

XIX. MHDC Form #2013

Estimate of Replacement Costs

1) Site Work	\$116,500
2) Off-Site Improvement	\$0
3) Building Demolition	\$0
4) Interior Demolition	\$0
5) New Construction	\$0
6) Rehabilitation	\$7,683,501
7) Accessory Building	\$0
8) Bonding	\$58,500
9) Permits	\$30,000
10) General Requirements	\$468,000
11) Builder's Overhead	\$248,040
12) Builder's Profit	\$248,040
13) Total Construction Costs (lines 1-12)	\$8,852,581
14) Paid by owner - Construction Costs	
14a) _____	\$0
14b) _____	\$0
15) Total Construction Costs (lines 13-14)	\$8,852,581
16) Architect's & Engineering Fee (Design)	\$75,000
17) Architect's Fee (Supervision)	\$30,000
18) Soil Report	\$0
19) Survey	\$5,000
20) Engineering	\$25,000
21) Total For All Improvements (lines 15-20)	\$8,987,581
22) Construction Loan Interest	\$0
23) Construction Period R. E. Taxes	\$0
24) Construction Period Insurance	\$75,000
25) MHDC Rental Production Application Fee	\$2,000
26) MHDC Construction Loan Fee	\$0
27) Other Construction Loan Fee	\$113,021
28) MHDC Construction Inspection Fee	\$13,500
29) Other Construction Inspection Fee	\$25,000
30) MHDC Permanent Financing Fee	\$0
31) Other Permanent Financing Fee	\$113,021
32) Environmental Study	\$21,000
33) Market Study	\$7,000
34) Appraisal	\$9,000
35) Title, Recording & Disbursing (Construction Loan)	\$34,000
36) Title, Recording & Disbursing (Permanent Loan)	\$0
37) Legal Costs (Construction)	\$115,000
38) Legal Costs (Permanent)	\$45,000
39) Organization (Legal/Fees)	\$3,000
40) Cost Certification	\$25,000
41) Accountant's Fee	\$25,000
42) Prepaid MIP (Risk Share only)	\$0
43) Contingency	\$780,000
44) Environmental Abatement	\$0
45) Historic Credit Fees	\$0
46) Relocation	\$320,380
47) FF & E	\$25,000
48) Other: (Describe) Sustainable Housing Fee	\$7,500
49) Other: (Describe) MHDC Cost Analysis	\$5,000
50) Other: (Describe) PCNA	\$5,000
51) Other: (Describe) HUD Financing Fees	\$301,375
52) Other: (Describe) MHDC Appraisal	\$6,500
53) Replacement Cost w/o Acq (lines 21-52)	\$11,063,878
54) Legal Acquisition & Recording	\$0
55) Acquisition Cost of Buildings	\$16,920,000
56) Other Acquisition Related Costs	\$0
57) Land	\$1,470,000
58) Total Acquisition Cost (lines 54-57)	\$18,390,000
59) Total Replacement Cost (lines 53-57)	\$29,453,878
60) Consultant's Fee (Before Completion)	\$15,000
61) Consultant's Fee (At/After Completion)	\$0
62) Developer's Fee (Before Completion)	\$885,000
63) Developer's Fee (At/After Completion)	\$1,050,000
64) Tax Credit Allocation Fee (7%)	\$65,554
65) Tax Credit Monitoring Fee	\$46,800
66) AHAP Application & Reservation Fee	\$0
67) Other:(Describe) _____	\$0
68) Other:(Describe) _____	\$0
69) Other:(Describe) _____	\$0
70) Other:(Describe) _____	\$0
71) Other:(Describe) _____	\$0
72) Bond Related Costs (see Tab XIII)	\$132,383
73) Syndication Costs (see Tab X)	\$25,000
74) Lease-up/Marketing (from FIN-117, cash reserve)	\$0
75) Operating Reserve (cash escrow)	\$520,489
76) Replacement Reserve (cash escrow)	\$93,600
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) Total Development Cost (lines 59-81)	\$32,287,704

