



HOUSING AND COMMUNITY ENGAGEMENT DEPARTMENT  
**COMMUNITY DEVELOPMENT DIVISION**  
• PO Box 1748 • Gastonia, NC 28053-1748 • (704) 866-6752 • (704) 866-6067 fax

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Request for Proposal (RFP)  
FY2023-24 HOME Investment Partnerships Program funds for  
Multi-Family Housing Development

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Policy Approved: NOVEMBER 2022

**FY2023-24 GASTONIA-GASTON HOME CONSORTIUM  
MULTI-FAMILY HOUSING  
REQUEST FOR PROPOSALS**

**Date: Thursday, March 7, 2024**

The City of Gastonia, as lead entity for the Gastonia-Gaston HOME Consortium, is accepting proposals to include funding requests for HOME Investment Partnerships Program funds to be used in the development of Multi-Family Housing (MFH). Available funding for the current program year is \$375,000, and is provided by the U.S. Department of Housing and Urban Development (HUD). The City of Gastonia reserves the right to reject any and all responses to this RFP.

Questions concerning this document may be directed to:

City of Gastonia  
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FEDERAL REGULATION REFERENCE

The *City of Gastonia* developed this policy in accordance with the *HOME Investment Partnership Program Regulations* located at *24 CFR 92*, and in accordance with the 2013 Final HOME Rule.

OBJECTIVE

It is the goal of the *City of Gastonia* to partner with community agencies, developers and contractors to create, develop and construct affordable, multi-family housing units. Priority is given to those parties approved by the *North Carolina Housing Finance Agency* through use of its *Low-Income Housing Tax Credit* which provides multiple funding sources and subsidy layering as an integral part of the HOME funds match requirement. This feature allows for the opportunity to create as many affordable housing units as feasibly possible while incorporating other sources of available funding. Activities/projects may be new construction or rehabilitation. Evaluation of eligible proposals will be evaluated by

1. HOME Underwriting criteria as outlined in 24 CFR 92 and
2. Score ranking of applications that meet the underwriting criteria.

See *CRITERIA FOR ELIGIBLE SUBRECIPIENTS* for details.

FUNDING SOURCE(S)

*HOME Investment Partnership Program (HOME) Funds* are received from the *U.S. Department of Housing and Urban Development (HUD)*, and are used toward the production of affordable housing units. *Low-Income Housing Tax Credit* will be used in accordance with other funding sources to create as many affordable housing units as feasibly possible. Other eligible sources of funding used for affordable housing may include *City of Gastonia General Funds and Community Development Block Grant (CDBG) Funds*.

*North Carolina Housing Finance Agency's Tax Credit* are 4% or 9% tax credits operated through the federal tax code and are administered through the state. They are authorized through the *Tax Reform Act of 1986*.

DEFINITION(S)

For the purposes of this policy, the following items are defined:

*Multi-family housing* is defined as and consists primarily of rental housing properties with five (5) or more dwelling units such as apartments and town-homes, however may be inclusive of other development types.

*Affordable housing in relation to the individual or family* specifies that housing costs encompasses no more than 30% of the household income of an individual or family.

*Affordable Housing Unit(s)* is defined in correlation to *Fair Market Rent Limits*, and is a housing unit that does not exceed 60% of low HOME rent limits. *Fair Market Rents* are established by



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HUD each year, and current limits are available at:  
<https://www.hudexchange.info/programs/home/home-rent-limits/>.

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### RENT REQUIREMENTS

In rental projects with five or more HOME-assisted rental units, *twenty (20) percent of the HOME-assisted units must be occupied by very low-income families* and meet one of following rent requirements:

#### *Rent Limits*

1. The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under 24 CFR 92.252(a), then the maximum rent for units under this paragraph is that calculated under 24 CFR 92.252(a).
2. The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program. These income limits are established annually by HUD for the Metropolitan Statistical Area (MSA) or county.

### CRITERIA FOR ELIGIBLE SUBRECIPIENTS

Agencies may request funding from the City of Gastonia. Upon review and final approval of the *Community Services Director*, parties submitting projects for review *may* be deemed eligible for assistance should the following criteria be met, and provide all information in writing:

#### A. ENTITY

1. Must have experience in developing affordable housing
2. Must have adequate financial capability and project management
3. May not be listed on the federal registry (*currently located at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>*) to be excluded from receiving federal funds.
4. Must have a viable project that meets the criteria of affordable housing.
5. Funding is subject to the availability of funds.
6. The requesting party must meet all regulations in accordance with the HOME Program as prescribed at *24 CFR 92*.
7. Provide other sources of project funding which may be leveraged with HOME funds.



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8. Party must enter into a written agreement with the *City of Gastonia* for any HOME funds requested.
9. Must have conducted a market assessment to establish need for the project
10. Must note and gain approval of any potential conflicts of interest in relation to the *City of Gastonia* or the project

**B. PROJECT**

1. Project must be properly vetted and cleared through the Environmental Review process. Staff will determine the responsible party for this aspect of the project.
  2. Requestor must submit the following documents for examination by City staff:
    - a. project sources and uses,
    - b. cost and profit reasonableness,
    - c. market demand,
    - d. developer experience and capacity,
    - e. projected profit and return of the developer and
    - f. financial commitments.
- Note:* Other funding sources must be compatible with HOME Program.
3. Project must be self-sustaining and documentation must substantiate and support such claims.
  4. Project must meet and not exceed applicable subsidy layering requirements.  
*Current HOME subsidy limits are set at:*  
<https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>. (*Note: Layering with other federal funds must be taken into consideration to ensure that all federal requirements are satisfied.*)
  5. Provide the appropriate number of fixed or floating HOME units, based upon project size.
  6. Meet the applicable affordability period as established by project type.
  7. IF LIHTC Funds are involved, the project must be compliant with HOME and LIHTC rules
  8. All costs must be designated as eligible uses under the HOME Program
  9. Have a written marketing plan in place
  10. Identify all entities and staff involved, and outline each parties designated role in the project
  11. Must meet the applicable property standards for new construction (North Carolina Building Code) or rehabilitation (current standards in place for the *City of Gastonia* – see *Community Development Policy Manual: Rehabilitation Standards*)
  12. The goal of the City is to help facility housing opportunities that include all segments of the community. Funding priority is given to projects that include in the development plan performa and accept Section 8 Housing Choice Vouchers (HCV) for its multi-family housing projects.



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**C. RANKING/SCORING COMPONENT**

The following criteria will be used to evaluate development proposals. The relative importance of the evaluation criteria attempts to track the evaluation criteria of the NCHFA as well as Gastonia’s housing goals. The probability of the project closing is an important criterion. The location of the site, the quality of the proposed improvements, the population being served, the financial strength and the capability of the developer.

**EVALUATION TIMELINE**

<b>Timeline</b>	<b>Action</b>
Thursday, March 7, 2024	Issue Request for Proposals to Developers
Friday, March 22, 2024	NCHFA notification of Site Score and Market Studies
Wednesday, April 10, 2024 4:00 pm	Proposal submission deadline. Proposals must include site and market scores.
April 10– 12, 2024	Staff reviews and evaluates proposals for HOME funds
April 15– 18, 2024	Committee Members receive the critical information from the application along with the scoring sheet for all applications that meet the minimal requirements
Wednesday, April 24, 2024	Notification to applicants that meet minimum requirements
Wednesday, April 24, 2023	Update to Gastonia City Council Committee of applicants that meet minimum requirements
Friday, May 10, 2024	Full Application due to NCHFA
Aug 2024	NCHFA Notification of Awards
Tuesday, September 17, 2024	The recommended project’s information is sent to Gastonia City Council for final approval and letter of support
Wednesday, September 20, 2024, or shortly thereafter	City staff awards HOME Investment Partnership Program funds to eligible entities



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All application requests for funding must comply with the terms as listed above, undergo and meet the approval conditions of the underwriting review (*Appendix A: HOME Multi-Family Underwriting*) and must have the final approval of the *Director* and/or *Administrator*.

**Minimum Threshold Requirements**

- Application was submitted by the established deadline
- Project address one or more of the priorities identified in the 2020-2024 Consolidated Plan
- Funding is for an eligible project
- NCHFA Site Score: \_\_\_\_\_
- NCHFA Market Score: \_\_\_\_\_
- Inclusion of Extremely Low-Income Housing Units and Acceptance of Housing Choice Vouchers (HCV)

**Population Related**

1) **Income Targeted (25 points)**

What income range(s) will the proposed project serve? If serving multiple ranges, score may be prorated by unit count.

- 30% and below AMI **(25 points)**
- 31-50% AMI **(15 points)**
- 51-80% AMI **(5 points)**

Points Allotted: \_\_\_\_\_ / 25

2) **Inclusion of supportive services appropriate for clientele (20 points)**

(Low-income seniors, Persons w/Disabilities, Veterans, Individuals or Families Experiencing Homelessness, Section 8/Housing Choice Voucher Holders, Victims of Domestic Violence)

- 4 or more of the various support services are available through project **(20 points)**
- 1-3 of the various support services are available through project **(10 points)**
- No support services and disability services not available on site



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**(0 points)**

Points Allotted: \_\_\_\_\_ / 20

3) **Long-term Affordability (30 points)**

If applicable, does the project provide for long-term affordability?

