

Rhode Island Housing Underwriting Model

Project: Forest Farm Assited Living

City: Middletown

Stage of Progress (Describe Stage, e.g. Initial Submittal to Committee, etc.)	Person Responsible	Date of Progress / Last Edit
	SPO	January 10, 2020
PBV presumed	SPO	March 10, 2020
Updated Constraction Costs	SPO	June 3,2020
Updated Operating Expences	SPO	June 5, 2020
Updated Conscruction - 1st round	SPO	June 11, 2020
Updated Construction - 2nd round	SPO	July 31, 2020
Updated rents and service income and expence. Proforma does not match Expences	SPO	August 18, 2020
corrected income page so all income carries through; can increase amort oto 40 years - can increase debt by \$600K		August 23,2020
Updateded uses: (kitchen equip.), Operating reserve, Sources: 1st mgt., Pres. Loan,	SPO	August 25, 2020
Increased Constuction cost by 15% for Pervailing Wage requirement	SPO	September 4,2020
Added Housing Trust Funding to make up for increase construction cost - not sure # units or amount	SPO	September 10,2020
Correct AS expense trending on the Proforma Page - No trending in year 1	AB	September 15, 2020
Changed 10 PBV units to 30% to accomidate Housing Trust funding. Or HOME	SPO	September 15, 2020
Increased Preservation funding to \$1,300,000	SPO	September 16,2020
Adjust Schedule dates	SPO	September 30, 2020
Increased expenses to 6% obove 2019 audited expences, increased rents by 2% above 2020 level, lowered mtg. and increased CMF and HOME. Added \$2,000,000 in construction financieing cost.	SPO	October 10, 2020
Reduced Developer Fee; increased owner legal, decreased cost certification; added Clerk of the Works; reduced PLF loan amount; preliminary approval	AB	January 26, 2021
Revised R4R to match CNA; asjusted annual reserve deposit trending and interest on reserves to match CNA	MDB	January 28, 2021
Latest		January 28, 2021

Fund Sources and Loan Sizing

Forest Farm Assited Living

Current Model Progress Date:

1/28/2021

Maximum New First Mortgage:	\$2,416,088
GAP (If Uses Exceed Sources):	\$0

DEBT	Lender	Interest Rate	Term (Years)	Amortization Start Date	Debt Service / Cash Flow	Debt Service Coverage Ratio	Percentage of Cash Flow	Taxable/Tax Exempt	TOTAL
RIH First Mortgage	RIH	5.500%	40.0	10/1/2020	Debt Service	1.25	0.0%	Taxable	\$ 2,250,000
RIH Second Mortgage							0.0%		
Assumed Debt (Rollover)	RIH Roll Over Targeted	5.000%	40.0	10/1/2020	Cash Flow				\$ 1,019,292
Preservation Loan Fund Program	RIH	4.000%	40.0	10/1/2020	Cash Flow				\$ 991,170
Capital Magnet Fund	RIH	1.000%	40.0	9/1/2021	Cash Flow				\$ 750,000
Building Homes Rhode Island	OHCD	0.000%	40.0	9/1/2021					\$ 500,000
FHLB Affordable Housing Program	FHLBB	0.000%	15.0	9/1/2021					\$ 650,000
RIH HOME Loan	RIH - HOME or HTF	0.000%	15.0	9/1/2021					\$ 850,000
TOTAL LOANS							0%		\$ 7,010,462

EQUITY	Describe Other Equity	TOTAL
LIHTC Proceeds	\$000 per year at \$0.000 per Credit	\$ -
Fed. Historic Tax Credit Proceeds	-	\$ -
General Partner Capital	-	\$ 449,267
State Historic TC Proceeds		\$ -
Other (Describe)		
TOTAL EQUITY		\$ 449,267

Other	Lender	TOTAL
First	RI Renewable Energy	\$ 29,450
Second	CDBG	\$ -
Third		
Fourth		
Fifth		
TOTAL OTHER		\$ 29,450

