

CARROL & LEE TERRACE

4% LIHTC

Revision Date: May 21, 2023

SITE INFORMATION:

Address: 1546 Kanawha Blvd & 1319 Lee Street

Address: Charleston, WV 25311 & 25301

County: Kanawha

MSA: Charleston, WV

QCT/DDA: No

Census Tract: 540390013.00

RURAL or FLEXIBLE:

PROJECT SUMMARY:

Number of Units: 242

Type of Housing: Family

New or Rehab: Rehab

Product Type: Low-Rise

Total Buildings:

Residential Buildings:

Total Acreage:

Finance Structure: 4% LIHTC

FINANCIAL SUMMARY:

| | | | |
|------------------------------|------------|---------------------------|-------------|
| Total Development Cost: \$ | 23,822,930 | Y1 Cash Flow: \$ | 141,775 |
| TDC per Unit: \$ | 98,442 | Y1 DCR: \$ | 1.20 |
| Total Hard Cost: \$ | 6,050,000 | Y20 Cash Flow: \$ | 112,668 |
| Hard Cost per Unit: \$ | 25,000 | Y20 DCR: \$ | 1.16 |
| Acquisition Cost: \$ | 6,050,000 | Total LIHTC Equity: \$ | 6,149,363 |
| Total Developer Fee: \$ | 1,450,000 | LIHTC Equity per Unit: \$ | 25,411 |
| DEFERRED Developer Fee: \$ | 725,000 | Federal LIHTC Pricing: \$ | 0.90 |
| Total Paid Developer Fee: \$ | 725,000 | State LIHTC Pricing: N/A | |
| HA Developer Fee %: | 100% | Perm Loan Interest Rate: | 7.00% |
| HHA Paid Developer Fee: \$ | 725,000 | GAP: \$ | (1,242,843) |

Notes:

DCR above 1.10 and below 1.45 for 20 years?

Cash flow below 10% OpEx for 20 years?

Notes on funding gap?

Other notes:

CARROL & LEE TERRACE RENT SCHEDULE

| Unit Type | Baths | Set-Aside | # Units | SF | Max Gross Rent | Gross Rent | Util. Allow | Net Rent | Annual |
|--------------|-------|-----------|------------|----------------|-----------------------------|------------|---------------------|----------|--------------|
| Eff | 1 BA | RAD (L) | 2 | 600 | \$ 694 | \$ 694 | \$ - | \$ 694 | \$ 16,656 |
| Eff | 1 BA | 120% (L) | 3 | 600 | \$ 782 | \$ 782 | \$ - | \$ 782 | \$ 28,152 |
| 1 BR | 1 BA | RAD (L) | 30 | 750 | \$ 806 | \$ 806 | \$ - | \$ 806 | \$ 290,160 |
| 1 BR | 1 BA | 120% (L) | 45 | 750 | \$ 908 | \$ 908 | \$ - | \$ 908 | \$ 490,320 |
| 1 BR | 1 BA | RAD (C) | 64 | 750 | \$ 846 | \$ 846 | \$ - | \$ 846 | \$ 649,728 |
| 1 BR | 1 BA | 120% (C) | 96 | 750 | \$ 908 | \$ 908 | \$ - | \$ 908 | \$ 1,046,016 |
| 2 BR | 1 BA | RAD | 1 | 900 | \$ 1,018 | \$ 1,018 | \$ - | \$ 1,018 | \$ 12,216 |
| 2 BR | 1 BA | 120% | 1 | 900 | \$ 1,093 | \$ 1,093 | \$ - | \$ 1,093 | \$ 13,116 |
| TOTAL | | | 242 | 181,050 | ANNUAL GROSS REVENUE | | \$ 2,546,364 | | |

| RENTAL SUMMARY | | | UNIT SUMMARY | | | UTILITY ALLOWANCE BY BEDROOM TYPE | | | |
|--|-----|------------|--------------------------|-------------|----------------|--|----------|----------|----------|
| Set-aside | No. | Percentage | Unit type | Number | Percentage | 1 BR | 2 BR | 3 BR | 4 BR |
| RAD | 97 | 40.08% | Eff | 5 | 2.07% | Heat - ELECTRIC | | | |
| 120% | 145 | 59.92% | 1 BR | 235 | 97.11% | Cooking - ELECTRIC | | | |
| | | 0.00% | 2 BR | 2 | 0.83% | Hot water - ELECTRIC | | | |
| | | 0.00% | TOTAL: | 242 | 100.00% | OWNER PAID UTILITIES | | | |
| APPLICABLE FRACTION CALCULATOR | | | | | | | | | |
| Total Units: | | 242 | Total SF: | | 181,050 | Electricity | | | |
| Affordable Units: | | 242 | Affordable SF: | | 181,050 | Water& Sewer - Individually metered only | | | |
| Applicable Fraction: | | 100.00% | Income Averaging: | | #VALUE! | TRASH* By Owner | | | |
| <<YEAR>>: MAX GROSS RENTS | | | | | | | | | |
| | | | 1 BR | 2 BR | 3 BR | 4 BR | | | |
| LIHTC | 30% | | N/A RAD/S18 RENTS | | | | | | |
| LIHTC | 50% | | | | | | | | |
| LIHTC | 60% | | | | | | | | |
| LIHTC | 80% | | | | | | | | |
| FMR | | | | | | | | | |
| | | | | | | 0 | 0 | 0 | 0 |

CARROL & LEE TERRACE DEVELOPMENT BUDGET

| | | TOTAL COST | ELIGIBLE | INELIGIBLE | PER UNIT |
|--|--------------|----------------------|----------------------|---------------------|------------------|
| PRE-DEVELOPMENT COSTS | | | | | |
| Property Appraisal | | \$ 12,500 | \$ 12,500 | \$ - | \$ 52 |
| Market Study | | \$ 10,000 | \$ 10,000 | \$ - | \$ 41 |
| Environmental Report(s) | | \$ 25,000 | \$ 25,000 | \$ - | \$ 103 |
| Soil Borings | | \$ - | \$ - | \$ - | \$ - |
| Rezoning | | \$ - | \$ - | \$ - | \$ - |
| Pre-Construction Consultant Services | | \$ 10,000 | \$ 10,000 | \$ - | \$ 41 |
| Boundary and Topographical Survey | | \$ 10,000 | \$ 10,000 | \$ - | \$ 41 |
| Zoning/Site Plan Fees | | \$ - | \$ - | \$ - | \$ - |
| Other: Pre-Dev Cushion/Contingency | | \$ 20,000 | \$ 20,000 | \$ - | \$ 83 |
| Subtotal | | \$ 87,500 | \$ 87,500 | \$ - | \$ 362 |
| ACQUISITION | | | | | |
| Land | | \$ - | \$ - | \$ - | \$ - |
| Acquisition Legal Fees (if existing structures involved) | | \$ - | \$ - | \$ - | \$ - |
| Existing Structures | | \$ 6,050,000 | \$ 4,840,000 | \$ 1,210,000 | \$ 25,000 |
| Subtotal | | \$ 6,050,000 | \$ 4,840,000 | \$ 1,210,000 | \$ 25,000 |
| SITE IMPROVEMENTS | | | | | |
| Site Preparation (on-site improvements) | | \$ 200,000 | \$ 200,000 | \$ - | \$ 826 |
| Site Preparation (off-site improvements) | | \$ - | \$ - | \$ - | \$ - |
| Subtotal | | \$ 200,000 | \$ 200,000 | \$ - | \$ 826 |
| UNIT/BUILDING CONSTRUCTION | | | | | |
| Residential Construction | | \$ 6,050,000 | \$ 6,050,000 | \$ - | \$ 25,000 |
| Construction Contingency: Max % = 5.00% | | \$ 302,500 | \$ 302,500 | \$ - | \$ 1,250 |
| Subtotal | | \$ 6,352,500 | \$ 6,352,500 | \$ - | \$ 26,250 |
| CONTRACTOR SERVICES | | | | | |
| Builder's Profit: 6.00% | | \$ 363,000 | \$ 363,000 | \$ - | \$ 1,500 |
| Builder Overhead: 2.00% | | \$ 121,000 | \$ 121,000 | \$ - | \$ 500 |
| General Requirements: 6.00% | | \$ 363,000 | \$ 363,000 | \$ - | \$ 1,500 |
| Subtotal | | \$ 847,000 | \$ 847,000 | \$ - | \$ 3,500 |
| CONSTRUCTION FINANCING | | | | | |
| Construction Loan Origination Fee 1.50% | \$ 202,337 | \$ 210,000 | \$ 210,000 | \$ - | \$ 868 |
| Construction Loan Interest | \$ 1,331,549 | \$ 1,331,549 | \$ 798,929 | \$ 532,620 | \$ 5,502 |
| Construction Loan Legal Fees | | \$ 50,000 | \$ 50,000 | \$ - | \$ 207 |
| Construction Period Inspection Fees | | \$ 43,200 | \$ 43,200 | \$ - | \$ 179 |
| Construction Period Real Estate Tax Insurance | | \$ 26,000 | \$ 26,000 | \$ - | \$ 107 |
| Title and Recording Fees | | \$ 30,000 | \$ 30,000 | \$ - | \$ 124 |
| P&P Bond 1.00% | | \$ 50,000 | \$ 50,000 | \$ - | \$ 207 |
| Builder's Risk | | \$ 60,500 | \$ 60,500 | \$ - | \$ 250 |
| Subtotal | | \$ 1,801,249 | \$ 1,268,629 | \$ 532,620 | \$ 7,443 |
| PROFESSIONAL SERVICES | | | | | |
| Architectural Fee- Design \$ - | | \$ 375,000 | \$ 375,000 | \$ - | \$ 1,550 |
| Architectural Fee- Supervision | | \$ 125,000 | \$ 125,000 | \$ - | \$ 517 |
| Green Building Consultant Fee | | \$ 25,000 | \$ 25,000 | \$ - | \$ 103 |
| Environmental Remediation | | \$ - | \$ - | \$ - | \$ - |
| Accessibility Inspections and Plan Review | | \$ 25,000 | \$ 25,000 | \$ - | \$ 103 |
| Construction Materials Testing | | \$ 75,000 | \$ 75,000 | \$ - | \$ 310 |
| Engineering | | \$ 75,000 | \$ 75,000 | \$ - | \$ 310 |
| Real Estate Attorney | | \$ 100,000 | \$ 50,000 | \$ 50,000 | \$ 413 |
| Accounting | | \$ 30,000 | \$ 30,000 | \$ - | \$ 124 |
| As- Built Survey | | \$ 35,000 | \$ 35,000 | \$ - | \$ 145 |
| Subtotal | | \$ 865,000 | \$ 815,000 | \$ 50,000 | \$ 3,574 |
| LOCAL GOVERNMENT FEES | | | | | |
| Building Permits \$ - | | \$ 605,000 | \$ 605,000 | \$ - | \$ 2,500 |
| Impact Fees | | \$ - | \$ - | \$ - | \$ - |
| Water Tap Fees | | \$ - | \$ - | \$ - | \$ - |
| Sewer Access Fees | | \$ - | \$ - | \$ - | \$ - |
| Subtotal | | \$ 605,000 | \$ 605,000 | \$ - | \$ 2,500 |
| FINANCING FEES | | | | | |
| FHA 221(d)4 - Permanent Loan Fees & GNMA Fee 1.00% | \$ 96,557 | \$ 96,557 | \$ - | \$ 96,557 | \$ 399 |
| FHA 221(d)4 - HUD Application Fee 0.30% | \$ 28,967 | \$ 28,967 | \$ - | \$ - | \$ 120 |
| FHA 221(d)4 - HUD Inspection Fee 0.50% | \$ 48,279 | \$ 48,279 | \$ - | \$ - | \$ 199 |
| FHA 221(d)4 - 2 years MIP 0.25% | \$ 48,279 | \$ 48,279 | \$ - | \$ - | \$ 199 |
| FHA 221(d)4 - Construction Loan | | \$ - | \$ - | \$ - | \$ - |
| Other: Bond Fees | | \$ 490,410 | \$ 490,410 | \$ - | \$ 2,026 |
| Subtotal | | \$ 712,492 | \$ 615,935 | \$ 96,557 | \$ 2,944 |
| EQUITY COSTS | | | | | |
| LIHTC Allocation Processing Fee 5% | \$ 341,631 | \$ 341,631 | \$ - | \$ 341,631 | \$ 1,412 |
| LIHTC Final Fee | | \$ 341,631 | \$ - | \$ 341,631 | \$ 1,412 |
| Application Fees | | \$ 10,000 | \$ - | \$ 10,000 | \$ 41 |
| Syndicator Legal Fees | | \$ 100,000 | \$ - | \$ 100,000 | \$ 413 |
| Tax Credit Legal Opinion | | \$ 20,000 | \$ - | \$ 20,000 | \$ 83 |
| Other: \$ - | | \$ - | \$ - | \$ - | \$ - |
| Other: \$ - | | \$ - | \$ - | \$ - | \$ - |
| Subtotal | | \$ 813,263 | \$ - | \$ 813,263 | \$ 3,361 |
| DEVELOPER'S FEE | | | | | |
| Developer's Overhead | | \$ - | \$ - | \$ - | \$ - |
| Consultant's Fee: max = | | \$ - | \$ - | \$ - | \$ - |
| Developer's Fee | \$ 1,471,900 | \$ 1,450,000 | \$ 1,450,000 | \$ - | \$ 5,992 |
| Subtotal | | \$ 1,450,000 | \$ 1,450,000 | \$ - | \$ 5,992 |
| START-UP AND RESERVES & MISC. | | | | | |
| Rent-up Reserve Months Req. 3 | \$ 404,800 | \$ 404,800 | \$ - | \$ 404,800 | \$ 1,673 |
| Marketing | | \$ 15,000 | \$ - | \$ 15,000 | \$ 62 |
| Operating Deficit Reserve Months Req. 6 | \$ 1,126,526 | \$ 1,126,526 | \$ - | \$ 1,126,526 | \$ 4,655 |
| Replacement Reserve Per Unit: \$ 300 | | \$ 72,600 | \$ - | \$ 72,600 | \$ 300 |
| Other: Relocation | | \$ 2,420,000 | \$ - | \$ 2,420,000 | \$ 10,000 |
| Subtotal | | \$ 4,038,926 | \$ - | \$ 4,038,926 | \$ 16,690 |
| TOTAL DEVELOPMENT BUDGET | | \$ 23,822,930 | \$ 17,081,564 | \$ 6,741,365 | \$ 98,442 |