Estimate of Annual Expenses

1) Conventions & Meetings	#6203	\$1,000	
2) Management Consultants	#6204	\$0	
3) Advertising & Marketing	#6210	\$1,000	
4) Other Renting Expenses	#6250	\$0	
5) Office Salaries	#6310	\$40,602	
6) Office Expenses, Supplies & Postage	#6311	\$10,000	
7) Office or Model Apt. Rent	#6312	\$0	
8) Leased Furniture	#6313	\$0	
9) Management Fees	#6320	\$89,856	
10) Manager or Superintendent Salaries	#6330	\$50,752	
11) Administrative Rent Free Unit	#6331	\$0	
12) Legal Expenses (Project)	#6340	\$1,000	
13) Audit Expenses (Accounting)	#6350	\$15,000	
14) Telephone	#6360	\$5,000	
15) Bad Debts	#6370	\$0	
16) Misc. Administrative Expenses	#6390	\$6,000	
17) Total Administrative Expenses	#62637	\$220,210	
18) Electricity	Owner Paid	#6450	\$147,000
19) Water	Owner Paid	#6451	\$45,000
20) Gas	Owner Paid	#6452	\$45,000
21) Sewer	Owner Paid	#6453	\$45,000
21) Cable T.V. / Internet Access		#6454	\$18,000
22) Total Utilities Expenses	#6400T	\$300,000	
23) O & M Payroll		#6510	\$72,322
24) O & M Supplies		#6515	\$27,000
25) O & M Contracts		#6520	\$34,000
26) O & M Rent Free Unit		#6521	\$0
27) Garbage & Trash	Owner Paid	#6525	\$15,000
28) Security Payroll / Contract		#6530	\$18,000
29) Security Rent Free Unit		#6531	\$0
30) Heating & Cooling Repair Contract		#6546	\$6,000
31) Snow Removal (Supplies & Contracts)		#6548	\$5,000
32) O & M Tools & Equipment		#6571	\$10,000
33) Pool (Supplies, Maintenance & Contracts)		#6520	\$0
34) Exterminating		#6515	\$5,000
35) Elevator Maintenance		#6520	\$10,000
36) Vacant Unit Prep (Carpets, Painting, Etc.)		#6580	\$10,000
37) Misc. Operating & Maintenance Exp.		#6590	\$5,000
38) Total Operating & Maint Expenses	#6500T	\$217,322	
39) Real Estate Taxes		#6710	\$147,644
40) Property & Liability Insurance		#6720	\$52,413
41) Health Insurance		#6723	\$0
42) Workers Comp		#6722	\$0
43) MIP Insurance		#6850	\$0
44) Fidelity Bond		#6721	\$0
45) Other Tax Assessments			\$0
46) Other: (Describe) _____			\$0
47) Total Fixed Expenses			\$200,057
48) Replacement Reserves			\$46,800
49) Total Expenses			\$984,388
50) No. of Units			156
51) Expenses per Unit			\$6,310

Annual Income Computations

1) Estimated Project Gross Income	\$2,471,880
2) Occupancy (93% family or 95% elderly)	95%
3) Effective Gross Income (line 1 X line 2)	\$2,348,286
4) Total Project Expenses	\$984,388
5) Net Income to Project (line 3 - line 4)	\$1,363,898
6) MHDC Debt Service	\$0
7) Other Hard Debt Service	\$1,098,896
8) Total Hard Debt Service	\$1,098,896
9) Cash Flow (line 5 - line 8)	\$265,002
10) Debt Service Coverage (hard debt)	1.24

XIX. MHDC Form #2013

Debt Service Information

Lien Position	Source	Amount of Loan	Interest Rate	Amort Period (Years)	Term Period (Years)	Annual P & I	Soft/Hard Debt	% Dist From Cash Flow
								N/A
								N/A
								N/A
								N/A
1st	HUD 221(d)(4) Loan- TE Bonds	\$22,750,000	3.750%	40	40	\$1,098,896	Hard	N/A
N/A	Replacement Reserve from Seller	\$700,000	0.000%	0	0	\$0	N/A	N/A
								N/A
								N/A
								N/A
								N/A
							N/A	N/A

Tax Credit Proceeds

	Annual Credit Amount	Years	Price	Owner %	Total Proceeds
Proceeds from Federal T.C.	\$936,485	X 10	X 0.900	X 99.99%	= \$8,427,522
Proceeds from Historic Federal T.C.	\$0	X 1	X 0.000	X 0.00%	= \$0
Proceeds from Historic State T.C.	\$0	X 1	X 0.000	X 0.00%	= \$0

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

1.	<input type="checkbox"/>	\$0
2.	<input type="checkbox"/>	\$0
3.	<input type="checkbox"/>	\$0
4.	<input type="checkbox"/>	\$0
5.	<input type="checkbox"/>	\$0
6. HUD 221(d)(4) Loan- TE Bonds	<input type="checkbox"/>	\$22,750,000
7. Replacement Reserve from Seller	<input type="checkbox"/>	\$700,000
8.	<input type="checkbox"/>	\$0
9.	<input type="checkbox"/>	\$0
10.	<input type="checkbox"/>	\$0
11. Total LIHTC Equity		\$8,427,522
12. Total Historic T.C. Equity		\$0
14. Trust Fund		\$0
15. General Partner Equity		\$0
16. Deferred Developer's Fee		\$410,182
17. Total Sources		\$32,287,704