TOTAL TAX EXEMPT SOURCES	\$ -
TOTAL SOURCES	\$ 7,489,179
TOTAL USES	\$ 7,488,567

Development/Rehabilitation Costs (USES)

Forest Farm Assited Living

Current Model Progress Date: 1/28/2021

Description	Construction Type 1	Construction Type 2	Construction Type 3	Total	Each Item as a % of Subtotal	HOME Eligible Basis	Aggregate Basis plus Land
	Residential - Rehabilitation	Residential - Rehabilitation					
ACQUISITION COSTS							
Land Cost				\$0	0.0%		
Existing Structures				\$0	0.0%		
Off-site Improvements				\$0	0.0%		
Demolition				\$0	0.0%		
Refinance 1st.	\$632,500			\$632,500	36.6%		
Refinance Targeted loan	\$1,096,000			\$1,096,000	63.4%		
Other				\$0	0.0%		
TOTAL ACQUISITION	\$1,728,500	\$0	\$0	\$1,728,500	100.0%	\$0	\$0
CONSTRUCTION/REHAB. COSTS (input on Construction Cost tab)							
Buildings	\$2,836,648	\$425,497	\$0	\$3,262,145	71.8%		
Site Work	\$249,697	\$37,455	\$0	\$287,152	6.3%		
General Requirements: Typically 6%	\$185,181	\$27,777	\$0	\$212,958	4.7%		
Builders General Overhead: Typically 2%	\$65,431	\$9,815	\$0	\$75,245	1.7%		
Builders Profit: Typically 5.5%	\$196,292	\$29,444	\$0	\$225,735	5.0%		
Bond Premium	\$37,156	\$5,300	\$0	\$42,456	0.9%		
Other Fees	\$22,160	\$0	\$0	\$22,160	0.5%		
TOTAL HARD COSTS	\$3,592,564	\$535,287	\$0	\$4,127,851	90.9%	\$0	
Construction Contingency: Typically 10%	\$359,256	\$53,529	\$0	\$412,785	9.1%		
TOTAL CONSTRUCTION/REHABILITATION	\$3,951,820	\$588,816	\$0	\$4,540,636	100.0%	\$0	\$0
SOFT COSTS							
Architect Fee - Design	\$215,554	\$32,117		\$247,671	41.9%		
Architect Fee - Supervision	\$53,888	\$8,029		\$61,918	10.5%		
Survey	\$5,000			\$5,000	0.8%		
Environmental	\$3,000			\$3,000	0.5%		
Structural Engineering & Reports	\$5,000			\$5,000	0.8%		
Fire Code Compliance Report				\$0	0.0%		
Builders Risk Insurance	\$15,000			\$15,000	2.5%		
Clerk of the Works	\$35,925.64			\$35,926	6.1%		
Owner Legal Fees	\$20,000			\$20,000	3.4%		
RIH Legal Fees	\$30,000			\$30,000	5.1%		
Syndicator Legal				\$0	0.0%		
Title and Recording	\$15,000			\$15,000	2.5%		
Cost Certification	\$5,000			\$5,000	0.8%		
LIHTC Accounting				\$0	0.0%		
Appraisal	\$5,000			\$5,000	0.8%		
Market Study	\$3,000			\$3,000	0.5%		
Capital Needs Assessment	\$4,000			\$4,000	0.7%		
Furniture, Fixtures and Equipment	\$85,000			\$85,000	14.4%		
Marketing and Lease-up				\$0	0.0%		
Sewer, Water and Utility Hookups				\$0	0.0%		
Relocation				\$0	0.0%		
RE Tax Fee Set up				\$0	0.0%		

Development/Rehabilitation Costs (USES)