BOND COST OF ISSUANCE ESTIMATE

Source of Information:

| <i>Preliminary Costs of Issuance Estimates</i> | Bond Amount | \$ | 13,489,131 |
|--|----------------------|-----------|-------------------|
| Issuer: | | \$ | 11,911,465 |
| Issuer Application Fee | \$ 13,489.13 | 0.100% | ^ 50% TDC |
| Issuer Commitment Fee/Up Front Fee | \$ 67,445.66 | 0.500% | |
| Issuer Fee | \$ 16,861.41 | 0.125% | |
| Non-LBP Compliance Fee | \$ 5,500.00 | | |
| State Bond Reservation Fee | \$ 10,000.00 | | |
| Asset Management Fee | \$ 25,000.00 | | |
| Issuer Counsel | \$ 50,000.00 | | |
| Issuer Expense | \$ 15,000.00 | | |
| Subtotal | \$ 203,296.20 | | |
| Stifel, Nicolaus & Company | | | |
| Bond Underwriter's Fee | \$ 80,934.79 | 0.60% | |
| Bond Compliance Fee | \$ 8,712.00 | \$ 36.00 | |
| Bond Clearance | \$ 2,000.00 | | |
| Bond Counsel | \$ 55,000.00 | | |
| Bond Underwriter's Counsel | \$ 50,000.00 | | |
| Subtotal | \$ 196,646.79 | | |
| Standard & Poor's | | | |
| Rating Agency | \$ 10,000.00 | | |
| Subtotal | \$ 10,000.00 | | |
| Trustee Fees | | | |
| Trustee Fee | \$ 25,000.00 | | |
| Trustee Counsel | \$ 15,000.00 | | |
| | \$ 40,000.00 | | |
| Other | | | |
| Negative Arbitrage | \$ 40,467.39 | 0.300% | |
| | \$ 40,467.39 | | |
| TOTAL | \$ 490,410.38 | | |

CARROL & LEE TERRACE SOURCES

TAX CREDITS - Assumptions

| | |
|--|--------------|
| Do acquisition credits apply? | YES |
| Do historic credits apply? | NO |
| Is this in a QCT/DDA? | NO |
| Does this deal have HOME funds below AFR? | |
| Is this a competitive 9% or 4% bond deal? | 4% |
| Boost amount | 100% |
| Maximum LIHTC allowed | |
| Applicable Rate (9% credit) | 9.00% |
| Applicable Rate (4% credit) | 4.00% |

| LIHTC TAX CREDITS - Calculation | | Dev LIHTC Calculation | Acq LIHTC Calculation |
|--|----------------|-----------------------|-----------------------|
| Qualified Basis | | \$ 12,241,564 | \$ 4,840,000 |
| LESS: Historic Tax Credits | | \$ - | \$ - |
| LESS: Other basis reducing amounts | | \$ - | \$ - |
| Adjusted LIHTC Qualified Basis | | \$ 12,241,564 | \$ 4,840,000 |
| % of Qualified Units/Sqft | | 100% | 100% |
| QCT/Basis Boost | | 100% | 100% |
| Annual Tax Credit Amount | | \$ 489,663 | \$ 193,600 |
| Years of Tax Credits | | 10 | 10 |
| Total Tax Credits | | \$ 4,896,626 | \$ 1,936,000 |
| FEDERAL Credit Price and Amount of Equity | \$ 0.90 | \$ 4,406,963 | \$ 1,742,400 |
| STATE Credit Price and Amount of Equity | \$ - | \$ - | \$ - |
| Tax Credit Equity | \$ 0.90 | \$ 4,406,963 | \$ 1,742,400 |

CONSTRUCTION FINANCING

| Position | Source | Amount | Interest Rate | Term (Yrs) | Estimated Loan Interest | |
|---|---------------------------------------|----------------------|---------------|---------------------------|-------------------------|-------------------|
| | | | | | In Basis | Non-Basis |
| 1 | Tax-Exempt Bond | \$ 13,489,131 | 7.00% | 2 | \$ 708,179 | \$ 472,120 |
| 2 | Seller Take Back Financing | \$ 6,050,000 | 2.00% | 2 | \$ 90,750 | \$ 60,500 |
| Equity | LIHTC Dev + Acq Equity (Federal) | \$ 1,229,873 | 20.00% | = % of total during const | | |
| Equity | LIHTC Dev + Acq Equity (State) | \$ - | | | | |
| TOTAL PRE-DEV, ACQ, CONSTRUCTION FINANCING | | \$ 20,769,004 | | TOTAL | \$ 798,929 | \$ 532,620 |
| | <i>Total Dev. Cost through Const.</i> | \$ 20,769,004 | | | | |
| | GAP | \$ 0 | | | | |

PERMANENT FINANCING

| Position | Source | Amount | Interest Rate | Term (Yrs) | Amort (Yrs) | Annual Payment |
|----------------------------------|----------------------------|-----------------------|---------------|------------|-------------|-------------------|
| | | | | | | |
| 1 | FHA 221(d)(4) | \$ 9,655,724 | 7.00% | 40 | 45 | \$ 706,452 |
| 2 | Seller Take Back Financing | \$ 6,050,000 | | | | \$ - |
| Equity/Grant | Deferred Developer Fee | \$ 725,000 | | | | |
| Equity/Grant | LIHTC Equity (Federal) | \$ 6,149,363 | | | | |
| Equity/Grant | LIHTC Equity (State) | \$ - | | | | |
| TOTAL PERMANENT FINANCING | | \$ 22,580,087 | | | | \$ 706,452 |
| | <i>Total Dev. Cost</i> | \$ 23,822,930 | | | | |
| | GAP | \$ (1,242,843) | | | | |

