



EXHIBIT 4A
LCRA 3/22/22

500 E 8th STREET






Financial But-For Analysis

March 8, 2022

Image Source: CREXI

EXECUTIVE SUMMARY

Adaptive reuse of a vacant office building into a 250-unit multifamily building with structured parking

PROJECT ATTRIBUTES	FINDINGS
 LOCATION & CONTEXT	<ul style="list-style-type: none"> ▪ 1.29-acre site at the northeast corner of Locust St and E 8th St in downtown Kansas City (KC) ▪ Existing 13-story building with 6 levels of underground parking ▪ Nearby highway access, federal courthouse, City Hall, county courthouse, FAA building, and Illus W. Davis Park
 DEVELOPMENT PROGRAM	<ul style="list-style-type: none"> ▪ Historic rehabilitation and conversion of existing vacant office building to residential ▪ 2 floors of building will not include rentable area, but will be environmentally remediated ▪ 250 rental multifamily units <ul style="list-style-type: none"> ▪ 225 market-rate; mix of studios, 1-bedrooms and 2-bedrooms ▪ 25 units affordable at 80% Area Median Income (AMI); all studios ▪ 575 existing structured parking spaces <ul style="list-style-type: none"> ▪ Developer is assuming parking revenue generation from only a portion of the units ▪ Possibility of closing a portion of the garage due to surplus of spaces
 PROJECT BUDGET	<ul style="list-style-type: none"> ▪ \$82.2 million project ▪ Acquisition costs are at the high end of market pricing in downtown KC and the River Market neighborhood <ul style="list-style-type: none"> ▪ Costs include the acquisition of a larger parking garage, but may not account for the extraordinary costs associated with the redevelopment (i.e., asbestos removal and environmental remediation) ▪ Acquisition costs are at a significant premium relative to the 2019 acquisition of the Site by another developer ▪ Residential hard costs are at the high end of the benchmark range of comparable projects ▪ Project budget includes building environmental remediation including asbestos removal ▪ Remaining costs are generally in line with comparable projects and industry sources
 FINANCING ASSUMPTIONS	<ul style="list-style-type: none"> ▪ Project will be financed through a mix of conventional debt, historic tax credit (HTC) equity, private equity and a proposed Housing Trust Fund grant (HTF) from Kansas City ▪ Developer indicated that debt assumptions are based on other projects; debt sized as the lesser of 1.15 DCR or 70% loan-to-value ▪ Private equity will be provided by the Developer ▪ HTC equity assumptions are in line with recent projects reviewed by SB Friedman
 OPERATING ASSUMPTIONS	<ul style="list-style-type: none"> ▪ Rents may be somewhat conservative relative to competitive product when accounting for differences in unit size and amenity packages, particularly for the 1-bedrooms and 2-bedrooms ▪ There is only an \$6 difference between Studio and 1-bedroom chunk rents ▪ Expenses are within the range observed in comparable projects in Kansas City

EXECUTIVE SUMMARY

Public assistance appears to be required for the Project to be viable as presented

CONCLUSIONS		Year 7 Yield on Cost	Unleveraged IRR	Year 3 Debt Coverage Ratio	Assistance as a % of Total Costs
DEVELOPER REQUEST & BUT-FOR FINDINGS	No Assistance	4.8%	2.4%	1.15	-
	Full Requested Assistance – 15 years of property tax abatement (100% for 10 years, followed by 50% for 5 years)	5.6%	3.4%	1.15	5.0%
	Alternative Level of Assistance– 10 years of property tax abatement (100% for 10 years)	5.6%	3.3%	1.15	4.3%
	Alternative Level of Assistance– 10 years of property tax abatement (75% for 10 years)	5.4%	3.0%	1.11	3.2%

RECOMMENDED STRUCTURING OPTIONS

- Due to the preliminary nature of the cost estimates and high construction costs, EDCKC should consider a construction costs true up at Project completion; if cost savings are achieved relative to the current budget, the public assistance should be recalibrated
- If more than 10 years of assistance are provided to the Project, SB Friedman recommends a check in at Year 10 to evaluate whether the Project is outperforming the assumptions used to size public assistance and potentially recalibrate public assistance

POLICY CONSIDERATIONS

DRIVERS OF NEED FOR PUBLIC ASSISTANCE

- Market rents which do not support the level of buildout, historic preservation and remediation contemplated
- Acquisition costs which do not appear to deduct extraordinary redevelopment costs such as asbestos removal or environmental remediation from the purchase price of the property and are at a significant premium relative to a 2019 purchase of the Site
- Inclusion of 25 studio units affordable to households at 80% AMI

FINANCIAL IMPACT OF ASSISTANCE TO TAXING JURISDICTIONS

	Benefit to Project of Abated Property Taxes Over 25 Years (Estimated)	Property Tax Revenues to Taxing Jurisdictions Over 25 Years (Estimated)
Full Requested Assistance – 15 years of property tax abatement (100% for 10 years, followed by 50% for 5 years)	\$6.1M over 15 years	\$4.1M over 15 years \$11.5M over 25 years
Alternative Level of Assistance– 10 years of property tax abatement (100% for 10 years)	\$4.8M over 15 years	\$1.9M over 10 years \$12.8M over 25 years
Alternative Level of Assistance– 10 years of property tax abatement (75% for 10 years)	\$3.0M over 10 years	\$3.0M over 10 years \$13.9M over 25 years

EXECUTIVE SUMMARY

Public assistance appears to be required for the Project to be viable as presented

POLICY CONSIDERATIONS

AFFORDABLE HOUSING CONSIDERATIONS

- Affordable housing set aside requirements do not apply to the Project given its historic designation
- Project includes 25 studio units affordable at 80% AMI and assumes \$1.25M in grant funding from the HTF
- HTF funding has not been confirmed; therefore, the affordability requirements and term are unclear
- Inclusion of on-site units or payment of a fee-in-lieu to align with the affordable housing set aside requirement would reduce Project returns below levels required to attract debt and equity investors, even with the full requested assistance; Project would likely require additional assistance or need to be re-conceptualized to reduce costs or improve revenue generating potential

PARKING CONSIDERATIONS

- Project parking would be available to tenants; the Project includes 2.3 spaces/unit, which likely exceeds demand
- Developer assumes parking revenue of \$65/unit/month and that only 50% of occupied units will have parking needs; both assumptions appear conservative relative to market comps and typical underwriting standards
- Portion of the garage may be closed due to excess spaces

HISTORIC PRESERVATION CONSIDERATIONS

- National Park Service recognizes this site as a historic building with local significance as of listed date October 19, 2020
- Project would preserve a 1973 structure that is representative of brutalist architecture
- Project qualified rehabilitation expenditures (QRE), as estimated by the Developer, total \$57.6 million
- Developer is assuming that \$20.6 million will be financed through equity derived from federal and state HTCs, assuming pricing of \$0.85 per federal credit and \$0.88 per state credit (gross)
- Our understanding is that the Developer intends to sell the credits to a third party; however, discussions with HTC purchasers have not yet occurred and no term sheets were available for our review
- HTC pricing is within recently observed ranges
- Undiscounted value of requested assistance would total 17% of the QRE, net of the costs financed by HTC equity and HTF
- Undiscounted value of alternative assistance level would total 10-13% of the QRE (75% and 100% abatement for 10 years, respectively), net of the costs financed by HTC equity and HTF

INTRODUCTION

Scope of the But-For Analysis

SB Friedman Development Advisors (SB Friedman) was engaged by the Economic Development Corporation of Kansas City (EDCKC) to conduct a preliminary financial review of a proposed redevelopment of a vacant office building located at 500 E 8th Street in downtown Kansas City, Missouri (the “Site”).

The \$82.2 million Project consists of a 225-unit market-rate and 25-unit affordable (at 80% AMI) multifamily rental apartment development and existing structured parking (the “Project”).

The purpose of the analysis is to evaluate whether the Project as presented appears to need public financial assistance in order to generate sufficient returns for the Project to attract debt and equity investors. This financial “but-for” test is analytical in nature and is meant to inform a larger policy discussion regarding whether the Project meets desired public objectives.

At the direction of EDCKC, a supplemental financial analysis was conducted to test the impact of public policy considerations regarding income-restricted affordable housing.

Our review process is detailed further on the following page.



INTRODUCTION

Review Process

1. Review Project and Site Context

- Where is the project located?
- What is the development program and mix of land uses?

2. Evaluate Development Budget

- What are the project uses? (land, construction costs, etc.)
- Are project costs in line with industry benchmarks? If not, why?

3. Evaluate Financial Assumptions

- How does the developer intend to finance the project?
- Has the developer exhausted all potential funding sources before requesting public assistance?

4. Evaluate Operating Assumptions

- Are revenue (e.g., rents) and expense assumptions reasonable given target tenant profile, market context and industry benchmarks?

5. Calculate Project Financial Returns

- Is the project achieving a level of financial returns that would allow it to attract the required debt and equity investment?

6. Identify Financial Gap

- Is there a demonstrable financial gap that requires public assistance to make the project successful?

7. Identify Drivers of Need for Assistance

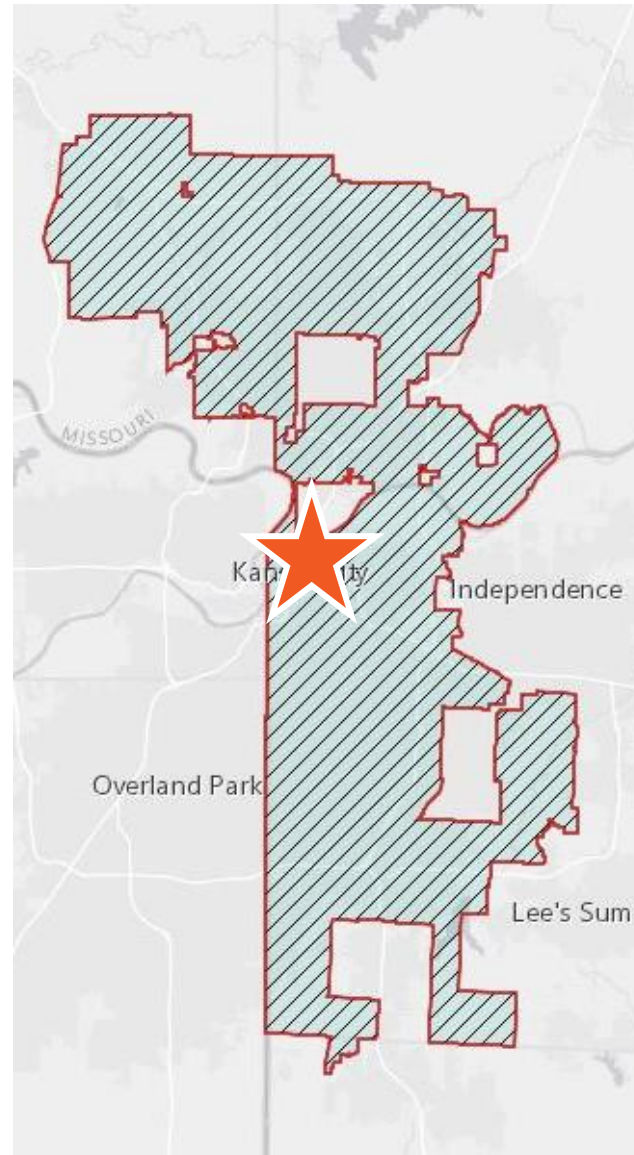
- What project components are driving the financial gap?
- Do these drivers align with larger policy goals? (affordable housing development, employment growth, supporting urban form, etc.)