- Rental units serving 30% AMI or below, affordable for more than 30 years **(30 points)**
- Rental units serving 31-60% AMI, affordable for more than 30 years **(25 points)**
- Rental units serving 30% AMI or below, affordable for 30 years **(15 points)**
- Rental units serving 31-60% AMI, affordable for 30 years **(10 points)**
- Not applicable based on project type (does not bring new units to the market) **(0 points)**

Points Allotted: \_\_\_\_\_ / 30

**Aesthetic Related (25 points)**

4) **Preliminary Design (10 points)**

**(10 points)**

The building design and use are compatible with the surrounding environment and existing neighborhood with appropriate vehicular and pedestrian connections to nearby amenities

- Preliminary design of the development continues the aesthetic of the community and adds/continues vehicle and pedestrian connections **(10 points)**
- Preliminary design of the development continues the aesthetic of the community but does not add/continue vehicle and pedestrian connections **(5 points)**
- Preliminary design of the development does not continue the aesthetic of the community and does not add/continue vehicle and pedestrian connections **(0 points)**



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5) **Architectural Appeal (10 Points)**

The overall building design is aesthetically pleasing and well thought out and is characterized as possessing “architectural appeal” with material selections that are of good quality, designed for normal maintenance and can be expected to perform well over the long term.

- The design of the development possesses the “architectural appeal” of the community and materials are of quality and sustainable **(10 points)**
- The design of the development is slightly below in “architectural appeal” but the materials are of quality and sustainable **(5 points)**
- Both the design and material are below quality **(0 points)**

6) **Site Development (5 Points)**

The site is suitable for the proposed development without additional major geotechnical, environmental, or utility infrastructure expenditures

- Building site is up to code with no additional major geotechnical, environmental, or utility infrastructure expenditures **(5 points)**
- Building site is up to code with 1 or less additional major geotechnical, environmental, or utility infrastructure expenditures **(3 points)**
- Building site is up to code with 1 or more additional major geotechnical, environmental, or utility infrastructure expenditures **(0 points)**

Points Allotted: \_\_\_\_\_ / 25

7) **Proximity to community features such as schools, bus stops, health care services, grocery stores, drug stores and the like (20 points)**





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- Within 2.5 miles of various community features **(20 points)**
- Within 3 miles of various community features **(15 points)**
- Within 3.5 miles of various community features **(10 points)**
- Within 4.5 miles of various community features **(5 points)**

Points Allotted: \_\_\_\_\_ / 20

**Developer Related**

- 8) **Experience of the Development Organization with Key Personnel (15 points)**
- a) Capacity and experience of the development team is comparable with size of similar projects
- Development team size and experience are at or above standard **(5 points)**
  - Development team size is standard **but** experience below standard **(3 points)**
  - Development team size and experience are both below standard **(0 points)**
- b) Developers with prior experience with the City of Gastonia will be evaluated on those experiences. Developers without previous experience with the City will be asked to provide references from other government agencies.
- Previous development experience with the City of Gastonia **(5 points)**
  - Previous development experience with other local municipality **(3 points)**
  - No previous municipal development experience **(0 points)**



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c) Capacity and experience of the property management company with comparable size and type of projects evidenced by occupancy levels, maintenance and repair of existing rental units, compliance with federal requirements and record keeping and reporting.

- Property management company with proven experience with developments of like size **(5 points)**
- Property management company with proven experience but developments of smaller size **(3 points)**
- Property management company with no comparable experience **(0 points)**

Points Allotted: \_\_\_\_\_ / 15

9) **Agency Capacity/Experience (15 points)**

Experience in property management, housing rehabilitation, and construction (housing rehabilitation) or construction management.

- More than 3 years of experience in all of these categories **(15 points)**
- More than 3 years of experience in any of these categories **(10 points)**
- More than 2 but less than 3 years of experience in any of these categories **(5 points)**
- Less than 2 years of experience in any of these categories, if above doesn't apply **(0 Points)**

Points Allotted: \_\_\_\_\_ / 15

10) **Financial Feasibility, Cost Effectiveness, Leveraging, and Development**

**(15 points)**



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- a) Project is financially feasible and cost effective with a high probability of moving forward (commitments from other funding sources, appropriate debt coverage ratio, affordable rents, income clientele, etc.)
  - Preliminary design of the development continues the aesthetic of the community but does not add/continue vehicle and pedestrian connections **(5 points)**
  - Budget appears to be reasonable and cost are consistent with the activities to be undertaken **(3 points)**
  - Budget does not appear to be reasonable and cost are not consistent with the activities to be undertaken **(0 points)**
- b) Project costs per square foot (excluding land) in addition to costs per bedroom are reasonable, as compared to similar projects
  - Square footage is standard with developments currently in the area **(5 points)**
  - Square footage is more expensive than developments in the area **(3 points)**
- c) Amount of city subsidy per unit, as compared to similar projects funded by the City
  - Amount of city subsidy per unit is standard or below with current or previously funded projects **(5 points)**
  - Amount of city subsidy per unit is above standard with current or previously funded project **(3 points)**

Points Allotted: \_\_\_\_\_ / 15

**11) Leveraging (25 points)**

To what degree does the proposed project include other sources of funds?

- Leverage is 3:1 or greater



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**(25 points)**

- Leverage is at least 2:1 but less than 3:1 **(20 points)**
- Leverage exceeds 1:1 but is less than 2:1 **(15 points)**
- Leverage is 1:1 or less **(10 points)**
- No leveraging **(0 points)**

Points Allotted: \_\_\_\_\_ / 25

**12) Preliminary Site Development (15 points)**

Demonstrated site control or an executed Option to Purchase contract if ownership is not controlled at the time of the submittal

- Site Controlled **(15 points)**
- Option to Purchase Contract **(10 points)**

Points Allotted: \_\_\_\_\_ / 15

**13) Project readiness (10 points)**

- Applicant has current funding allocation and is on track for completion as proposed with no performance concerns **(10 points)**
- Current funding allocation but with project delays **(5 points)**

Points Allotted: \_\_\_\_\_ / 10



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14) **Bonus Points- Inclusion of Extremely Low Income Housing Units and Acceptance of Housing Choice Voucher (HCV) (15 points)**

- Inclusion of extremely low income units and Acceptance of Section 8/Housing Choice Voucher

Total Points Allotted: \_\_\_\_\_ / 230



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**TIEBREAKER CRITERIA**

(The following will be used to award development applications in the event that final scores of more than one project are identical)

**TIEBREAKER**

- |                          |   |
|--------------------------|---|
| 1 <sup>st</sup> Tiebreak | The project with the highest project location score |
| 2 <sup>nd</sup> Tiebreak | The project with the highest design score           |
| 3 <sup>rd</sup> Tiebreak | The project with the highest targeted income score  |

**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION**

For those parties seeking qualification as a Community Development Housing Organization (CHDO) for CHDO set-aside funding, see also: ***Community Development Policy Manual: requirements for Community Housing Development Organization (CHDO)/Monitoring.***

**CONSTRUCTION TIMELINE**

Properties must be constructed or rehabilitated within one (1) year of funding commitment.

**EVALUATION PROCESS**

All application requests for funding must comply with the terms as listed above, undergo and meet the approval conditions of the underwriting review (***Appendix A: HOME Multi-Family Underwriting***) and must have the final approval of the *Director* and/or *Administrator*.

**APPENDIX A**

HOME Multi-Family Underwriting (Attached as part of this policy, and is 25 pages.

**POLICY CONFLICT**

In the event any portion of this policy is in conflict with the regulations established at *24 CFR 92*, then the regulation will take precedence.

-END-



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# APPENDIX A

## HOME Multi-Family Underwriting



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(2018) HOME-Multifamily-Underwriting-Template

Appendix A: TEMPLATE

**HOME Investment Partnerships Program ("HOME")  
 Multi-Family Underwriting Template**

U.S. Department of Housing and Urban Development  
 Office of Community Planning and Development

Project Information	
Project Name:	Sample Project
Address:	123 Elm Street
Developer:	East Market CHDO
Date of Analysis:	7/1/2017
City:	Sample City
State:	XX
Development Type:	Single Story Garden Apartments

**NOTES ON KEY HOME REQUIREMENTS AND THIS TEMPLATE**

This HOME Multi-Family Underwriting Template is intended to assist in planning multi-family affordable rental housing, not single-family affordable housing.

Typical users will be Participating Jurisdiction (PJ) underwriters, Community Housing Development Organization (CHDO) underwriters, and underwriters for other developers of HOME-assisted affordable rental housing projects. This template supports normal underwriting tasks such as review of development costs and review of operating revenues and expenses, but also includes features that help the user determine the appropriate amount of HOME assistance as well as the appropriate number and mix of HOME-assisted units. Users may find it helpful to review the HOME Underwriting and Subsidy Layering Notice, CPD 15-11. This template does not cover all elements of the Notice requirements.

The U.S. Department of Housing and Urban Development and ICF International assume no liability for the use, functionality, or content of this template. This template is for draft calculations only. All inputs, outcomes, and calculations should be independently verified.

This template does not automatically cap rents at HOME levels. Each user must do this, as applicable, on the Rents and Income tab.

This template does not include cost allocation which must be completed separately by the PJ to allocate costs and designate the number of HOME units. Users should refer to the guidance provided in CPD Notice 16-15 and utilize the HOME cost allocation tool available at the following links: <https://www.hudexchange.info/resources/documents/Notice-CPD-16-15-Allocating-Eligible-Costs-and-Identifying-HOME-Assisted-Units-in-Multi-Unit-HOME-Rental-and-Homeownership-Development-Projects.pdf>, and <https://www.hudexchange.info/resource/5190/home-cost-allocation-tool/> for guidance on allocating costs and determining maximum investment and minimum HOME units." HOME PJs must conduct a subsidy layering analysis prior to commitment of HOME funds.

\$407	Cells with light green background are data entry cells
\$40,700	Cells with white background are formulas

Do not change formulas (many of them track to other formulas)

? Blue boxes like this contain guidance (place the mouse pointer over the question mark)  
 If the guidance text is too small for the user to read, increase the zoom setting on the tab.

