drexel, includes 188 County-Assisted affordable senior living apartments available to families with incomes ranging from 30% to 80% of Area Media Income (AMI) (incomes no greater than \$28,080 for a family of two (2) and no greater than \$74,880 for a family of two (2) respectively).

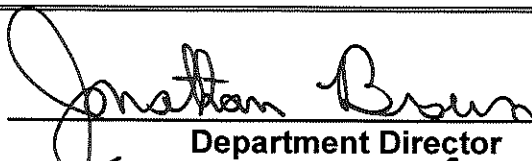
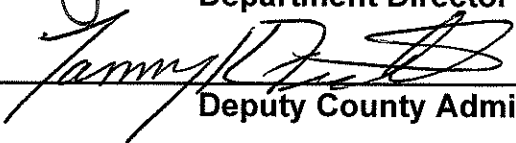
On January 24, 2025, Drexel was approved for State Apartment Incentive Loan (SAIL) funding in the amount of \$11,656,000, with the final award confirmed on June 13, 2025, following the conclusion of the SAIL protest period. The requested County funding of \$13,185,000 represents 13.44% of the total development cost of \$98,093,063, with a County-Assisted unit cost of \$70,133.98. **(Continued on Page 3)**

**Background and Policy Issues:** (Continued page 3)

**Attachments:**

- 1. Terms and Conditions Sheet
- 2. Preliminary Third-Party Underwriter's Report
- 3. Area Median Income Limits Chart
- 4. Rent Limit Charts
- 5. Budget Transfer

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Recommended By:		1/16/2026
	Department Director	Date
Approved By:		1/23/26
	Deputy County Administrator	Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
Capital Expenditures	\$13,185,000				
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$13,185,000				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes x No         
Does this Item include the use of Federal funds? Yes        No x  
Does this item include the use of State funds? Yes        No x


Budget Account No.:

Fund 1117 Dept. 143 Unit 7304 Object 8201 Program Code/Period N/a

### B. Recommended Sources of Funds/Summary of Fiscal Impact:

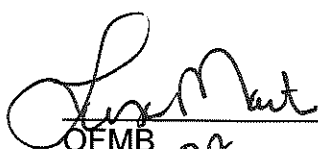
Approval of this agenda item will allocate \$13,185,000 in HBLP funds to the Drexel Senior Apartments project.


### C. Departmental Fiscal Review:

  
Valerie Alleyne, Division Director II  
Finance and Administrative Services, DHED

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Development and Control Comments:

  
OFMB  
MB/26 DA 1/20  
1/28/2026  
PA 1/20

  
Contract Development and Control  
1/21/26

### B. Legal Sufficiency:

  
1/22/26  
Chief Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
Department Director

**Summary: (continued from page 1)**

Funding sources for this project are as follows:

Funding Sources:	
JP Morgan Chase	\$27,000,000
SAIL Funds	\$11,656,000
HBLP Funds	\$13,185,000
Matthew A. Rieger	\$ 3,828,000
The Spectra Organization Inc.	\$ 2,000,000
Raymond James Affordable Housing Investments, Inc.	\$38,377,309
HTG Spectra Development, LLC	\$ 2,046,754
Total Development Cost	\$98,093,063

Based on the preliminary third-party underwriter’s report, staff has negotiated final terms and conditions for BCC approval. Since Drexel is affiliated with the Palm Beach County Housing Authority (a non-profit entity), County funding will be provided in the form of a repayable loan at 0% interest with principal payments beginning in year 11 based on a 50-year amortization schedule and a 99-year affordability period. The agreement and related documents pursuant to these HBLP funds will be between County and Drexel (and its respective successors and/or assigns). The loan shall be secured by a mortgage and note that require repayment of principal and interest within 20 years. **District 2 (HJF)**

**Background and Policy Issues: (continued from page 1)**

On October 3, 2023, the BCC approved the Housing Bond Program Allocation Process. All projects are awarded HBLP funds through a Request For Proposal (RFP) in accordance with the Housing Bond Program Allocation Process and in January of 2024, the DHED issued an RFP for the Housing Bond Workforce Housing Multifamily Development.

The Project was initially presented to the BCC at the May 7, 2024 meeting (Agenda Item 5B-3), with a request for \$18,000,000 in HBLP funding for 188 County-Assisted units. At that meeting, the BCC requested the applicants to return with a revised funding request that limited County HBLP funding to 15% of the total development cost.

At the June 4, 2024, meeting, the BCC conceptually approved \$13,185,000 in HBLP funding for the Project (Agenda Item 5D-1) which at that time proposed 222 senior living apartments, contingent upon Drexel’s application for SAIL funding.

On January 24, 2025, Drexel was approved by the state for SAIL funding in the amount of \$11,656,000, with the final award anticipated on June 13, 2025, following the conclusion of the SAIL protest period. Because the SAIL award is contingent on the County’s financial commitment, and final County approval cannot occur until receipt of preliminary underwriting report and site plan approval after the protest period, an extension of the March 11, 2025, deadline was required. On March 11, 2025 (Agenda Item 6D-4), the BCC approved an extension of the final approval deadline to September 19, 2025, BCC meeting, allowing the project to proceed.

On September 16, 2025 (Agenda item #5B-5) the BCC approved an extension to the final approval deadline to March 31, 2026, and a modification of the conceptual approval from 222 housing units to 188 housing units, due to pending site plan approval which is anticipated to be approved no later than February 2026.