PROJECT OVERVIEW

Location

The Project is located in downtown Kansas City.

Although downtown KC has experienced a significant amount of redevelopment activity, the multifamily market east of Oak Street has been less active. The Project will likely compete with other newly delivered and proposed apartment projects downtown and in the River Market neighborhood.



NEIGHBORHOOD:

Downtown KC

Council District:

4th

EXISTING INCENTIVE DISTRICT(S):

- Civic Mall TIF
- Eastside URA

OTHER LOCATION ATTRIBUTES:

- Opportunity Zone

Source: City of Kansas City, Esri, Well TBC Kansas City JV, LLC, SB Friedman

PROJECT OVERVIEW

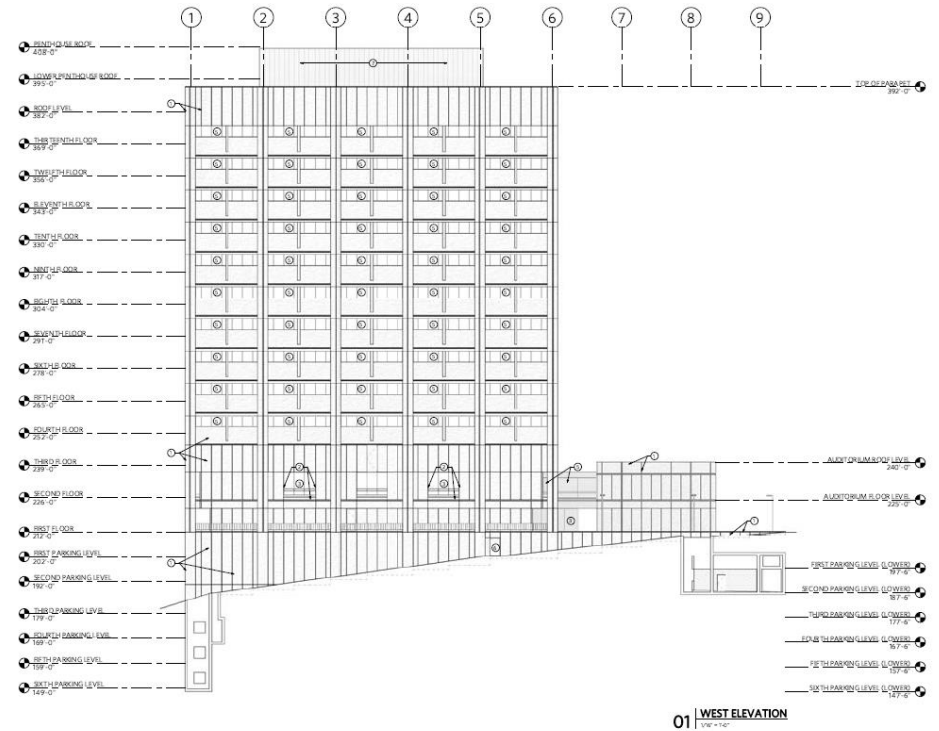
Building Characteristics & Elevations

The Project is located on 1.29 acres located at 500 E 8th Street (the "Site"). The Site currently consists of a 13-story vacant former AT&T office building dating from 1973.

The National Park Service recognizes this site as a historic building with local significance as of listed date October 19, 2020.

The Project will rehabilitate for use 11 of the 13 floors of the existing 367,000 square foot building (including parking) into multi-family apartments and amenities. Floors 2 and 3 will neither be built out nor used, as they contain no windows and are not expected to be leasable. The building currently has 6 levels and 575 spaces of underground parking.

The Project elevations are presented to the right.



Source: Well TBC Kansas City JV, LLC

PROJECT OVERVIEW

Development Program

The Project’s development program is presented to the right.

The Project is a historic renovation and conversion of a 1973 office building into a 250-unit multifamily rental building. Amenities will be primarily located on the first floor and are expected to include a fitness center and yoga room, game/movie room, party room, lounge and remote workspace for residents. The 2nd and 3rd floors will be minimally rehabilitated and will remain unused due to office space leasing concerns and lack of windows. Additionally, the building includes 6 levels of existing underground parking with 575 spaces. It is our understanding the entire garage will be open to residents and their guests. Alternatively, a portion of the garage could be closed due to the high parking ratio (2.3 spaces per unit).

The Project is not subject to the Kansas City affordable housing requirement because of its historic designation but includes 25 income-restricted studio units affordable at 80% of area median income. The Developer indicated that project feasibility, particularly with the affordable housing set-aside, depends on receiving a HTF grant.

It is our understanding that the current Developer purchased this property at auction, with a closing date of February 15, 2022. Maxus Properties previously pursued development of the property, purchasing it for redevelopment in April of 2019, outlining an original \$60 million redevelopment plan that included 283 multifamily units and 30,000 SF of coworking space. The Maxus redevelopment plan did not move forward.

MULTIFAMILY	Market-Rate Units	Income-Restricted Affordable Units
Studios	75	25
1-bedroom	50	-
2-bedroom	100	-
Total	225	25

OTHER LAND USES	Structured Spaces	Type
Parking Spaces	575 [1]	6 floors of existing underground parking

Source: Well TBC Kansas City JV, LLC

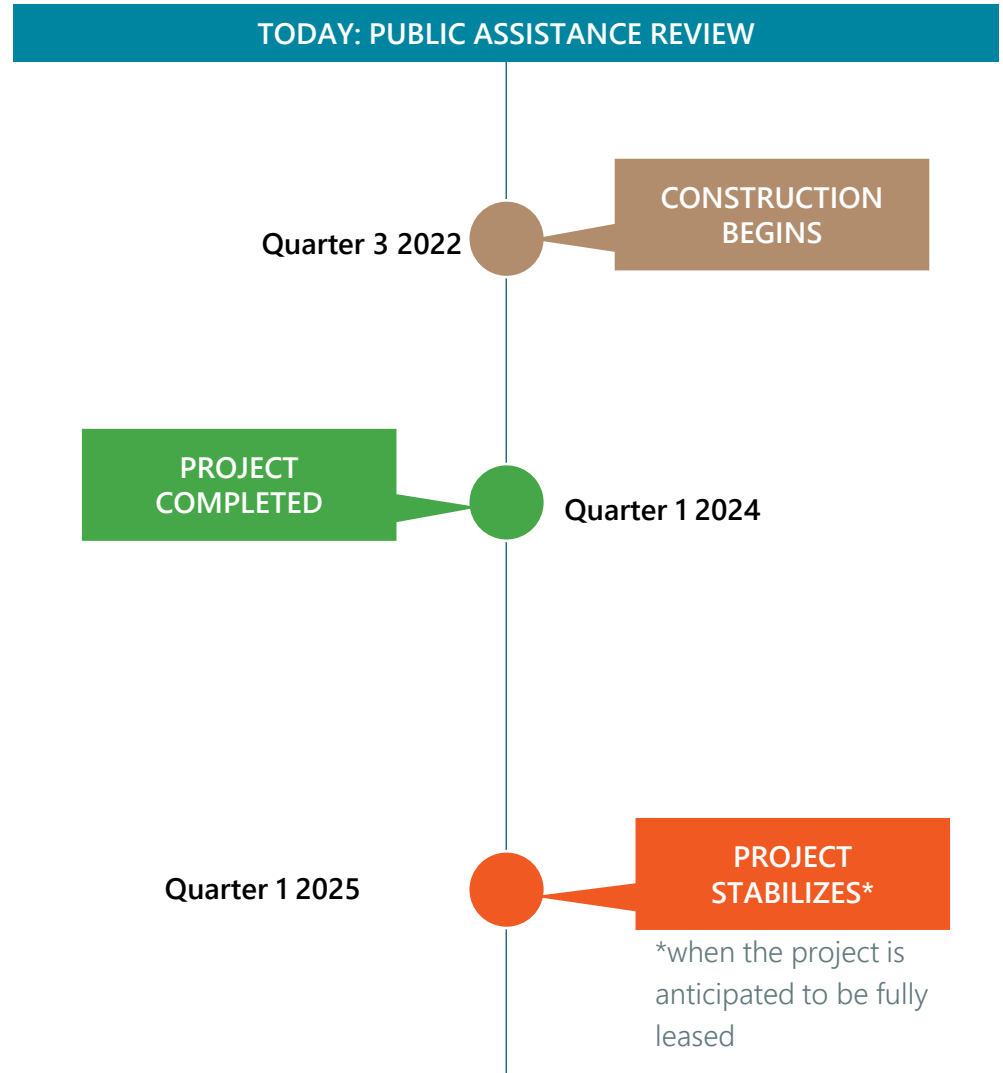
[1] Developer indicated that a portion of the parking garage may be closed due to surplus of spaces

PROJECT OVERVIEW

Development Team & Schedule

The Project would be undertaken by Well TBC Kansas City JV, LLC (the "Developer"). The Developer is a single-purpose entity affiliated with the Bernstein Companies.

The Developer, a Washington D.C.-based entity founded in 1933, is also currently in the process of completing the Kansas City rehabilitation project known as Mark Twain Tower. The Developer typically develops projects to hold long-term, has worked in residential, hotel, and commercial real estate sectors, and has experience with historic renovations and historic tax credit (HTC) transactions.



Source: Well TBC Kansas City JV, LLC

PROJECT OVERVIEW

Developer Request for Assistance

The Developer indicated that Project feasibility is challenged by:

- Blighted condition of the historic building
- Substantial additional costs due to historic preservation including asbestos and fireproofing removal
- Lower rents than competitive recent rehabilitation projects due to the location of the building outside of central downtown KC that has experienced the most multifamily development

Therefore, the Developer is requesting public assistance through EDCKC, as outlined to the right.

REQUESTED ASSISTANCE

1. Abatement of real property taxes (above current predevelopment taxes) generated for 15 years, including:
 - 100% abatement in Years 1-10
 - 50% abatement in Years 11-15

ESTIMATED TOTAL VALUE OF ASSISTANCE (AS REQUESTED)

\$6.1 million in property tax abatement over 15 years (undiscounted) [1]

ESTIMATED TOTAL PROPERTY TAX COLLECTIONS TO TAXING JURISDICTIONS (AS REQUESTED)

\$4.1 million over 15 years (undiscounted)

\$11.5 million over 25 years (undiscounted)

[1] Developer did not request STECM
Source: EDCKC, Well TBC Kansas City JV, LLC, SB Friedman

DEVELOPMENT BUDGET

Key Budget Line Items

The Developer provided the following information for our review:

- EDCKC Redevelopment Project Application
- Development budget received January 13, 2022 and dated December 12, 2021, with revisions on January 20 and February 2, 2022
- Design drawings dated December 13, 2021
- National Park Service Historic Preservation status
- Phase 1 Environmental Site Assessment from January 18, 2019 detailing the presence of an underground diesel storage tank
- Purchase and sale agreement (PSA) between the Developer and seller documenting the acquisition price and a closing date of February 15, 2022
- Sale prices from selected comparable projects received February 2, 2022

The Project is expected to cost \$82.2 million, or approximately \$327/GSF [1].

