

XVIII. MHDC Form #2013

#2013 Stage:	<u>DRAFT</u>	Date:	<u>11/5/2019</u>	MHDC Project #:	<u></u>	
Project Name:	<u>Blue Rock Apartments and Eagle Rock Apartments</u>			Type of Development:	<u>Acquisition/Rehab</u>	
Address:	<u>2429 Brighton Ave &amp; 2610 E 11th St</u>			County:	<u>Jackson</u>	
City:	<u>Kansas City</u>	<u>MO</u>	Zip:	<u>64127</u>	Type of Project:	<u>Family</u>
Developer:	<u>Steele Properties III LLC</u>			Rental Structure:	<u>Standard Rental</u>	

## First Property Information

Date of Option/Contract: 10/28/2019 Expiration Date of Option/Contract: 3/27/2021 Lease term: N/A Years

**Cumulative Property Information**

If leasehold, show cumulative annual ground rent: \_\_\_\_\_

Total Site Area Purchased: 3.73 Site Area of Purposed Development: 3.73 Price: \$3,500,000

<u>Project Information</u>	
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☐ Single Family    ☐ Duplex    ☐ Townhouse    ☐ Rowhouse (Single Story)    ☒ Multi-Story/Walkup    ☐ Multi-Story/Elevator

Year(s) Built:	1969 & 1973	# of Bldgs.:	9	# of Res. Bldgs.:	8	# of Units:	82	# Units per Acre:	21.98
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Community Space in Separate Bldg:	Yes	# of Stories: 1	# of Elevator Bldgs.:	# of Elevator(s):	# of Parking Spaces: 124
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Gross Floor Area: 56,242 Sq. Ft.      Net Rentable Residential Area: 53,282 Sq. Ft.      Net Rentable Commercial Area: \_\_\_\_\_

**MHDC Financing**    ☐ MHDC Fund Balance    ☐ HOME    ☐ CHDO    **Tax Credit Funding**

☐ MHDC Fund Balance

HOME

CHDO

☒ Tax-Exempt Bonds

☐ Insured Loan

**MHDC Financing**    ☐ MHDC Fund Balance    ☐ HOME    ☐ CHDO    **Tax Credit Funding**

<input checked="checked" type="checkbox"/> Tax-Exempt Bonds	<input type="checkbox"/> Insured Loan	Federal LIHTC Credit:	<u>\$3,023,943</u>
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	Amount	% Rate	Amort	Term		
Construction Loan:	\$0	N/A				
Permanent Loan	\$7,710,000	4.250%	40	18	Federal Historic Credit:	\$0
Permanent Loan	N/A				State Historic Credit:	\$0
HOME/CHDO Operation Grant						

Permanent Loan	\$7,710,000	4.250%	40	18	Federal Historic Credit:	\$0
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Permanent Loan	N/A	State Historic Credit:	\$0
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<u>Unit, Rent and Income Information</u>		

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Totals	82	82	Total Estimated Monthly Rental Income	\$85,680
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Other Income	\$0
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Total Number of Low HOME Units:	0	Total Estimated Monthly Gross Income at 100% Occupancy	\$85,680
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Total Number of High HOME Units:	0	Total Estimated Annual (12 Month) Gross Income at 100% Occupancy	\$1,028,160
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## Estimate of Replacement Costs

