

Approval Loan Recommendation Summary – LIVING EAST BAY

Preliminary X

Firm _____

Date: August 11, 2021

Project: Rehabilitation and refinance of 47 existing affordable units in Bristol and Warren comprised of 13 one-bedroom, 24 two-bedroom, 8 three-bedroom, and 2 four-bedroom units.

Development Team

	Name	Location (city/state)	Risk Rating (low/med/high)
Sponsor/Developer	East Bay CDC	Bristol, RI	Medium
Mortgagor	To Be Formed, LP	Bristol, RI	Low
Architect	Union Studio	Providence, RI	Low
General Contractor	Stand, Corp	Warwick, RI	Low
Legal	Chace Ruttenberg & Freedman	Providence, RI	Low
Management Agent	East Bay CDC	Bristol, RI	Medium
Consultant	FJS Associates, Ltd	Newport, RI	Medium
Syndicator	Redstone Equity Partners	Boston, MA	Low

Executive Summary

	Address	City
Property Address (for scattered sites, add list at end of summary)	Scattered Sites	Bristol & Warren, RI
Proposed Loan Amount(s) and Terms		
	Amount	Interest rate/Term
Tax Exempt Loan Construction Loan	\$4,750,000	3% / 2 Years
Permanent Loan (Taxable)	\$430,000	5% / 35 Years
Capital Magnet Fund Loan	\$785,000	1% / 35 Years
HOME Loan	\$714,015	AFR / 35 Years
HTF Loan	\$800,000	AFR / 35 Years

Note: Interest rates are subject to change based on market conditions and deal specifics

Proposed Sources & Uses:

Sources	Preliminary	
	Amount	Per Unit
RIH First Mortgage	\$430,000	\$9,149
Sponsor Loan	\$582,000	\$12,383
Housing Trust Fund	\$800,000	\$17,021
RIH HOME Loan	\$714,015	\$15,192
Capital Magnet Fund	\$785,000	\$16,702
Assumed Debt (Rollover)	\$2,710,219	\$57,664
LIHTC Proceeds	\$2,897,927	\$61,658
Existing Reserves	\$40,699	\$866
Total Sources	\$8,959,860	\$190,635

Uses	Amount	
	Amount	Per Unit
Construction	\$2,088,014	\$44,426
Contingency	\$208,810	\$4,443
Acquisition	\$4,250,000	\$90,426
Soft Costs	\$501,275	\$10,665
Financing	\$464,907	\$9,892
Developer Fee	\$1,117,000	\$23,766
Operating Reserve	\$195,765	\$4,165
Replacement Reserve Year 1 Deposit	\$94,000	\$2,000
Other Reserves	\$40,089	\$853
Total Uses	\$8,959,860	\$190,635

\$311,708 LIHTC @ \$0.93/credit

Underwriting Metrics:

Metric	Amount	Comment
Total Development Cost Per Unit	\$190,635	
Residential Vacancy Rate	5%	
DCR Yr 1	2.70	
DCR Yr 15	1.31	
NOI	\$70,190	
Income Trending	2%	
Expense Trending	3%	
Loan to Value	NA	Waiting on final "as-complete" appraisal
Initial Installment (%) of syndication proceeds	15%	
Acquisition Price equal to or less than Appraised value	\$4,250,000	Confirmed via "as-is" appraisal

Operating Reserve (Amt and confirm consistency with UW requirements)	\$196,313	Equal to six months OpExp & Debt Service
Replacement Reserve (Amt and confirm consistency with UW requirements)	\$94,000	\$2,000 per unit

Deviations from standard underwriting – Yes

Fails Part 2 of the Bridge Loan Test – This is a tax-exempt transaction. The Bridge Loan is sized at the minimum amount required to ensure that 50% of the aggregate basis of the project is funded with tax-exempt bond proceeds as required by the applicable tax code provisions.

Unit Distribution and Revenue (pull chart from proforma)

Unit	Rent Type	Number of Units	Gross Rent	LIHTC Max	Gross Rent as a
				Rent	% of LIHTC Max
1	30%	5	\$ 1,023.00	\$ 486.00	210%
1	50%	5	\$ 813.00	\$ 811.00	100%
1	60%	3	\$ 930.00	\$ 973.00	96%
2	30%	3	\$ 1,214.00	\$ 584.00	208%
2	50%	12	\$ 946.00	\$ 973.00	97%
2	60%	9	\$ 1,061.00	\$ 1,168.00	91%
3	50%	6	\$ 1,122.00	\$ 1,125.00	100%
3	60%	2	\$ 1,350.00	\$ 1,350.00	0%
4	50%	1	\$ 1,240.00	\$ 1,255.00	99%
4	60%	1	\$ 1,506.00	\$ 1,506.00	0%
Total		47			

Location of Scattered Sites

Street	City/Town, State	# of Units
24 Mt. Hope Ave.	Bristol, RI	9
105 State St.	Bristol, RI	4
217 Wood St.	Bristol, RI	12
173 Wood St.	Bristol, RI	5
19 Lincoln Ave.	Bristol, RI	4
57 Elizabeth St.	Bristol, RI	3
266 Wood St.	Bristol, RI	6
328 Main St.	Warren, RI	4
		47