Forest Farm Assited Living

Current Model Progress Date: 1/28/2021

Description	Construction Type 1	Construction Type 2	Construction Type 3	Total	Each Item as a % of Subtotal	HOME Eligible Basis	Aggregate Basis plus Land
	Residential - Rehabilitation	Residential - Rehabilitation					
Credit Report	\$100			\$100	0.0%		
Other				\$0	0.0%		
Other				\$0	0.0%		
Other				\$0	0.0%		
Other				\$0	0.0%		
Soft Cost Contingency	\$50,000			\$50,000	8.5%		
TOTAL SOFT COSTS	\$550,468	\$40,147	\$0	\$590,614	100.0%	\$0	\$0
FINANCING							
Taxes During Construction				\$0	0.0%		
Risk Sharing Premium	\$2,813			\$2,813	5.9%		
Construction Loan Interest				\$0	0.0%		
Construction Loan Origination Fee				\$0	0.0%		
RIH Origination Fee	\$45,000			\$45,000	94.1%		
Other Lender Origination Fee				\$0	0.0%		
Cost of Issuance (bond deals only)				\$0	0.0%		
Tax Credit Allocation Fee: Typ. \$0				\$0	0.0%		
Other				\$0	0.0%		
Other				\$0	0.0%		
Other				\$0	0.0%		
Other				\$0	0.0%		
TOTAL FINANCING COSTS	\$47,813	\$0	\$0	\$47,813	100.0%	\$0	\$0
RESERVES							
1st Year Property Tax Escrow	\$38,421			\$38,421	10.8%		
1st Year Insurance Escrow	\$18,798			\$18,798	5.3%		
Operating Reserve: Typ. \$1,080,343	\$200,670.96			\$200,671	56.4%		
Replacement Reserve	\$98,000			\$98,000	27.5%		
Lease-up Reserve				\$0	0.0%		
Operating reserve	\$0			\$0	0.0%		
TOTAL RESERVES	\$355,890	\$0	\$0	\$355,890	7.8%	\$0	\$0
DEVELOPER FEE							
Base Developer Fee: Typ. \$604,331	\$225,114			\$225,114	100.0%		
Eligible Incentive Developer Fee				\$0	0.0%		
TOTAL DEVELOPER FEE	\$225,114	\$0	\$0	\$225,114	100.0%	\$0	\$0
SUBTOTAL CONSTRUCTION & SOFT COSTS	\$5,131,105	\$628,962	\$0	\$5,760,067	N/A	\$0	\$0
TOTAL DEVELOPMENT COSTS	\$6,859,605	\$628,962	\$0	\$7,488,567	N/A	\$0	\$0

Proforma
Forest Farm Assited Living

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income	Trends	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential Affordable Income	2.0%	\$498,074	\$508,036	\$518,196	\$528,560	\$539,131	\$549,914	\$560,912	\$572,131	\$583,573	\$595,245
Residential Market Rate Income	2.0%	\$199,230	\$203,214	\$207,278	\$211,424	\$215,653	\$219,966	\$224,365	\$228,852	\$233,429	\$238,098
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	3.0%	\$1,563,345	\$1,610,245	\$1,658,553	\$1,708,309	\$1,759,559	\$1,812,345	\$1,866,716	\$1,922,717	\$1,980,399	\$2,039,811
Other Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Project Income		\$2,260,649	\$2,321,495	\$2,384,027	\$2,448,294	\$2,514,342	\$2,582,225	\$2,651,993	\$2,723,700	\$2,797,401	\$2,873,153
Vacancy Allowance Residential Affordable	7.5%	(\$37,356)	(\$38,103)	(\$38,865)	(\$39,642)	(\$40,435)	(\$41,244)	(\$42,068)	(\$42,910)	(\$43,768)	(\$44,643)
Vacancy Allowance Residential Market	7.5%	(\$14,942)	(\$15,241)	(\$15,546)	(\$15,857)	(\$16,174)	(\$16,497)	(\$16,827)	(\$17,164)	(\$17,507)	(\$17,857)
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance NH/Assisted Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$2,208,351	\$2,268,151	\$2,329,617	\$2,392,795	\$2,457,734	\$2,524,484	\$2,593,097	\$2,663,626	\$2,736,126	\$2,810,652