As part of this agenda item, the project is now being submitted for final approval in the amount of \$13,185,000, consistent with the BCC’s prior conceptual approval.



**DEPARTMENT OF HOUSING AND  
ECONOMIC DEVELOPMENT  
COMPREHENSIVE LOAN TERM SHEET**

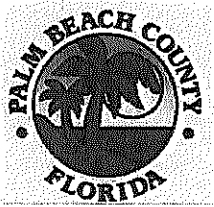
**Project and Funding Program Information**

**Funding program:** Housing Bond Loan Program (HBLP)  
**RFP number and name:** HED.HBLP.2024.5- Affordable Housing Multifamily Development  
**Project name:** Drexel Senior Apartments  
**Borrower name:** Spectra HTG, LTD  
**Contracting entity:** The Spectra Organization, Inc  
**Project type:** Multifamily Rental Development-Affordable Housing

**Brief Project Description:**  
The Spectra Organization Inc., a non-profit entity, plans to develop approximately 188 new affordable housing units for seniors at 1745 Drexel Road, West Palm Beach, FL 33417. The development will consist of four residential buildings designed to provide affordable living accommodations for elderly residents.

**Loan Terms**

**Loan amount:** Thirteen Million, One Hundred Eighty-Five Thousand Dollars (\$13,185,000)  
**Rental Increases:** Rent increases on individual units will be permitted only at lease renewal  
**Interest rate:** 0.0%  
**Affordability period:** ninety-nine (99) years  
**Affordability:**  
63 units at or below 30% AMI  
31 units at or below 60% AMI  
94 units at or below 80% AMI  
  
**Number of total project units:** 188  
**Number of County-assisted units:** 188  
**Percentage of County-assisted units:** 100%



# DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT COMPREHENSIVE LOAN TERM SHEET

## Additional information:

### Bond Loan term:

- 20-year term
- Payments deferred until principal payments are due in years 11-20.
- Payments are subject to available cash flow with unpaid payments deferred to the end of the term

**Personal Guarantee:** Completion and Operating Deficit Guarantee

**Term commencement:** Upon closing of the loan concurrent with primary financing

### Property re-sale:

If the project development is sold, or 50% (aggregate) or more of the ownership changes to a non-affiliated entity, the loan must be satisfied.

**Estimated Construction start:** Third quarter of 2026.

### Disbursement of funds:

Construction Draw – based on a percentage of completion

### Additional considerations:

## Construction Considerations

### Bond requirements:

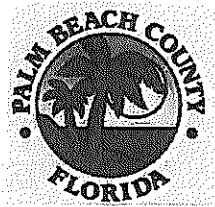
Payment and performance bond equal to 100% of the total hard construction cost of the project.

### Retainage requirements:

10% retainage until work is 50% completed, 0% retainage required thereafter.

### Closing requirements:

- Copy of Construction Contract (to be executed after closing)
- All other funding sources close no later than time of County funding closing



## DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT COMPREHENSIVE LOAN TERM SHEET

### Eligible Construction Costs:

HBLP funds may only be used for on-site construction improvements, including site preparation, on-site infrastructure, building construction, site improvements, and amenities related to the 188 Affordable Housing Units. Costs related to off-site improvements, delinquent taxes, legal fees, third-party inspection fees, and other non-construction financing are not considered eligible construction costs.

The County, in its sole discretion, shall determine eligibility of other costs not listed above.

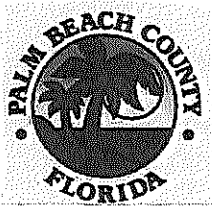
The terms outlined above shall be detailed in the loan documents consisting of a loan agreement, mortgage and security agreement, promissory note, and declaration of restrictions.

**Projects must be Shovel Ready prior to final approval by the Board of County Commissioners in order to be eligible for funding.**

**Shovel Ready** is defined as a project where the proposer has site control and the property has the correct and approved development requirements for the project including zoning designation, platting, site plan approval for the housing units it proposes to create.

Please attach any documentation to verify that the project is **Shovel Ready**.

All terms contained herein are contingent upon approval by the Palm Beach County Board of County Commissioners (BCC). The funding for this project and the terms contained herein are anticipated to be presented to the BCC for final approval at the September 16, 2025 agenda meeting. **Project construction must commence within one year of BCC final approval.**



# DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT COMPREHENSIVE LOAN TERM SHEET

By signing below, you are verifying that this project is **Shovel Ready**, as well as acknowledging and accepting loan terms:

☒ **Accept Terms**

☐ **Does Not Accept Terms**

Notwithstanding the foregoing, these terms are accepted subject to the receipt and review of the Final Credit Underwriting Report from First Housing Development Corporation.

Borrower Name:

By: \_\_\_\_\_

BRETT HUNTER, CEO  
Name (printed)

SVP  
Title



August 11, 2025

Mr. Jeff Bolton  
Director  
Department of Housing and Economic Development  
301 N. Olive Avenue  
West Palm Beach, FL 33401

Re: Drexel Senior Apartments ("Development")  
Preliminary Review of the Palm Beach County Application

Dear Mr. Bolton:

First Housing Development Corporation of Florida ("First Housing" or "FHDC") has done an initial review of the Palm Beach County application for the Development. A summary of the information known at this time is below; however, this information is subject to change during full credit underwriting.