The Developer did not request Sales Tax Exemption on Construction Materials (STECM). Key budget line items include:

- **Property Acquisition.** The Developer bid on the Site through an auction and provided a copy of the PSA detailing an acquisition cost of \$13.0M, or \$35/SF of building, net of closing costs. No as-is appraisal was provided. The purchase price is somewhat higher than the average acquisition price for vacant shell buildings in the downtown area that were purchased for conversion to rental apartments (average \$31/SF of building). However, this building includes 6 floors of underground parking (575 spaces) which is unique to this building relative to the comps; therefore, the purchase price may be reasonable compared to comps. However, it is important to note that Maxus Properties originally purchased the property for redevelopment in April 2019 for \$6.85 million or \$19/SF of building. Furthermore, it is customary for property sellers to deduct extraordinary costs such as asbestos removal and environmental remediation from the purchase price of the property.

COSTS	Developer Assumption	\$/GSF [1]
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Total Development Costs (TDC)	\$82.2M	\$327
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KEY BUDGET DRIVERS	Developer Assumption	% of TDC	\$/unit or SF	Benchmark
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Building Acquisition [2]	\$13.5M	16.4%	\$37/Building SF	\$31/Building SF
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Hard Costs	\$54.1M	65.9%	\$216/GSF [1]	\$192/GSF
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Soft Costs	\$6.4M	7.8%	\$25/GSF [1]	[3]
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Financing Costs	\$3.3M	4.0%	\$13/GSF [1]	[3]
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Developer Fees	\$2.7M	4.2% [4]	\$11/GSF [1]	4.0% [4]
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Reserves and Other Costs	\$2.1M	2.6%	\$8/GSF [1]	[3]
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Source: Well TBC Kansas City JV, LLC, SB Friedman

[1] GSF includes floors 2 and 3 that will receive minimal rehab but not be built out as rentable space. GSF is net of parking.

[2] Including closing costs

[3] Within benchmark range

[4] % of TDC, net of acquisition costs

DEVELOPMENT BUDGET

Key Budget Line Items | Continued

- **Hard Construction Costs.** The Developer is assuming hard construction costs, including contingency, of \$54.1 million (\pm \$216/GSF), an estimate they indicated is based on their ongoing Mark Twain project. SB Friedman requested but did not receive detailed construction estimates or remediation estimates required to remove asbestos and fireproofing. Costs associated with the historic rehabilitation of structures can be difficult to benchmark, as property conditions vary by property; however, the Project's hard costs are at the high end of the \$160-220/GSF range observed for recent adaptive reuse multifamily projects in Kansas City (adjusted for inflation to 2022 dollars). This is likely due to the condition of the historic building. However, buildings that are in relatively good condition typically have higher acquisition costs and lower hard construction costs. The Project's combined hard and acquisition costs of \$252/GSF (net of parking SF) are also at the high end of the benchmark range of \$205-255 typically seen in comparable projects.
- **Soft and financing costs.** Soft and financing costs together comprise 11.8% of TDC. SB Friedman typically observes soft and financing costs below 15% of TDC in the Kansas City multifamily market; therefore, the Developer's assumptions appears reasonable.
- **Developer fee.** The Developer included a developer fee of \$2.7 million (4.2% of TDC, net of acquisition). Typically, SB Friedman observes developer fees up to 4.0% of TDC (net of acquisition) in the Kansas City multifamily market. It is likely that the above average developer fee is the result of maximizing the qualified rehabilitation expenses (QRE) from which historic tax credit (HTC) awards are based. Therefore, it is to the benefit to the Project that there is a slightly higher developer fee.

The remaining cost assumptions are in line with comparable projects in Kansas City and industry sources.

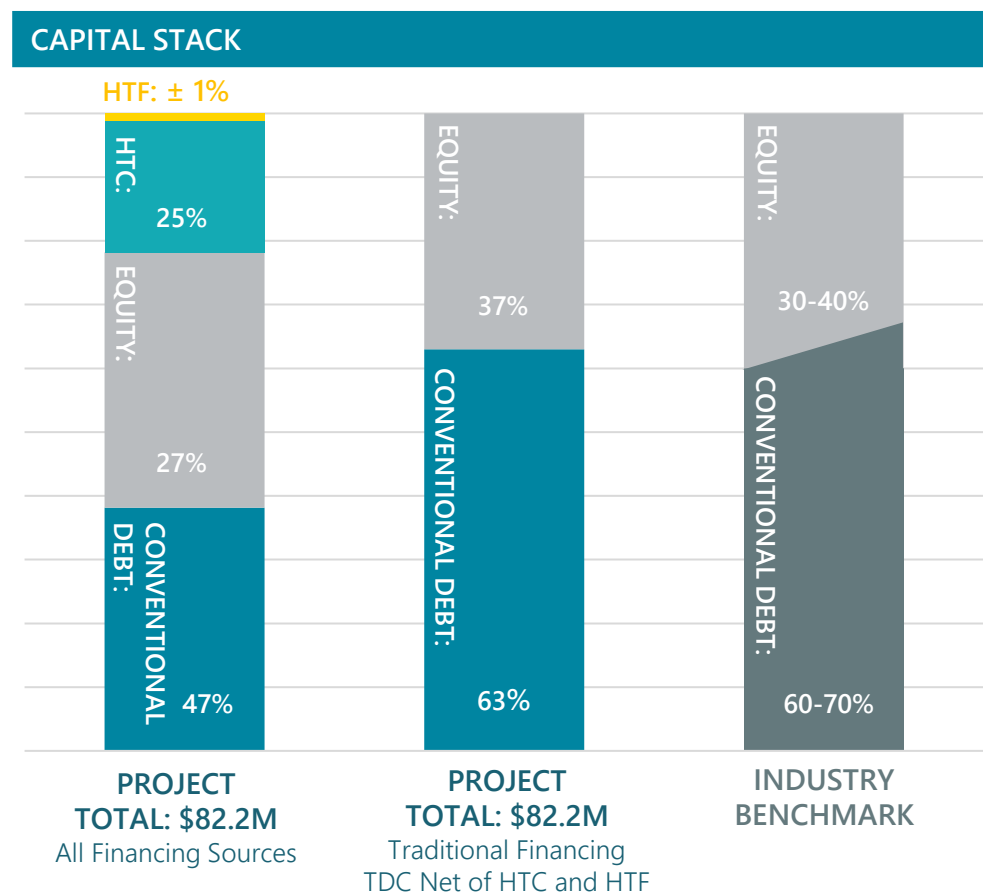
PROJECT FINANCING

Financing Sources

The Developer provided a summary of sources of funds, projected amortization and draw schedules, all received January 13, 2022 and updated February 2, 2022. It is our understanding that only preliminary discussions with lenders have occurred.

Due to the preliminary nature of the financing, SB Friedman reviewed the Project's returns from an unleveraged perspective which evaluates overall Project feasibility and ability to secure financing rather than returns to specific investors. Key financing assumptions are provided below:

- Conventional Debt.** The Developer is assuming conventional debt of 45% loan-to-cost, with a 4.25% interest rate and 25-year amortization. The Developer sized debt based on past projects, using a 1.15 DCR. The DCR calculation is based on the Project's net operating income, including the requested abatement. The assumed DCR is lower than that observed by SB Friedman in comparable projects and industry data, while the interest rate and amortization are within typical ranges. After removing HTC equity and the HTF grant, the conventional debt is 60% of TDC; therefore, the split between debt and equity is within typical ranges.
- Cash Equity.** Cash equity is estimated to account for $\pm 29\%$ of Project sources, which appears reasonable given industry benchmarks and the other financing assumptions. Equity would be provided by the Developer. Portions of the equity investment could benefit from the Project's location in an Opportunity Zone, thereby improving investors' after-tax returns.



Source: Well TBC Kansas City JV, LLC

PROJECT FINANCING

Financing Sources

- **Historic Tax Credit (HTC) Equity.** The Developer is assuming that $\pm 25\%$ of costs will be financed through equity derived from federal and state HTCs. Our understanding is that the Developer intends to sell the credits to a third party; however, discussions with HTC purchasers have not yet occurred and no term sheets were available for our review. The Developer is assuming a loan would bridge the HTC equity during construction.

HTC equity was estimated by the Developer, who is assuming pricing of \$0.85 per federal credit and approximately \$0.88 per state credit (gross). Federal credit pricing assumptions are comparable to those assumed or secured for similar projects reviewed by SB Friedman. Pricing on the state credits is within recently observed ranges.

- **Housing Trust Fund (HTF).** The Developer is assuming that $\pm 1\%$ of costs will be financed through a grant from the Kansas City Housing Trust Fund. It is our understanding that the inclusion of affordable housing units and use of HTF have not been committed.

OPERATING ASSUMPTIONS

Revenue Assumptions

The Developer provided the following information for our review:

- Breakdown of unit typologies, rent assumption, and revenue categories, dated February 2, 2022
- Rent comps used to determine the Project's rents, dated February 2, 2022

Key assumptions are as follows:

- Weighted average gross rent of \$1.82/SF (in 2024 dollars) excluding affordable unit rents. Rents by unit type are provided in the table to the right.
- Structured parking spaces are available to residents for \$65/unit/month. The Developer is assuming 50% of occupied units will have parking needs. There are 2.3 parking spaces per unit available. Residents will either have access to all spaces for the defined price, or a portion of the garage will be closed.
- Average rents for the market-rate studio units appear to be affordable to households earning 88% of the Kansas City median family income (MFI). One-bedroom units are affordable to households earning 78% of MFI, and two-bedroom units are affordable to households earning 93% of MFI.
- The Project includes 25 studio units designated as affordable at 80% AMI. It is our understanding that the City has not yet agreed to either the proposed affordable unit mix (100% studios) or to provide HTF to the Project. While the HTF-subsidized units would be affordable to 80% AMI when the Project opens, the affordability requirements and term are unclear.

PROJECT RENTS	Units	Unit SF	Average Base Rent	Base Rent/SF	MFI Level [2,3]
Studio	75	639	\$1,246	\$1.95	88%
Affordable Studio	25	639	\$1,128 [1]	\$1.77	80%
1-bed	50	677	\$1,252	\$1.85	78%
2-bed	100	959	\$1,678	\$1.75	93%
Average/Total	250	774	\$1,439 [4]	\$1.82 [4]	

Source: Well TBC Kansas City JV, LLC, SB Friedman, US Department of Housing and Urban Development

[1] Net of \$84 Utility allowance

[2] 2021 MFI inflated by 2% annually to 2024\$

[3] Estimated utility cost added to apartment rents when calculating MFI Level.

[4] Average excludes affordable rents

OPERATING ASSUMPTIONS

Competitive Projects

The Developer indicated the Project will primarily compete with the recently delivered projects in and around downtown KC. Key characteristics and rents of the Project and select competitive projects are shown in the table below.