**The Role of HOME Funds in a Development Project**

In rental housing development projects, HOME funds typically serve as "gap financing" – funds provided when the contributions of private lenders and other funding resources are not sufficient to cover the cost of developing and leasing-up the project. PJ and non-profit staff are often called upon to determine the appropriate amount of HOME funds required to "fill the gap" in order to make the project feasible, while ensuring the project is not over-subsidized and that HOME funds are used only for HOME-eligible expenses.

While HOME funds are an indispensable resource for many affordable housing projects, they come with requirements that can also influence a project's finances. To ensure that a portion of the housing units created when HOME funds are invested will remain available to low-income and very-low-income households, rents for these units are limited for a specified period to affordable levels appropriate to the project's geographic area. These HOME rent limits may impact the amount of income generated by the property, which in turn can influence the amount and availability of private and other public funding resources for the project.





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(2018) HOME-Multifamily-Underwriting-Template

Appendix A: TEMPLATE

**HOME Investment Partnerships Program ("HOME")  
 Multi-Family Underwriting Template**

U.S. Department of Housing and Urban Development  
 Office of Community Planning and Development

<p><b>Multi-Family Underwriting</b></p> <p>Underwriting is the process of determining the financial feasibility and the terms of a project. The objective of underwriting is to determine whether the ongoing revenues from a property will be sufficient to cover construction and operating costs to ensure that property will be sustainable for the specific period of affordability. There is no one "right" way to do underwriting. However, across all approaches, there are some common elements:</p> <ul style="list-style-type: none"> <li>• Review of costs for constructing the project in order to determine both reasonableness and eligibility.</li> <li>• Review of the sources of financing for the project.</li> <li>• Review the projected profitability and financial health of the project.</li> </ul>
<p><b>Introduction to this Template</b></p> <p>The HOME Multi-Family Underwriting Template is composed of several interrelated Excel tabs, which are accessible by tabs found at the bottom of the Excel screen. Open the Template in Excel and look along the bottom of the screen. You will see a set of tabs reading:</p> <ul style="list-style-type: none"> <li>• Intro</li> <li>• Requirements</li> <li>• Rents and Income</li> <li>• Development Costs</li> <li>• Repl Reserve</li> <li>• Const Schedule</li> <li>• LIHTC Basis</li> <li>• Operating Expenses</li> <li>• First Mortgage Sizing</li> <li>• Sources and Uses</li> <li>• Pro Forma Assumptions</li> <li>• Operating Pro-Forma</li> <li>• Administrative Record</li> <li>• Summary</li> </ul>
<p><b>Microsoft Excel and This Template</b></p> <p>This template is provided in Excel 2007 format. Two versions are available. One is macro-enabled (an .xlsm file); this version includes radio buttons that will allow the user to hide and reveal columns and rows used for supporting calculations, and helpful features such as automatically providing the appropriate number of columns on the Operating Pro-Forma tab. If you are using the .xlsm format, be sure to always save the file in .xlsm format (if you save it in .xlsx format, you will lose all of the macros).</p> <p>In the .xlsm format, if you click on a radio button labeled 'Hide Columns' or 'Hide Rows', the template will hide the rows or columns that hold supporting calculations. A radio button labeled 'Reveal columns' or 'Reveal rows' will reveal (un-hide) the supporting calculations.</p> <p>For users whose information technology policies do not allow enabled macros, this template is also available in a non-macro-enabled format (an .xlsx file).</p> <p>This template also contains two forms of protection. The first is worksheet (tab) protection (formula cells are locked to prevent accidental damage to formulas). The second is workbook protection (which prevents accidental deletion of tabs). However, if you need to make custom modifications to this template, you can do so by entering the password (the password is a single blank character).</p>

Upon completing this tab, proceed to the *Requirements* tab.



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Appendix A: TEMPLATE

## HOME and Other Affordable Housing Requirements

Enter data in green cells only

The HOME Program, as well as other affordable housing programs (e.g., Low-Income Housing Tax Credits or the Community Development Block Grant), are designed to provide effective resources for housing development, while ensuring that use of public funds results in increased availability of affordable housing. To meet the latter objective, the HOME Program and other affordable housing programs impose requirements and restrictions, such as maximum subsidies, maximum rents for units reserved for affordable housing, and affordability periods during which units must remain affordable.

Note that some individual units may be subsidized using both HOME funds and funds from another affordable housing program. For the purposes of this Template, consider those units to be HOME-assisted units.

Use this worksheet to enter (or change) the following: Area Median Incomes, rents, utility allowances, the HOME period of affordability, and HOME per-unit investment limits.

### Project Name - Sample Project : 20 Units

4 Person AMI  at 100% AMI

HOME Investment Limits		
HOME per Unit Limit - 0 Bedroom	\$100,000	
HOME per Unit Limit - 1 Bedroom	\$125,000	
HOME per Unit Limit - 2 Bedroom	\$150,000	
HOME per Unit Limit - 3 Bedroom	\$175,000	
HOME per Unit Limit - 4 Bedroom	\$200,000	
HOME per Unit Limit - 5 Bedroom	\$200,000	(same as 4BR limit)

HOME Rent Limits (monthly, including rent and tenant-paid utilities)						
Low 0 BR	Low 1 BR	Low 2 BR	Low 3 BR	Low 4 BR	Low 5 BR	
\$400	\$450	\$500	\$550	\$600	\$650	
High 0 BR	High 1 BR	High 2 BR	High 3 BR	High 4 BR	High 5 BR	
\$700	\$800	\$900	\$1,000	\$1,100	\$1,200	

HOME Utility Allowances (monthly)						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$50	\$65	\$80	\$95	\$110	\$125	

HOME Affordability Period		
HOME-Eligible Rental Activity (select one)	Rehabilitation or Acquisition of Existing Housing	See the Note below
Average Per-Unit HOME Subsidy (select one)	More than \$40,000	
HOME Required Affordability Period (in years)	15	(Advisory information only.)
PJ's Required Affordability Period (in years)	15	(Must be at least as long as HOME requirement.)
PJ's Affordability Period in Compliance with HOME Program?	Yes	

Note: The Template indicates underwritten HOME subsidy of \$70,000 per unit. See the Sources and Uses and Rents and Income tabs.



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**HOME and Other Affordable Housing Requirements**

Enter data in green cells only

Market Rents (the rents that these units could achieve without rent or income restrictions)					
Market Rents (monthly, rent only, <b>do not add tenant-paid utilities</b> )					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$800	\$900	\$1,000	\$1,100	\$1,200	\$1,300

On the Rents and Income tab, for each unit type you will be able to select the most restrictive rent limit (for example, High HOME or Market or Project Based Section 8) and a set of utility allowances. You will also be able to underwrite, for each unit type, less than 100% of the applicable rent limit (for example, you can underwrite 95% of the High HOME rent instead of 100% if you choose).

Below are several sections in which you can enter the gross rents (rent plus tenant-paid utilities) and utility allowances for affordable housing programs other than HOME. Examples might include Low Income Housing Tax Credit (LIHTC) units restricted at 60% AMI rents, LIHTC units restricted at 50% AMI rents, CDBG units, and project-based Section 8 units.

If multiple programs use the same utility allowances (for example, LIHTC 60% and 50% and 40% AMI), you might choose to enter the utility allowances only once in the sections below.

Gross Rents and Utility Allowances for Other Affordable Housing Program #1					
Other Affordable Housing Program Name	LIHTC 50 AMI	50%	of AMI (if AMI rents are applicable)		
Gross Rent Limits for LIHTC 50 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$437	\$468	\$562	\$650	\$725	\$800
Utility Allowances for LIHTC 50 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$11	\$21	\$31	\$41	\$51	\$61

Gross Rents and Utility Allowances for Other Affordable Housing Program #2					
Other Affordable Housing Program Name	LIHTC 60 AMI	60%	of AMI (if AMI rents are applicable)		
Gross Rent Limits for LIHTC 60 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$525	\$562	\$675	\$780	\$870	\$960
Utility Allowances for LIHTC 60 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$12	\$22	\$32	\$42	\$52	\$62

Gross Rents and Utility Allowances for Other Affordable Housing Program #3					
Other Affordable Housing Program Name	LIHTC 40 AMI	40%	of AMI (if AMI rents are applicable)		
Gross Rent Limits for LIHTC 40 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$350	\$375	\$450	\$520	\$580	\$640
Utility Allowances for LIHTC 40 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$13	\$23	\$33	\$43	\$53	\$63



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**HOME and Other Affordable Housing Requirements**

Enter data in green cells only

Market Rents (the rents that these units could achieve without rent or income restrictions)					
Market Rents (monthly, rent only, do not add tenant-paid utilities)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$800	\$900	\$1,000	\$1,100	\$1,200	\$1,300

On the Rents and Income tab, for each unit type you will be able to select the most restrictive rent limit (for example, High HOME or Market or Project Based Section 8) and a set of utility allowances. You will also be able to underwrite, for each unit type, less than 100% of the applicable rent limit (for example, you can underwrite 95% of the High HOME rent instead of 100% if you choose).

Below are several sections in which you can enter the gross rents (rent plus tenant-paid utilities) and utility allowances for affordable housing programs other than HOME. Examples might include Low Income Housing Tax Credit (LIHTC) units restricted at 60% AMI rents, LIHTC units restricted at 50% AMI rents, CDBG units, and project-based Section 8 units.

If multiple programs use the same utility allowances (for example, LIHTC 60% and 50% and 40% AMI), you might choose to enter the utility allowances only once in the sections below.