Annual Operating Expense Budget

| Category | As Rehabbed | Per Unit | 2024 (prop) | 2023 | 2022 | Average | NOTES: |
|------------------------------------|---------------------|-----------------|---------------------|-------------------|---------------------|---------------------|---|
| Payroll | | | | | | | |
| Salaries | \$ 87,500 | \$ 362 | \$ 85,137 | \$ 43,207 | \$ 55,635 | \$ 61,326 | Why are there negative numbers in 2022? |
| Employee Benefits | \$ 135,000 | \$ 558 | \$ 130,364 | \$ 5,877 | \$ (26,545) | \$ 36,565 | |
| Workers Comp | \$ 5,000 | \$ 21 | \$ 4,048 | \$ - | \$ 715 | \$ 1,588 | |
| Subtotal | \$ 227,500 | \$ 940 | \$ 219,549 | \$ 49,084 | \$ 29,805 | \$ 99,479 | |
| Office/Administrative Costs | | | | | | | |
| Office Supplies/Postage | | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Telephone | \$ 5,500 | \$ 23 | \$ 5,011 | \$ 3,454 | \$ 7,154 | \$ 5,206 | |
| Travel | \$ 1,000 | \$ 4 | \$ 827 | \$ 834 | \$ 2,452 | \$ 1,371 | |
| Activities Supplies/Overhead Cost | \$ 12,500 | \$ 52 | \$ 5,756 | \$ 6,273 | \$ 19,202 | \$ 10,410 | |
| Subtotal | \$ 19,000 | \$ 79 | \$ 11,594 | \$ 10,561 | \$ 28,808 | \$ 16,988 | |
| Professional Services | | | | | | | |
| Legal | \$ 7,500 | \$ 31 | \$ 5,908 | \$ 2,491 | \$ 4,678 | \$ 4,359 | |
| Accounting | \$ 25,000 | \$ 103 | \$ 4,892 | \$ 15,656 | \$ 32,640 | \$ 17,729 | |
| Subtotal | \$ 32,500 | \$ 134 | \$ 10,800 | \$ 18,147 | \$ 37,318 | \$ 22,088 | |
| Maintenance | | | | | | | |
| Contracted Repairs | \$ 85,000 | \$ 351 | \$ 31,067 | \$ 103,800 | \$ 196,740 | \$ 110,536 | |
| General Repairs | \$ 125,000 | \$ 517 | \$ 154,783 | \$ 113,484 | \$ 99,485 | \$ 122,584 | |
| Maintenance Salary | \$ 70,000 | \$ 289 | \$ 65,608 | \$ 48,842 | \$ 59,685 | \$ 58,045 | |
| Grounds | \$ 2,500 | \$ 10 | \$ - | \$ 2,217 | \$ - | \$ 739 | |
| Extermination | \$ 7,500 | \$ 31 | \$ 15,000 | \$ - | \$ - | \$ 5,000 | |
| Trash | \$ 25,500 | \$ 105 | \$ 25,383 | \$ 14,141 | \$ - | \$ 13,175 | |
| Supplies | \$ 35,000 | \$ 145 | \$ 46,320 | \$ 35,310 | \$ 51,569 | \$ 44,400 | |
| Subtotal | \$ 350,500 | \$ 1,448 | \$ 338,161 | \$ 317,794 | \$ 407,479 | \$ 354,478 | |
| Utilities | | | | | | | |
| Water | \$ 125,000 | \$ 517 | \$ 120,662 | \$ 79,379 | \$ 96,319 | \$ 98,787 | Would aim to switch from gas in rehab Sewer? For rehab? |
| Electricity | \$ 225,000 | \$ 930 | \$ 166,231 | \$ 123,941 | \$ 148,383 | \$ 146,185 | |
| Gas | \$ - | \$ - | \$ 76,490 | \$ 47,424 | \$ 77,651 | \$ 67,188 | |
| Other Utilities | \$ 140,000 | \$ 579 | \$ 136,397 | \$ 121,141 | \$ 143,118 | \$ 133,552 | |
| Cable/Internet | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Subtotal | \$ 490,000 | \$ 2,025 | \$ 499,780 | \$ 371,885 | \$ 465,471 | \$ 445,712 | |
| Property Insurance | | | | | | | |
| Property Insurance | \$ 50,000 | \$ 207 | \$ 47,000 | \$ 35,683 | \$ 45,163 | \$ 42,615 | |
| Subtotal | \$ 50,000 | \$ 207 | \$ 47,000 | \$ 35,683 | \$ 45,163 | \$ 42,615 | |
| Other | | | | | | | |
| Tenant Services | \$ 5,000 | \$ 21 | \$ 6,550 | \$ 3,461 | \$ 4,116 | \$ 4,709 | Not sure what this is? Do we need this? |
| Protective Services | \$ 10,000 | \$ 41 | \$ - | \$ 16,325 | \$ 18,969 | \$ 11,765 | |
| Asset Management Fee | \$ 5,000 | \$ 21 | \$ - | \$ - | \$ 33,480 | \$ 11,160 | |
| Subtotal | \$ 20,000 | \$ 83 | \$ 6,550 | \$ 19,786 | \$ 56,565 | \$ 27,634 | |
| Management Fee | | | | | | | |
| Mgmt Fee- % of EGI | \$ 300,000 | \$ 1,240 | \$ - | \$ - | \$ 380,263 | \$ 126,754 | Why no mgmt fee in 2023/2024? |
| Subtotal | \$ 300,000 | \$ 1,240 | \$ - | \$ - | \$ 380,263 | \$ 126,754 | |
| OPERATING EXPENSES | \$ 1,489,500 | \$ 6,155 | | | | | |
| Property Tax | \$ 45,000 | \$ 186 | \$ 39,773 | \$ 55,651 | \$ 39,506 | \$ 44,977 | |
| Subtotal | \$ 45,000 | \$ 186 | \$ 39,773 | \$ 55,651 | \$ 39,506 | \$ 44,977 | |
| Replacement Reserves | | | | | | | |
| Annual Contribution | \$ 84,700 | \$ 350 | \$ - | \$ - | \$ - | \$ - | Think we would want reserves |
| Subtotal | \$ 84,700 | \$ 350 | \$ - | \$ - | \$ - | \$ - | |
| TOTAL ANNUAL EXPENSES | \$ 1,619,200 | \$ 6,691 | \$ 1,173,207 | \$ 878,591 | \$ 1,490,378 | \$ 1,180,725 | |
| PUPA | \$ - | \$ - | \$ 4,848 | \$ 3,631 | \$ 6,159 | \$ 4,879 | |

CARROL & LEE TERRACE Proforma

| Year | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------------------------------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | | | | | | | | | | | |
| Annual Gross Revenue | | \$ 2,546,364 | \$ 2,597,291 | \$ 2,649,237 | \$ 2,702,222 | \$ 2,756,266 | \$ 2,811,392 | \$ 2,867,619 | \$ 2,924,972 | \$ 2,983,471 | \$ 3,043,141 |
| Additional Income: | 2.00% | \$ 50,927 | \$ 51,946 | \$ 52,985 | \$ 54,044 | \$ 55,125 | \$ 56,228 | \$ 57,352 | \$ 58,499 | \$ 59,669 | \$ 60,863 |
| Less: Vacancy | 5.00% | \$ (129,865) | \$ (132,462) | \$ (135,111) | \$ (137,813) | \$ (140,570) | \$ (143,381) | \$ (146,249) | \$ (149,174) | \$ (152,157) | \$ (155,200) |
| Effective Gross Income (EGI) | | \$ 2,467,427 | \$ 2,516,775 | \$ 2,567,111 | \$ 2,618,453 | \$ 2,670,822 | \$ 2,724,238 | \$ 2,778,723 | \$ 2,834,298 | \$ 2,890,984 | \$ 2,948,803 |
| EXPENSES | | | | | | | | | | | |
| | PUPA | | | | | | | | | | |
| Operating Expenses | \$ 6,155 | \$ 1,489,500 | \$ 1,534,185 | \$ 1,580,211 | \$ 1,627,617 | \$ 1,676,445 | \$ 1,726,739 | \$ 1,778,541 | \$ 1,831,897 | \$ 1,886,854 | \$ 1,943,460 |
| Replacement Reserves | \$ 350 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 |
| Property Tax | \$ 186 | \$ 45,000 | \$ 46,350 | \$ 47,741 | \$ 49,173 | \$ 50,648 | \$ 52,167 | \$ 53,732 | \$ 55,344 | \$ 57,005 | \$ 58,715 |
| TOTAL | \$ 6,691 | \$ 1,619,200 | \$ 1,665,235 | \$ 1,712,651 | \$ 1,761,490 | \$ 1,811,793 | \$ 1,863,606 | \$ 1,916,973 | \$ 1,971,941 | \$ 2,028,559 | \$ 2,086,874 |
| NET OPERATING INCOME | | \$ 848,227 | \$ 851,540 | \$ 854,460 | \$ 856,963 | \$ 859,029 | \$ 860,632 | \$ 861,750 | \$ 862,356 | \$ 862,425 | \$ 861,929 |
| FHA 221(d)(4) | | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 |
| Debt Coverage Ratio (DCR) | | 1.20 | 1.21 | 1.21 | 1.21 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 |
| Cash Flow | | \$ 141,775 | \$ 145,088 | \$ 148,008 | \$ 150,511 | \$ 152,577 | \$ 154,180 | \$ 155,298 | \$ 155,904 | \$ 155,973 | \$ 155,477 |
| Deferred Developer Fee | \$ 725,000 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 |
| Remaining CASH FLOW | | 93,441 | 96,755 | 99,674 | 102,178 | 104,243 | 105,847 | 106,965 | 107,571 | 107,640 | 107,144 |

CARROL & LEE TERRACE Proforma

| Year | | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|-------------------------------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | | | | | | | | | | | |
| Annual Gross Revenue | | \$ 3,104,004 | \$ 3,166,084 | \$ 3,229,405 | \$ 3,293,993 | \$ 3,359,873 | \$ 3,427,071 | \$ 3,495,612 | \$ 3,565,524 | \$ 3,636,835 | \$ 3,709,572 |
| Additional Income: | 2.00% | \$ 62,080 | \$ 63,322 | \$ 64,588 | \$ 65,880 | \$ 67,197 | \$ 68,541 | \$ 69,912 | \$ 71,310 | \$ 72,737 | \$ 74,191 |
| Less: Vacancy | 5.00% | \$ (158,304) | \$ (161,470) | \$ (164,700) | \$ (167,994) | \$ (171,354) | \$ (174,781) | \$ (178,276) | \$ (181,842) | \$ (185,479) | \$ (189,188) |
| Effective Gross Income (EGI) | | \$ 3,007,779 | \$ 3,067,935 | \$ 3,129,294 | \$ 3,191,880 | \$ 3,255,717 | \$ 3,320,831 | \$ 3,387,248 | \$ 3,454,993 | \$ 3,524,093 | \$ 3,594,575 |
| EXPENSES | | | | | | | | | | | |
| | PUPA | | | | | | | | | | |
| Operating Expenses | \$ 6,155 | \$ 2,001,763 | \$ 2,061,816 | \$ 2,123,671 | \$ 2,187,381 | \$ 2,253,002 | \$ 2,320,592 | \$ 2,390,210 | \$ 2,461,917 | \$ 2,535,774 | \$ 2,611,847 |
| Replacement Reserves | \$ 350 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 | \$ 84,700 |
| Property Tax | \$ 186 | \$ 60,476 | \$ 62,291 | \$ 64,159 | \$ 66,084 | \$ 68,067 | \$ 70,109 | \$ 72,212 | \$ 74,378 | \$ 76,609 | \$ 78,908 |
| TOTAL | \$ 6,691 | \$ 2,146,940 | \$ 2,208,807 | \$ 2,272,530 | \$ 2,338,165 | \$ 2,405,769 | \$ 2,475,401 | \$ 2,547,122 | \$ 2,620,995 | \$ 2,697,084 | \$ 2,775,455 |
| NET OPERATING INCOME | | \$ 860,840 | \$ 859,128 | \$ 856,764 | \$ 853,715 | \$ 849,948 | \$ 845,430 | \$ 840,126 | \$ 833,998 | \$ 827,009 | \$ 819,120 |
| FHA 221(d)(4) | | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 | \$ 706,452 |
| Debt Coverage Ratio (DCR) | | 1.22 | 1.22 | 1.21 | 1.21 | 1.20 | 1.20 | 1.19 | 1.18 | 1.17 | 1.16 |
| Cash Flow | | \$ 154,388 | \$ 152,676 | \$ 150,312 | \$ 147,263 | \$ 143,496 | \$ 138,979 | \$ 133,674 | \$ 127,546 | \$ 120,557 | \$ 112,668 |
| Deferred Developer Fee | \$ 725,000 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | \$ 48,333 | | | | | |
| Remaining CASH FLOW | | 106,054 | 104,343 | 101,978 | 98,929 | 95,163 | 138,979 | 133,674 | 127,546 | 120,557 | 112,668 |

ORCHARD MANOR

RAD REHAB/4% LIHTC

Revision Date: May 24, 2023

SITE INFORMATION:

Address: 900 Griffin Drive

Address: Charleston, WV 25387

County: Kanawha

MSA: Charleston, WV

QCT/DDA: Yes

Census Tract: 540930002.00

RURAL or FLEXIBLE:

PROJECT SUMMARY:

Number of Units: 150

Type of Housing: Family

New or Rehab: Rehab

Product Type: Low-Rise

Total Buildings:

Residential Buildings:

Total Acreage:

Finance Structure: RAD REHAB/4% LIHTC

FINANCIAL SUMMARY:

| | | | |
|------------------------------|------------|---------------------------|-----------|
| Total Development Cost: \$ | 28,727,656 | Y1 Cash Flow: \$ | 123,489 |
| TDC per Unit: \$ | 191,518 | Y1 DCR: \$ | 1.20 |
| Total Hard Cost: \$ | 8,250,000 | Y20 Cash Flow: \$ | 164,661 |
| Hard Cost per Unit: \$ | 55,000 | Y20 DCR: \$ | 1.27 |
| Acquisition Cost: \$ | 8,250,000 | Total LIHTC Equity: \$ | 8,119,175 |
| Total Developer Fee: \$ | 1,750,000 | LIHTC Equity per Unit: \$ | 54,128 |
| DEFERRED Developer Fee: \$ | 875,000 | Federal LIHTC Pricing: \$ | 0.90 |
| Total Paid Developer Fee: \$ | 875,000 | State LIHTC Pricing: \$ | - |
| HA Developer Fee %: | 100% | Perm Loan Interest Rate: | 7.00% |
| HA Paid Developer Fee: \$ | 875,000 | GAP: \$ | (0) |

Notes:

DCR above 1.10 and below 1.45 for 20 years?