COMPETITIVE PROJECTS											
											
Project Name	Year Built	Unit Count & Mix [1]	Studio Units [2]			1-bedroom Units [2]			2-bedroom Units [2]		
			Unit Size (SF)	Rent/SF	Chunk Rent	Unit Size	Rent/SF	Chunk Rent	Unit Size	Rent/SF	Chunk Rent
500 E 8th St	2024	250 units (100 [3]/50/100)	639	\$1.95	\$1,246	677	\$1.85	\$1,252	959	\$1.75	\$1,678
Flashcube	2020	184 units (48/48/88)	466	\$2.46	\$1,145	541	\$2.64	\$1,430	841	\$2.04	\$1,719
The Grand	2018	201 units (18/150/33)	713	\$1.88	\$1,341	862	\$1.96	\$1,685	1,261	\$1.78	\$2,246
Commerce Tower	2017	355 units (119/128/108)	486	\$2.18	\$1,062	736	\$1.61	\$1,185	1,062	\$1.90	\$2,021
Pickwick Plaza	2017	260 (94/94/72)	479	\$1.99	\$954	549	\$1.90	\$1,048	808	\$1.73	\$1,397
Comparables Average	-	-	477	\$2.13	\$1,126	672	\$2.03	\$1,337	993	\$1.86	\$1,846

Source: CoStar, Well TBC Kansas City JV, LLC, SB Friedman; Pictures: Homebase, Apartment Finder, The Kansas City Star, Wallace Design Collective

[1] Studios/1-BR/2-BR+

[2] Average unit size and rent; includes base rent only; rents are escalated at 2% to 2024 dollars.

[3] 100 total studio units: 75 market-rate units, 25 affordable units. Affordable rents not included when comparing market rent.

OPERATING ASSUMPTIONS

Revenues Assumptions

Key operating assumptions are discussed further below:

- Market-Rate Rent Assumptions.** The Developer’s rent assumptions are based primarily on current 2022 rents at recently delivered comparable apartment projects in and around downtown KC. No market study has been conducted. The Developer’s studio market-rate rents appear to be within range of comparable projects on a chunk rent basis. There is only a \$6 difference between the studio and 1-BR chunk rents, seemingly owing in part to the larger than average size of the studio units and the small, 38 SF difference between studio and 1-BR units. The Developer’s 1-BR rents (\$1.85/SF) and 2-BR rents (\$1.75/SF) appear to be at the low end of the range observed in comparable projects. SB Friedman conducted a sensitivity analysis on the 1- and 2-bedrooms rents which is discussed further in the conclusions.
- Affordable Rent Assumptions.** The Developer is assuming that 25 studio units are offered at 80% AMI with a rent of \$1.77/SF.
- Parking Revenue Assumptions.** The Developer is assuming parking rents of \$65/unit/month. Given the high parking ratio, the residents will either have access to all spaces for the defined price, or a portion of the garage will be closed. The Developer is assuming that 50% of units will have parking needs, which appears conservative. This parking rent assumption is lower than parking rents at comparable projects, which charge \$75-135/space/month for surface and garage parking. For the purposes of right-sizing public assistance, SB Friedman adjusted the parking revenue assumption to \$100/unit/month and the number of units that will have parking needs from 119 to 214 units (86%).
- Absorption Assumptions.** The Developer is assuming two months of lease-up in Year 1 and twelve in Year 2, which roughly amounts to an absorption rate of 17 units/month. This assumption is in line with recent Kansas City projects reviewed by SB Friedman.

Project Name	Building Amenities
500 E 8 th St	Fitness center, yoga room, remote workspace for residents, lounge, game/movie room, party room
Flashcube	Fitness center, pickleball court, basketball court, rock climbing wall, dog wash, dog park, lounge, game room
The Grand	Rooftop pool, fitness center, pet run, golf simulation game room, car wash area, dry cleaning service, media center/movie theater, package service, pet play/wash area, bicycle storage
Commerce Tower	Rooftop pool and terrace, picnic/firepit areas, playground, basketball court, indoor dog park, theater room, fitness center, yoga room, business center, media center/movie theater, package service, bicycle storage
Pickwick Plaza	Indoor pool, business center, fitness center, yoga room, sauna, spa, game room, package service, lounge

Source: CoStar, SB Friedman

OPERATING ASSUMPTIONS

Other Key Operating Assumptions

- Revenue Escalation and Expense Inflation.** The Developer is assuming an annual rent escalation of 2% starting in 2026, which is in line with typical underwriting assumptions used for comparable projects in Kansas City and with rent escalation observed in comparable projects in the last 5 years. The Developer is assuming an annual expense inflation of 2%, which is in line with comparable projects in Kansas City and matches the assumed revenue escalation rate.
- Stabilized Vacancy.** The Developer is assuming a stabilized vacancy of 7.5%, which is higher than the standard underwriting assumption of 5%. For the purposes of right-sizing public assistance, SB Friedman adjusted the vacancy rate to 5%.
- Operating Expense Assumptions.** The Developer is assuming operating expenses of 27% of revenues (net of real estate taxes). The Project's expense ratio is within range of observed in Kansas City comparable multifamily projects with similar amenity packages (25-28%). Therefore, the assumption appears reasonable.
- Real Estate Taxes.** The Developer is assuming an assessed value of \$31,600 per unit inflating 1.5% biennially. SB Friedman submitted the Developer's tax assumptions to EDCKC who determined the assumptions are reasonable.
- Terminal Cap Rate.** The Developer is assuming a terminal cap rate of 6%, which is within the range observed in industry benchmarks and similar projects.

OPERATING ASSUMPTION	Developer Assumption	SBF Adjustment	Benchmark
Revenue Escalation	2.0% annually	-	2-3%
Expense Inflation	2.0% annually	-	2-3%
Stabilized Vacancy	7.5%	5%	5%
Operating Expenses	26.5%	-	25-28%
Real Estate Taxes	\$31,600 AV/unit	-	\$30,500 AV/unit
Terminal Cap Rate	6.0%	-	±6%

Source: Well TBC Kansas City JV, LLC, SB Friedman

PROJECTED FINANCIAL RETURNS

Pro Forma Adjustments for But-For Analysis

For the purposes of evaluating a project's need for public financial assistance, SB Friedman at times adjusts a project's budget, financing and operating assumptions when the developer's assumptions are outside of market and industry benchmarks. This approach:

- Allows SB Friedman to evaluate the need for assistance based on market parameters
- Introduces consistency in underwriting and evaluating requests for assistance
- Guards against over-subsidizing for project-specific assumptions that do not align with the market

For this Project, SB Friedman made the adjustments outlined to the right.

ASSUMPTION	Developer Assumption	SBF Adjustment	Rationale
Vacancy Rate	7.5%	5%	Standard EDCKC assumption
Parking Revenue	\$65/unit/month	\$100/unit/month	Market Comps
Parking Use	50% occupied units	90% occupied units	Typical Underwriting Standards

PROJECTED FINANCIAL RETURNS

Conclusions of But For Analysis

The results of the financial analysis are illustrated below. To be viable, a Project of this type would typically be expected to achieve a yield on cost between 5.5-6.5% and an unleveraged IRR between 6.5-7.5%. Less emphasis was given to the unleveraged IRR benchmark, given that Project costs are higher than estimated Year 10 reversion values (\$58.6 million TDC, net of HTC equity, and \$51.3 million Year 10 valuation). Furthermore, the Developer typically develops projects to hold long-term so yield on cost in a more appropriate metric.

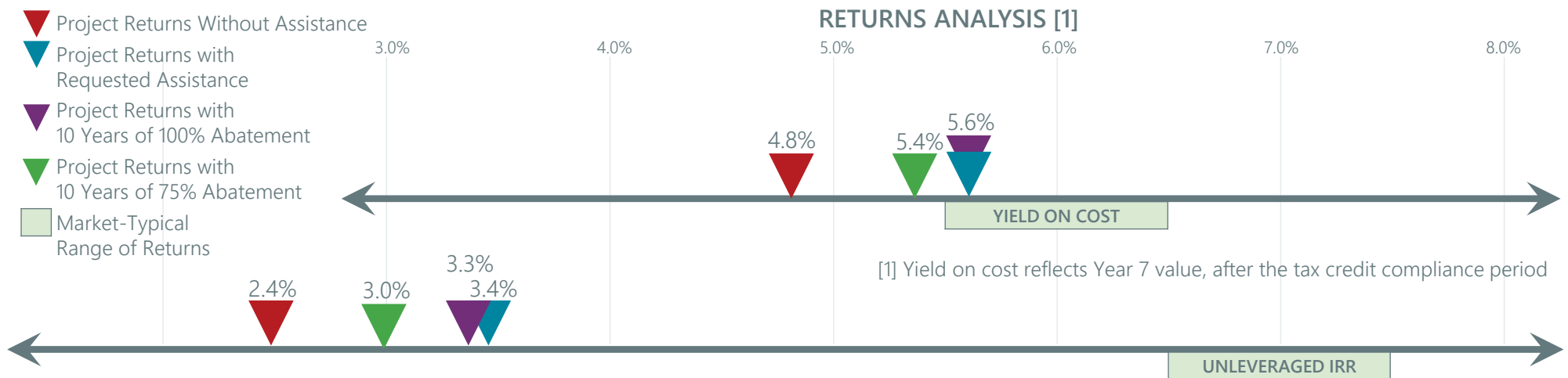
Without assistance, the Project generates a stabilized yield on cost of 4.8% (in year 7 after the HTC compliance period) and an unleveraged IRR of 2.4%. With the full amount of requested assistance, the Year 7 yield on cost increases to 5.6% and the unleveraged IRR increases to 3.4%. Yield on cost with full requested assistance is at the low end of our benchmark range, while unleveraged IRR is well below the benchmark range due largely to the delta between the Project costs, net of HTC, and the Year 10 valuation.

At the request of the taxing jurisdictions, SB Friedman also analyzed two alternative assistance scenarios:

1. 100% abatement for 10 years. In the alternative assistance scenario, stabilized yield on cost remains at 5.6% and unleveraged IRR decreases to 3.3%.
2. 75% abatement for 10 years. In the alternative assistance scenario, stabilized yield on cost decreases to 5.4% and unleveraged IRR decreases to 3.0%.

Detailed return calculations are included in the Appendix.

Under each scenario, the Project achieves a yield on cost and an unleveraged IRR that is below the benchmark range. Given the Site's location in an Opportunity Zone, below benchmark returns may be acceptable to investors given the tax benefits associated with the Opportunity Zone program. However, with a 10-year abatement, the Year 11 yield on cost is projected to be 5.1%, which is below our benchmark range. It would be expected that returns are well within the benchmark range at that point in operations.



PROJECTED FINANCIAL RETURNS

Impact to Taxing Jurisdictions

TOTAL ESTIMATED PROPERTY TAXES GENERATED BY THE PROJECT [1]

\$10.1 million over 15 years
 \$17.5 million over 25 years

BENEFIT TO PROJECT OF ABATED PROPERTY TAXES	PROPERTY TAX REVENUES TO TAXING JURISDICTIONS
FULL REQUESTED ASSISTANCE [2] (15 YEARS OF ABATEMENT)	
\$6.1 million	\$4.1 million over 15 years \$11.5 million over 25 years
ALTERNATIVE LEVEL OF ASSISTANCE (10 YEARS OF 100% ABATEMENT)	
\$4.8 million	\$1.9 million over 10 years \$12.8 million over 25 years
ALTERNATIVE LEVEL OF ASSISTANCE (10 YEARS OF 75% ABATEMENT)	
\$3.6 million	\$3.0 million over 10 years \$13.9 million over 25 years

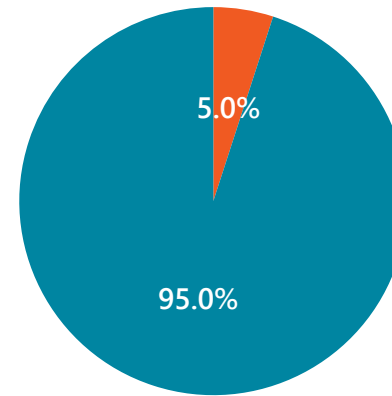
[1] Assumed property taxes generated over 25-years were reviewed by EDCKC. It is outside of SB Friedman’s engagement to independently project property taxes.