Gross Rents and Utility Allowances for Other Affordable Housing Program #1					
Other Affordable Housing Program Name	LIHTC 50 AMI	50%	of AMI (if AMI rents are applicable)		
Gross Rent Limits for LIHTC 50 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$437	\$468	\$562	\$650	\$725	\$800
Utility Allowances for LIHTC 50 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$11	\$21	\$31	\$41	\$51	\$61

Gross Rents and Utility Allowances for Other Affordable Housing Program #2					
Other Affordable Housing Program Name	LIHTC 60 AMI	60%	of AMI (if AMI rents are applicable)		
Gross Rent Limits for LIHTC 60 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$525	\$562	\$675	\$780	\$870	\$960
Utility Allowances for LIHTC 60 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$12	\$22	\$32	\$42	\$52	\$62

Gross Rents and Utility Allowances for Other Affordable Housing Program #3					
Other Affordable Housing Program Name	LIHTC 40 AMI	40%	of AMI (if AMI rents are applicable)		
Gross Rent Limits for LIHTC 40 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$350	\$375	\$450	\$520	\$580	\$640
Utility Allowances for LIHTC 40 AMI (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
\$13	\$23	\$33	\$43	\$53	\$63



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**HOME and Other Affordable Housing Requirements**

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Gross Rents and Utility Allowances for Other Affordable Housing Program #4						
Other Affordable Housing Program Name	LIHTC 30 AMI		30%		of AMI (if AMI rents are applicable)	
<b>Gross Rent Limits for LIHTC 30 AMI (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$262	\$281	\$337	\$390	\$435	\$480	
<b>Utility Allowances for LIHTC 30 AMI (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$14	\$24	\$34	\$44	\$54	\$64	

Gross Rents and Utility Allowances for Other Affordable Housing Program #5						
Other Affordable Housing Program Name	Other 1		20%		of AMI (if AMI rents are applicable)	
<b>Gross Rent Limits for Other 1 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$175	\$187	\$225	\$260	\$290	\$320	
<b>Utility Allowances for Other 1 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$15	\$25	\$35	\$45	\$55	\$65	

Gross Rents and Utility Allowances for Other Affordable Housing Program #6						
Other Affordable Housing Program Name	Other 2		25%		of AMI (if AMI rents are applicable)	
<b>Gross Rent Limits for Other 2 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$218	\$234	\$281	\$325	\$362	\$400	
<b>Utility Allowances for Other 2 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$16	\$26	\$36	\$46	\$56	\$66	

Gross Rents and Utility Allowances for Other Affordable Housing Program #7						
Other Affordable Housing Program Name	Other 3		35%		of AMI (if AMI rents are applicable)	
<b>Gross Rent Limits for Other 3 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$306	\$328	\$393	\$455	\$507	\$560	
<b>Utility Allowances for Other 3 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$17	\$27	\$37	\$47	\$57	\$67	

Gross Rents and Utility Allowances for Other Affordable Housing Program #8						
Other Affordable Housing Program Name	Other 4		80%		of AMI (if AMI rents are applicable)	
<b>Gross Rent Limits for Other 4 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$700	\$750	\$900	\$1,040	\$1,160	\$1,280	
<b>Utility Allowances for Other 4 (monthly)</b>						
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
\$18	\$28	\$38	\$48	\$58	\$68	



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**HOME and Other Affordable Housing Requirements**

Enter data in green cells only

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Upon completing this tab, proceed to the *Rents and Income* tab.

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The rows below are working computations for AMI rents

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Percentage of AMI
20%	\$175	\$187	\$225	\$260	\$290	\$320	20%
25%	\$218	\$234	\$281	\$325	\$362	\$400	25%
30%	\$262	\$281	\$337	\$390	\$435	\$480	30%
35%	\$306	\$328	\$393	\$455	\$507	\$560	35%
40%	\$350	\$375	\$450	\$520	\$580	\$640	40%
45%	\$393	\$421	\$506	\$585	\$652	\$720	45%
50%	\$437	\$468	\$562	\$650	\$725	\$800	50%
55%	\$481	\$515	\$618	\$715	\$797	\$880	55%
60%	\$525	\$562	\$675	\$780	\$870	\$960	60%
80%	\$700	\$750	\$900	\$1,040	\$1,160	\$1,280	80%
100%	\$875	\$937	\$1,125	\$1,300	\$1,450	\$1,600	100%
120%	\$1,050	\$1,125	\$1,350	\$1,560	\$1,740	\$1,920	120%
N/A							N/A







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Appendix A: TEMPLATE

**Development Costs**

Enter data in green cells only

**Project Name - Sample Project : 20 Units**

Cost	Amount	Cost Per Unit	Cost Per Square Foot	Comment
<b>Acquisition Costs</b>				
Land	\$200,000	\$10,000	\$17	
Existing Structures	\$100,000	\$5,000	\$8	
		need data	need data	
<b>Site Work Costs (not included in construction contract)</b>				
Demolition/Clearance		need data	need data	
Site Remediation		need data	need data	
Off-Site Costs (these are not HOME eligible)	\$1,000			
Improvements		need data	need data	
Construction Equipment (HOME eligible portion)		need data	need data	
Construction Equipment (non-HOME eligible portion)		need data	need data	
		need data	need data	
		need data	need data	
<b>Construction / Rehabilitation Costs (construction)</b>				
Site Work Included in Construction Contract		need data	need data	
Construction Equipment (HOME eligible portion)	\$2,000	\$100	\$0	
Construction Equipment (non-HOME eligible portion)	\$8,000	\$400	\$1	
New Construction		need data	need data	
Rehabilitation	\$800,000	\$40,000	\$67	
General Requirements	\$40,000	\$2,000	\$3	
Builder's Overhead	\$15,000	\$750	\$1	
Builder Profit	\$50,000	\$2,500	\$4	
Performance Bond Premium		need data	need data	
Construction Contingency	\$120,000	\$6,000	\$10	
		need data	need data	
		need data	need data	
<b>Architectural and Engineering Fees</b>				
Architect Fee -- Design	\$30,000	\$1,500	\$3	
Architect Fee -- Construction Supervision		need data	need data	
Engineering Fees		need data	need data	
<b>Other Owner Costs</b>				
Project Consultant Fees		need data	need data	
Owner Attorney Fees (initial closing)	\$20,000	\$1,000	\$2	
Owner Attorney Fees (final closing)	\$20,000	\$1,000	\$2	
Syndication Costs		need data	need data	
Other Owner Organizational Expenses		need data	need data	
Market Study	\$5,000	\$250	\$0	
Survey	\$5,000	\$250	\$0	
Appraisal Fees	\$5,000	\$250	\$0	
Environmental Studies	\$5,000	\$250	\$0	
Capital Needs Assessment	\$5,000	\$250	\$0	
		need data	need data	
Tap Fees and Impact Fees	\$20,000	\$1,000	\$2	
Building Permits and Fees	\$40,000	\$2,000	\$3	
Tax Credit Fees	\$40,000	\$2,000	\$3	
Accounting / Cost Certification / Audit	\$20,000	\$1,000	\$2	
Soft Cost Contingency	\$50,000	\$2,500	\$4	
		need data	need data	
		need data	need data	
<b>Interim Financing Costs</b>				
Construction Period Insurance	\$10,000	\$500	\$1	
Construction Period Taxes	\$5,000	\$250	\$0	
Construction Interest (see calculation below)	\$0	need data	need data	
Construction Loan Origination Fee		need data	need data	
Construction Loan Legal Fees		need data	need data	
Other Construction Loan Fees		need data	need data	
Bond Costs of Issuance		need data	need data	
Title and Recording Costs (for the construction loan)		need data	need data	
		need data	need data	
		need data	need data	
<b>Permanent Financing Costs</b>				
Credit Report		need data	need data	
Lender Origination / Financing Fee	\$3,000	\$150	\$0	
Lender's Counsel Fee		need data	need data	
Other Lender Fees		need data	need data	
Title and Recording Costs (for permanent financing)	\$50,000	\$2,500	\$4	
Establish Tax and Insurance Escrows	\$5,000	\$250	\$0	
		need data	need data	
		need data	need data	
<b>Developer's Fee</b>	\$240,000	\$12,000	\$20	
<b>Initial Project Reserves</b>				
Initial Rent-Up Reserve (not HOME eligible)		need data	need data	
Initial Operating Reserve (HOME-eligible portion)	\$10,000	\$500	\$1	
Initial Operating Reserve (non-HOME-eligible portion)	\$90,000			
Initial Debt Service Reserve (not HOME eligible)		need data	need data	
Initial Replacement Reserve (not HOME eligible)	\$20,000	\$1,000	\$2	





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		need data	need data	
		need data	need data	



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<b>Project Administration and Management Costs</b>				
Marketing/Management		need data	need data	
Operating Expenses		need data	need data	
Furniture, Fixtures & Equipment	\$5,000	\$250	\$0	
Tenant Relocation Costs		need data	need data	
		need data	need data	
		need data	need data	
<b>Other Development Costs</b>				
		need data	need data	
		need data	need data	
		need data	need data	
		need data	need data	
		need data	need data	
		need data	need data	

<b>Total Development Costs</b>	<b>\$2,039,000</b>
--------------------------------	--------------------

<b>Construction Interest Calculation</b>	
Construction Loan Amount	
Interest Rate	
Estimated First Draw Amount	
Months of Construction	
Months Const. Loan Outstanding After Completion	
Average Outstanding Balance	


Interest on first draw, during construction period	\$0
Interest on remaining funds, during construction	\$0
Construction interest after completion	\$0
<b>Total Construction Interest</b>	<b>\$0</b>

**Notes:**

- Construction Contingency is 15.0%
- General Requirements is 4.3% of construction costs
- Builder's Overhead is 1.6% of construction costs
- Builder Profit is 5.4% of construction costs

Developer's Fee is 14.3% of total development cost (excluding developer fee and initial reserves)

Later in this template, you will calculate the maximum allowable HOME investment and the minimum required number of HOME-assisted units. These calculations take place on the Cost Allocation tab. For these calculations, you need to have identified any development costs that are not HOME-eligible. List the ineligible costs here (these costs can be funded from other sources of funds, but cannot be funded by HOME).