Cash flow below 10% OpEx for 20 years?

Notes on funding gap?

Other notes:

No gap

ORCHARD MANOR RENT SCHEDULE

| Unit Type | Baths | Set-Aside | # Units | SF | Max Gross Rent | Gross Rent | Util. Allow | Net Rent | Annual |
|--------------|-------|-----------|------------|----------------|-----------------------------|------------|-------------|---------------------|--------------|
| 1 BR | 1 BA | RAD | 4 | 800 | \$ 852 | \$ 852 | \$ - | \$ 852 | \$ 40,896 |
| 2 BR | 1 BA | RAD | 118 | 1000 | \$ 1,025 | \$ 1,025 | \$ - | \$ 1,025 | \$ 1,451,400 |
| 3 BR | 2 BA | RAD | 28 | 1200 | \$ 1,345 | \$ 1,345 | \$ - | \$ 1,345 | \$ 451,920 |
| TOTAL | | | 150 | 154,800 | ANNUAL GROSS REVENUE | | | \$ 1,944,216 | |

| RENTAL SUMMARY | | | UNIT SUMMARY | | | UTILITY ALLOWANCE BY BEDROOM TYPE | | | |
|--|---------|------------|-------------------|-------------|----------------|--|-----------------|--------------------|------|
| Set-aside | No. | Percentage | Unit type | Number | Percentage | 1 BR | 2 BR | 3 BR | 4 BR |
| RAD | 150 | 100.00% | 1 BR | 4 | 2.67% | | | | |
| S18 | 0 | 0.00% | 2 BR | 118 | 78.67% | | Heat - ELECTRIC | | |
| | 0 | 0.00% | 3 BR | 28 | 18.67% | | | Air Conditioning | |
| | 0 | 0.00% | 4 BR | 0 | 0.00% | | | | |
| | 0 | 0.00% | TOTAL: | 150 | 100.00% | | | Cooking - ELECTRIC | |
| APPLICABLE FRACTION CALCULATOR | | | | | | | | | |
| Total Units: | 150 | | Total SF: | 154,800 | | | | | |
| Affordable Units: | 150 | | Affordable SF: | 154,800 | | | | | |
| Applicable Fraction: | 100.00% | | Income Averaging: | #VALUE! | | | | | |
| <<YEAR>>: MAX GROSS RENTS | | | | | | | | | |
| | | | 1 BR | 2 BR | 3 BR | 4 BR | | | |
| LIHTC | 30% | | | | | | | | |
| LIHTC | 50% | | | | | | | | |
| LIHTC | 60% | | | | | | | | |
| LIHTC | 80% | | | | | | | | |
| FMR | | | | | | | | | |
| N/A RAD/S18 RENTS | | | | | | | | | |
| | | | | | | OWNER PAID UTILITIES | | | |
| | | | | | | Electricity | | | |
| | | | | | | Water& Sewer - Individually metered only | | | |
| | | | | | | TRASH* By Owner | | | |
| | | | | | | 0 | 0 | 0 | 0 |

ORCHARD MANOR DEVELOPMENT BUDGET

| | | TOTAL COST | ELIGIBLE | INELIGIBLE | PER UNIT |
|---|-----------------|----------------------|----------------------|---------------------|-------------------|
| PRE-DEVELOPMENT COSTS | | | | | |
| Property Appraisal | | \$ 12,500 | \$ 12,500 | \$ - | \$ 83 |
| Market Study | | \$ 10,000 | \$ 10,000 | \$ - | \$ 67 |
| Environmental Report(s) | | \$ 25,000 | \$ 25,000 | \$ - | \$ 167 |
| Soil Borings | | \$ - | \$ - | \$ - | \$ - |
| Rezoning | | \$ - | \$ - | \$ - | \$ - |
| Pre-Construction Consultant Services | | \$ 10,000 | \$ 10,000 | \$ - | \$ 67 |
| Boundary and Topographical Survey | | \$ 10,000 | \$ 10,000 | \$ - | \$ 67 |
| Zoning/Site Plan Fees | | \$ - | \$ - | \$ - | \$ - |
| Other: Pre-Dev Cushion/Contingency | | \$ 20,000 | \$ 20,000 | \$ - | \$ 133 |
| | Subtotal | \$ 87,500 | \$ 87,500 | \$ - | \$ 583 |
| ACQUISITION | | | | | |
| Land | | \$ - | \$ - | \$ - | \$ - |
| Acquisition Legal Fees (if existing structures involved) | | \$ - | \$ - | \$ - | \$ - |
| Existing Structures | | \$ 8,250,000 | \$ 6,600,000 | \$ 1,650,000 | \$ 55,000 |
| | Subtotal | \$ 8,250,000 | \$ 6,600,000 | \$ 1,650,000 | \$ 55,000 |
| SITE IMPROVEMENTS | | | | | |
| Site Preparation (on-site improvements) | | \$ 250,000 | \$ 250,000 | \$ - | \$ 1,667 |
| Site Preparation (off-site improvements) | | \$ - | \$ - | \$ - | \$ - |
| | Subtotal | \$ 250,000 | \$ 250,000 | \$ - | \$ 1,667 |
| UNIT/BUILDING CONSTRUCTION | | | | | |
| Residential Construction | | \$ 8,250,000 | \$ 8,250,000 | \$ - | \$ 55,000 |
| Construction Contingency: Max % = 5.00% | | \$ 412,500 | \$ 412,500 | \$ - | \$ 2,750 |
| | Subtotal | \$ 8,662,500 | \$ 8,662,500 | \$ - | \$ 57,750 |
| CONTRACTOR SERVICES | | | | | |
| Builder's Profit: 6.00% | | \$ 495,000 | \$ 495,000 | \$ - | \$ 3,300 |
| Builder Overhead: 2.00% | | \$ 165,000 | \$ 165,000 | \$ - | \$ 1,100 |
| General Requirements: 6.00% | | \$ 495,000 | \$ 495,000 | \$ - | \$ 3,300 |
| | Subtotal | \$ 1,155,000 | \$ 1,155,000 | \$ - | \$ 7,700 |
| CONSTRUCTION FINANCING | | | | | |
| Construction Loan Origination Fee 1.50% \$ 216,450 | | \$ 225,000 | \$ 225,000 | \$ - | \$ 1,500 |
| Construction Loan Interest \$ 2,350,200 | | \$ 2,400,000 | \$ 1,656,390 | \$ 743,610 | \$ 16,000 |
| Construction Loan Legal Fees | | \$ 50,000 | \$ 50,000 | \$ - | \$ 333 |
| Construction Period Inspection Fees | | \$ 43,200 | \$ 43,200 | \$ - | \$ 288 |
| Construction Period Real Estate Tax | | \$ - | \$ - | \$ - | \$ - |
| Insurance | | \$ 26,000 | \$ 26,000 | \$ - | \$ 173 |
| Title and Recording Fees | | \$ 30,000 | \$ 30,000 | \$ - | \$ 200 |
| P&P Bond 1.00% | | \$ 82,500 | \$ 82,500 | \$ - | \$ 550 |
| Builder's Risk | | \$ 82,500 | \$ 82,500 | \$ - | \$ 550 |
| | Subtotal | \$ 2,939,200 | \$ 2,195,590 | \$ 743,610 | \$ 19,595 |
| PROFESSIONAL SERVICES | | | | | |
| Architectural Fee- Design \$ - | | \$ 375,000 | \$ 375,000 | \$ - | \$ 2,500 |
| Architectural Fee- Supervision | | \$ 125,000 | \$ 125,000 | \$ - | \$ 833 |
| Green Building Consultant Fee | | \$ 25,000 | \$ 25,000 | \$ - | \$ 167 |
| Environmental Remediation | | \$ - | \$ - | \$ - | \$ - |
| Accessibility Inspections and Plan Review | | \$ 25,000 | \$ 25,000 | \$ - | \$ 167 |
| Construction Materials Testing | | \$ 75,000 | \$ 75,000 | \$ - | \$ 500 |
| Engineering | | \$ 75,000 | \$ 75,000 | \$ - | \$ 500 |
| Real Estate Attorney | | \$ 100,000 | \$ 100,000 | \$ - | \$ 667 |
| Accounting | | \$ 30,000 | \$ 30,000 | \$ - | \$ 200 |
| As- Built Survey | | \$ 35,000 | \$ 35,000 | \$ - | \$ 233 |
| | Subtotal | \$ 865,000 | \$ 865,000 | \$ - | \$ 5,767 |
| LOCAL GOVERNMENT FEES | | | | | |
| Building Permits | | \$ 375,000 | \$ 375,000 | \$ - | \$ 2,500 |
| Impact Fees | | \$ - | \$ - | \$ - | \$ - |
| Water Tap Fees | | \$ - | \$ - | \$ - | \$ - |
| Sewer Access Fees | | \$ - | \$ - | \$ - | \$ - |
| | Subtotal | \$ 375,000 | \$ 375,000 | \$ - | \$ 2,500 |
| FINANCING FEES | | | | | |
| FHA 221(d)4 - Permanent Loan Fees & GNMA Fee 1.00% \$ 84,835 | | \$ 84,835 | \$ - | \$ 84,835 | \$ 566 |
| FHA 221(d)4 - HUD Application Fee 0.30% \$ 25,450 | | \$ 25,450 | \$ 25,450 | \$ - | \$ 170 |
| FHA 221(d)4 - HUD Inspection Fee 0.50% \$ 42,417 | | \$ 42,417 | \$ 42,417 | \$ - | \$ 283 |
| FHA 221(d)4 - 2 years MIP 0.25% \$ 42,417 | | \$ 42,417 | \$ 42,417 | \$ - | \$ 283 |
| FHA 221(d)4 - Construction Loan | | \$ - | \$ - | \$ - | \$ - |
| Other: Bond Fees | | \$ 502,388 | \$ 502,388 | \$ - | \$ 3,349 |
| | Subtotal | \$ 697,508 | \$ 612,673 | \$ 84,835 | \$ 4,650 |
| EQUITY COSTS | | | | | |
| LIHTC Allocation Processing Fee 5% \$ 451,065 | | \$ 451,065 | \$ - | \$ 451,065 | \$ 3,007 |
| LIHTC Final Fee | | \$ 451,065 | \$ - | \$ 451,065 | \$ 3,007 |
| Application Fees | | \$ 10,000 | \$ - | \$ 10,000 | \$ 67 |
| Syndicator Legal Fees | | \$ 75,000 | \$ - | \$ 75,000 | \$ 500 |
| Tax Credit Legal Opinion | | \$ 20,000 | \$ - | \$ 20,000 | \$ 133 |
| | Subtotal | \$ 1,007,131 | \$ - | \$ 1,007,131 | \$ 6,714 |
| DEVELOPER'S FEE | | | | | |
| Developer's Overhead | | \$ - | \$ - | \$ - | \$ - |
| Consultant's Fee: max = | | \$ - | \$ - | \$ - | \$ - |
| Developer's Fee \$ 1,755,384 | | \$ 1,750,000 | \$ 1,750,000 | \$ - | \$ 11,667 |
| | Subtotal | \$ 1,750,000 | \$ 1,750,000 | \$ - | \$ 11,667 |
| START-UP AND RESERVES & MISC. | | | | | |
| Rent-up Reserve Months Req. 3 \$ 280,325 | | \$ 280,325 | \$ - | \$ 280,325 | \$ 1,869 |
| Marketing | | \$ 15,000 | \$ - | \$ 15,000 | \$ 100 |
| Operating Deficit Reserve Months Req. 6 \$ 848,493 | | \$ 848,493 | \$ - | \$ 848,493 | \$ 5,657 |
| Replacement Reserve Per Unit: \$ 300 | | \$ 45,000 | \$ - | \$ 45,000 | \$ 300 |
| Other: Relocation | | \$ 1,500,000 | \$ - | \$ 1,500,000 | \$ 10,000 |
| | Subtotal | \$ 2,688,818 | \$ - | \$ 2,688,818 | \$ 17,925 |
| TOTAL DEVELOPMENT BUDGET | | \$ 28,727,656 | \$ 22,553,263 | \$ 6,174,393 | \$ 191,518 |