**Development Highlights**

- County funds will be provided on a per-unit basis and the total of all County fundings shall not account for more than 50% of the total unit cost as allocated to the County-Assisted funding units.
  - County funds are currently 13.44% of loan to cost for the entire Development.
- County-Assisted Housing Units shall bear the affordability requirements of the RFP for no less than 30 years.
  - The Development has committed to an affordability period of 99 years under the Palm Beach County application.
- A required minimum debt service coverage ("DSC") ratio on the senior debt will be no less than 1.10 DSC and no more than 1.50 DSC.
  - The Development is currently showing a DSC of 1.17x on the senior debt.
- Permanent deferred developer fee should be a minimum of 30% of the total developer fee.
  - The Developer is currently deferring 14.61% of the total developer fee during the permanent period; however, \$5,828,000 of the financing will be self-sourced. In order to maintain a deferred developer fee of 30%, the permanent first mortgage would need to be decreased to \$24,800,000 which would result in a DSC of 1.27x on the senior debt.



**Background**

The Development is to be located 1745 Drexel Rd, West Palm Beach, FL 33417 and will consist of 188 units within four residential buildings. Closing is scheduled for third quarter 2026. The Development is targeting a March 2026 Board Meeting for presentation of the credit underwriting report.

Spectra HTG, Ltd. ("Applicant") is a Florida limited partnership, formed on May 25, 2024, expressly to construct, own, and operate the Development. The General Partner with 0.0010% ownership interest in the Applicant is The Spectra Organization, Inc., a Florida not for profit corporation, formed February 22, 1973. The Non-Investor Limited Partner with 0.0090% ownership interest in the Applicant is HTG Spectra, LLC, a Florida limited liability company, formed June 27, 2024. The initial retiring Limited Partner, with a 99.99% ownership interest in the Applicant, is Matthew Rieger to be replaced at closing by the Syndicator, Raymond James Affordable Housing Investments, Inc.

The Spectra Organization, Inc. is a nonprofit organization committed to aiding and fostering the planning and development of projects that have a positive impact on society, physical well-being, economics, and culture. The Spectra Organization, Inc. impacts the Palm Beach County community by managing and directing resources towards housing projects that benefit low and moderate-income residents. By overseeing expenses related to housing initiatives owned and operated by the Palm Beach County Housing Authority and privately-owned complexes, the organization ensures that essential housing needs are met effectively.

The Developer is HTG Spectra Developer, LLC.

HTG Spectra Developer, LLC is a newly formed entity with no development experience, the experience lies with Housing Trust Group ("HTG"). HTG is an award-winning, full-service developer and manager of multifamily residential communities whose real estate transactions have exceeded \$3 billion in commercial, land, and residential developments across Florida, the Southeastern U.S., and Arizona. Based in Miami, Florida, HTG's portfolio of over 8,000 units includes affordable, student housing and market-rate for rent and for sale communities primarily funded through partnerships with federal, state and local government agencies, not-for-profit partners, and housing authorities. HTG is committed to providing individuals, families, and seniors with safe, decent and affordable communities to call "Home."

Palm Beach County (West Palm Beach-Boca Raton HMFA)

Bed Rooms	Bath Rooms	Units	Square Feet	AMI%	Low HOME Rents	High HOME Rents	Gross HC Rent	Utility Allow.	Net Restricted Rents	PBRA Contr Rents	Applicant Rents	Appraiser Rents	CU Rents	Annual Rental Income
1	1.0	63	645	30%			\$658	\$107	\$551	\$1,723	\$1,723		\$1,723	1,302,588
1	1.0	31	645	60%			\$1,316	\$107	\$1,209	\$1,723	\$1,723		\$1,723	640,956
1	1.0	76	645	80%			\$1,755	\$107	\$1,648		\$1,648		\$1,648	1,502,976
1	1.0	6	645	80%			\$1,755	\$107	\$1,648	\$1,723	\$1,723		\$1,723	124,056
2	2.0	12	960	80%			\$2,104	\$128	\$1,976		\$1,976		\$1,976	284,544
		188	125,040											3,855,120

The Utility Allowances are based on preliminary estimates from Matern Professional Engineering, Inc. (“Matern”). Receipt of a complete Energy Consumption Model prepared by Matern will be required during the full crediting underwriting.