<b>Costs that Are Not HOME-Eligible</b>	<b>Amount</b>	<b>Comment</b>
Construction Equipment (non-HOME eligible portion)	\$8,000	
Off-Site Costs (these are not HOME eligible)	\$1,000	
Initial Rent-Up Reserve (not HOME eligible)	\$0	
Initial Operating Reserve (non-HOME-eligible portion)	\$90,000	
Initial Debt Service Reserve (not HOME eligible)	\$0	
Initial Replacement Reserve (not HOME eligible)	\$20,000	
Other HOME-Ineligible Cost 1	\$0	
Other HOME-Ineligible Cost 2	\$0	
Other HOME-Ineligible Cost 3	\$0	
Other HOME-Ineligible Cost 4	\$0	

<b>Total Non-HOME-Eligible Costs</b>	<b>\$119,000</b>
--------------------------------------	------------------

Upon completing this tab, proceed to the *Repl Reserve* tab



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Appendix A: TEMPLATE

**Replacement Reserve**

Enter data in green cells only

**Project Name - Sample Project : 20 Units**

For HOME rental projects involving rehabilitation, Section 92.250(b)(1) of the HOME Final Rule requires the PJ to estimate the long term capital needs of the project and to determine a replacement reserve funding approach that will allow 100% of estimated long term capital needs -- over the HOME period of affordability -- to be funded from the replacement reserve. If the project has 26 total units or more, the PJ must require a capital needs assessment. These requirements must be included in the PJ's underwriting standards for rental projects involving rehabilitation.

There is no similar requirement for new construction rental projects, but it would be a best practice for PJs to include a similar requirement in the PJ's underwriting standards for new construction rental projects.

This worksheet will allow the user to determine an annual replacement reserve deposit that will satisfy the 92.250(b) requirement, plus a higher annual reserve deposit that will be adequate over the long term (including the years after completion of the HOME period of affordability).

Component	Quantity	?			
		Unit of Measure	Replacement Cost (UoM)	RUL (Years)	EUL (Years)
Signage	1	Each	\$5,000.00	30	30
Driveways and Parking Areas (resurfacing)	2,000	Sq Yd	\$1.50	20	20
Driveways and Parking Areas (sealing)	2,000	Sq Yd	\$0.50	7	7
Other Site 1					
Other Site 2					
Other Site 3					
Windows	100	Each	\$400.00	20	30
Exterior Walls 1	8,000	Sq Ft	\$2.00	30	30
Exterior Walls 2		Sq Ft			
Exterior Painting	20	Units	\$300.00	7	7
Other Exterior 1	1	Each			
Other Exterior 2	1	Each			
Roofing	100	Square	\$200.00	20	20
Gutters	600	Lineal Ft	\$5.00	20	20
Interior Flooring (Tile)	2,700	Sq Ft	\$5.00	15	15
Interior Flooring (Carpet)	1,200	Sq Yd	\$20.00	7	7
Kitchen Cabinets and Bath Vanities	20	Units	\$2,000.00	20	20
Counter Tops and Sinks (Kitchens and Baths)	20	Units	\$500.00	20	20
Refrigerators	20	Each	\$650.00	15	15
Ranges	20	Each	\$400.00	25	25
Exterior Doors	20	Each	\$600.00	20	20
Elevators	0	Each			
Unit Heating System	20	Each	\$2,000.00	25	25
Unit Cooling System	20	Each	\$1,000.00	15	15
Unit Hot Water Heating System	20	Each	\$600.00	10	10
Other Interior 1	0	Each			
Other Interior 2	0	Each			
Other Interior 3	0	Each			

Comment on capital needs estimate

**Reserve Deposit Adequate During the HOME Period of Affordability (but likely to be inadequate thereafter):** For a typical rental project, an annual replacement reserve deposit in the amount described below would satisfy the 92.250(b) requirement so long as (1) the annual deposit is increased each year for inflation and (2) there are no high-cost systems that will require replacement early in the HOME period of affordability. If either condition (1) or condition (2) cannot be satisfied, the PJ will need to make a more sophisticated computation, using a capital needs assessment or using a spreadsheet that is similar to those used in preparing capital needs assessments. Similarly, a more sophisticated computation should be used if the PJ intends to utilize a large initial reserve deposit and a smaller annual deposit. PJs should note that minimum compliance with the 92.250(b) requirement will not generally result in a replacement reserve that will be adequately funded over the long term; see the additional discussion in the next section. Over the HOME affordability period:

**Long term capital needs accrue at a rate of \$5,629 per year during the HOME period of affordability. This accrual rate is \$281 per unit per year. An annual reserve deposit at this rate (increased annually for inflation) should be adequate to fund 100% of capital needs during the HOME period of affordability, for a typical rental project.**

**Reserve Deposit Adequate Over The Long Term:** For a typical rental project, an annual replacement reserve deposit in the amount described below would be adequate to fund all long-term capital needs so long as (1) the annual deposit is increased each year for inflation and (2) there are no high-cost systems that will require replacement early in the life of the project. If either condition (1) or condition (2) cannot be satisfied, the PJ will need to make a more sophisticated computation, using a capital needs assessment or using a spreadsheet that is similar to those used in preparing capital needs assessments. Over the long term:

**Long term capital needs accrue at a rate of \$20,505 per year (when all building systems are considered). This accrual rate is \$1,025 per unit per year. An annual reserve deposit at this rate (increased annually for inflation) should be adequate to fund 100% of capital needs over the long term, for a typical rental project.**

Upon completing this tab, proceed to the Const Schedule tab



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**Construction Schedule**

Enter data in green cells only

**Project Name - Sample Project : 20 Units**

The HOME Final Rule's definition of *commitment* specifies that if a project includes rehabilitation or new construction, a construction schedule is required at or before the time of the commitment. Additionally, construction must be scheduled to start within twelve months after the commitment date, and construction must be completed within four years after the commitment date.

Intended HOME Commitment Date	December 1, 2015	
Initial Closing Date	May 1, 2016	
Construction Start Date	June 1, 2016	6.0 months after HOME Commitment Date
Other construction milestone #1		
Other construction milestone #2		
Other construction milestone #3		
Other construction milestone #4		
First Building Completion Date		
Last Building Completion Date	July 1, 2017	13.0 months construction time 19.0 months after HOME Commitment Date
Achievement of Sustaining Occupancy	November 1, 2017	4.0 months lease-up time
Closing of Permanent Financing	December 1, 2017	5.0 months after construction completion

Below, please include any comments about the construction schedule

*Budgeted construction cost is \$40,550 per unit. Budgeted hard cost contingency is 14.8% of hard cost. Budgeted soft costs are \$29,650 per unit. Budgeted soft cost contingency is 8.4% of soft cost. The budgeted developer fee is \$12,000 per unit before any deferral. This is 17.1% of total hard cost + total soft cost.*

**Adequacy of the Development Budget and Risk of Cost Increases.** Experience indicates that the primary risk of delay in starting construction is unanticipated escalation in development costs, to the extent that the sponsor has to seek additional funding. The three lines above present key information about the development budget, about available contingency allowances, and about the developer fee (which -- if not already deferred -- can provide additional ability to absorb cost increases).

The risk of cost increases is most significant early in the development process. Once the plans and specifications are completed and there is a firm-fixed-price construction contract, there is a lower risk of increases in hard costs. However, even if there is a performance bond, there is still the risk of hard cost increases due to change orders. The risk of increases in soft costs depends on how many of the soft costs are subject to firm-fixed-price contracts. Construction period interest costs will run over budget whenever construction takes longer than anticipated. Even if there is no construction loan or bridge loan, additional construction time typically results in increased soft costs of some sort.

Below, please discuss the current state of (1) plans and specs and (2) the construction contract. Discuss whether the contractor is bonded.

Below, please discuss the adequacy of the development budget, the risk of cost increases, and why you are confident that even with moderately severe increases in development cost, the project is still likely to go forward on schedule.

**Construction to Start Within Twelve Months.** The HOME Final Rule definition of *commitment* specifies that construction must be scheduled to start within twelve months after the date of the written agreement between the PJ and the project sponsor.

Experience indicates that the primary risks of delay in starting construction are (1) unanticipated increases in development cost requiring increased sources of funds; (2) unanticipated difficulties in finalizing non-HOME sources of funds; and (3) unanticipated difficulties with zoning, building permits and other entitlements.

Below, please explain why you believe that construction will start within twelve months. Please address each of the primary risks discussed above.



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Total	Per Unit	
\$811,000	\$40,550	Hard cost before contingency
\$120,000	\$6,000	14.8% Hard cost contingency
\$105,000	\$5,250	12.9% GR / BO / BP
\$120,000	\$6,000	Initial reserves
\$593,000	\$29,650	Soft costs before contingency
\$50,000	\$2,500	8.4% Soft cost contingency
\$240,000	\$12,000	17.1% Developer fee (gross)
<b>\$2,039,000</b>	<b>\$101,950</b>	<b>Total Uses of Funds</b>



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Appendix A: TEMPLATE

**LIHTC Basis**

Enter data in green cells only

**Project Name - Sample Project : 20 Units**

This tab is useful for projects that will have Low Income Housing Tax Credits (LIHTCs). The purpose of this tab is to make a rough estimate of LIHTC equity, which you can use to compare to the developer's estimate. If the rough estimate here is materially different from the developer's estimate, you should ask the developer for an explanation.

To enter (or change) the number of LIHTC units, use column P of the Rents and Income tab.