Expenses											
Administrative	3.0%	\$67,482	\$69,507	\$71,592	\$73,740	\$75,952	\$78,231	\$80,578	\$82,995	\$85,485	\$88,049
Management Fee	2.0%	\$44,167	\$45,363	\$46,592	\$47,856	\$49,155	\$50,490	\$51,862	\$53,273	\$54,723	\$56,213
Utilities	3.0%	\$91,436	\$94,179	\$97,005	\$99,915	\$102,912	\$106,000	\$109,180	\$112,455	\$115,829	\$119,303
Operations & Maintenance	3.0%	\$124,636	\$128,375	\$132,226	\$136,193	\$140,279	\$144,487	\$148,822	\$153,286	\$157,885	\$162,621
Real Estate Taxes	2.0%	\$76,842	\$78,379	\$79,947	\$81,546	\$83,177	\$84,840	\$86,537	\$88,268	\$90,033	\$91,834
Property & Liability Insurance	3.0%	\$37,595	\$38,723	\$39,885	\$41,081	\$42,314	\$43,583	\$44,890	\$46,237	\$47,624	\$49,053
Other Taxes & Insurance	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NH / Assisted Living / Elderly Care	3.0%	\$1,563,345	\$1,610,245	\$1,658,553	\$1,708,309	\$1,759,559	\$1,812,345	\$1,866,716	\$1,922,717	\$1,980,399	\$2,039,811
Replacement Reserve	1.0%	\$15,925	\$16,084	\$16,245	\$16,408	\$16,572	\$16,737	\$16,905	\$17,074	\$17,244	\$17,417
Total Expenses		\$2,021,429	\$2,080,856	\$2,142,044	\$2,205,047	\$2,269,918	\$2,336,713	\$2,405,489	\$2,476,305	\$2,549,221	\$2,624,302

Management Fee is calculated as a percentage of EGI

Net Operating Income		\$186,922	\$187,295	\$187,572	\$187,747	\$187,816	\$187,771	\$187,608	\$187,322	\$186,904	\$186,351
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Debt Service Financing											
RIH First Mortgage		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258
Mortgage Insurance Premium		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258
Cash Flow		\$47,664	\$48,038	\$48,314	\$48,489	\$48,558	\$48,513	\$48,350	\$48,064	\$47,647	\$47,093
Debt Coverage Ratio		1.34	1.34	1.35	1.35	1.35	1.35	1.35	1.35	1.34	1.34