ORCHARD MANOR SOURCES

TAX CREDITS - Assumptions

| | |
|--|--------------|
| Do acquisition credits apply? | YES |
| Do historic credits apply? | NO |
| Is this in a QCT/DDA? | NO |
| Does this deal have HOME funds below AFR? | |
| Is this a competitive 9% or 4% bond deal? | 4% |
| Boost amount | 130% |
| Maximum LIHTC allowed | |
| Applicable Rate (9% credit) | 9.00% |
| Applicable Rate (4% credit) | 4.00% |

| LIHTC TAX CREDITS - Calculation | | Dev LIHTC Calculation | Acq LIHTC Calculation |
|--|----------------|--------------------------|--------------------------|
| Qualified Basis | | \$ 15,953,263 | \$ 6,600,000 |
| LESS: Historic Tax Credits | | \$ - | \$ - |
| LESS: Other basis reducing amounts | | \$ - | \$ - |
| Adjusted LIHTC Qualified Basis | | \$ 15,953,263 | \$ 6,600,000 |
| % of Qualified Units/Sqft | | 100% | 100% |
| QCT/Basis Boost | | 100% | 100% |
| Annual Tax Credit Amount | | \$ 638,131 | \$ 264,000 |
| Years of Tax Credits | | 10 | 10 |
| Total Tax Credits | | \$ 6,381,305 | \$ 2,640,000 |
| FEDERAL Credit Price and Amount of Equity | \$ 0.90 | \$ 5,743,175 | \$ 2,376,000 |
| STATE Credit Price and Amount of Equity | \$ - | \$ - | \$ - |
| Tax Credit Equity | \$ 0.90 | \$ 5,743,175 | \$ 2,376,000 |

CONSTRUCTION FINANCING

| Position | Source | Amount | Interest Rate | Term (Yrs) | Estimated Loan Interest | |
|---|----------------------------------|----------------------|------------------|---------------------------|-------------------------|-------------------|
| | | | | | | |
| 1 | Tax Exempt Bond | \$ 14,430,003 | 7.00% | 2 | \$ 1,515,150 | \$ 505,050 |
| 2 | Seller Take Back Financing | \$ 8,250,000 | 2.00% | 2 | \$ 141,240 | \$ 188,760 |
| Equity | Misc Capital Sources | \$ 1,500,000 | | | \$ - | \$ - |
| Equity | LIHTC Dev + Acq Equity (Federal) | \$ 1,623,835 | 20.00% | = % of total during const | | |
| Equity | LIHTC Dev + Acq Equity (State) | \$ - | | | | |
| TOTAL PRE-DEV, ACQ, CONSTRUCTION FINANCING | | \$ 25,803,838 | | TOTAL | \$ 1,656,390 | \$ 693,810 |
| <i>Total Dev. Cost through Const.</i> | | \$ 25,803,838 | | | | |
| GAP | | \$ (0) | | | | |

PERMANENT FINANCING

| Position | Source | Amount | Interest Rate | Term (Yrs) | Amort (Yrs) | Annual |
|----------------------------------|----------------------------|----------------------|------------------|---------------|----------------|-------------------|
| | | | | | | Payment |
| 1 | FHA 221(d)(4) | \$ 8,483,481 | 7.00% | 40 | 45 | \$ 620,686 |
| 2 | Seller Take Back Financing | \$ 8,250,000 | 0.00% | 40 | 45 | \$ - |
| Equity/Grant | Misc Capital Sources | \$ 3,000,000 | | | | \$ - |
| Equity/Grant | Deferred Developer Fee | \$ 875,000 | | | | |
| Equity/Grant | LIHTC Equity (Federal) | \$ 8,119,175 | | | | |
| Equity/Grant | LIHTC Equity (State) | \$ - | | | | |
| TOTAL PERMANENT FINANCING | | \$ 28,727,656 | | | | \$ 620,686 |
| <i>Total Dev. Cost</i> | | \$ 28,727,656 | | | | |
| GAP | | \$ (0) | | | | |

BOND COST OF ISSUANCE ESTIMATE

Source of Information:

| | Bond Amount | | \$ 14,430,003 |
|--|----------------------|----------|---------------|
| <i>Preliminary Costs of Issuance Estimates</i> | | | |
| Issuer: | | | \$ 14,363,828 |
| Issuer Application Fee | \$ 14,430.00 | 0.100% | ^ 50% TDC |
| Issuer Commitment Fee/Up Front Fee | \$ 72,150.02 | 0.500% | |
| Issuer Fee | \$ 18,037.50 | 0.125% | |
| Non-LBP Compliance Fee | \$ 5,500.00 | | |
| State Bond Reservation Fee | \$ 10,000.00 | | |
| Asset Management Fee | \$ 25,000.00 | | |
| Issuer Counsel | \$ 50,000.00 | | |
| Issuer Expense | \$ 15,000.00 | | |
| Subtotal | \$ 210,117.52 | | |
| Stifel, Nicolaus & Company | | | |
| Bond Underwriter's Fee | \$ 86,580.02 | 0.60% | |
| Bond Compliance Fee | \$ 5,400.00 | \$ 36.00 | |
| Bond Clearance | \$ 2,000.00 | | |
| Bond Counsel | \$ 55,000.00 | | |
| Bond Underwriter's Counsel | \$ 50,000.00 | | |
| Subtotal | \$ 198,980.02 | | |
| Standard & Poor's | | | |
| Rating Agency | \$ 10,000.00 | | |
| Subtotal | \$ 10,000.00 | | |
| Trustee Fees | | | |
| Trustee Fee | \$ 25,000.00 | | |
| Trustee Counsel | \$ 15,000.00 | | |
| | \$ 40,000.00 | | |
| Other | | | |
| Negative Arbitrage | \$ 43,290.01 | 0.300% | |
| | \$ 43,290.01 | | |
| TOTAL | \$ 502,387.55 | | |

Annual Operating Expense Budget

| Category | As Rehabbed | Per Unit | 2024 (prop) | 2023 | 2022 | Average | NOTES: |
|------------------------------------|---------------------|-----------------|---------------------|--------------------|---------------------|--------------------|--------------------------------|
| Payroll | | | | | | | |
| Salaries | \$ 60,000 | \$ 400 | \$ 55,488 | \$ 35,760 | \$ 42,775 | \$ 44,674 | |
| Employee Benefits | \$ 25,000 | \$ 167 | \$ 19,502 | \$ (4,985) | \$ (26,007) | \$ (3,830) | |
| Workers Comp | \$ 2,500 | \$ 17 | \$ 2,370 | \$ - | \$ 596 | \$ 989 | |
| Subtotal | \$ 87,500 | \$ 583 | \$ 77,360 | \$ 30,775 | \$ 17,364 | \$ 41,833 | |
| Office/Administrative Costs | | | | | | | |
| Office Supplies/Postage | \$ 2,500 | \$ 17 | \$ 2,112 | \$ 1,686 | \$ 15,848 | \$ 6,549 | |
| Telephone | \$ 5,550 | \$ 37 | \$ 5,544 | \$ 2,726 | \$ - | \$ 2,757 | |
| Travel | \$ 750 | \$ 5 | \$ 560 | \$ 529 | \$ 668 | \$ 586 | |
| Activities Supplies/Overhead Cost | \$ 250 | \$ 2 | \$ 193 | \$ - | \$ - | \$ 64 | |
| Subtotal | \$ 9,050 | \$ 60 | \$ 8,409 | \$ 4,941 | \$ 16,516 | \$ 9,955 | |
| Professional Services | | | | | | | |
| Legal | \$ 4,000 | \$ 27 | \$ 3,375 | \$ 1,285 | \$ 1,985 | \$ 2,215 | |
| Accounting | \$ 12,000 | \$ 80 | \$ 5,126 | \$ 8,400 | \$ 17,767 | \$ 10,431 | |
| Subtotal | \$ 16,000 | \$ 107 | \$ 8,501 | \$ 9,685 | \$ 19,752 | \$ 12,646 | |
| Maintenance | | | | | | | |
| Contracted Repairs | \$ 70,000 | \$ 467 | \$ 33,304 | \$ 76,921 | \$ 155,598 | \$ 88,608 | |
| General Repairs | \$ 70,000 | \$ 467 | \$ 74,181 | \$ 56,271 | \$ 69,885 | \$ 66,779 | |
| Maintenance Salary | \$ 42,500 | \$ 283 | \$ 40,005 | \$ 28,123 | \$ 36,647 | \$ 34,925 | |
| Grounds | \$ 25,000 | \$ 167 | \$ 20,423 | \$ 22,625 | \$ - | \$ 14,349 | |
| Extermination | \$ 7,500 | \$ 50 | \$ 3,000 | \$ - | \$ - | \$ 1,000 | |
| Trash | \$ 25,000 | \$ 167 | \$ 24,649 | \$ 14,783 | \$ - | \$ 13,144 | |
| Supplies | \$ 50,000 | \$ 333 | \$ 60,442 | \$ 54,844 | \$ 22,657 | \$ 45,981 | |
| Subtotal | \$ 290,000 | \$ 1,933 | \$ 256,004 | \$ 253,567 | \$ 284,787 | \$ 264,786 | |
| Utilities | | | | | | | |
| Water | \$ 180,000 | \$ 1,200 | \$ 179,232 | \$ 132,470 | \$ 163,054 | \$ 158,252 | |
| Electricity | \$ 175,000 | \$ 1,167 | \$ 124,635 | \$ 100,254 | \$ 122,481 | \$ 115,790 | |
| Gas | \$ - | \$ - | \$ 55,425 | \$ 27,080 | \$ 48,427 | \$ 43,644 | Would switch from gas in rehab |
| Other Utilities | \$ 270,000 | \$ 1,800 | \$ 258,761 | \$ 206,706 | \$ 242,607 | \$ 236,025 | Sewer? |
| Cable/Internet | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | For rehab? |
| Subtotal | \$ 625,000 | \$ 4,167 | \$ 618,053 | \$ 466,510 | \$ 576,569 | \$ 553,711 | |
| Property Insurance | | | | | | | |
| Property Insurance | \$ 35,000 | \$ 233 | \$ 26,750 | \$ 21,066 | \$ 26,283 | \$ 24,700 | |
| Subtotal | \$ 35,000 | \$ 233 | \$ 26,750 | \$ 21,066 | \$ 26,283 | \$ 24,700 | |
| Other | | | | | | | |
| Tenant Services | \$ 3,750 | \$ 25 | \$ 3,600 | \$ 1,934 | \$ 2,274 | \$ 2,603 | |
| Protective Services | \$ 10,000 | \$ 67 | \$ - | \$ 13,522 | \$ 15,177 | \$ 9,566 | Not sure what this is? |
| Collection Losses | \$ - | \$ - | \$ 37,174 | \$ (1,953) | \$ - | \$ 11,740 | |
| Asset Management Fee | \$ - | \$ - | \$ - | \$ - | \$ 18,000 | \$ 6,000 | Do we need this? |
| Subtotal | \$ 13,750 | \$ 92 | \$ 40,774 | \$ 13,503 | \$ 35,451 | \$ 29,909 | |
| Management Fee | | | | | | | |
| Mgmt Fee- % of EGI | \$ - | \$ - | \$ - | \$ - | \$ 114,811 | \$ 57,406 | Why no mgmt fee in 2023/2024? |
| Subtotal | \$ - | \$ - | \$ - | \$ - | \$ 114,811 | \$ 57,406 | |
| OPERATING EXPENSES | | | | | | | |
| Subtotal | \$ 1,076,300 | \$ 7,175 | \$ - | \$ - | \$ - | \$ - | |
| Property Tax | | | | | | | |
| Property Tax | \$ - | \$ - | \$ - | \$ (17,070) | \$ (17,977) | \$ (11,682) | Curious why negative? Exempt? |
| Subtotal | \$ - | \$ - | \$ - | \$ (17,070) | \$ (17,977) | \$ (11,682) | |
| Replacement Reserves | | | | | | | |
| Annual Contribution | \$ 45,000 | \$ 300 | \$ - | \$ - | \$ - | \$ - | Think we would want reserves |
| Subtotal | \$ 45,000 | \$ 300 | \$ - | \$ - | \$ - | \$ - | |
| TOTAL ANNUAL EXPENSES | | | | | | | |
| Subtotal | \$ 1,121,300 | \$ 7,475 | \$ 1,035,851 | \$ 782,977 | \$ 1,073,556 | \$ 983,263 | |
| PUPA | | | | | | | |
| Subtotal | \$ - | \$ - | \$ 6,906 | \$ 5,220 | \$ 7,157 | \$ 6,555 | |