LIHTC Eligible Basis	Acquisition	Construction
Estimated LIHTC Eligible Basis From 'Development Costs' page	\$100,000	\$1,521,000
Less any amounts not eligible as a result of a grant or other ineligible source of funds (enter as negative amounts):		
Ineligible		(\$50,000)
<b>LIHTC Eligible basis</b>	<b>\$100,000</b>	<b>\$1,471,000</b>

<b>Applicable Fraction by Units:</b>	<b>100.00%</b>	
Total LIHTC Units	20	(from the Rents and Income tab)
Total Units	20	(from the Rents and Income tab)
<b>Applicable Fraction by Square Feet:</b>	<b>100.00%</b>	
Square feet of total LIHTC Units	12,000	(from the Rents and Income tab)
Square feet of total Units	12,000	(from the Rents and Income tab)
<b>Use This Applicable Fraction:</b>	<b>100.00%</b>	(lowest of the two methods)

LIHTC Calculation	Acquisition	Construction
Eligible Basis	\$100,000	\$1,471,000
Applicable Fraction	\$100,000	\$1,471,000
Basis Boost Factor	\$100,000	\$1,471,000
Credit Factor	3.20%	3.20%
Annual Credits	\$3,200	\$47,072
LIHTC Equity Price (per dollar)	\$0.900	\$0.900
Estimated LIHTC Equity	\$28,800	\$423,648
<b>Total Estimated LIHTC Equity</b>	<b>\$452,448</b>	
Proposed LIHTC Equity	\$450,000	

Upon completing this tab, proceed to the *Operating Expenses* tab.



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**LIHTC Basis**

Enter data in green cells only

**Project Name - Sample Project : 20 Units**

This tab is useful for projects that will have Low Income Housing Tax Credits (LIHTCs). The purpose of this tab is to make a rough estimate of LIHTC equity, which you can use to compare to the developer's estimate. If the rough estimate here is materially different from the developer's estimate, you should ask the developer for an explanation.

To enter (or change) the number of LIHTC units, use column P of the Rents and Income tab.

LIHTC Eligible Basis	Acquisition	Construction
Estimated LIHTC Eligible Basis From 'Development Costs' page	\$100,000	\$1,521,000
<i>Less any amounts not eligible as a result of a grant or other ineligible source of funds (enter as negative amounts):</i>		
Ineligible		(\$50,000)
<b>LIHTC Eligible basis</b>	<b>\$100,000</b>	<b>\$1,471,000</b>

<b>Applicable Fraction by Units:</b>	<b>100.00%</b>	
Total LIHTC Units	20	(from the Rents and Income tab)
Total Units	20	(from the Rents and Income tab)
<b>Applicable Fraction by Square Feet:</b>	<b>100.00%</b>	
Square feet of total LIHTC Units	12,000	(from the Rents and Income tab)
Square feet of total Units	12,000	(from the Rents and Income tab)
<b>Use This Applicable Fraction:</b>	<b>100.00%</b>	(lowest of the two methods)

LIHTC Calculation	Acquisition	Construction
Eligible Basis	\$100,000	\$1,471,000
Applicable Fraction	\$100,000	\$1,471,000 100.00%
Basis Boost Factor	\$100,000	\$1,471,000 100%
Credit Factor	3.20%	3.20%
Annual Credits	\$3,200	\$47,072
LIHTC Equity Price (per dollar)	\$0.900	\$0.900
Estimated LIHTC Equity	\$28,800	\$423,648
<b>Total Estimated LIHTC Equity</b>	<b>\$452,448</b>	
Proposed LIHTC Equity	\$450,000	

Upon completing this tab, proceed to the Operating Expenses tab.





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Appendix A: TEMPLATE

**Operating Expenses**

Enter data in green cells only

**Project Name - Sample Project : 20 Units**

Expense	Annual Cost	Monthly Cost	Per Unit Per Year	Comment
<b>Administrative / Management Expenses</b>				
Management Fee	\$7,500	\$625	\$375	
Management Administrative Payroll Costs	\$15,000	\$1,250	\$750	
Renting / Advertising / Marketing Expenses		\$0		
Legal Fees	\$5,000	\$417	\$250	
Accounting / Audit Fees	\$5,000	\$417	\$250	
Telephone	\$2,000	\$167	\$100	
Office Supplies	\$2,000	\$167	\$100	
PJ Monitoring Fee (if any)		\$0		
		\$0		
		\$0		
<b>Operations and Maintenance Expenses</b>				
Security		\$0		
Operations and Maintenance Payroll Costs	\$15,000	\$1,250	\$750	
Repairs Supplies	\$5,000	\$417	\$250	
Repairs Contracts	\$5,000	\$417	\$250	
Elevator (if any)		\$0		
Other Mechanical Equipment		\$0		
Interior Painting	\$5,000	\$417	\$250	
Exterminating	\$2,000	\$167	\$100	
Lawn and Landscaping		\$0		
Garbage Removal	\$3,000	\$250	\$150	
Snow Removal		\$0		
Resident Service Cost	\$2,000	\$167	\$100	
		\$0		
		\$0		
<b>Utilities Paid by the Property</b>				
Electricity	\$1,000	\$83	\$50	
Natural Gas, Oil, Other Fuel	\$1,000	\$83	\$50	
Sewer and Water	\$10,000	\$833	\$500	
		\$0		
<b>Taxes / Insurance / Other Expenses</b>				
Real Estate Taxes	\$0	\$0		
Payroll Taxes	\$1,500		\$75	
Other Taxes and Licenses		\$0		
Property Insurance	\$8,000	\$667	\$400	
Workers Compensation Insurance	\$1,000		\$50	
Health Insurance / Other Employee Benefits	\$4,000		\$200	
		\$0		
		\$0		
<b>TOTAL OPERATING EXPENSES</b>	<b>\$100,000</b>	<b>\$8,333</b>	<b>\$5,000</b>	
Reserve for Replacement Deposit	\$20,500	\$1,708	\$1,025	
<b>TOTAL EXPENSES PLUS RESERVE</b>	<b>\$120,500</b>	<b>\$10,042</b>	<b>\$6,025</b>	
<b>SUBTOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$36,500</b>	<b>\$3,042</b>	<b>\$1,825</b>	
<b>SUBTOTAL O&amp;M EXPENSES</b>	<b>\$37,000</b>	<b>\$3,083</b>	<b>\$1,850</b>	
<b>SUBTOTAL OWNER PAID UTILITIES</b>	<b>\$12,000</b>	<b>\$1,000</b>	<b>\$600</b>	
<b>SUBTOTAL TAXES / INSURANCE / OTHER</b>	<b>\$14,500</b>	<b>\$667</b>	<b>\$725</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$100,000</b>	<b>\$7,792</b>	<b>\$5,000</b>	

Upon completing this tab, proceed to the *First Mortgage Sizing* tab.





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Appendix A: TEMPLATE

**First Mortgage Sizing and  
Junior Loan Characteristics**

Enter data in green cells only

Project Name - Sample Project : 20 Units

**Net Operating Income Summary**

	Annual	HOME Units	Other Affordable	Market Units
Gross Potential Rents	\$150,864	\$150,864	\$0	\$0
Rent Loss	(\$10,560)	(\$10,560)	\$0	\$0
Other Income	\$2,400			
<b>Effective Gross Income</b>	<b>\$142,704</b>			
Total Operating Expenses	(\$100,000)			
Replacement Reserve Deposit	(\$20,500)			
<b>Net Operating Income (NOI)</b>	<b>\$22,204</b>			

**Capitalization Rate and Value**

Capitalization Rate	7.0%	
Calculated Market Value	\$317,000	(NOI ÷ Capitalization Rate)
Lender's Appraised Value for the Project	\$400,000	
Value of Project at Sale**		(Year of sale is year 30)

\*\* If Value of Project at Sale is left blank, the Template will use the Capitalization Rate to determine the project's value when sold.

**In this Template:**

First Mortgage means a fixed-rate, fixed-payment, self-amortizing loan (without balloon payments).  
 Amortizing Second Mortgage means a junior fixed-rate, fixed-payment, self-amortizing loan (without balloon payments).  
 Deferred Payment Loan means a loan that will receive no payments during its term.  
 Custom Loan means any other type of loan (i.e., with some payments but not fixed-payment / self-amortizing).

**First Mortgage Characteristics**

Minimum Debt Service Coverage	1.40	
Maximum Loan to Value	70.0%	
Interest Rate	4.000%	8.87626% Annual P+I as % of loan amount
Mortgage Insurance Premium	0.45%	0.45000% Annual MIP as % of loan amount
Loan Term (years)	15	
First Mortgage Lender	ABC Mortgage	

For each loan below, the Template asks "Is this loan funded by the HOME program?". The Template uses your answers to calculate the total amount of proposed HOME funding, recognizing that you may be planning multiple types of HOME funding (for example, a first mortgage loan with required monthly payments plus a soft second mortgage loan with payments limited to a share of cash flow). Later, on the Sources and Uses tab, you will verify that the proposed total HOME funding does not exceed the project's funding gap.

**First Mortgage Loan Amount**

Maximum Loan Amount by LTV	\$280,000	(Lender's value x maximum LTV)
Maximum Loan Amount by DSC	\$170,000	(NOI ÷ DSC ÷ [PI factor + MIP factor])
Calculated Maximum Loan Amount	\$170,000	(Lesser of the two limitations above)
Lender's Proposed Loan Amount	\$150,000	
Is this loan funded by the HOME program?	No	
Calculated Monthly P+I+MIP Payment	\$1,165.78	(This total is sometimes referred to as the 'debt service' payment)

Debt Service Coverage (DSC) is the ratio of Net Operating Income to the 1st mortgage debt service payment (P+I+MIP). If the ratio is below 1.0 it means that there is not enough NOI to cover the debt service payment, and the proposed project will not be viable unless the first mortgage debt service payment can be reduced (for example, by utilizing more HOME funds so that the first mortgage loan amount can be reduced). The HOME underwriter will want to consider whether to require DSC that is higher than required by the first mortgage lender. In general, the higher the DSC, the less risk that the project will have negative cash flow because of a future revenue or expense problem. However, a high DSC may indicate that the first mortgage loan amount can be increased (without endangering the finances of the project) which would allow HOME funding to be decreased.