Proforma											
<i>Forest Farm Assited Living</i>											
		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Income	Trends	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Residential Affordable Income	2.0%	\$607,149	\$619,292	\$631,678	\$644,312	\$657,198	\$670,342	\$683,749	\$697,424	\$711,372	\$725,600
Residential Market Rate Income	2.0%	\$242,860	\$247,717	\$252,671	\$257,725	\$262,879	\$268,137	\$273,500	\$278,970	\$284,549	\$290,240
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	3.0%	\$2,101,005	\$2,164,035	\$2,228,956	\$2,295,825	\$2,364,700	\$2,435,641	\$2,508,710	\$2,583,971	\$2,661,490	\$2,741,335
Other Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Project Income		\$2,951,014	\$3,031,045	\$3,113,306	\$3,197,862	\$3,284,777	\$3,374,120	\$3,465,958	\$3,560,365	\$3,657,412	\$3,757,175
Vacancy Allowance Residential Affordable	7.5%	(\$45,536)	(\$46,447)	(\$47,376)	(\$48,323)	(\$49,290)	(\$50,276)	(\$51,281)	(\$52,307)	(\$53,353)	(\$54,420)
Vacancy Allowance Residential Market	7.5%	(\$18,214)	(\$18,579)	(\$18,950)	(\$19,329)	(\$19,716)	(\$20,110)	(\$20,512)	(\$20,923)	(\$21,341)	(\$21,768)
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance NH/Assisted Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$2,887,264	\$2,966,019	\$3,046,980	\$3,130,209	\$3,215,771	\$3,303,734	\$3,394,165	\$3,487,135	\$3,582,717	\$3,680,987
Expenses											
Administrative	3.0%	\$90,691	\$93,412	\$96,214	\$99,100	\$102,073	\$105,136	\$108,290	\$111,538	\$114,884	\$118,331
Management Fee	2.0%	\$57,745	\$59,320	\$60,940	\$62,604	\$64,315	\$66,075	\$67,883	\$69,743	\$71,654	\$73,620
Utilities	3.0%	\$122,883	\$126,569	\$130,366	\$134,277	\$138,305	\$142,455	\$146,728	\$151,130	\$155,664	\$160,334
Operations & Maintenance	3.0%	\$167,500	\$172,525	\$177,701	\$183,032	\$188,523	\$194,178	\$200,004	\$206,004	\$212,184	\$218,550
Real Estate Taxes	2.0%	\$93,671	\$95,544	\$97,455	\$99,404	\$101,392	\$103,420	\$105,488	\$107,598	\$109,750	\$111,945
Property & Liability Insurance	3.0%	\$50,525	\$52,040	\$53,601	\$55,210	\$56,866	\$58,572	\$60,329	\$62,139	\$64,003	\$65,923
Other Taxes & Insurance	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NH / Assisted Living / Elderly Care	3.0%	\$2,101,005	\$2,164,035	\$2,228,956	\$2,295,825	\$2,364,700	\$2,435,641	\$2,508,710	\$2,583,971	\$2,661,490	\$2,741,335
Replacement Reserve	1.0%	\$17,591	\$17,767	\$17,945	\$18,124	\$18,305	\$18,488	\$18,673	\$18,860	\$19,049	\$19,239
Total Expenses		\$2,701,610	\$2,781,212	\$2,863,178	\$2,947,576	\$3,034,480	\$3,123,964	\$3,216,105	\$3,310,983	\$3,408,679	\$3,509,276
<i>Management Fee is calculated as a percentage of EGI</i>											
Net Operating Income		\$185,654	\$184,806	\$183,802	\$182,633	\$181,291	\$179,770	\$178,059	\$176,152	\$174,039	\$171,710
Debt Service Financing											
RIH First Mortgage		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258
Mortgage Insurance Premium		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258
Cash Flow		\$46,396	\$45,548	\$44,544	\$43,375	\$42,033	\$40,512	\$38,801	\$36,894	\$34,781	\$32,452
Debt Coverage Ratio		1.33	1.33	1.32	1.31	1.30	1.29	1.28	1.26	1.25	1.23