1) Site Work	\$232,911
2) Off-Site Improvement	\$0
3) Building Demolition	\$0
4) Interior Demolition	\$338,800
5) New Construction	\$0
6) Rehabilitation	\$2,483,915
7) Accessory Building	\$0
8) Bonding	\$62,966
9) Permits	\$20,000
10) General Requirements	\$183,338
11) Builder's Overhead	\$64,779
12) Builder's Profit	\$194,338
13) <b>Total Construction Costs (lines 1-12)</b>	<b>\$3,581,047</b>
14) Paid by owner - Construction Costs	
14a) Security	\$100,000
14b) REAC Related Costs	\$314,000
15) <b>Total Construction Costs (lines 13-14)</b>	<b>\$3,995,047</b>
16) Architect's & Engineering Fee (Design)	\$30,000
17) Architect's Fee (Supervision)	\$70,000
18) Soil Report	\$0
19) Survey	\$9,500
20) Engineering	\$0
21) <b>Total For All Improvements (lines 15-20)</b>	<b>\$4,104,547</b>
22) Construction Loan Interest	\$403,488
23) Construction Period R. E. Taxes	\$0
24) Construction Period Insurance	\$39,402
25) MHDC Rental Production Application Fee	\$0
26) MHDC Construction Loan Fee	\$0
27) Other Construction Loan Fee	\$51,000
28) MHDC Construction Inspection Fee	\$0
29) Other Construction Inspection Fee	\$18,000
30) MHDC Permanent Financing Fee	\$0
31) Other Permanent Financing Fee	\$115,650
32) Environmental Study	\$37,140
33) Market Study	\$12,000
34) Appraisal	\$22,000
35) Title, Recording & Disbursing (Construction Loan)	\$0
36) Title, Recording & Disbursing (Permanent Loan)	\$45,000
37) Legal Costs (Construction)	\$0
38) Legal Costs (Permanent)	\$150,000
39) Organization (Legal/Fees)	\$50,000
40) Cost Certification	\$15,000
41) Accountant's Fee	\$0
42) Prepaid MIP (Risk Share only)	\$0
43) Contingency	\$349,812
44) Environmental Abatement	\$0
45) Historic Credit Fees	\$0
46) Relocation	\$130,780
47) FF & E	\$20,000
48) Other: (Describe) PCA and Energy Audit	\$8,500
49) Other: (Describe) Sewer Scope and WDIR	\$5,188
50) Other: (Describe) Construction Principal	\$97,993
51) Other: (Describe) Red Stone Acq. Prepay Fee	\$160,000
52) Other: (Describe) Travel	\$22,000
53) <b>Replacement Cost w/o Acq (lines 21-52)</b>	<b>\$5,857,500</b>
54) Legal Acquisition & Recording	\$40,000
55) Acquisition Cost of Buildings	\$3,090,000
56) Other Acquisition Related Costs	\$0
57) Land	\$410,000
58) <b>Total Acquisition Cost (lines 54-57)</b>	<b>\$3,540,000</b>
59) <b>Total Replacement Cost (lines 53-57)</b>	<b>\$9,397,500</b>
60) Consultant's Fee (Before Completion)	\$50,000
61) Consultant's Fee (At/After Completion)	\$0
62) Developer's Fee (Before Completion)	\$200,000
63) Developer's Fee (At/After Completion)	\$659,494
64) Tax Credit Allocation Fee (7%)	\$24,056
65) Tax Credit Monitoring Fee	\$13,500
66) AHAP Application & Reservation Fee	\$0
67) Other:(Describe) MHDC Appraisal Fee	\$6,500
68) Other:(Describe) MHDC Construction Analysis	\$5,000
69) Other:(Describe) MHDC LURA and Other Fees	\$26,760
70) Other:(Describe) LCRA Bond Issuance and Fees	\$155,011
71) Other:(Describe)	\$0
72) Bond Related Costs (see Tab XIII)	\$257,700
73) Syndication Costs (see Tab X)	\$32,500
74) Lease-up/Marketing (from FIN-117, cash reserve)	\$0
75) Operating Reserve (cash escrow)	\$307,591
76) Replacement Reserve (cash escrow)	\$49,200
77) Other Escrow(s):	\$0
78) Other Escrow(s):	\$0
79) Other Escrow(s):	\$0
80) Other Escrow(s):	\$0
81) Other Escrow(s):	\$0
82) <b>Total Development Cost (lines 59-81)</b>	<b>\$11,184,812</b>

## Estimate of Annual Expenses

1) Conventions & Meetings	#6203	\$0
2) Management Consultants	#6204	\$0
3) Advertising & Marketing	#6210	\$500
4) Other Renting Expenses	#6250	\$0
5) Office Salaries	#6310	\$31,200
6) Office Expenses, Supplies & Postage	#6311	\$8,200
7) Office or Model Apt. Rent	#6312	\$0
8) Leased Furniture	#6313	\$0
9) Management Fees	#6320	\$44,870
10) Manager or Superintendent Salaries	#6330	\$55,000
11) Administrative Rent Free Unit	#6331	\$0
12) Legal Expenses (Project)	#6340	\$1,000
13) Audit Expenses (Accounting)	#6350	\$17,683
14) Telephone	#6360	\$4,700
15) Bad Debts	#6370	\$0
16) Misc. Administrative Expenses	#6390	\$12,408
17) <b>Total Administrative Expenses</b>	<b>#62637</b>	<b>\$175,561</b>
18) Electricity	#6450	\$27,934
19) Water	#6451	\$25,798
20) Gas	#6452	\$10,179
21) Sewer	#6453	\$43,227
21) Cable T.V. / Internet Access	#6454	\$0
22) <b>Total Utilities Expenses</b>	<b>#6400T</b>	<b>\$107,138</b>
23) O & M Payroll	#6510	\$68,640
24) O & M Supplies	#6515	\$15,000
25) O & M Contracts	#6520	\$25,000
26) O & M Rent Free Unit	#6521	\$0
27) Garbage & Trash	#6525	\$13,817
28) Security Payroll / Contract	#6530	\$2,500
29) Security Rent Free Unit	#6531	\$0
30) Heating & Cooling Repair Contract	#6546	\$2,500
31) Snow Removal (Supplies & Contracts)	#6548	\$5,000
32) O & M Tools & Equipment	#6571	\$0
33) Pool (Supplies, Maintenance & Contracts)	#6520	\$0
34) Exterminating	#6515	\$5,000
35) Elevator Maintenance	#6520	\$0
36) Vacant Unit Prep (Carpets, Painting, Etc.)	#6580	\$0
37) Misc. Operating & Maintenance Exp.	#6590	\$5,000
38) <b>Total Operating &amp; Maint Expenses</b>	<b>#6500T</b>	<b>\$142,457</b>
39) Real Estate Taxes	#6710	\$0
40) Property & Liability Insurance	#6720	\$43,823
41) Health Insurance	#6723	\$300
42) Workers Comp	#6722	\$4,568
43) MIP Insurance	#6850	\$0
44) Fidelity Bond	#6721	\$0
45) Other Tax Assessments		\$0
46) Other: (Describe) Payroll Taxes		\$14,942
47) <b>Total Fixed Expenses</b>		<b>\$63,633</b>
48) Replacement Reserves		\$24,600
49) <b>Total Expenses</b>		<b>\$513,389</b>
50) No. of Units		82
51) <b>Expenses per Unit</b>		<b>\$6,261</b>