[2] Developer did not request STECM

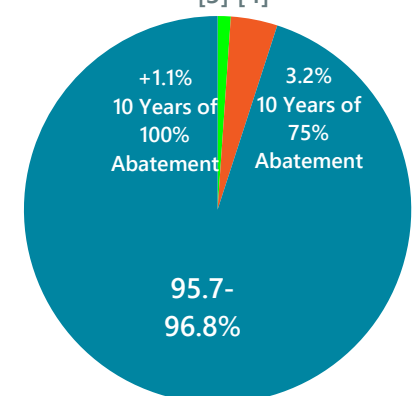
Additional detail is included in the Appendix.

ASSISTANCE AS A PERCENT OF TOTAL COSTS [1,2,3,4]

FULL REQUESTED ASSISTANCE [2]



ALTERNATIVE LEVELS OF ASSISTANCE [3] [4]



- Discounted Value of Public Assistance
- TDC net of Discounted Value of Public Assistance

[1] Assistance over 25-year period is discounted at 6.0% to 2022 dollars. The discounted value of assistance accounts for the time value of money.

[2] Discounted value of assistance includes all sources, including property tax abatements of 100% in Years 1-10 and 50% in Years 11-15.

[3] Discounted value of assistance includes all sources, including property tax abatements of 100% in Years 1-10.

[4] Discounted value of assistance includes all sources, including property tax abatements of 75% in Years 1-10.

POLICY-RELATED SENSITIVITY ANALYSES

Income-Restricted Affordable Housing

In January 2021, the City Council approved an ordinance requiring that primarily residential projects requesting public assistance either:

1. Provide on-site affordable units such that 10% of total units are affordable to households earning 70% of the HUD-defined median family income (MFI) for Kansas City; and an additional 10% of total units are affordable to households at 30% MFI; or
2. Make a payment to the City in lieu of the affordable housing unit provision in the amount of 110% of the actual costs of housing unit construction needed to achieve the 20% of the total number of units on site.

The requirements do not apply to this Project given the historic designation of the building. However, at the direction of EDCKC, SB Friedman tested the impact of the requirements on the Project's financial returns, as illustrated below.

Under either scenario, the Project would not generate sufficient returns to attract debt and equity investors and would likely require additional assistance or need to be re-conceptualized to reduce costs or improve revenue generating potential.

TOTAL UNITS	INCOME-RESTRICTED UNITS
250	50

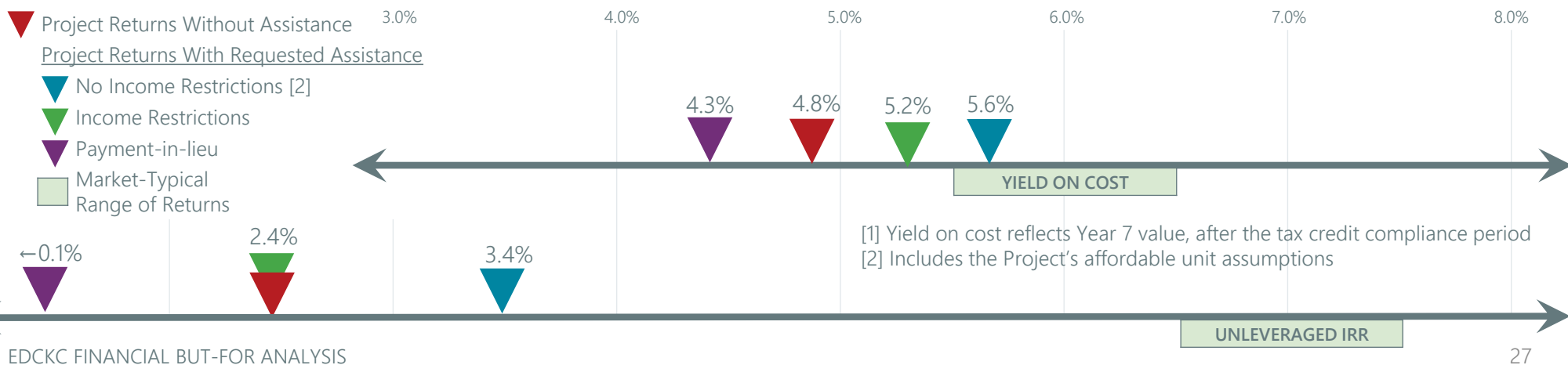
IMPACT OF ON-SITE UNITS ON RENT ASSUMPTIONS

DEVELOPER'S GROSS RENT [1]	GROSS RENT WITH INCOME LIMITS
\$1.83/RSF	\$1.68/RSF

IMPACT OF FEE-IN-LIEU ON PROJECT COSTS

DEVELOPER'S BUDGET ASSUMPTION	TOTAL COSTS WITH FEE-IN-LIEU
\$82.2	\$100.2M

[1] If all units were market-rate



CONCLUSIONS

The Developer is requesting an abatement of real property taxes (above current predevelopment taxes) generated for 15 years, including:

- 100% abatement in Years 1-10
- 50% abatement in Years 11-15

The Developer is seeking to maximize its use of historic tax credits and is therefore not requesting STECM which would reduce the qualified rehabilitation expense from which the HTC's are sized.

The but-for analysis indicates that the Project, as presented, would require public assistance to be financially viable and attract debt and equity investors. The factors contributing to the Project's need for assistance include:

- Market rents which do not support the construction costs related to historic preservation, remediation and level of finish contemplated
- Acquisition costs which do not appear to deduct extraordinary redevelopment costs such as demolition or environmental remediation from the purchase price of the property and are at a significant premium relative to the 2019 acquisition of the Site by another developer
- Inclusion of 25 studio units affordable to households at 80% AMI

SB Friedman also analyzed two alternative assistance scenarios:

1. 100% abatement for 10 years
2. 75% abatement for 10 years

Under each scenario, the Project achieves a yield on cost and an unleveraged IRR that is below the benchmark range. Given the Site's location in an Opportunity Zone, below benchmark returns may be acceptable to investors given the tax benefits associated with the Opportunity Zone program. However, with a 10-year

abatement, the Year 11 yield on cost is projected to be 5.1%, which is below our benchmark range. It would be expected that returns are well within the benchmark range at that point in operations.

SB Friedman conducted a sensitivity analysis to understand the impact of higher apartments rents on Project returns. If the 1- and 2-bedrooms rents increased by \$0.10/SF, which is more in line with the identified comps, returns would increase but continue to be at the low end of yield on cost benchmark returns.

RECOMMENDED STRUCTURING OPTIONS

Estimated construction costs are at the higher end of the benchmark range and the Project is early in predevelopment. Therefore, it is likely that the Developer's pro forma assumptions will continue to evolve as the Project progresses through predevelopment. EDCKC should consider a true up at Project completion; if cost savings are achieved relative to the current budget, the ongoing public assistance should be recalibrated.

Furthermore, if more than 10 years of assistance are provided to the Project, SB Friedman recommends a check in at Year 10 to evaluate whether the Project is outperforming the assumptions used to size public assistance. If the Project is outperforming current assumptions at the time of a check in, the public assistance would be recalibrated.

LIMITATIONS OF OUR ENGAGEMENT

Our deliverable is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and meetings/teleconferences with the Economic Development Corporation of Kansas City and the Developer during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the deliverable. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our deliverable, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise analyses or the deliverable to reflect events or conditions that occur subsequent to the date of the deliverable. These events or conditions include, without limitation, economic growth trends, governmental actions, changes in state statute, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed Project.

Our deliverable is intended solely for your information, for purposes of reviewing a request for financial assistance, and is not a recommendation to issue bonds or other securities. The deliverable should not be relied upon by any other person, firm or corporation, or for any other purposes. Neither the deliverable nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors without our prior written consent.

We acknowledge that upon submission to EDCKC, the deliverable may become a public document within the meaning of the Missouri Sunshine Law. Nothing in these limitations is intended to block the disclosure of the documents under such Act.

METHODOLOGY

Development Budget & Financing Assumptions

Each budget component is benchmarked against a set of industry estimates and local comparables to determine if costs are reasonable relative to projects of similar scale and level of finish. If budget line items are identified to be outside of benchmark ranges, SB Friedman adjusts costs such that the project's request for assistance can be evaluated and sized appropriately.

SB Friedman uses two primary cost metrics that allow for comparison of the development budget to comparable projects:

- Costs per gross square foot (SF)
- Costs as a percentage of total development costs (TDC)

Similarly, financing assumptions are benchmarked against industry data sources and local comparables to determine if the assumptions align with current financing markets.

COMPONENT	Description	Benchmarking
Acquisition Costs	<ul style="list-style-type: none"> • Land purchase price 	<ul style="list-style-type: none"> • Recent local land sales
Site Preparation Costs	<ul style="list-style-type: none"> • Earthwork and grading • Remediation costs • Infrastructure and utilities 	<ul style="list-style-type: none"> • Industry benchmarks, adjusted based on site conditions
Hard Construction Costs	<ul style="list-style-type: none"> • Costs of vertical construction, including materials, labor, finishes, etc. 	<ul style="list-style-type: none"> • Local comparables, construction cost estimates
Parking Construction Costs	<ul style="list-style-type: none"> • Parking type and costs (surface, structured, underground) per space 	<ul style="list-style-type: none"> • Local comparables, construction cost estimates
Soft Construction Costs	<ul style="list-style-type: none"> • Third party fees (architect, engineers, legal, etc.) • Permits 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Financing Costs	<ul style="list-style-type: none"> • Loan origination fees 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Developer Fees	<ul style="list-style-type: none"> • Compensation to Project developer team 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Reserves and Other Costs	<ul style="list-style-type: none"> • Capital reserves • Carrying costs 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables
Financing Assumptions	<ul style="list-style-type: none"> • Loan amount • Amortization, interest rate, term 	<ul style="list-style-type: none"> • Industry benchmarks, local comparables

METHODOLOGY

Operating Assumptions

SB Friedman evaluates developers' cash flow assumptions relative to market comparables, recent projects in Kansas City, and, when available, third-party market studies submitted by the developers.

Key operating assumptions are benchmarked against a set of industry estimates and local comparables to determine if assumptions are reasonable relative to current market conditions and projects of similar scale and level of finish. If operating assumptions are identified to be outside of benchmark ranges, SB Friedman adjusts the assumptions such that the project's request for assistance can be evaluated and sized appropriately.