**FHDC**

PERMANENT FINANCING INFORMATION								
Lien Position	First	Second	Third	Fourth	Fifth			Totals
Source	Local HFA Note	FHFC - SAIL	Other Local	Self-S'd: Non-Bond	Self-S'd: Non-Bond	FHFC - HC 4%	Def. Dev. Fee	
Lender/Grantor	HFAPBC/JPMorgan Chase	FHFC	Palm Beach County	Matthew A. Rieger	The Spectra Organization, Inc.	Raymond James Affordable Housing Investments, Inc.	HTG Spectra Developer, LLC	
Permanent Amount	\$27,000,000	\$11,656,000	\$13,185,000	\$3,828,000	\$2,000,000	\$38,377,309	\$2,046,754	\$98,093,063
Permanent Funding Per Unit	\$143,617	\$62,000	\$70,133	\$20,362	\$10,638	\$204,135	\$10,887	\$521,772
% of Permanent Funding	27.5%	11.9%	13.4%	3.9%	2.0%	39.1%	2.1%	100.0%
Underwritten Interest Rate	6.80%	1.00%	0.00%	4.11%	4.11%			
All In Interest Rate	6.80%	1.00%	0.00%	4.11%	4.11%			
Loan Term	15	15	18	18	18			
Amortization	35	0	50	0	0			
Must Pay or Cash Flow Dependent	Must-Pay	Cash Flow	Cash Flow	Cash Flow	Cash Flow			
Permanent Debt Service, No Fees	\$2,024,645	\$116,560	\$0	\$157,331	\$82,200			\$2,380,736
Permanent Debt Service, with Fees	\$2,113,445	\$129,522	\$4,500	\$157,331	\$82,200			\$2,486,998
Debt Service Coverage, with Fees	1.17x	1.10x	1.10x	1.03x	0.99x			
Operating Deficit & Debt Service Reserves	\$1,178,141							
# of Months covered by the Reserves	4.1							
Loan to Cost - Cumulative	28%	39%	53%	57%	59%			
Loan to Cost - SAIL Only		12%						

The Palm Beach County Loan will bear interest at 0%, with principal payments beginning in year 11 based on a 50-year amortization schedule.

Sources Overview

CONSTRUCTION/PERMANENT SOURCES				
Source	Lender	Construction	Permanent	Perm Loan/Unit
Local HFA Note	HFAPBC/JPMorgan Chase	\$49,000,000	\$27,000,000	\$143,617
FHFC - SAIL	FHFC	\$11,656,000	\$11,656,000	\$62,000
Other Local	Palm Beach County	\$13,185,000	\$13,185,000	\$70,133
Self-S'd: Non-Bond	Matthew A. Rieger	\$3,828,000	\$3,828,000	\$20,362
Self-S'd: Non-Bond	The Spectra Organization, Inc.	\$2,000,000	\$2,000,000	\$10,638
FHFC - HC 4%	Raymond James Affordable Housing Investments, Inc.	\$14,391,492	\$38,377,309	\$204,135
Def. Dev. Fee	HTG Spectra Developer, LLC	\$4,032,571	\$2,046,754	\$10,887
TOTAL		\$98,093,063	\$98,093,063	\$521,772

Construction Tax-Exempt Notes:

First Housing received a term sheet, dated July 30, 2025, which indicates JPMorgan Chase Bank, N.A. (“JPMorgan Chase”) will provide construction financing in an amount up to \$63,000,000. The loan may not exceed 80% loan to value of the real estate and low income tax credits. The term of the construction loan is 24 months, plus one, 6-month extension option. Interest-only payments will be required during the term of the loan. The floating interest rate will be based on the one-month Term SOFR plus a spread of 225 basis points. The interest rate is based on the one-month Term SOFR of 4.34% (as of August 5, 2025) plus a spread of 2.25% and an underwriting cushion of 0.25%, for an overall rate of 6.85%. First Housing is reflecting a total construction loan of \$49,000,000, based on the Developer’s model.

The annual Issuer Fee of 15 basis points and the annual Trustee Fee of \$4,500 has been included in the total development costs.

Permanent Tax-Exempt Notes:

First Housing has received a Term Sheet, dated July 30, 2025, which indicates JPMorgan Chase will provide permanent financing in the maximum amount of \$27,691,000. However, in order to maintain a 1.10 debt service coverage ratio on the SAIL funding, First Housing is projecting a permanent first mortgage of \$27,000,000. The permanent loan term is 15 years, with an amortization of 35 years. The interest rate will be fixed at a rate equal to the 10-year Treasury Note plus a spread of 2.58%. The interest rate is based on 10-year Treasury Note of 4.22% (as of August 4, 2025) plus a spread of 2.58%, for an overall rate of 6.80%.

Additional fees included in the Debt Service calculation consist of an annual Issuer Fee of 15 basis points (of the original MMRN amount of \$49,000,000) and an annual Trustee Fee of \$4,500.

FHFC SAIL Loan:

First Housing reviewed an invitation to enter credit underwriting, dated June 17, 2025, from FHFC that includes a preliminary Total SAIL Loan in the amount of \$11,656,000.

The SAIL Loan is non-amortizing with an interest rate of 1% over the life of the loan and annual payments based upon available cash flow. The SAIL Loan will have a total term of 17.5 years, of which 2.5 years is for the construction/stabilization period and 15 years is for the permanent period. As required by the first mortgage lender and permitted by Rule 67-48, the SAIL Loan will be coterminous with the first mortgage. Annual payments of all applicable fees will be required. Any unpaid interest will be deferred until cash flow is available. However, at the maturity of the SAIL, all principal and unpaid interest will be due.

For the SAIL Loan, fees include an annual multiple program Compliance Monitoring Fee of \$1,082 and an annual Permanent Loan Servicing Fee of 25 bps of the outstanding loan amount up to a maximum of \$990 per month, subject to a minimum of \$250 per month.

Palm Beach County Housing Bond Loan Program:

The Development was preliminarily awarded a Housing Bond Loan Program loan in the amount of \$13,185,000. First Housing has included a loan term of 20 years of which 2.5 years is for the construction term and 17.5 years is the permanent loan term. First Housing has assumed an interest rate of 0%. In year 11, First Housing has included interest and principal payments based on a 50-year amortization schedule. First Housing has assumed that the principal payments will be based on available cash flow.