## Annual Income Computations

1) Estimated Project Gross Income	\$1,028,160
2) Occupancy (93% family or 95% elderly)	*waiver 95%
3) <b>Effective Gross Income (line 1 X line 2)</b>	<b>\$976,752</b>
4) Total Project Expenses	\$513,389
5) <b>Net Income to Project (line 3 - line 4)</b>	<b>\$463,363</b>
6) MHDC Debt Service	\$401,185
7) Other Hard Debt Service	\$401,185
8) Total Hard Debt Service	\$802,370
9) Cash Flow (line 5 - line 8)	-\$339,007
10) <b>Debt Service Coverage (hard debt)</b>	<b>0.58</b>

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Debt Service Information

[illegible]

**Tax Credit Proceeds**

	Annual Credit Amount		Years		Price		Owner %		Total Proceeds
Proceeds from Federal T.C.	<u>\$343,664</u>	X	<u>10</u>	X	<u>0.880</u>	X	<u>99.99%</u>	=	<u>\$3,023,941</u>
Proceeds from Historic Federal T.C.	<u>\$0</u>	X	<u>1</u>	X	<u>0.000</u>	X	<u>0.00%</u>	=	<u>\$0</u>
Proceeds from Historic State T.C.	<u>\$0</u>	X	<u>1</u>	X	<u>0.000</u>	X	<u>0.00%</u>	=	<u>\$0</u>

**Total Sources ( "X" Indicates if MHDC HOME Funds are used )**

1. Key Bank	<input type="checkbox"/>	<u>\$7,710,000</u>
2. NOI During Development	<input type="checkbox"/>	<u>\$230,872</u>
3.	<input type="checkbox"/>	<u>                    </u>
4.	<input type="checkbox"/>	<u>\$0</u>
5.	<input type="checkbox"/>	<u>\$0</u>
6.	<input type="checkbox"/>	<u>\$0</u>
7.	<input type="checkbox"/>	<u>\$0</u>
8.	<input type="checkbox"/>	<u>\$0</u>
9.	<input type="checkbox"/>	<u>\$0</u>
10.	<input type="checkbox"/>	<u>\$0</u>
11. Total LIHTC Equity		<u>\$3,023,941</u>
12. Total Historic T.C. Equity		<u>\$0</u>
13. Total AHAP T.C. Donation		<u>#REF!</u>
14. Trust Fund		<u>\$0</u>
15. General Partner Equity		<u>\$0</u>
16. Deferred Developer's Fee		<u><b>\$220,039</b></u>
17. <b>Total Sources</b>		<b>#REF!</b>

**Construction Period Funding Gap**

1. Costs (Line 82)	+	\$11,184,812
2. MHDC Construction Loan Proceeds	-	\$0
3. Other Construction Loan Proceeds	-	\$7,710,000
4. Tax Credit Equity Paid During Construction	-	\$2,285,374
5. Dev Fee Paid After Construction Complete	-	\$659,494
6. Consultant Fee Paid After Construction Complete	-	\$0
7. Operating Reserve (escrow)	-	\$307,591
8. Replacement Reserve (escrow)	-	\$49,200
9. Other (describe): NOI During Construction	-	\$173,153
10. <b><u>Total Construction Period Funding Gap</u></b>	=	\$0

#REF!

MHDC Comments:	
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