ASSUMPTION	Description	Benchmarking
Project Rents	<ul style="list-style-type: none"> Multifamily rents (per unit and per SF) Retail rents (per SF) Office rents (per SF) 	<ul style="list-style-type: none"> Local market comparables
Parking Revenues	<ul style="list-style-type: none"> Parking revenues (per space per month) 	<ul style="list-style-type: none"> Local market comparables
Other Revenues	<ul style="list-style-type: none"> Administrative fees, application fees, etc. 	<ul style="list-style-type: none"> Local market comparables
Vacancy and Credit Loss	<ul style="list-style-type: none"> Stabilized occupancy rate and rent collections loss 	<ul style="list-style-type: none"> Local market conditions
Absorption Rate	<ul style="list-style-type: none"> Pace at which units/SF is leased up 	<ul style="list-style-type: none"> Local market conditions
Revenue Escalation Rate	<ul style="list-style-type: none"> Annual revenue increase 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Operating Expenses	<ul style="list-style-type: none"> Maintenance, management, utilities, etc. 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Real Estate Taxes	<ul style="list-style-type: none"> Annual property tax revenues 	<ul style="list-style-type: none"> Local comparables
Expense Escalation Rate	<ul style="list-style-type: none"> Annual expense cost increase 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Terminal Capitalization Rate	<ul style="list-style-type: none"> Rate used to value the project at the assumed reversion (end of the analysis period) 	<ul style="list-style-type: none"> Industry benchmarks, local comparables
Cost of Sale	<ul style="list-style-type: none"> Costs associated with disposition at the assumed reversion (end of the analysis period) 	<ul style="list-style-type: none"> Industry benchmarks, local comparables

METHODOLOGY

Financial Returns Analysis

SB Friedman prepares independent projections of Project financial returns. Returns are evaluated with and without requested public assistance and are compared to market-appropriate, risk-adjusted rates of return to evaluate the Project's need for assistance.

Benchmark return ranges are based on industry sources, information obtained from active developers and equity providers, and SB Friedman's past experience.

For projects with multiple land uses, SB Friedman establishes a range of market-appropriate, risk-adjusted rates of return by land use, which are then weighted in aggregate to each land use's percentage of stabilized net operating income.

UNLEVERAGED RETURNS		LEVERAGED RETURNS	
UNLEVERAGED INTERNAL RATE OF RETURN (IRR)	STABILIZED YIELD ON COST	LEVERAGED INTERNAL RATE OF RETURN (IRR)	STABILIZED CASH ON CASH RETURN
This is the rate of return or discount rate for a Project, accounting for initial expenditures to construct the Project (total Project costs) and ongoing cash inflows (annual net operating income [NOI] before debt service), as well as a hypothetical sale of the Project at the end of the analysis period.	<p>This metric is calculated by dividing NOI before debt service in the first year of stabilized operations by total Project costs and is an indicator of the annual overall return on investment for the Project's financing structure.</p> <p>Stabilized yield on cost calculations include only investment properties, and therefore excludes any for-sale product.</p>	This is the annualized rate of return the Project's equity investors would be Projected to realize over their full investment period, including an assumed hypothetical sale of the Project at the end of the analysis period.	<p>This metric indicates the annual cash return to equity investors once the Project reaches stabilization and is calculated by dividing net cash flow (after debt service) in the first year of stabilized operations by the total initial equity investment.</p> <p>Stabilized cash-on-cash calculations only include investment properties, excluding for-sale residential.</p>

DETAILED USES

Development Budget

Uses/Development Costs	Developer Budget	SBF Adjusted Budget				
		\$	% of TDC	\$/GSF	\$/Unit	\$/Land SF
Acquisition Costs						
Purchase Price	\$13,000,000	\$13,000,000	15.8%	\$52	\$52,000	\$230
Closing Costs	\$487,500	\$487,500	0.6%	\$2	\$1,950	\$9
Total Acquisition Costs	\$13,487,500	\$13,487,500	16.4%	\$37	\$53,950	
Site Preparation Costs						
Total Site Preparation Costs	\$0	\$0	0.0%		\$0	\$0
Hard Construction Costs						
Amenities	\$1,250,000	\$1,250,000	1.5%	\$5	\$5,000	
HVAC and Systems	\$2,870,000	\$2,870,000	3.5%	\$11	\$11,480	
Elevator	\$2,300,000	\$2,300,000	2.8%	\$9	\$9,200	
New Fireproofing	\$1,735,000	\$1,735,000	2.1%	\$7	\$6,940	
Façade	\$250,000	\$250,000	0.3%	\$1	\$1,000	
Envir/Demo	\$6,873,000	\$6,873,000	8.4%	\$27	\$27,492	
Hard Cost Contingency	\$5,092,800	\$5,092,800	6.2%	\$20	\$20,371	
General Contractor	\$33,750,000	\$33,750,000	41.1%	\$134	\$135,000	
Total Hard Construction Costs	\$54,120,800	\$54,120,800	65.9%	\$216	\$216,483	
Soft Costs						
Architect/Design	\$2,540,000	\$2,540,000	3.1%	\$10	\$10,160	
Engineering	\$840,312	\$840,312	1.0%	\$3	\$3,361	
Construction Consultant & Monitoring	\$552,900	\$552,900	0.7%	\$2	\$2,212	
Legal	\$150,000	\$150,000	0.2%	\$1	\$600	
Marketing, Advertising, Preleasing	\$45,000	\$45,000	0.1%	\$0	\$180	
Misc.	\$25,000	\$25,000	0.0%	\$0	\$100	
Permits	\$85,000	\$85,000	0.1%	\$0	\$340	
Tax Credits Consulting & Legal	\$65,000	\$65,000	0.1%	\$0	\$260	
Tax Abatement Consulting & Fees	\$308,987	\$308,987	0.4%	\$1	\$1,236	
Carry Cost	\$1,350,000	\$1,350,000	1.6%	\$5	\$5,400	
Soft Cost Contingency	\$430,321	\$430,321	0.5%	\$2	\$1,721	
Total Soft Costs	\$6,392,520	\$6,392,520	7.8%	\$25	\$25,570	

Source: Well TBC Kansas City JV, LLC, SB Friedman

DETAILED USES

Development Budget

Financing Costs

State HTC Issuance Fee	\$575,598	\$575,598	0.7%	\$2	\$2,302
Construction/Bridge Interest Reserve	\$2,723,261	\$2,723,261	3.3%	\$11	\$10,893
Total Financing Costs	\$3,298,859	\$3,298,859	4.0%	\$13	\$13,195

Developer Fees

Developer Fee	\$2,746,992	\$2,746,992	3.3%	\$11	\$10,988
Total Developer Fees	\$2,746,992	\$2,746,992	3.3%	\$11	\$10,988

FF&E

Furniture, Gym Equip. & Fixtures	\$550,000	\$550,000	0.7%	\$2	\$2,200
Total FF&E	\$550,000	\$550,000	0.7%	\$2	\$2,200

Reserves and Other Costs

Operating Deficit Reserve	\$1,565,637	\$1,565,637	1.9%	\$6	\$6,263
Total Reserves and Other Costs	\$1,565,637	\$1,565,637	1.9%	\$6	\$6,263

TOTAL DEVELOPMENT COSTS	\$82,162,308	\$82,162,308	100.0%	\$327	\$328,649
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RETURNS WITHOUT ASSISTANCE

Source: Well TBC Kansas City JV, LLC, SB Friedman

Assumes Developer receives no public assistance

	STABILIZATION										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
NO ASSISTANCE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Development Sources											
Construction Debt	-\$7,592,154	-\$37,597,116		\$45,189,269							
Permanent Debt				-\$34,299,602							
HTC Bridge Loan	-\$15,756,123	\$15,756,123									
Historic Tax Credit Equity	-\$2,421,827	-\$17,506,804		-\$2,421,827							
Housing Trust Fund	-\$1,250,000										
Cash Equity	-\$17,545,088	\$1,750,680		-\$8,467,840							
Net Operating Income		-\$715,178	\$818,692	\$2,641,500	\$2,697,845	\$2,765,099	\$2,823,967	\$2,893,942	\$2,955,438	\$3,028,243	\$3,092,478
Less Funding of Replacement Reserve		-\$75,000	-\$76,125	-\$77,267	-\$78,426	-\$79,602	-\$80,796	-\$82,008	-\$83,238	-\$84,487	-\$85,754
Payout of Operating Deficit Reserves		\$1,565,637									
Reversion Proceeds (Year 10)											\$51,299,684
TOTAL	\$0	\$775,459	\$742,567	\$2,564,233	\$2,619,419	\$2,685,497	\$2,743,171	\$2,811,934	\$2,872,200	\$2,943,756	\$54,306,408
Development Uses											
Debt Service		\$592,358	\$2,372,437	\$2,229,768	\$2,229,768	\$2,229,768	\$2,229,768	\$2,229,768	\$2,229,768	\$2,229,768	\$2,229,768
Debt Repayment (Year 10)											\$26,958,839
Federal HTC Priority Return	\$30,522	\$70,830	\$181,637	\$237,040	\$242,183	\$242,183	\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		\$15,300	\$15,609	\$15,927	\$16,255	\$16,593	\$16,941				
Federal HTC Sale/Put							\$484,365				
Equity Distribution	-\$30,522	\$96,971	-\$1,827,116	\$81,497	\$131,213	\$196,954	-\$209,517	\$582,165	\$642,432	\$713,988	\$25,117,800
TOTAL	\$0	\$775,459	\$742,567	\$2,564,233	\$2,619,419	\$2,685,497	\$2,743,171	\$2,811,934	\$2,872,200	\$2,943,756	\$54,306,408
Debt Coverage Ratio		1.31	0.31	1.15	1.17	1.20	1.23	1.26	1.29	1.32	1.35
Unleveraged Cash Flow - No Assistance											
Total Project Costs	-\$44,565,192	-\$37,597,116									
Less HTC Equity and Housing Trust Fund	\$19,427,950	\$1,750,680		\$2,421,827							
Federal HTC Priority Return	-\$30,522	-\$70,830	-\$181,637	-\$237,040	-\$242,183	-\$242,183	-\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		-\$15,300	-\$15,609	-\$15,927	-\$16,255	-\$16,593	-\$16,941				
Federal HTC Sale/Put							-\$484,365				
Net Operating Income, Less Funding of Replacement Reserve		-\$790,178	\$742,567	\$2,564,233	\$2,619,419	\$2,685,497	\$2,743,171	\$2,811,934	\$2,872,200	\$2,943,756	\$3,006,724
Reversion Proceeds (Year 10)											\$51,299,684
TOTAL	-\$25,167,764	-\$36,722,744	\$545,321	\$4,733,093	\$2,360,981	\$2,426,722	\$2,020,251	\$2,811,934	\$2,872,200	\$2,943,756	\$54,306,408
Annual Yield on Cost		-1.4%	0.9%	3.9%	4.0%	4.1%	3.4%	4.8%	4.9%	5.0%	5.1%
Unleveraged IRR		2.4%									

RETURNS WITH FULL REQUEST

Assumes Developer receives 15 years of property tax abatement[1]

Source: Well TBC Kansas City JV, LLC, SB Friedman
 [1] Assumes 100% abatement in Years 1-10 and 50% abatement in Years 11-15.