Estimated Debt Service Coverage (DSC) Ratio	1.59
---	------



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**First Mortgage Sizing and  
 Junior Loan Characteristics**

Enter data in green cells only

**Project Name - Sample Project : 20 Units**

**First Mortgage Lender Origination and Financing Fees (Points)**

Origination and Financing Fees	2.000%	of the loan amount
Calculated Origination and Financing Fees	\$3,000	
Amount entered on Development Costs tab	\$3,000	

**Characteristics of Amortizing Second Mortgage Loan**

Amortizing Second Mortgage Loan Amount	
Is this loan funded by the HOME program?	
Amortizing Second Mortgage Source	
Interest Rate	
Loan Term (years)	
Calculated Monthly P+I Payment	\$0.00

Final year of Operating Pro Forma 30 (from Pro Forma Assumptions page)

**Characteristics of Deferred Payment Loan #1**

Name of Deferred Payment Loan #1	HOME
Loan Amount for HOME	\$1,400,000
Is this loan funded by the HOME program?	Yes
Lender for HOME	P3
Interest Rate for HOME	0.000%
Loan Term (Maturity) for HOME	30

A deferred loan is one with no payments due until maturity

**Characteristics of Deferred Payment Loan #2**

Name of Deferred Payment Loan #2	
Loan Amount for	
Is this loan funded by the HOME program?	
Lender for	
Interest Rate for	
Loan Term (Maturity) for	

A deferred loan is one with no payments due until maturity

**Characteristics of Custom Loan #1**

Name of Custom Loan #1	
Loan Amount for	
Is this loan funded by the HOME program?	
Lender for	
Interest Rate for	
Loan Term (Maturity) for	

A custom loan has payments prior to maturity but is not a normal fixed rate amortizing loan.  
 Enter the annual payments for this loan directly on the Operating Pro Forma tab.

**Characteristics of Custom Loan #2**

Name of Custom Loan #2	
Loan Amount (Custom loan 1)	
Is this loan funded by the HOME program?	
Custom Loan 1 Source	
Custom Loan 1 Interest Rate	
Custom Loan 1 Year of Maturity	

A custom loan has payments prior to maturity but is not a normal fixed rate amortizing loan.  
 Enter the annual payments for this loan directly on the Operating Pro Forma tab.

Upon completing this tab, proceed to the Sources and Uses tab.









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**Key Assumptions  
 For Operating Pro Forma**  
 Project Name - Sample Project : 20 Units

Enter data in green cells only

**HOME Affordability Period**

15 years

Go to the Requirements tab to adjust the HOME affordability period

Switch HOME unit rents to market after:

15 years

For units originally at HOME rents, the Operating Pro Forma uses HOME rents during this period, and market rents thereafter

**Other Affordable Housing Affordability Period**

15 years

Other Affordable Housing Affordability Period

Switch 'Other Affordable' unit rents to market after:

15 years

For units originally at LIHTC / Other Affordable rents, the Operating Pro Forma uses restricted rents during this period, and market rents thereafter

**Inflation / Trending Assumptions**

Total

Rent increase / rent trending assumptions:

HOME-assisted units

2.0%

Market Rate units

2.0%

Other affordable units

2.0%

Other income trending assumption

2.0%

Operating Expense Increase per Year

2.5%

**Length of Pro Forma**

Years to Sale\*

30 years

\* Years to Sale is used by the Template to determine the final year of the Pro-Forma.

Use one of the two radio buttons below, to set the number of years in the Operating Pro Forma tab.

**Debt Service Coverage Ratio**

In year 2 (first stabilized year)

1.58

In year 5

1.53

In year 10

1.43

In year 15

1.29

In year 20

100.00

[Empty green box for additional input]

Upon completing this tab, proceed to the Operating Pro Forma tab.





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Appendix A: TEMPLATE

**Operating Pro-Forma** "####" indicates that the columns should be widened. **Project Name - Sample**  
The only data entry cells on this tab are for payments on any 'custom loans' (see rows 31 and 32).

**PROJECT TIMELINE**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------

**Gross Potential Rent (GPR) Projections**

HOME/CDBG/LIHTC Rents	\$150,864	\$153,881	\$156,959	\$160,098	\$163,300	\$166,566	\$169,897	\$173,295	\$176,761	\$180,296	\$183,902
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Affordable Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Gross Potential Rent</b>	<b>\$150,864</b>	<b>\$153,881</b>	<b>\$156,959</b>	<b>\$160,098</b>	<b>\$163,300</b>	<b>\$166,566</b>	<b>\$169,897</b>	<b>\$173,295</b>	<b>\$176,761</b>	<b>\$180,296</b>	<b>\$183,902</b>

**Effective Gross Income (EGI) Projections**

Vacancy Loss	(\$30,173)	(\$10,772)	(\$10,987)	(\$11,207)	(\$11,431)	(\$11,660)	(\$11,893)	(\$12,131)	(\$12,373)	(\$12,621)	(\$12,873)
Other Revenue	\$2,400	\$2,448	\$2,497	\$2,547	\$2,598	\$2,650	\$2,703	\$2,757	\$2,812	\$2,868	\$2,926
<b>Effective Gross Income</b>	<b>\$123,091</b>	<b>\$145,557</b>	<b>\$148,469</b>	<b>\$151,438</b>	<b>\$154,467</b>	<b>\$157,556</b>	<b>\$160,707</b>	<b>\$163,921</b>	<b>\$167,200</b>	<b>\$170,543</b>	<b>\$173,955</b>

**Expense and Net Operating Income (NOI) Projections**

Management Expenses	\$36,500	\$37,413	\$38,348	\$39,307	\$40,290	\$41,297	\$42,329	\$43,387	\$44,472	\$45,584	\$46,724
Operations and Maintenance Expenses	\$37,000	\$37,925	\$38,873	\$39,845	\$40,841	\$41,862	\$42,909	\$43,982	\$45,082	\$46,209	\$47,364
Utilities Paid by Property	\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	\$13,916	\$14,264	\$14,621	\$14,987	\$15,362
Taxes/Insurance/Reserves/Other Expenses	\$14,500	\$14,863	\$15,235	\$15,616	\$16,005	\$16,406	\$16,816	\$17,236	\$17,667	\$18,109	\$18,562
<b>Total Expenses</b>	<b>(\$100,000)</b>	<b>(\$102,501)</b>	<b>(\$105,064)</b>	<b>(\$107,691)</b>	<b>(\$110,383)</b>	<b>(\$113,142)</b>	<b>(\$115,970)</b>	<b>(\$118,869)</b>	<b>(\$121,842)</b>	<b>(\$124,889)</b>	<b>(\$128,012)</b>
Replacement Reserve Deposit	(\$20,500)	(\$21,013)	(\$21,538)	(\$22,076)	(\$22,628)	(\$23,194)	(\$23,774)	(\$24,368)	(\$24,977)	(\$25,601)	(\$26,241)
<b>Net Operating Income</b>	<b>\$2,591</b>	<b>\$22,043</b>	<b>\$21,867</b>	<b>\$21,671</b>	<b>\$21,456</b>	<b>\$21,220</b>	<b>\$20,963</b>	<b>\$20,684</b>	<b>\$20,381</b>	<b>\$20,053</b>	<b>\$19,702</b>

**Debt Service**

First Mortgage Debt Service	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Cash Flow (After Debt Service)**

Cash Flow	(\$11,398)	\$8,054	\$7,878	\$7,682	\$7,467	\$7,231	\$6,974	\$6,695	\$6,392	\$6,064	\$5,713
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Cash Return</b>	<b>(\$11,398)</b>	<b>\$8,054</b>	<b>\$7,878</b>	<b>\$7,682</b>	<b>\$7,467</b>	<b>\$7,231</b>	<b>\$6,974</b>	<b>\$6,695</b>	<b>\$6,392</b>	<b>\$6,064</b>	<b>\$5,713</b>

Cash flow after debt service is negative in these years: 1, 20

**Developer Return on Equity (Developer Investment is \$39,000)**

Cash on Cash	-29%	21%	20%	20%	19%	19%	18%	17%	16%	16%	15%
Project Value based on Capitalization Rate	\$37,014	\$314,900	\$312,386	\$309,586	\$306,514	\$303,143	\$299,471	\$295,486	\$291,157	\$286,471	\$281,457

NOTE: Project Value equals \$0 if Net Operating Income is negative.