The additional fee included in the Debt Service calculation for the Palm Beach County loan is an annual monitoring fee of \$4,500, which is subject to change.

Self-Sourced Financing:

First Housing received a Live Local Self-Sourced Financing Commitment Verification Form, indicating Matthew A Rieger has committed to financing \$3,828,000 to the Applicant. According to an email, dated August 5, 2025, the term will be 20 years with an interest rate of 4.11%. Payments of interest will be based on available cash flow with principal and accrued interest due at maturity. Confirmation of the loan terms will be verified during the full credit Underwriting.

First Housing received a Live Local Self-Sourced Financing Commitment Verification Form, indicating Carol Jones Gilbert on behalf of The Spectra Organization, Inc. has committed to financing \$2,000,000 to the Applicant. According to an email, dated August 5, 2025, the term

**Drexel Senior Apartments**

**PAGE 6**

**August 11, 2025**  
Attachment 2

will be 20 years with an interest rate of 4.11%. Payments of interest will be based on available cash flow with principal and accrued interest due at maturity. Confirmation of the loan terms will be verified during the full credit Underwriting.

Housing Credit Equity:

**Syndication Contributions:**

Capital Contributions	Amount	Percentage of Total	When Due
1st Installment	\$9,594,328	25.00%	Closing
2nd Installment	\$9,594,328	25.00%	98% Construction Completion
3rd Installment	\$19,188,653	50.00%	Receipt of 8609s
Total	\$38,377,309	100.00%	

Syndicator Name	Raymond James Affordable Housing Investments, Inc.
Date of LOI	7/30/2025
Total Credits Per Syndication Agreement:	\$43,614,940
Annual Credits Per Syndication Agreement:	\$4,361,494
Calculated HC Exchange Rate:	\$0.88
Limited Partner Ownership Percentage:	99.99%
Proceeds Available During Construction:	\$19,188,656

While the second capital contribution is available at 98% completion, First Housing is only reflecting half of this contribution during construction in order to balance sources and uses. First Housing will make the necessary adjustments within the full credit underwriting report.

Deferred Developer Fee:

In order to balance the sources and uses of funds during the construction period, the Developer must defer \$4,032,571 or 28.78% of the total Developer Fee of \$14,009,480 during the construction period. To balance the sources and uses of funds during the permanent period, the Developer is required to defer \$2,046,754 or approximately 14.61% of the total Developer Fee of \$14,009,480.

Operating Pro Forma – Drexel Senior Apartments

FINANCIAL COSTS:			Year 1	Year 1
				Per Unit
OPERATING PRO FORMA				
INCOME:	Gross Potential Rental Income		\$3,855,120	\$20,506
	Other Income: (4.73%)			
	Miscellaneous		\$182,172	\$969
	Gross Potential Income		\$4,037,292	\$21,475
	Less:			
	Physical Vac. Loss	Percentage: 4.00%	\$161,492	\$859
EXPENSES:	Collection Loss	Percentage: 1.00%	\$40,373	\$215
	Total Effective Gross Income		\$3,835,427	\$20,401
	Annual Escalation Rate (Income): 2.00%			
	Fixed:			
	Real Estate Taxes		\$0	\$0
	Insurance		\$467,390	\$2,486
	Variable:			
	Management Fee	Percentage: 4.00%	\$153,417	\$816
	General and Administrative		\$94,000	\$500
	Payroll Expenses		\$329,000	\$1,750
	Utilities		\$150,400	\$800
	Marketing and Advertising		\$9,400	\$50
	Maintenance and Repairs/Pest Control		\$73,104	\$389
	Contract Services		\$29,577	\$157
	Reserve for Replacements		\$56,400	\$300
	Total Expenses		\$1,362,688	\$7,248
	Annual Escalation Rate (Expenses): 3.00%			
	Net Operating Income		\$2,472,739	\$13,153
	Debt Service Payments			
	First Mortgage - HFAPBC/JPMorgan Chase		\$2,024,645	\$10,769
	Second Mortgage - FHFC - SAIL		\$116,560	\$620
	Third Mortgage - Palm Beach County		\$0	\$0
	Fourth Mortgage - Matthew A. Rieger		\$157,331	\$837
	Fifth Mortgage - The Spectra Organization, Inc.		\$82,200	\$437
	First Mortgage Fees - HFAPBC/JPMorgan Chase		\$88,800	\$472
	Second Mortgage Fees - FHFC - SAIL		\$12,962	\$69
	Third Mortgage Fees - Palm Beach County		\$4,500	\$24
	Fourth Mortgage Fees - Matthew A. Rieger		\$0	\$0
	Fifth Mortgage Fees - The Spectra Organization, Inc.		\$0	\$0
	Total Debt Service Payments		\$2,486,998	\$13,229
	Cash Flow after Debt Service		(\$14,259)	(\$76)
	Debt Service Coverage Ratios			
	DSC - First Mortgage plus Fees		1.17x	
	DSC - Second Mortgage plus Fees		1.10x	
	DSC - Third Mortgage plus Fees		1.10x	
	DSC - Fourth Mortgage plus Fee		1.03x	
	Financial Ratios			
	Operating Expense Ratio		35.53%	
	Break-even Econ Occup Ratio (all debt)		95.55%	
	Break-even Econ Occup Ratio (must pay debt)		86.30%	

Interest payments to Matthew A Rieger and Carol Jones-Gilbert are based on cash flow, however, First Housing is showing the payments for illustrative purposes.