	STABILIZATION										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
FULL ASSISTANCE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Development Sources											
Construction Debt	-\$7,592,154	-\$37,597,116		\$45,189,269							
Permanent Debt				-\$40,484,776							
HTC Bridge Loan	-\$15,756,123	\$15,756,123									
Historic Tax Credit Equity	-\$2,421,827	-\$17,506,804		-\$2,421,827							
Housing Trust Fund	-\$1,250,000										
Cash Equity	-\$17,545,088	\$1,750,680		-\$2,282,666							
Net Operating Income		-\$715,178	\$818,692	\$2,641,500	\$2,697,845	\$2,765,099	\$2,823,967	\$2,893,942	\$2,955,438	\$3,028,243	\$3,092,478
Less Funding of Replacement Reserves		-\$75,000	-\$76,125	-\$77,267	-\$78,426	-\$79,602	-\$80,796	-\$82,008	-\$83,238	-\$84,487	-\$85,754
Payout of Operating Deficit Reserves		\$1,565,637	\$0								
Savings from Property Tax Assistance		\$452,834	\$462,403	\$462,403	\$472,115	\$472,115	\$481,972	\$481,972	\$491,977	\$491,977	\$502,133
Reversion Proceeds (Year 10)											\$51,299,684
PV of Remaining Public Assistance (Year 11+)											\$1,082,483
TOTAL	\$0	\$1,228,293	\$1,204,970	\$3,026,636	\$3,091,534	\$3,157,612	\$3,225,143	\$3,293,905	\$3,364,177	\$3,435,733	\$55,891,024
Development Uses											
Debt Service		\$592,358	\$2,372,437	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857
Debt Repayment (Year 10)											\$31,820,269
Federal HTC Priority Return	\$30,522	\$70,830	\$181,637	\$237,040	\$242,183	\$242,183	\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		\$15,300	\$15,609	\$15,927	\$16,255	\$16,593	\$16,941				
Federal HTC Sale/Put							\$484,365				
Equity Distribution	-\$30,522	\$549,805	-\$1,364,713	\$141,811	\$201,238	\$266,979	-\$129,634	\$662,048	\$732,320	\$803,876	\$21,438,897
TOTAL	\$0	\$1,228,293	\$1,204,970	\$3,026,636	\$3,091,534	\$3,157,612	\$3,225,143	\$3,293,905	\$3,364,177	\$3,435,733	\$55,891,024
Debt Coverage Ratio		2.07	0.51	1.15	1.17	1.20	1.23	1.25	1.28	1.31	1.33
Unleveraged Cash Flow - Full Assistance											
Total Project Costs	-\$44,565,192	-\$37,597,116									
Less HTC Equity and Housing Trust Fund	\$19,427,950	\$1,750,680		\$2,421,827							
Federal HTC Priority Return	-\$30,522	-\$70,830	-\$181,637	-\$237,040	-\$242,183	-\$242,183	-\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		-\$15,300	-\$15,609	-\$15,927	-\$16,255	-\$16,593	-\$16,941				
Federal HTC Sale/Put							-\$484,365				
Net Operating Income, Less Funding of Replacement Reserve		-\$790,178	\$742,567	\$2,564,233	\$2,619,419	\$2,685,497	\$2,743,171	\$2,811,934	\$2,872,200	\$2,943,756	\$3,006,724
Savings from Property Tax Assistance		\$452,834	\$462,403	\$462,403	\$472,115	\$472,115	\$481,972	\$481,972	\$491,977	\$491,977	\$502,133
Reversion Proceeds (Year 10)											\$51,299,684
PV of Remaining Public Assistance (Year 11+)											\$1,082,483
TOTAL	-\$25,167,764	-\$36,269,909	\$1,007,724	\$5,195,496	\$2,833,096	\$2,898,836	\$2,502,223	\$3,293,905	\$3,364,177	\$3,435,733	\$55,891,024
Annual Yield on Cost		-0.7%	1.7%	4.7%	4.8%	5.0%	4.3%	5.6%	5.7%	5.9%	6.0%
Unleveraged IRR	3.4%										

RETURNS WITH ALTERNATIVE ASSISTANCE

Source: Well TBC Kansas City JV, LLC, SB Friedman
[1] Assumes 100% abatement in Years 1-10

Assumes Developer receives 10 years of 100% property tax abatement

	STABILIZATION										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
ADJUSTED ASSISTANCE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Development Sources											
Construction Debt	-\$7,592,154	-\$37,597,116		\$45,189,269							
Permanent Debt				-\$40,484,776							
HTC Bridge Loan	-\$15,756,123	\$15,756,123									
Historic Tax Credit Equity	-\$2,421,827	-\$17,506,804		-\$2,421,827							
Housing Trust Fund	-\$1,250,000										
Cash Equity	-\$17,545,088	\$1,750,680		-\$2,282,666							
Net Operating Income		-\$715,178	\$818,692	\$2,641,500	\$2,697,845	\$2,765,099	\$2,823,967	\$2,893,942	\$2,955,438	\$3,028,243	\$3,092,478
Less Funding of Replacement Reserves		-\$75,000	-\$76,125	-\$77,267	-\$78,426	-\$79,602	-\$80,796	-\$82,008	-\$83,238	-\$84,487	-\$85,754
Payout of Operating Deficit Reserves		\$1,565,637	\$0								
Savings from Property Tax Assistance		\$452,834	\$462,403	\$462,403	\$472,115	\$472,115	\$481,972	\$481,972	\$491,977	\$491,977	\$502,133
Reversion Proceeds (Year 10)											\$51,299,684
PV of Remaining Public Assistance (Year 11+)											\$0
TOTAL	\$0	\$1,228,293	\$1,204,970	\$3,026,636	\$3,091,534	\$3,157,612	\$3,225,143	\$3,293,905	\$3,364,177	\$3,435,733	\$54,808,540
Development Uses											
Debt Service		\$592,358	\$2,372,437	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857
Debt Repayment (Year 10)											\$31,820,269
Federal HTC Priority Return	\$30,522	\$70,830	\$181,637	\$237,040	\$242,183	\$242,183	\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		\$15,300	\$15,609	\$15,927	\$16,255	\$16,593	\$16,941				
Federal HTC Sale/Put							\$484,365				
Equity Distribution	-\$30,522	\$549,805	-\$1,364,713	\$141,811	\$201,238	\$266,979	-\$129,634	\$662,048	\$732,320	\$803,876	\$20,356,414
TOTAL	\$0	\$1,228,293	\$1,204,970	\$3,026,636	\$3,091,534	\$3,157,612	\$3,225,143	\$3,293,905	\$3,364,177	\$3,435,733	\$54,808,540
Debt Coverage Ratio		2.07	0.51	1.15	1.17	1.20	1.23	1.25	1.28	1.31	1.33
Unleveraged Cash Flow - Adjusted Assistance											
Total Project Costs	-\$44,565,192	-\$37,597,116									
Less HTC Equity and Housing Trust Fund	\$19,427,950	\$1,750,680		\$2,421,827							
Federal HTC Priority Return	-\$30,522	-\$70,830	-\$181,637	-\$237,040	-\$242,183	-\$242,183	-\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		-\$15,300	-\$15,609	-\$15,927	-\$16,255	-\$16,593	-\$16,941				
Federal HTC Sale/Put							-\$484,365				
Net Operating Income, Less Funding of Replacement Reserve		-\$790,178	\$742,567	\$2,564,233	\$2,619,419	\$2,685,497	\$2,743,171	\$2,811,934	\$2,872,200	\$2,943,756	\$3,006,724
Savings from Property Tax Assistance		\$452,834	\$462,403	\$462,403	\$472,115	\$472,115	\$481,972	\$481,972	\$491,977	\$491,977	\$502,133
Reversion Proceeds (Year 10)											\$51,299,684
PV of Remaining Public Assistance (Year 11+)											\$0
TOTAL	-\$25,167,764	-\$36,269,909	\$1,007,724	\$5,195,496	\$2,833,096	\$2,898,836	\$2,502,223	\$3,293,905	\$3,364,177	\$3,435,733	\$54,808,540
Annual Yield on Cost		-0.7%	1.7%	4.7%	4.8%	5.0%	4.3%	5.6%	5.7%	5.9%	6.0%
Unleveraged IRR	3.3%										

RETURNS WITH ALTERNATIVE ASSISTANCE

Source: Well TBC Kansas City JV, LLC, SB Friedman
[1] Assumes 75% abatement in Years 1-10

Assumes Developer receives 10 years of 75% property tax abatement

	STABILIZATION										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
ADJUSTED ASSISTANCE	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Development Sources											
Construction Debt	-\$7,592,154	-\$37,597,116		\$45,189,269							
Permanent Debt				-\$40,484,776							
HTC Bridge Loan	-\$15,756,123	\$15,756,123									
Historic Tax Credit Equity	-\$2,421,827	-\$17,506,804		-\$2,421,827							
Housing Trust Fund	-\$1,250,000										
Cash Equity	-\$17,545,088	\$1,750,680		-\$2,282,666							
Net Operating Income		-\$715,178	\$818,692	\$2,641,500	\$2,697,845	\$2,765,099	\$2,823,967	\$2,893,942	\$2,955,438	\$3,028,243	\$3,092,478
Less Funding of Replacement Reserves		-\$75,000	-\$76,125	-\$77,267	-\$78,426	-\$79,602	-\$80,796	-\$82,008	-\$83,238	-\$84,487	-\$85,754
Payout of Operating Deficit Reserves		\$1,565,637	\$0								
Savings from Property Tax Assistance		\$339,626	\$346,802	\$346,802	\$354,086	\$354,086	\$361,479	\$361,479	\$368,983	\$368,983	\$376,600
Reversion Proceeds (Year 10)											\$51,299,684
PV of Remaining Public Assistance (Year 11+)											\$0
TOTAL	\$0	\$1,115,085	\$1,089,369	\$2,911,035	\$2,973,505	\$3,039,583	\$3,104,650	\$3,173,412	\$3,241,183	\$3,312,739	\$54,683,007
Development Uses											
Debt Service		\$592,358	\$2,372,437	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857	\$2,631,857
Debt Repayment (Year 10)											\$31,820,269
Federal HTC Priority Return	\$30,522	\$70,830	\$181,637	\$237,040	\$242,183	\$242,183	\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		\$15,300	\$15,609	\$15,927	\$16,255	\$16,593	\$16,941				
Federal HTC Sale/Put							\$484,365				
Equity Distribution	-\$30,522	\$436,597	-\$1,480,314	\$26,210	\$83,210	\$148,950	-\$250,127	\$541,555	\$609,325	\$680,881	\$20,230,881
TOTAL	\$0	\$1,115,085	\$1,089,369	\$2,911,035	\$2,973,505	\$3,039,583	\$3,104,650	\$3,173,412	\$3,241,183	\$3,312,739	\$54,683,007
Debt Coverage Ratio		1.88	0.46	1.11	1.13	1.15	1.18	1.21	1.23	1.26	1.29
Unleveraged Cash Flow - Adjusted Assistance											
Total Project Costs	-\$44,565,192	-\$37,597,116									
Less HTC Equity and Housing Trust Fund	\$19,427,950	\$1,750,680		\$2,421,827							
Federal HTC Priority Return	-\$30,522	-\$70,830	-\$181,637	-\$237,040	-\$242,183	-\$242,183	-\$221,614				
Federal HTC Tax, Audit & Asset Management Fees		-\$15,300	-\$15,609	-\$15,927	-\$16,255	-\$16,593	-\$16,941				
Federal HTC Sale/Put							-\$484,365				
Net Operating Income, Less Funding of Replacement Reserve		-\$790,178	\$742,567	\$2,564,233	\$2,619,419	\$2,685,497	\$2,743,171	\$2,811,934	\$2,872,200	\$2,943,756	\$3,006,724
Savings from Property Tax Assistance		\$339,626	\$346,802	\$346,802	\$354,086	\$354,086	\$361,479	\$361,479	\$368,983	\$368,983	\$376,600
Reversion Proceeds (Year 10)											\$51,299,684
PV of Remaining Public Assistance (Year 11+)											\$0
TOTAL	-\$25,167,764	-\$36,383,118	\$892,123	\$5,079,895	\$2,715,067	\$2,780,808	\$2,381,730	\$3,173,412	\$3,241,183	\$3,312,739	\$54,683,007
Annual Yield on Cost		-0.9%	1.5%	4.5%	4.6%	4.7%	4.1%	5.4%	5.5%	5.7%	5.8%
Unleveraged IRR	3.0%										