	IRR
IRR (Year 1 through sale of project)	22.0%

**Debt at Year End**

First Mortgage Remaining	\$149,777	\$141,626	\$133,148	\$124,324	\$115,141	\$105,584	\$95,637	\$85,285	\$74,512	\$63,299	\$51,630
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



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Request for Proposal (RFP)  
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Appendix A: TE

**Operating Pro-Fop Project : 20 Units**

**PROJECT TIMELINE**

	Year 12	Year 13	Year 14	Year 15
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**Gross Potential Rent (GPR) Projections**

HOME/CDBG/ILHTC Rents	\$187,580	\$191,332	\$195,159	\$199,062
Market Rents	\$0	\$0	\$0	\$0
Other Affordable Rents	\$0	\$0	\$0	\$0
<b>Gross Potential Rent</b>	<b>\$187,580</b>	<b>\$191,332</b>	<b>\$195,159</b>	<b>\$199,062</b>

**Effective Gross Income (EGI) Projections**

Vacancy Loss	(\$13,131)	(\$13,393)	(\$13,661)	(\$13,934)
Other Revenue	\$2,984	\$3,044	\$3,105	\$3,167
<b>Effective Gross Income</b>	<b>\$177,433</b>	<b>\$180,983</b>	<b>\$184,603</b>	<b>\$188,295</b>

**Expense and Net Operating Income (NOI) Proj**

Management Expenses	\$47,892	\$49,089	\$50,316	\$51,574
Operations and Maintenance Expenses	\$48,548	\$49,762	\$51,006	\$52,281
Utilities Paid by Property	\$15,746	\$16,140	\$16,544	\$16,958
Taxes/Insurance/Reserves/Other Expenses	\$19,026	\$19,502	\$19,990	\$20,490
<b>Total Expenses</b>	<b>(\$131,212)</b>	<b>(\$134,493)</b>	<b>(\$137,856)</b>	<b>(\$141,303)</b>
Replacement Reserve Deposit	(\$26,897)	(\$27,569)	(\$28,258)	(\$28,964)
<b>Net Operating Income</b>	<b>\$19,324</b>	<b>\$18,921</b>	<b>\$18,489</b>	<b>\$18,028</b>

**Debt Service**

First Mortgage Debt Service	(\$13,989)	(\$13,989)	(\$13,989)	(\$13,989)
Second Mortgage Debt Service	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Cash Flow (After Debt Service)**

Cash Flow	\$5,335	\$4,932	\$4,500	\$4,039
Proceeds from Property Sale	\$0	\$0	\$0	\$0
<b>Net Cash Return</b>	<b>\$5,335</b>	<b>\$4,932</b>	<b>\$4,500</b>	<b>\$4,039</b>

*Cash flow after debt service is negative in the*

**Developer Return on Equity**

Cash on Cash	14%	13%	12%	10%
Project Value based on Capitalization Rate	\$276,057	\$270,300	\$264,129	\$257,543

NOTE: Project Value equals \$0 if Net Operat

**Debt at Year End**

First Mortgage Remaining	\$39,485	\$26,845	\$13,691	\$0
Second Mortgage Remaining	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0





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Appendix A: TEMPLATE

**Operating Pro-Foi**

**PROJECT TIMELINE**

	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26
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**Gross Potential Rent (GPR) Projections**

HOME/CDBG/LIHTC Rents	\$290,708	\$296,522	\$302,452	\$308,501	\$314,671	\$320,965	\$327,384	\$333,932	\$340,610	\$347,422	\$354,371
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Affordable Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Gross Potential Rent</b>	<b>\$290,708</b>	<b>\$296,522</b>	<b>\$302,452</b>	<b>\$308,501</b>	<b>\$314,671</b>	<b>\$320,965</b>	<b>\$327,384</b>	<b>\$333,932</b>	<b>\$340,610</b>	<b>\$347,422</b>	<b>\$354,371</b>

**Effective Gross Income (EGI) Projections**

Vacancy Loss	(\$20,360)	(\$20,757)	(\$21,172)	(\$21,595)	(\$22,027)	(\$22,468)	(\$22,917)	(\$23,375)	(\$23,843)	(\$24,320)	(\$24,806)
Other Revenue	\$3,230	\$3,295	\$3,361	\$3,428	\$3,496	\$3,566	\$3,638	\$3,710	\$3,785	\$3,860	\$3,937
<b>Effective Gross Income</b>	<b>\$273,588</b>	<b>\$279,060</b>	<b>\$284,541</b>	<b>\$290,334</b>	<b>\$296,140</b>	<b>\$302,063</b>	<b>\$308,105</b>	<b>\$314,267</b>	<b>\$320,552</b>	<b>\$326,962</b>	<b>\$333,502</b>

**Expense and Net Operating Income (NOI) Proj**

Management Expenses	\$52,863	\$54,185	\$55,540	\$56,929	\$58,352	\$59,811	\$61,306	\$62,839	\$64,410	\$66,020	\$67,671
Operations and Maintenance Expenses	\$53,588	\$54,928	\$56,301	\$57,709	\$59,152	\$60,631	\$62,147	\$63,701	\$65,294	\$66,926	\$68,599
Utilities Paid by Property	\$17,382	\$17,817	\$18,262	\$18,719	\$19,187	\$19,667	\$20,159	\$20,663	\$21,180	\$21,710	\$22,253
Taxes/Insurance/Reserves/Other Expenses	\$21,002	\$21,527	\$22,066	\$22,617	\$23,182	\$23,762	\$24,356	\$24,965	\$25,589	\$26,229	\$26,885
<b>Total Expenses</b>	<b>(\$144,835)</b>	<b>(\$148,457)</b>	<b>(\$152,168)</b>	<b>(\$155,974)</b>	<b>(\$159,873)</b>	<b>(\$163,871)</b>	<b>(\$167,968)</b>	<b>(\$172,168)</b>	<b>(\$176,473)</b>	<b>(\$180,885)</b>	<b>(\$185,408)</b>
Replacement Reserve Deposit	(\$29,688)	(\$30,430)	(\$31,191)	(\$31,971)	(\$32,770)	(\$33,589)	(\$34,429)	(\$35,290)	(\$36,172)	(\$37,076)	(\$38,003)
<b>Net Operating Income</b>	<b>\$99,065</b>	<b>\$100,173</b>	<b>\$101,282</b>	<b>\$102,389</b>	<b>\$103,497</b>	<b>\$104,603</b>	<b>\$105,708</b>	<b>\$106,809</b>	<b>\$107,907</b>	<b>\$109,001</b>	<b>\$110,091</b>

**Debt Service**

First Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Cash Flow (After Debt Service)**

Cash Flow	\$99,065	\$100,173	\$101,282	\$102,389	\$103,497	\$104,603	\$105,708	\$106,809	\$107,907	\$109,001	\$110,091
Proceeds from Property Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Cash Return</b>	<b>\$99,065</b>	<b>\$100,173</b>	<b>\$101,282</b>	<b>\$102,389</b>	<b>\$103,497</b>	<b>\$104,603</b>	<b>\$105,708</b>	<b>\$106,809</b>	<b>\$107,907</b>	<b>\$109,001</b>	<b>\$110,091</b>

*Cash flow after debt service is negative in the*

**Developer Return on Equity**

Cash on Cash	254%	257%	260%	263%	265%	268%	271%	274%	277%	279%	282%
Project Value based on Capitalization Rate	\$1,415,214	\$1,431,043	\$1,446,886	\$1,462,700	\$1,478,529	\$1,494,329	\$1,510,114	\$1,525,843	\$1,541,529	\$1,557,157	\$1,572,729

NOTE: Project Value equals \$0 If Net Operat

**Debt at Year End**

First Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Second Mortgage Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



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Appendix A: TEMPLATE

### Operating Pro-Foi

#### PROJECT TIMELINE

	Year 27	Year 28	Year 29	Year 30
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#### Gross Potential Rent (GPR) Projections

HOME/CDBG/LIHTC Rents	\$361,458	\$368,687	\$376,061	\$383,582
Market Rents	\$0	\$0	\$0	\$0
Other Affordable Rents	\$0	\$0	\$0	\$0
<b>Gross Potential Rent</b>	<b>\$361,458</b>	<b>\$368,687</b>	<b>\$376,061</b>	<b>\$383,582</b>

#### Effective Gross Income (EGI) Projections

Vacancy Loss	(\$25,302)	(\$25,808)	(\$26,324)	(\$26,851)
Other Revenue	\$4,016	\$4,097	\$4,178	\$4,262
<b>Effective Gross Income</b>	<b>\$340,172</b>	<b>\$346,976</b>	<b>\$353,915</b>	<b>\$360,993</b>

#### Expense and Net Operating Income (NOI) Proj

Management Expenses	\$69,363	\$71,097	\$72,874	\$74,696
Operations and Maintenance Expenses	\$70,314	\$72,072	\$73,874	\$75,721
Utilities Paid by Property	\$22,809	\$23,379	\$23,963	\$24,562
Taxes/Insurance/Reserves/Other Expenses	\$27,557	\$28,246	\$28,952	\$29,676
<b>Total Expenses</b>	<b>(\$190,043)</b>	<b>(\$194,794)</b>	<b>(\$199,663)</b>	<b>(\$204,655)</b>
Replacement Reserve Deposit	(\$38,953)	(\$39,927)	(\$40,925)	(\$41,948)
<b>Net Operating Income</b>	<b>\$111,176</b>	<b>\$112,255</b>	<b>\$113,327</b>	<b>\$114,390</b>

#### Debt Service

First Mortgage Debt Service	\$0	\$0	\$0	\$0
Second Mortgage Debt Service	\$0	\$0	\$0	\$0
Deferred Payment 1 Loan Payoff	\$0	\$0	\$0	(\$1,400,000)
Deferred Payment 2 Loan Payoff	\$0	\$0	\$0	\$0
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

#### Cash Flow (After Debt Service)

Cash Flow	\$111,176	\$112,255	\$113,327	(\$1,285,610)
Proceeds from Property Sale	\$0	\$0	\$0	\$1,634,143
<b>Net Cash Return</b>	<b>\$111,176</b>	<b>\$112,255</b>	<b>\$113,327</b>	<b>\$348,533</b>

*Cash flow after debt service is negative in the*

#### Developer Return on Equity

Cash on Cash	285%	288%	291%	894%
Project Value based on Capitalization Rate	\$1,588,229	\$1,603,643	\$1,618,957	\$1,634,143

NOTE: Project Value equals \$0 if Net Operat

#### Debt at Year End

First Mortgage Remaining	\$0	\$0	\$0	\$0
Second Mortgage Remaining	\$0	\$0	\$0	\$0
Deferred Payment Loan 1 Remaining	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Deferred Payment Loan 2 Remaining	\$0	\$0	\$0	\$0