ORCHARD MANOR Proforma

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | | | | | | | | | | |
| Annual Gross Revenue | \$ 1,944,216 | \$ 1,983,100 | \$ 2,022,762 | \$ 2,063,218 | \$ 2,104,482 | \$ 2,146,572 | \$ 2,189,503 | \$ 2,233,293 | \$ 2,277,959 | \$ 2,323,518 |
| Additional Income: | 1.00% \$ 19,442 | \$ 19,831 | \$ 20,228 | \$ 20,632 | \$ 21,045 | \$ 21,466 | \$ 21,895 | \$ 22,333 | \$ 22,780 | \$ 23,235 |
| Less: Vacancy | 5.00% \$ (98,183) | \$ (100,147) | \$ (102,149) | \$ (104,192) | \$ (106,276) | \$ (108,402) | \$ (110,570) | \$ (112,781) | \$ (115,037) | \$ (117,338) |
| Effective Gross Income (EGI) | \$ 1,865,475 | \$ 1,902,785 | \$ 1,940,840 | \$ 1,979,657 | \$ 2,019,250 | \$ 2,059,635 | \$ 2,100,828 | \$ 2,142,845 | \$ 2,185,702 | \$ 2,229,416 |
| EXPENSES | | | | | | | | | | |
| | <u>PUPA</u> | | | | | | | | | |
| Operating Expenses | \$ 7,175 | \$ 1,076,300 | \$ 1,108,589 | \$ 1,141,847 | \$ 1,176,102 | \$ 1,211,385 | \$ 1,247,727 | \$ 1,285,158 | \$ 1,323,713 | \$ 1,363,425 |
| Replacement Reserves | \$ 300 | \$ 45,000 | \$ 46,350 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 |
| Property Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 7,475 | \$ 1,121,300 | \$ 1,154,939 | \$ 1,186,847 | \$ 1,221,102 | \$ 1,256,385 | \$ 1,292,727 | \$ 1,330,158 | \$ 1,368,713 | \$ 1,408,425 |
| NET OPERATING INCOME | \$ 744,175 | \$ 747,846 | \$ 753,994 | \$ 758,555 | \$ 762,865 | \$ 766,909 | \$ 770,670 | \$ 774,131 | \$ 777,277 | \$ 780,088 |
| FHA 221(d)(4) | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 |
| Debt Coverage Ratio (DCR) | 1.20 | 1.20 | 1.21 | 1.22 | 1.23 | 1.24 | 1.24 | 1.25 | 1.25 | 1.26 |
| Cash Flow | \$ 123,489 | \$ 127,160 | \$ 133,308 | \$ 137,869 | \$ 142,179 | \$ 146,223 | \$ 149,984 | \$ 153,446 | \$ 156,591 | \$ 159,402 |
| Deferred Developer Fee | \$ 875,000 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 |
| Remaining CASH FLOW | 65,156 | 68,827 | 74,975 | 79,536 | 83,846 | 87,889 | 91,650 | 95,112 | 98,258 | 101,069 |

ORCHARD MANOR Proforma

| Year | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | | | | | | | | | | |
| Annual Gross Revenue | \$ 2,369,988 | \$ 2,417,388 | \$ 2,465,736 | \$ 2,515,051 | \$ 2,565,352 | \$ 2,616,659 | \$ 2,668,992 | \$ 2,722,372 | \$ 2,776,819 | \$ 2,832,356 |
| Additional Income: | 1.00% \$ 23,700 | \$ 24,174 | \$ 24,657 | \$ 25,151 | \$ 25,654 | \$ 26,167 | \$ 26,690 | \$ 27,224 | \$ 27,768 | \$ 28,324 |
| Less: Vacancy | 5.00% \$ (119,684) | \$ (122,078) | \$ (124,520) | \$ (127,010) | \$ (129,550) | \$ (132,141) | \$ (134,784) | \$ (137,480) | \$ (140,229) | \$ (143,034) |
| Effective Gross Income (EGI) | \$ 2,274,004 | \$ 2,319,484 | \$ 2,365,874 | \$ 2,413,191 | \$ 2,461,455 | \$ 2,510,684 | \$ 2,560,898 | \$ 2,612,116 | \$ 2,664,358 | \$ 2,717,645 |
| EXPENSES | | | | | | | | | | |
| | <u>PUPA</u> | | | | | | | | | |
| Operating Expenses | \$ 7,175 | \$ 1,446,457 | \$ 1,489,851 | \$ 1,534,546 | \$ 1,580,583 | \$ 1,628,000 | \$ 1,676,840 | \$ 1,727,146 | \$ 1,778,960 | \$ 1,832,329 |
| Replacement Reserves | \$ 300 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 |
| Property Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 7,475 | \$ 1,491,457 | \$ 1,534,851 | \$ 1,579,546 | \$ 1,625,583 | \$ 1,673,000 | \$ 1,721,840 | \$ 1,772,146 | \$ 1,823,960 | \$ 1,877,329 |
| NET OPERATING INCOME | \$ 782,547 | \$ 784,633 | \$ 786,327 | \$ 787,608 | \$ 788,455 | \$ 788,844 | \$ 788,752 | \$ 788,156 | \$ 787,029 | \$ 785,347 |
| FHA 221(d)(4) | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 | \$ 620,686 |
| Debt Coverage Ratio (DCR) | 1.26 | 1.26 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 | 1.27 |
| Cash Flow | \$ 161,861 | \$ 163,947 | \$ 165,641 | \$ 166,922 | \$ 167,769 | \$ 168,158 | \$ 168,066 | \$ 167,470 | \$ 166,343 | \$ 164,661 |
| Deferred Developer Fee | \$ 875,000 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 | \$ 58,333 |
| Remaining CASH FLOW | 103,527 | 105,614 | 107,308 | 108,589 | 109,435 | 168,158 | 168,066 | 167,470 | 166,343 | 164,661 |

ORCHARD MANOR

RAD REHAB

Revision Date: May 21, 2023

SITE INFORMATION:

Address: 900 Griffin Drive

Address: Charleston, WV 25387

County: Kanawha

MSA: Charleston, WV

QCT/DDA: Yes

Census Tract: 540930002.00

RURAL or FLEXIBLE:

PROJECT SUMMARY:

Number of Units: 150

Type of Housing: Family

New or Rehab: Rehab

Product Type: Low-Rise

Total Buildings:

Residential Buildings:

Total Acreage:

Finance Structure: RAD REHAB

FINANCIAL SUMMARY:

| | | | |
|------------------------------|------------|--------------------------|---------|
| Total Development Cost: \$ | 11,940,488 | Y1 Cash Flow: \$ | 129,813 |
| TDC per Unit: \$ | 79,603 | Y1 DCR: \$ | 1.21 |
| Total Hard Cost: \$ | 4,450,000 | Y20 Cash Flow: \$ | 170,984 |
| Hard Cost per Unit: \$ | 29,667 | Y20 DCR: \$ | 1.28 |
| Acquisition Cost: \$ | - | Total LIHTC Equity: | N/A |
| Total Developer Fee: \$ | 1,000,000 | LIHTC Equity per Unit: | N/A |
| DEFERRED Developer Fee: \$ | - | Federal LIHTC Pricing: | N/A |
| Total Paid Developer Fee: \$ | 1,000,000 | State LIHTC Pricing: | N/A |
| HA Developer Fee %: | 100% | Perm Loan Interest Rate: | 6.50% |
| HHA Paid Developer Fee: \$ | 1,000,000 | GAP: \$ | 0 |

Notes:

DCR above 1.10 and below 1.45 for 20 years?

Cash flow below 10% OpEx for 20 years?

Notes on funding gap?