ESTIMATED VALUE OF ABATEMENT – FULL REQUEST

Assumes Developer receives 15 years of property tax abatement[1]

Abatement Year	Calendar Year	Property Taxes Before Abatement	Abatement Percentage	Taxes with Base & PILOT	Benefit to Project of Abated Property Taxes	Property Taxes Revenues to Taxing
1	2023	\$637,884	100.0%	\$185,049	\$452,834	\$185,049
2	2024	\$647,452	100.0%	\$185,049	\$462,403	\$185,049
3	2025	\$647,452	100.0%	\$185,049	\$462,403	\$185,049
4	2026	\$657,164	100.0%	\$185,049	\$472,115	\$185,049
5	2027	\$657,164	100.0%	\$185,049	\$472,115	\$185,049
6	2028	\$667,021	100.0%	\$185,049	\$481,972	\$185,049
7	2029	\$667,021	100.0%	\$185,049	\$481,972	\$185,049
8	2030	\$677,027	100.0%	\$185,049	\$491,977	\$185,049
9	2031	\$677,027	100.0%	\$185,049	\$491,977	\$185,049
10	2032	\$687,182	100.0%	\$185,049	\$502,133	\$185,049
11	2033	\$687,182	50.0%	\$436,116	\$251,066	\$436,116
12	2034	\$697,490	50.0%	\$441,270	\$256,220	\$441,270
13	2035	\$697,490	50.0%	\$441,270	\$256,220	\$441,270
14	2036	\$707,952	50.0%	\$446,501	\$261,451	\$446,501
15	2037	\$707,952	50.0%	\$446,501	\$261,451	\$446,501
16	2038	\$718,571	0.0%	\$718,571	\$0	\$718,571
17	2039	\$718,571	0.0%	\$718,571	\$0	\$718,571
18	2040	\$729,350	0.0%	\$729,350	\$0	\$729,350
19	2041	\$729,350	0.0%	\$729,350	\$0	\$729,350
20	2042	\$740,290	0.0%	\$740,290	\$0	\$740,290
21	2043	\$740,290	0.0%	\$740,290	\$0	\$740,290
22	2044	\$751,395	0.0%	\$751,395	\$0	\$751,395
23	2045	\$751,395	0.0%	\$751,395	\$0	\$751,395
24	2046	\$762,665	0.0%	\$762,665	\$0	\$762,665
25	2047	\$762,665	0.0%	\$762,665	\$0	\$762,665
Total, Years 1-25		\$17,525,002			\$6,058,310	\$11,466,693

Years 1-10	\$6,622,394		\$4,771,900	\$1,850,493
Years 11-25	\$10,902,609		\$1,286,410	\$9,616,199

Source: Well TBC Kansas City JV, LLC, SB Friedman

[1] Assumes 100% abatement in Years 1-10 and 50% abatement in Years 11-15.

ESTIMATED VALUE OF ABATEMENT – ALT. ASSISTANCE

Assumes Developer receives 10 years of 100% property tax abatement

Abatement Year	Calendar Year	Property Taxes Before Abatement	Abatement Percentage	Taxes with Base & PILOT	Benefit to Project of Abated Property Taxes	Property Taxes Revenues to Taxing
1	2023	\$637,884	100.0%	\$185,049	\$452,834	\$185,049
2	2024	\$647,452	100.0%	\$185,049	\$462,403	\$185,049
3	2025	\$647,452	100.0%	\$185,049	\$462,403	\$185,049
4	2026	\$657,164	100.0%	\$185,049	\$472,115	\$185,049
5	2027	\$657,164	100.0%	\$185,049	\$472,115	\$185,049
6	2028	\$667,021	100.0%	\$185,049	\$481,972	\$185,049
7	2029	\$667,021	100.0%	\$185,049	\$481,972	\$185,049
8	2030	\$677,027	100.0%	\$185,049	\$491,977	\$185,049
9	2031	\$677,027	100.0%	\$185,049	\$491,977	\$185,049
10	2032	\$687,182	100.0%	\$185,049	\$502,133	\$185,049
11	2033	\$687,182	0.0%	\$687,182	\$0	\$687,182
12	2034	\$697,490	0.0%	\$697,490	\$0	\$697,490
13	2035	\$697,490	0.0%	\$697,490	\$0	\$697,490
14	2036	\$707,952	0.0%	\$707,952	\$0	\$707,952
15	2037	\$707,952	0.0%	\$707,952	\$0	\$707,952
16	2038	\$718,571	0.0%	\$718,571	\$0	\$718,571
17	2039	\$718,571	0.0%	\$718,571	\$0	\$718,571
18	2040	\$729,350	0.0%	\$729,350	\$0	\$729,350
19	2041	\$729,350	0.0%	\$729,350	\$0	\$729,350
20	2042	\$740,290	0.0%	\$740,290	\$0	\$740,290
21	2043	\$740,290	0.0%	\$740,290	\$0	\$740,290
22	2044	\$751,395	0.0%	\$751,395	\$0	\$751,395
23	2045	\$751,395	0.0%	\$751,395	\$0	\$751,395
24	2046	\$762,665	0.0%	\$762,665	\$0	\$762,665
25	2047	\$762,665	0.0%	\$762,665	\$0	\$762,665
Total, Years 1-25		\$17,525,002			\$4,771,900	\$12,753,102

Years 1-10	\$6,622,394		\$4,771,900	\$1,850,493
Years 11-25	\$10,902,609		\$0	\$10,902,609

Source: Well TBC Kansas City JV, LLC, SB Friedman

ESTIMATED VALUE OF ABATEMENT – ALT. ASSISTANCE

Assumes Developer receives 10 years of 75% property tax abatement

Abatement Year	Calendar Year	Property Taxes Before Abatement	Abatement Percentage	Taxes with Base & PILOT	Benefit to Project of Abated Property Taxes	Property Taxes Revenues to Taxing
1	2023	\$637,884	75.0%	\$298,258	\$339,626	\$298,258
2	2024	\$647,452	75.0%	\$300,650	\$346,802	\$300,650
3	2025	\$647,452	75.0%	\$300,650	\$346,802	\$300,650
4	2026	\$657,164	75.0%	\$303,078	\$354,086	\$303,078
5	2027	\$657,164	75.0%	\$303,078	\$354,086	\$303,078
6	2028	\$667,021	75.0%	\$305,542	\$361,479	\$305,542
7	2029	\$667,021	75.0%	\$305,542	\$361,479	\$305,542
8	2030	\$677,027	75.0%	\$308,044	\$368,983	\$308,044
9	2031	\$677,027	75.0%	\$308,044	\$368,983	\$308,044
10	2032	\$687,182	75.0%	\$310,583	\$376,600	\$310,583
11	2033	\$687,182	0.0%	\$687,182	\$0	\$687,182
12	2034	\$697,490	0.0%	\$697,490	\$0	\$697,490
13	2035	\$697,490	0.0%	\$697,490	\$0	\$697,490
14	2036	\$707,952	0.0%	\$707,952	\$0	\$707,952
15	2037	\$707,952	0.0%	\$707,952	\$0	\$707,952
16	2038	\$718,571	0.0%	\$718,571	\$0	\$718,571
17	2039	\$718,571	0.0%	\$718,571	\$0	\$718,571
18	2040	\$729,350	0.0%	\$729,350	\$0	\$729,350
19	2041	\$729,350	0.0%	\$729,350	\$0	\$729,350
20	2042	\$740,290	0.0%	\$740,290	\$0	\$740,290
21	2043	\$740,290	0.0%	\$740,290	\$0	\$740,290
22	2044	\$751,395	0.0%	\$751,395	\$0	\$751,395
23	2045	\$751,395	0.0%	\$751,395	\$0	\$751,395
24	2046	\$762,665	0.0%	\$762,665	\$0	\$762,665
25	2047	\$762,665	0.0%	\$762,665	\$0	\$762,665
Total, Years 1-25		\$17,525,002			\$3,578,925	\$13,946,077

Years 1-10	\$6,622,394		\$3,578,925	\$3,043,468
Years 11-25	\$10,902,609		\$0	\$10,902,609

Source: Well TBC Kansas City JV, LLC, SB Friedman

INCOME-RESTRICTED AFFORDABLE HOUSING

Set-Aside Analysis Inputs

Income Limits		2024		30%	70%
Household Size	2021 MFI	100% MFI	MFI	MFI	MFI
1	\$60,600	\$64,300	\$19,200	\$45,000	
2	\$69,300	\$73,500	\$22,000	\$51,400	
3	\$78,000	\$82,700	\$24,800	\$57,800	
4	\$86,600	\$91,900	\$27,500	\$64,300	

[1] Assumes 2.0% escalation from 2021 HUD Income Limits

2024 Max Rents		2024	30%	70%
Household Size		100% MFI	MFI	MFI
1 Studios		\$1,610	\$480	\$1,130
2 1-bedrooms		\$1,840	\$550	\$1,290
3 2-bedrooms		\$2,070	\$620	\$1,450
4 3-bedrooms		\$2,300	\$690	\$1,610

2024 Max Rents, Net of Utilities		2024	30%	70%
Household Size		100% MFI	MFI	MFI
1 Studios		\$1,520	\$390	\$1,040
2 1-bedrooms		\$1,740	\$450	\$1,190
3 2-bedrooms		\$1,940	\$490	\$1,320
4 3-bedrooms				

Monthly Apartment Rental Income		100% Market	80%	10%	10%
		Rate	Market Rate	at 70% MFI	at 30% MFI
Studios	100	\$124,566	\$99,653	\$10,400	\$3,900
1-bedrooms	50	\$62,623	\$50,098	\$5,950	\$2,250
2-bedrooms	100	\$167,755	\$134,204	\$13,200	\$4,900
3-bedrooms	0	\$0	\$0	\$0	\$0
Total	250	\$354,944	\$283,955	\$29,550	\$11,050
Rent/RSF		\$1.83			\$1.68

FEE IN LIEU PAYMENT		
Total Units		250
20% Income-Restricted Requirement		50
TDC per Unit		\$328,649
Required Premium	110%	\$361,514
Fee in Lieu Payment		\$18,075,708

Source: EDCKC, Well TBC Kansas City JV, LLC, SB Friedman, US Department of Housing and Urban Development