The Applicant plans to apply for the Ad Valorem Property Tax Exemption under Section 196.1978(4), Florida Statutes. Beginning in the calendar year after placement in service of the Development, the property must apply to Palm Beach County Property Appraiser by March 1st of the tax year. Applying for this exemption requires a 99-year Total Compliance Period with annual certifications. If the property fails to provide affordable housing under the agreement before the end of the agreement term, there will be a penalty that is equal to 100% of the total amount financed by Florida Housing multiplied by each year remaining in the agreement.

**Recommendation:**

Based on the preliminary data provided by the Developer, First Housing has included a Palm Beach County loan in the amount of \$13,185,000. First Housing has assumed a 0% interest rate, a 20-year loan term, and principal payments beginning in year 11 based on a 50-year amortization. First Housing has assumed that the interest and principal payments will be based on available cash flow. It is anticipated that during credit underwriting the assumptions in this letter may change based on market conditions and third party reports.

At this time First Housing is recommending the following Guarantors, which is subject to change during credit underwriting.

Construction Completion Guarantor(s):	
CC Guarantor 1:	Spectra HTG, Ltd.
CC Guarantor 2:	The Spectra Organization, Inc.
CC Guarantor 3:	HTG Spectra, LLC
CC Guarantor 4:	HTG Affordable Holdings, LLC
CC Guarantor 5:	Matthew A. Rieger
CC Guarantor 6:	HTG Spectra Developer, LLC
CC Guarantor 7:	HTG Florida Developer
CC Guarantor 8:	Rieger Holdings, LLC
CC Guarantor 9:	MGM Properties, LLC
CC Guarantor 10:	Balogh Affordable Housing, LLC
Operating Deficit Guarantor(s):	
OD Guarantor 1:	Spectra HTG, Ltd.
OD Guarantor 2:	The Spectra Organization, Inc.
OD Guarantor 3:	HTG Spectra, LLC
OD Guarantor 4:	HTG Affordable Holdings, LLC
OD Guarantor 5:	Matthew A. Rieger
OD Guarantor 6:	HTG Spectra Developer, LLC
OD Guarantor 7:	HTG Florida Developer
OD Guarantor 8:	Rieger Holdings, LLC
OD Guarantor 9:	MGM Properties, LLC
OD Guarantor 10:	Balogh Affordable Housing, LLC