Other notes:

No, but we can discuss after reviewing OpEx & can defer fee

N/A

ORCHARD MANOR RENT SCHEDULE

| Unit Type | Baths | Set-Aside | # Units | SF | Max Gross Rent | Gross Rent | Util. Allow | Net Rent | Annual |
|--------------|-------|-----------|------------|----------------|-----------------------------|------------|---------------------|----------|--------------|
| 1 BR | 1 BA | RAD | 4 | 800 | \$ 852 | \$ 852 | \$ - | \$ 852 | \$ 40,896 |
| 2 BR | 1 BA | RAD | 118 | 1000 | \$ 1,025 | \$ 1,025 | \$ - | \$ 1,025 | \$ 1,451,400 |
| 3 BR | 2 BA | RAD | 28 | 1200 | \$ 1,345 | \$ 1,345 | \$ - | \$ 1,345 | \$ 451,920 |
| TOTAL | | | 150 | 154,800 | ANNUAL GROSS REVENUE | | \$ 1,944,216 | | |

| RENTAL SUMMARY | | | UNIT SUMMARY | | | UTILITY ALLOWANCE BY BEDROOM TYPE | | | |
|--|---------|------------|--------------------------|-------------|----------------|-----------------------------------|--|------------------|----------|
| Set-aside | No. | Percentage | Unit type | Number | Percentage | 1 BR | 2 BR | 3 BR | 4 BR |
| RAD | 150 | 100.00% | 1 BR | 4 | 2.67% | | | | |
| S18 | 0 | 0.00% | 2 BR | 118 | 78.67% | | Heat - ELECTRIC | | |
| | 0 | 0.00% | 3 BR | 28 | 18.67% | | | Air Conditioning | |
| | 0 | 0.00% | 4 BR | 0 | 0.00% | | | | |
| | 0 | 0.00% | TOTAL: | 150 | 100.00% | | Cooking - ELECTRIC | | |
| APPLICABLE FRACTION CALCULATOR | | | | | | | | | |
| Total Units: | 150 | | Total SF: | 154,800 | | | | | |
| Affordable Units: | 150 | | Affordable SF: | 154,800 | | | | | |
| Applicable Fraction: | 100.00% | | Income Averaging: | #VALUE! | | | | | |
| <<YEAR>>: MAX GROSS RENTS | | | | | | | | | |
| | | | 1 BR | 2 BR | 3 BR | 4 BR | | | |
| LIHTC | 30% | | | | | | | | |
| LIHTC | 50% | | | | | | | | |
| LIHTC | 60% | | | | | | | | |
| LIHTC | 80% | | | | | | | | |
| FMR | | | | | | | | | |
| | | | N/A RAD/S18 RENTS | | | | | | |
| | | | | | | | OWNER PAID UTILITIES | | |
| | | | | | | | Electricity | | |
| | | | | | | | Water& Sewer - Individually metered only | | |
| | | | | | | | TRASH* By Owner | | |
| | | | | | | | | | |
| | | | | | | | 0 | 0 | 0 |

ORCHARD MANOR DEVELOPMENT BUDGET

| | | TOTAL COST | PER UNIT | PER Sq. Ft. |
|---|-----------------|----------------------|------------------|--------------|
| PRE-DEVELOPMENT COSTS | | | | |
| Property Appraisal | | \$ 12,500 | \$ 83 | \$ 0 |
| Market Study | | \$ 10,000 | \$ 67 | \$ 0 |
| Environmental Report(s) | | \$ 25,000 | \$ 167 | \$ 0 |
| Soil Borings | | \$ - | \$ - | \$ - |
| Rezoning | | \$ - | \$ - | \$ - |
| Pre-Construction Consultant Services | | \$ 10,000 | \$ 67 | \$ 0 |
| Boundary and Topographical Survey | | \$ 10,000 | \$ 67 | \$ 0 |
| Zoning/Site Plan Fees | | | \$ - | \$ - |
| Other: Pre-Dev Cushion/Contingency | | \$ 20,000 | \$ 133 | \$ 0 |
| | Subtotal | \$ 87,500 | \$ 583 | \$ 1 |
| ACQUISITION | | | | |
| Land | | \$ - | \$ - | \$ - |
| Acquisition Legal Fees (if existing structures involved) | | \$ - | \$ - | \$ - |
| Existing Structures | | \$ - | \$ - | \$ - |
| | Subtotal | \$ - | \$ - | \$ - |
| SITE IMPROVEMENTS | | | | |
| Site Preparation (on-site improvements) | | \$ 350,000 | \$ 2,333 | \$ 2 |
| Site Preparation (off-site improvements) | | \$ - | \$ - | \$ - |
| | Subtotal | \$ 350,000 | \$ 2,333 | \$ 2 |
| UNIT/BUILDING CONSTRUCTION | | | | |
| Residential Construction | | \$ 4,450,000 | \$ 29,667 | \$ 29 |
| Construction Contingency: Max % = | | \$ - | \$ - | \$ - |
| | Subtotal | \$ 4,450,000 | \$ 29,667 | \$ 29 |
| CONTRACTOR SERVICES | | | | |
| Builder's Profit: 6.00% | | \$ 267,000 | \$ 1,780 | \$ 2 |
| Builder Overhead: 2.00% | | \$ 89,000 | \$ 593 | \$ 1 |
| General Requirements: 6.00% | | \$ 267,000 | \$ 1,780 | \$ 2 |
| | Subtotal | \$ 623,000 | \$ 4,153 | \$ 4 |
| CONSTRUCTION FINANCING | | | | |
| Construction Loan Origination Fee 1.50% | \$ 101,547 | \$ 105,000 | \$ 700 | \$ 1 |
| Construction Loan Interest | \$ 947,776 | \$ 950,000 | \$ 6,333 | \$ 6 |
| Construction Loan Legal Fees | | \$ 50,000 | \$ 333 | \$ 0 |
| Construction Period Inspection Fees | | \$ 43,200 | \$ 288 | |
| Construction Period Real Estate Tax Insurance | | \$ 26,000 | \$ 173 | |
| Title and Recording Fees | | \$ 30,000 | \$ 200 | |
| P&P Bond 1.00% | | \$ 50,000 | \$ 333 | |
| Builder's Risk | | \$ 44,500 | \$ 297 | \$ 0 |
| | Subtotal | \$ 1,298,700 | \$ 8,658 | \$ 7 |
| PROFESSIONAL SERVICES | | | | |
| Architectural Fee- Design | \$ - | \$ 375,000 | \$ 2,500 | \$ 2 |
| Architectural Fee- Supervision | | \$ 125,000 | \$ 833 | \$ 1 |
| Green Building Consultant Fee | | \$ 25,000 | \$ 167 | \$ 0 |
| Environmental Remediation | | \$ - | \$ - | \$ - |
| Accessibility Inspections and Plan Review | | \$ 25,000 | \$ 167 | |
| Construction Materials Testing | | \$ 75,000 | \$ 500 | |
| Engineering | | \$ 75,000 | \$ 500 | |
| Real Estate Attorney | | \$ 100,000 | \$ 667 | |
| Accounting | | \$ 30,000 | \$ 200 | |
| As- Built Survey | | \$ 35,000 | \$ 233 | \$ 0 |
| | Subtotal | \$ 865,000 | \$ 5,767 | \$ 4 |
| LOCAL GOVERNMENT FEES | | | | |
| Building Permits | | \$ 375,000 | \$ 2,500 | \$ 2 |
| Impact Fees | | \$ - | \$ - | \$ - |
| Water Tap Fees | | \$ - | \$ - | \$ - |
| Sewer Access Fees | | \$ - | \$ - | \$ - |
| | Subtotal | \$ 375,000 | \$ 2,500 | \$ 2 |
| FINANCING FEES | | | | |
| FHA 221(d)4 - Permanent Loan Fees & GNMA Fee 1.00% | \$ 89,405 | \$ 89,405 | \$ 596 | \$ 1 |
| FHA 221(d)4 - HUD Application Fee 0.30% | \$ 26,821 | \$ 26,821 | \$ 179 | \$ 0 |
| FHA 221(d)4 - HUD Inspection Fee 0.50% | \$ 44,702 | \$ 44,702 | \$ 298 | \$ 0 |
| FHA 221(d)4 - 2 years MIP 0.25% | \$ 44,702 | \$ 44,702 | \$ 298 | \$ 0 |
| FHA 221(d)4 - Construction Loa | | \$ - | \$ - | \$ - |
| Other: | | \$ - | \$ - | \$ - |
| | Subtotal | \$ 205,631 | \$ 1,371 | \$ 1 |
| DEVELOPER'S FEE | | | | |
| Developer's Fee | \$ 1,465,475 | \$ 1,000,000 | \$ 6,667 | \$ 6 |
| | Subtotal | \$ 1,000,000 | \$ 6,667 | \$ 6 |
| START-UP AND RESERVES & MISC. | | | | |
| Rent-up Reserve 3 Months Req. | \$ 280,325 | \$ 280,325 | \$ 1,869 | \$ 2 |
| Marketing | | \$ 15,000 | \$ 100 | \$ 0 |
| Operating Deficit Reserve 6 Months Req. | \$ 845,331 | \$ 845,331 | \$ 5,636 | \$ 5 |
| Replacement Reserve \$ 300 Per Unit: | | \$ 45,000 | \$ 300 | \$ 0 |
| Other: Relocation | | \$ 1,500,000 | \$ 10,000 | \$ 10 |
| | Subtotal | \$ 2,685,656 | \$ 17,904 | \$ 17 |
| TOTAL DEVELOPMENT BUDGET | | \$ 11,940,488 | \$ 79,603 | \$ 74 |

ORCHARD MANOR SOURCES

| CONSTRUCTION FINANCING | | | Interest Rate | Term (Yrs) | Estimated Loan Interest | |
|---|----------------------|---------------------------------------|---------------|--------------|-------------------------|-------------------|
| Position | Source | Amount | | | | |
| 1 | Construction Loan | \$ 6,769,831 | 7.00% | 2 | \$ 405,648 | \$ 542,128 |
| Equity | Misc Capital Sources | \$ 3,000,000 | | | \$ - | \$ - |
| TOTAL PRE-DEV, ACQ, CONSTRUCTION FINANCING | | \$ 9,769,831 | | TOTAL | \$ 405,648 | \$ 542,128 |
| | | <i>Total Dev. Cost through Const.</i> | | | \$ 9,769,831 | |
| | | GAP | | | \$ (0) | |

| PERMANENT FINANCING | | | Interest Rate | Term (Yrs) | Amort (Yrs) | Annual Payment |
|----------------------------------|------------------------|------------------------|---------------|------------|-------------|-------------------|
| Position | Source | Amount | | | | |
| 1 | FHA 221(d)(4) | \$ 8,940,488 | 6.50% | 40 | 45 | \$ 614,363 |
| Equity/Grant | Misc Capital Sources | \$ 3,000,000 | | | | \$ - |
| Equity/Grant | Deferred Developer Fee | | | | | |
| TOTAL PERMANENT FINANCING | | \$ 11,940,488 | | | | \$ 614,363 |
| | | <i>Total Dev. Cost</i> | | | | \$ 11,940,488 |
| | | GAP | | | | \$ 0 |

