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April 15, 2020

Brevard County Housing Finance Authority  
Attn: Angela Abbott, P.A.  
4420S. Washington Avenue  
Titusville, FL 32780

Dear Ms. Abbott,

Thank you for scheduling a TEFRA hearing to address the requested increase in the Southlake Towers, LLLP bond allocation to \$13,200,000.

The increased bond allocation is necessary to assist in offsetting significant cost increases that have occurred since submission of the Brevard County Bond Application in June 2019. Total Development Costs ("TDC") have increased by \$9,724,424; the largest line item increases are directly related to construction hard costs and development acquisition costs of \$2,509,000 and of \$3,970,000, respectively. Construction costs have been confirmed by the general contractor JWR Construction Services, Inc. and development acquisition costs are based on the "as-is" property valuation identified in the Meridian Appraisal Group, Inc. appraisal dated February 14, 2020. The increased bond allocation is also necessary to meet the required 50% test, as a result of the overall increase to TDC.

The remaining TDC increase will be covered by an increase to LIHTC equity and deferred developer fee.

Sincerely,

A handwritten signature in blue ink that reads "Darren Smith".

Darren Smith  
Managing Member  
SHAG Development, LLC