Prepared by:  
DRAFT  
Stephanie Petty  
Senior Credit Underwriter

Reviewed by:  
DRAFT  
Edward Busansky  
Senior Vice President

## Exhibit I – 15-Year Pro-Forma

FINANCIAL COSTS		Year 1	Year 1 Pro Forma	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
OPERATING PRO FORMA																	
INCOME	Gross Potential Rental Income	\$3,855,120	\$20,506	\$3,932,222	\$4,010,867	\$4,091,084	\$4,172,906	\$4,256,364	\$4,341,491	\$4,428,321	\$4,516,888	\$4,607,225	\$4,699,370	\$4,793,357	\$4,889,224	\$4,987,009	\$5,086,749
	Other Income: (4.73%)																
	Miscellaneous	\$182,172	\$969	\$185,815	\$189,532	\$193,322	\$197,189	\$201,133	\$205,155	\$209,258	\$213,444	\$217,712	\$222,067	\$226,508	\$231,038	\$235,659	\$240,372
	Gross Potential Income	\$4,037,292	\$21,475	\$4,118,038	\$4,200,399	\$4,284,407	\$4,370,095	\$4,457,497	\$4,546,647	\$4,637,579	\$4,730,331	\$4,824,938	\$4,921,436	\$5,019,865	\$5,120,262	\$5,222,668	\$5,327,121
	Less:																
	Physical Vac. Loss      Percentage: 4.00%	\$161,492	\$859	\$164,722	\$168,016	\$171,376	\$174,804	\$178,300	\$181,866	\$185,503	\$189,213	\$192,998	\$196,857	\$200,795	\$204,810	\$208,907	\$213,085
	Collection Loss      Percentage: 1.00%	\$40,373	\$215	\$41,180	\$42,004	\$42,844	\$43,701	\$44,575	\$45,466	\$46,376	\$47,303	\$48,249	\$49,214	\$50,199	\$51,203	\$52,227	\$53,271
	Total Effective Gross Income	\$3,835,427	\$20,401	\$3,912,136	\$3,990,379	\$4,070,186	\$4,151,590	\$4,234,622	\$4,319,334	\$4,405,700	\$4,493,814	\$4,583,691	\$4,675,365	\$4,768,872	\$4,864,249	\$4,961,534	\$5,060,765
	Annual Escalation Rate (Income): 2.00%																
	Fixed:																
EXPENSES	Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Insurance	\$467,390	\$2,486	\$481,412	\$495,854	\$510,730	\$526,052	\$541,833	\$558,088	\$574,831	\$592,076	\$609,838	\$628,133	\$646,977	\$666,386	\$686,378	\$706,969
	Variable:																
	Management Fee      Percentage: 4.00%	\$153,437	\$816	\$156,485	\$159,615	\$162,807	\$166,064	\$169,385	\$172,773	\$176,228	\$179,753	\$183,348	\$187,015	\$190,755	\$194,570	\$198,461	\$202,431
	General and Administrative	\$94,000	\$500	\$96,820	\$99,725	\$102,716	\$105,798	\$108,972	\$112,241	\$115,608	\$119,076	\$122,649	\$126,328	\$130,118	\$134,022	\$138,042	\$142,183
	Payroll Expenses	\$329,000	\$1,750	\$338,870	\$349,036	\$359,507	\$370,292	\$381,401	\$392,843	\$404,629	\$416,767	\$429,270	\$442,148	\$455,413	\$469,075	\$483,148	\$497,642
	Utilities	\$150,400	\$800	\$154,912	\$159,559	\$164,346	\$169,277	\$174,355	\$179,585	\$184,973	\$190,522	\$196,238	\$202,125	\$208,189	\$214,434	\$220,867	\$227,493
	Marketing and Advertising	\$9,400	\$50	\$9,682	\$9,972	\$10,272	\$10,580	\$10,897	\$11,224	\$11,561	\$11,908	\$12,265	\$12,633	\$13,012	\$13,402	\$13,804	\$14,218
	Maintenance and Repairs/Pest Control	\$73,104	\$389	\$75,297	\$77,556	\$79,883	\$82,279	\$84,748	\$87,290	\$89,909	\$92,606	\$95,384	\$98,246	\$101,193	\$104,229	\$107,356	\$110,576
	Contract Services	\$29,577	\$157	\$30,464	\$31,378	\$32,320	\$33,289	\$34,288	\$35,316	\$36,376	\$37,467	\$38,591	\$39,749	\$40,941	\$42,170	\$43,435	\$44,738
	Reserve for Replacements	\$56,400	\$300	\$56,400	\$56,400	\$56,400	\$56,400	\$56,400	\$56,400	\$56,400	\$56,400	\$56,400	\$58,092	\$59,835	\$61,630	\$63,479	\$65,383
	Total Expenses	\$1,362,688	\$7,248	\$1,400,343	\$1,439,096	\$1,478,981	\$1,520,030	\$1,562,278	\$1,605,761	\$1,650,514	\$1,696,575	\$1,743,983	\$1,794,469	\$1,846,433	\$1,899,918	\$1,954,970	\$2,011,634
	Annual Escalation Rate (Expenses): 3.00%																
	Net Operating Income	\$2,472,739	\$13,153	\$2,511,793	\$2,551,283	\$2,591,206	\$2,631,560	\$2,672,343	\$2,713,553	\$2,755,187	\$2,797,239	\$2,839,708	\$2,880,896	\$2,922,439	\$2,964,331	\$3,006,564	\$3,049,131
	Debt Service Payments																
	First Mortgage - HFAPBC/IPMorgan Chase	\$2,024,645	\$10,769	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645	\$2,024,645
	Second Mortgage - FHFC - SAIL	\$116,560	\$620	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560	\$116,560
	Third Mortgage - Palm Beach County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$263,700	\$263,700	\$263,700	\$263,700	\$263,700	\$263,700	\$263,700
	Fourth Mortgage - Matthew A. Rieger	\$157,331	\$837	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331	\$157,331
	Fifth Mortgage - The Spectra Organization, Inc.	\$82,200	\$437	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200	\$82,200
	First Mortgage Fees - HFAPBC/IPMorgan Chase	\$88,800	\$472	\$55,341	\$55,016	\$54,669	\$54,298	\$53,901	\$53,476	\$53,021	\$52,534	\$52,013	\$51,455	\$50,858	\$50,219	\$49,536	\$48,804
	Second Mortgage Fees - FHFC - SAIL	\$12,962	\$69	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962	\$12,962
	Third Mortgage Fees - Palm Beach County	\$4,500	\$24	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
	Fourth Mortgage Fees - Matthew A. Rieger	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fifth Mortgage Fees - The Spectra Organization, Inc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total Debt Service Payments	\$2,486,998	\$13,229	\$2,453,539	\$2,453,214	\$2,452,867	\$2,452,496	\$2,452,099	\$2,451,674	\$2,451,219	\$2,714,432	\$2,713,910	\$2,713,353	\$2,712,756	\$2,712,117	\$2,711,434	\$2,710,702
	Cash Flow after Debt Service	(\$14,259)	(\$76)	\$58,255	\$98,068	\$138,338	\$179,064	\$220,245	\$261,880	\$303,968	\$82,808	\$125,798	\$167,543	\$209,683	\$252,214	\$295,131	\$338,428
	Debt Service Coverage Ratios																
	DSC - First Mortgage plus Fees	1.17x		1.21x	1.23x	1.25x	1.27x	1.31x	1.33x	1.35x	1.37x	1.39x	1.41x	1.43x	1.45x	1.47x	1.47x
	DSC - Second Mortgage plus Fees	1.10x		1.14x	1.15x	1.17x	1.19x	1.21x	1.23x	1.25x	1.27x	1.29x	1.31x	1.33x	1.34x	1.36x	1.38x
	DSC - Third Mortgage plus Fees	1.10x		1.13x	1.15x	1.17x	1.19x	1.21x	1.23x	1.25x	1.13x	1.15x	1.16x	1.18x	1.20x	1.22x	1.23x
	DSC - Fourth Mortgage plus Fee	1.03x		1.06x	1.08x	1.09x	1.11x	1.13x	1.15x	1.16x	1.06x	1.08x	1.09x	1.11x	1.13x	1.14x	1.16x
	Financial Ratios																
	Operating Expense Ratio	35.53%		35.79%	36.06%	36.34%	36.61%	36.89%	37.18%	37.46%	37.75%	38.05%	38.38%	38.72%	39.06%	39.40%	39.75%
	Break-even Econ Occup Ratio (all debt)	95.55%		93.79%	92.87%	91.97%	91.10%	90.26%	89.44%	88.65%	93.45%	92.59%	91.80%	91.02%	90.27%	89.55%	88.85%
	Break-even Econ Occup Ratio (must pay debt)	86.30%		84.71%	83.97%	83.25%	82.55%	81.88%	81.22%	80.59%	79.98%	79.39%	78.85%	78.33%	77.83%	77.35%	76.88%