Annual Operating Expense Budget

| Category | As Rehabbed | Per Unit | 2024 (prop) | 2023 | 2022 | Average | NOTES: |
|------------------------------------|---------------------|-----------------|---------------------|--------------------|---------------------|--------------------|--------------------------------|
| Payroll | | | | | | | |
| Salaries | \$ 60,000 | \$ 400 | \$ 55,488 | \$ 35,760 | \$ 42,775 | \$ 44,674 | |
| Employee Benefits | \$ 25,000 | \$ 167 | \$ 19,502 | \$ (4,985) | \$ (26,007) | \$ (3,830) | |
| Workers Comp | \$ 2,500 | \$ 17 | \$ 2,370 | \$ - | \$ 596 | \$ 989 | |
| Subtotal | \$ 87,500 | \$ 583 | \$ 77,360 | \$ 30,775 | \$ 17,364 | \$ 41,833 | |
| Office/Administrative Costs | | | | | | | |
| Office Supplies/Postage | \$ 2,500 | \$ 17 | \$ 2,112 | \$ 1,686 | \$ 15,848 | \$ 6,549 | |
| Telephone | \$ 5,550 | \$ 37 | \$ 5,544 | \$ 2,726 | \$ - | \$ 2,757 | |
| Travel | \$ 750 | \$ 5 | \$ 560 | \$ 529 | \$ 668 | \$ 586 | |
| Activities Supplies/Overhead Cost | \$ 250 | \$ 2 | \$ 193 | \$ - | \$ - | \$ 64 | |
| Subtotal | \$ 9,050 | \$ 60 | \$ 8,409 | \$ 4,941 | \$ 16,516 | \$ 9,955 | |
| Professional Services | | | | | | | |
| Legal | \$ 4,000 | \$ 27 | \$ 3,375 | \$ 1,285 | \$ 1,985 | \$ 2,215 | |
| Accounting | \$ 12,000 | \$ 80 | \$ 5,126 | \$ 8,400 | \$ 17,767 | \$ 10,431 | |
| Subtotal | \$ 16,000 | \$ 107 | \$ 8,501 | \$ 9,685 | \$ 19,752 | \$ 12,646 | |
| Maintenance | | | | | | | |
| Contracted Repairs | \$ 70,000 | \$ 467 | \$ 33,304 | \$ 76,921 | \$ 155,598 | \$ 88,608 | |
| General Repairs | \$ 70,000 | \$ 467 | \$ 74,181 | \$ 56,271 | \$ 69,885 | \$ 66,779 | |
| Maintenance Salary | \$ 42,500 | \$ 283 | \$ 40,005 | \$ 28,123 | \$ 36,647 | \$ 34,925 | |
| Grounds | \$ 25,000 | \$ 167 | \$ 20,423 | \$ 22,625 | \$ - | \$ 14,349 | |
| Extermination | \$ 7,500 | \$ 50 | \$ 3,000 | \$ - | \$ - | \$ 1,000 | |
| Trash | \$ 25,000 | \$ 167 | \$ 24,649 | \$ 14,783 | \$ - | \$ 13,144 | |
| Supplies | \$ 50,000 | \$ 333 | \$ 60,442 | \$ 54,844 | \$ 22,657 | \$ 45,981 | |
| Subtotal | \$ 290,000 | \$ 1,933 | \$ 256,004 | \$ 253,567 | \$ 284,787 | \$ 264,786 | |
| Utilities | | | | | | | |
| Water | \$ 180,000 | \$ 1,200 | \$ 179,232 | \$ 132,470 | \$ 163,054 | \$ 158,252 | |
| Electricity | \$ 175,000 | \$ 1,167 | \$ 124,635 | \$ 100,254 | \$ 122,481 | \$ 115,790 | |
| Gas | \$ - | \$ - | \$ 55,425 | \$ 27,080 | \$ 48,427 | \$ 43,644 | Would switch from gas in rehab |
| Other Utilities | \$ 270,000 | \$ 1,800 | \$ 258,761 | \$ 206,706 | \$ 242,607 | \$ 236,025 | Sewer? |
| Cable/Internet | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | For rehab? |
| Subtotal | \$ 625,000 | \$ 4,167 | \$ 618,053 | \$ 466,510 | \$ 576,569 | \$ 553,711 | |
| Property Insurance | | | | | | | |
| Property Insurance | \$ 35,000 | \$ 233 | \$ 26,750 | \$ 21,066 | \$ 26,283 | \$ 24,700 | |
| Subtotal | \$ 35,000 | \$ 233 | \$ 26,750 | \$ 21,066 | \$ 26,283 | \$ 24,700 | |
| Other | | | | | | | |
| Tenant Services | \$ 3,750 | \$ 25 | \$ 3,600 | \$ 1,934 | \$ 2,274 | \$ 2,603 | |
| Protective Services | \$ 10,000 | \$ 67 | \$ - | \$ 13,522 | \$ 15,177 | \$ 9,566 | Not sure what this is? |
| Collection Losses | \$ - | \$ - | \$ 37,174 | \$ (1,953) | \$ - | \$ 11,740 | |
| Asset Management Fee | \$ - | \$ - | \$ - | \$ - | \$ 18,000 | \$ 6,000 | Do we need this? |
| Subtotal | \$ 13,750 | \$ 92 | \$ 40,774 | \$ 13,503 | \$ 35,451 | \$ 29,909 | |
| Management Fee | | | | | | | |
| Mgmt Fee- % of EGI | \$ - | \$ - | \$ - | \$ - | \$ 114,811 | \$ 57,406 | Why no mgmt fee in 2023/2024? |
| Subtotal | \$ - | \$ - | \$ - | \$ - | \$ 114,811 | \$ 57,406 | |
| OPERATING EXPENSES | | | | | | | |
| Subtotal | \$ 1,076,300 | \$ 7,175 | \$ - | \$ - | \$ - | \$ - | |
| Property Tax | | | | | | | |
| Property Tax | \$ - | \$ - | \$ - | \$ (17,070) | \$ (17,977) | \$ (11,682) | Curious why negative? Exempt? |
| Subtotal | \$ - | \$ - | \$ - | \$ (17,070) | \$ (17,977) | \$ (11,682) | |
| Replacement Reserves | | | | | | | |
| Annual Contribution | \$ 45,000 | \$ 300 | \$ - | \$ - | \$ - | \$ - | Think we would want reserves |
| Subtotal | \$ 45,000 | \$ 300 | \$ - | \$ - | \$ - | \$ - | |
| TOTAL ANNUAL EXPENSES | | | | | | | |
| Subtotal | \$ 1,121,300 | \$ 7,475 | \$ 1,035,851 | \$ 782,977 | \$ 1,073,556 | \$ 983,263 | |
| PUPA | | | | | | | |
| Subtotal | \$ - | \$ - | \$ 6,906 | \$ 5,220 | \$ 7,157 | \$ 6,555 | |

ORCHARD MANOR Proforma

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | | | | | | | | | | |
| Annual Gross Revenue | \$ 1,944,216 | \$ 1,983,100 | \$ 2,022,762 | \$ 2,063,218 | \$ 2,104,482 | \$ 2,146,572 | \$ 2,189,503 | \$ 2,233,293 | \$ 2,277,959 | \$ 2,323,518 |
| Additional Income: | 1.00% \$ 19,442 | \$ 19,831 | \$ 20,228 | \$ 20,632 | \$ 21,045 | \$ 21,466 | \$ 21,895 | \$ 22,333 | \$ 22,780 | \$ 23,235 |
| Less: Vacancy | 5.00% \$ (98,183) | \$ (100,147) | \$ (102,149) | \$ (104,192) | \$ (106,276) | \$ (108,402) | \$ (110,570) | \$ (112,781) | \$ (115,037) | \$ (117,338) |
| Effective Gross Income (EGI) | \$ 1,865,475 | \$ 1,902,785 | \$ 1,940,840 | \$ 1,979,657 | \$ 2,019,250 | \$ 2,059,635 | \$ 2,100,828 | \$ 2,142,845 | \$ 2,185,702 | \$ 2,229,416 |
| EXPENSES | | | | | | | | | | |
| | <u>PUPA</u> | | | | | | | | | |
| Operating Expenses | \$ 7,175 | \$ 1,076,300 | \$ 1,108,589 | \$ 1,141,847 | \$ 1,176,102 | \$ 1,211,385 | \$ 1,247,727 | \$ 1,285,158 | \$ 1,323,713 | \$ 1,363,425 |
| Replacement Reserves | \$ 300 | \$ 45,000 | \$ 46,350 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 |
| Property Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 7,475 | \$ 1,121,300 | \$ 1,154,939 | \$ 1,186,847 | \$ 1,221,102 | \$ 1,256,385 | \$ 1,292,727 | \$ 1,330,158 | \$ 1,368,713 | \$ 1,408,425 |
| NET OPERATING INCOME | \$ 744,175 | \$ 747,846 | \$ 753,994 | \$ 758,555 | \$ 762,865 | \$ 766,909 | \$ 770,670 | \$ 774,131 | \$ 777,277 | \$ 780,088 |
| FHA 221(d)(4) | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 |
| Debt Coverage Ratio (DCR) | 1.21 | 1.22 | 1.23 | 1.23 | 1.24 | 1.25 | 1.25 | 1.26 | 1.27 | 1.27 |
| Cash Flow | \$ 129,813 | \$ 133,483 | \$ 139,631 | \$ 144,193 | \$ 148,503 | \$ 152,546 | \$ 156,307 | \$ 159,769 | \$ 162,914 | \$ 165,726 |
| Deferred Developer Fee | \$ - | | | | | | | | | |
| Remaining CASH FLOW | 129,813 | 133,483 | 139,631 | 144,193 | 148,503 | 152,546 | 156,307 | 159,769 | 162,914 | 165,726 |

ORCHARD MANOR Proforma

| Year | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | | | | | | | | | | |
| Annual Gross Revenue | \$ 2,369,988 | \$ 2,417,388 | \$ 2,465,736 | \$ 2,515,051 | \$ 2,565,352 | \$ 2,616,659 | \$ 2,668,992 | \$ 2,722,372 | \$ 2,776,819 | \$ 2,832,356 |
| Additional Income: | 1.00% \$ 23,700 | \$ 24,174 | \$ 24,657 | \$ 25,151 | \$ 25,654 | \$ 26,167 | \$ 26,690 | \$ 27,224 | \$ 27,768 | \$ 28,324 |
| Less: Vacancy | 5.00% \$ (119,684) | \$ (122,078) | \$ (124,520) | \$ (127,010) | \$ (129,550) | \$ (132,141) | \$ (134,784) | \$ (137,480) | \$ (140,229) | \$ (143,034) |
| Effective Gross Income (EGI) | \$ 2,274,004 | \$ 2,319,484 | \$ 2,365,874 | \$ 2,413,191 | \$ 2,461,455 | \$ 2,510,684 | \$ 2,560,898 | \$ 2,612,116 | \$ 2,664,358 | \$ 2,717,645 |
| EXPENSES | | | | | | | | | | |
| | PUPA | | | | | | | | | |
| Operating Expenses | \$ 7,175 | \$ 1,446,457 | \$ 1,489,851 | \$ 1,534,546 | \$ 1,580,583 | \$ 1,628,000 | \$ 1,676,840 | \$ 1,727,146 | \$ 1,778,960 | \$ 1,832,329 |
| Replacement Reserves | \$ 300 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 | \$ 45,000 |
| Property Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 7,475 | \$ 1,491,457 | \$ 1,534,851 | \$ 1,579,546 | \$ 1,625,583 | \$ 1,673,000 | \$ 1,721,840 | \$ 1,772,146 | \$ 1,823,960 | \$ 1,877,329 |
| NET OPERATING INCOME | \$ 782,547 | \$ 784,633 | \$ 786,327 | \$ 787,608 | \$ 788,455 | \$ 788,844 | \$ 788,752 | \$ 788,156 | \$ 787,029 | \$ 785,347 |
| FHA 221(d)(4) | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 | \$ 614,363 |
| Debt Coverage Ratio (DCR) | 1.27 | 1.28 | 1.28 | 1.28 | 1.28 | 1.28 | 1.28 | 1.28 | 1.28 | 1.28 |
| Cash Flow | \$ 168,184 | \$ 170,271 | \$ 171,965 | \$ 173,246 | \$ 174,092 | \$ 174,481 | \$ 174,390 | \$ 173,793 | \$ 172,667 | \$ 170,984 |
| Deferred Developer Fee | \$ - | | | | | | | | | |
| Remaining CASH FLOW | 168,184 | 170,271 | 171,965 | 173,246 | 174,092 | 174,481 | 174,390 | 173,793 | 172,667 | 170,984 |