Construction Period Funding Gap

1. Costs (Line 82)	+	\$32,287,704
2. MHDC Construction Loan Proceeds	-	\$0
3. Other Construction Loan Proceeds	-	\$23,450,000
4. Tax Credit Equity Paid During Construction	-	\$7,669,045
5. Dev Fee Paid After Construction Complete	-	\$1,050,000
6. Consultant Fee Paid After Construction Complete	-	\$0
7. Operating Reserve (escrow)	-	\$520,489
8. Replacement Reserve (escrow)	-	\$93,600
9. Other (describe):	-	
10. Total Construction Period Funding Gap	=	\$0

MHDC Comments:

- 1
- 2
- 3
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Cathedral Square Towers Apartments

0

15 Year Cash-Flow Analysis (Income 2% Annual Increase - Expenses 3% Annual Increase - Replacement Reserves 3% Annual Increase)

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Total Potential Rent Income	\$2,460,480	\$2,509,690	\$2,559,883	\$2,611,081	\$2,663,303	\$2,716,569	\$2,770,900	\$2,826,318	\$2,882,844	\$2,940,501	\$2,999,311	\$3,059,298	\$3,120,484	\$3,182,893	\$3,246,551
Other Income	\$11,400	\$11,628	\$11,861	\$12,098	\$12,340	\$12,587	\$12,838	\$13,095	\$13,357	\$13,624	\$13,897	\$14,174	\$14,458	\$14,747	\$15,042
Gross Potential Income	\$2,471,880	\$2,521,318	\$2,571,744	\$2,623,179	\$2,675,642	\$2,729,155	\$2,783,738	\$2,839,413	\$2,896,201	\$2,954,125	\$3,013,208	\$3,073,472	\$3,134,942	\$3,197,640	\$3,261,593
Vacancy Allowance	\$123,594	\$126,066	\$128,587	\$131,159	\$133,782	\$136,458	\$139,187	\$141,971	\$144,810	\$147,706	\$150,660	\$153,674	\$156,747	\$159,882	\$163,080
Effective Income	\$2,348,286	\$2,395,252	\$2,443,157	\$2,492,020	\$2,541,860	\$2,592,697	\$2,644,551	\$2,697,442	\$2,751,391	\$2,806,419	\$2,862,548	\$2,919,798	\$2,978,194	\$3,037,758	\$3,098,514
Operating Expenses	\$937,588	\$965,716	\$994,687	\$1,024,528	\$1,055,264	\$1,086,922	\$1,119,529	\$1,153,115	\$1,187,709	\$1,223,340	\$1,260,040	\$1,297,841	\$1,336,777	\$1,376,880	\$1,418,186
Replacement Reserves	\$46,800	\$48,204	\$49,650	\$51,140	\$52,674	\$54,254	\$55,882	\$57,558	\$59,285	\$61,063	\$62,895	\$64,782	\$66,726	\$68,727	\$70,789
Net Operating Income	\$1,363,898	\$1,381,332	\$1,398,819	\$1,416,352	\$1,433,923	\$1,451,522	\$1,469,140	\$1,486,769	\$1,504,398	\$1,522,016	\$1,539,612	\$1,557,175	\$1,574,692	\$1,592,151	\$1,609,538
Less Debt Service	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896	\$1,098,896
DCR	1.24	1.26	1.27	1.29	1.30	1.32	1.34	1.35	1.37	1.39	1.40	1.42	1.43	1.45	1.46
Cash Flow	\$265,002	\$282,436	\$299,923	\$317,456	\$335,027	\$352,626	\$370,244	\$387,873	\$405,502	\$423,120	\$440,716	\$458,279	\$475,796	\$493,255	\$510,642

Uses of Cash Flow

Description	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
1. Deferred Developer Fee	\$265,002	\$145,180	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.															
3.															
4.															
5.															
Distributable Cash Flow	\$0	\$137,256	\$299,923	\$317,456	\$335,027	\$352,626	\$370,244	\$387,873	\$405,502	\$423,120	\$440,716	\$458,279	\$475,796	\$493,255	\$510,642

Deferred Dev Fee: \$410,182