2025 INCOME LIMITS CHART

2025 Income Limits for Palm Beach County (West Palm Beach – Boca Raton, FL HMFA)

Based on Florida Housing Finance Corporation Income Limits

Percentage Category	Income Limit by Number of Persons in Household									
	1	2	3	4	5	6	7	8	9	10
20%	\$16,380	\$18,720	\$21,040	\$23,380	\$25,260	\$27,140	\$29,000	\$30,880	\$32,732	\$34,602
25%	\$20,475	\$23,400	\$26,300	\$29,225	\$31,575	\$33,925	\$36,250	\$38,600	\$40,915	\$43,253
28%	\$22,932	\$26,208	\$29,456	\$32,732	\$35,364	\$37,996	\$40,600	\$43,232	\$45,825	\$48,443
30%	\$24,570	\$28,080	\$31,560	\$35,070	\$37,890	\$40,710	\$43,500	\$46,320	\$49,098	\$51,904
33%	\$27,027	\$30,888	\$34,716	\$38,577	\$41,679	\$44,781	\$47,850	\$50,952	\$54,008	\$57,094
35%	\$28,665	\$32,760	\$36,820	\$40,915	\$44,205	\$47,495	\$50,750	\$54,040	\$57,281	\$60,554
40%	\$32,760	\$37,440	\$42,080	\$46,760	\$50,520	\$54,280	\$58,000	\$61,760	\$65,464	\$69,205
45%	\$36,855	\$42,120	\$47,340	\$52,605	\$56,835	\$61,065	\$65,250	\$69,480	\$73,647	\$77,855
50%	\$40,950	\$46,800	\$52,600	\$58,450	\$63,150	\$67,850	\$72,500	\$77,200	\$81,830	\$86,506
60%	\$49,140	\$56,160	\$63,120	\$70,140	\$75,780	\$81,420	\$87,000	\$92,640	\$98,196	\$103,807
70%	\$7,330	\$65,520	\$73,640	\$81,830	\$88,410	\$94,990	\$101,500	\$108,080	\$114,562	\$121,108
80%	\$65,520	\$74,880	\$84,160	\$93,520	\$101,040	\$108,560	\$116,000	\$123,520	\$130,928	\$138,410

PBC 2025 Median Income: \$111,800

2025 FHFC MULTIFAMILY PROGRAM RENT LIMITS

Percentage Category	Rent Limit by Number of Bedrooms in Unit					
	0	1	2	3	4	5
20%	\$409	\$438	\$526	\$608	\$678	\$748
25%	\$511	\$548	\$657	\$760	\$848	\$935
28%	\$573	\$614	\$736	\$851	\$949	\$1,047
30%	\$614	\$658	\$789	\$912	\$1,017	\$1,122
33%	\$675	\$723	\$867	\$1,003	\$1,119	\$1,235
35%	\$716	\$767	\$920	\$1,064	\$1,187	\$1,309
40%	\$819	\$877	\$1,052	\$1,216	\$1,357	\$1,497
45%	\$921	\$987	\$1,183	\$1,368	\$1,526	\$1,684
50%	\$1,023	\$1,096	\$1,315	\$1,520	\$1,696	\$1,871
60%	\$1,228	\$1,316	\$1,578	\$1,824	\$2,035	\$2,245
70%	\$1,433	\$1,535	\$1,841	\$2,128	\$2,374	\$2,619
80%	\$1,638	\$1,755	\$2,104	\$2,432	\$2,714	\$2,994

Based on Florida Housing Finance Corporation Multifamily Rental Programs.

26-0361

BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
EXPENDITURE BUDGET TRANSFER

BGEX 143 011426\*835

FUND 1117 - Housing Bond Program

ACCOUNT NUMBER	ACCOUNT NAME	UNIT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED as of 01/14/2026	REMAINING BALANCE
EXPENDITURES									
1117-143-7299-9908	Res-New Projects	Housing Bond Program Reserves	102,720,745	88,240,745	0	13,185,000	75,055,745	0	75,055,745
1117-143-7304-8201	Contributions-Non-Govts Agnces	Drexel Senior Apartments Project	0	0	13,185,000	0	13,185,000		13,185,000
	Total Expenditures				13,185,000	13,185,000			

SIGNATURES

DATES

Initiating Department/Division

Administration/Budget Department Approval

OFMB Department - Posted

BY BOARD OF COUNTY COMMISSIONERS

At Meeting of: 2/3/2026

Deputy Clerk to the  
Board of County Commissioners