Proforma											
<i>Forest Farm Assited Living</i>											
		Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Income	Trends	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Residential Affordable Income	2.0%	\$740,112	\$754,914	\$770,012	\$785,413	\$801,121	\$817,143	\$833,486	\$850,156	\$867,159	\$884,502
Residential Market Rate Income	2.0%	\$296,045	\$301,966	\$308,005	\$314,165	\$320,448	\$326,857	\$333,394	\$340,062	\$346,864	\$353,801
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	3.0%	\$2,823,575	\$2,908,282	\$2,995,531	\$3,085,397	\$3,177,959	\$3,273,297	\$3,371,496	\$3,472,641	\$3,576,820	\$3,684,125
Other Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Project Income		\$3,859,732	\$3,965,162	\$4,073,548	\$4,184,974	\$4,299,528	\$4,417,298	\$4,538,377	\$4,662,859	\$4,790,843	\$4,922,428
Vacancy Allowance Residential Affordable	7.5%	(\$55,508)	(\$56,619)	(\$57,751)	(\$58,906)	(\$60,084)	(\$61,286)	(\$62,511)	(\$63,762)	(\$65,037)	(\$66,338)
Vacancy Allowance Residential Market	7.5%	(\$22,203)	(\$22,647)	(\$23,100)	(\$23,562)	(\$24,034)	(\$24,514)	(\$25,005)	(\$25,505)	(\$26,015)	(\$26,535)
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance NH/Assisted Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$3,782,020	\$3,885,896	\$3,992,697	\$4,102,506	\$4,215,410	\$4,331,498	\$4,450,861	\$4,573,593	\$4,699,791	\$4,829,555
Expenses											
Administrative	3.0%	\$121,881	\$125,537	\$129,303	\$133,183	\$137,178	\$141,293	\$145,532	\$149,898	\$154,395	\$159,027
Management Fee	2.0%	\$75,640	\$77,718	\$79,854	\$82,050	\$84,308	\$86,630	\$89,017	\$91,472	\$93,996	\$96,591
Utilities	3.0%	\$165,144	\$170,098	\$175,201	\$180,457	\$185,871	\$191,447	\$197,190	\$203,106	\$209,199	\$215,475
Operations & Maintenance	3.0%	\$225,106	\$231,859	\$238,815	\$245,979	\$253,359	\$260,960	\$268,788	\$276,852	\$285,158	\$293,712
Real Estate Taxes	2.0%	\$114,184	\$116,468	\$118,797	\$121,173	\$123,596	\$126,068	\$128,590	\$131,161	\$133,785	\$136,460
Property & Liability Insurance	3.0%	\$67,901	\$69,938	\$72,036	\$74,197	\$76,423	\$78,716	\$81,077	\$83,509	\$86,015	\$88,595
Other Taxes & Insurance	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NH / Assisted Living / Elderly Care	3.0%	\$2,823,575	\$2,908,282	\$2,995,531	\$3,085,397	\$3,177,959	\$3,273,297	\$3,371,496	\$3,472,641	\$3,576,820	\$3,684,125
Replacement Reserve	1.0%	\$19,432	\$19,626	\$19,822	\$20,020	\$20,221	\$20,423	\$20,627	\$20,833	\$21,042	\$21,252
Total Expenses		\$3,612,862	\$3,719,526	\$3,829,359	\$3,942,456	\$4,058,914	\$4,178,834	\$4,302,318	\$4,429,473	\$4,560,409	\$4,695,238
<i>Management Fee is calculated as a percentage of EGI</i>											
Net Operating Income		\$169,157	\$166,370	\$163,338	\$160,050	\$156,496	\$152,664	\$148,543	\$144,120	\$139,382	\$134,317
Debt Service Financing											
RIH First Mortgage		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258
Mortgage Insurance Premium		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258
Cash Flow		\$29,899	\$27,112	\$24,080	\$20,792	\$17,238	\$13,406	\$9,285	\$4,862	\$124	(\$4,941)
Debt Coverage Ratio		1.21	1.19	1.17	1.15	1.12	1.10	1.07	1.03	1.00	0.96

Proforma											
<i>Forest Farm Assited Living</i>											
		Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
Income	Trends	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061
Residential Affordable Income	2.0%	\$902,192	\$920,236	\$938,641	\$957,414	\$976,562	\$996,093	\$1,016,015	\$1,036,335	\$1,057,062	\$1,078,203
Residential Market Rate Income	2.0%	\$360,877	\$368,094	\$375,456	\$382,965	\$390,625	\$398,437	\$406,406	\$414,534	\$422,825	\$431,281
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	3.0%	\$3,794,649	\$3,908,488	\$4,025,743	\$4,146,515	\$4,270,910	\$4,399,038	\$4,531,009	\$4,666,939	\$4,806,947	\$4,951,156
Other Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Project Income		\$5,057,718	\$5,196,819	\$5,339,840	\$5,486,894	\$5,638,097	\$5,793,568	\$5,953,430	\$6,117,809	\$6,286,834	\$6,460,640
Vacancy Allowance Residential Affordable	7.5%	(\$67,664)	(\$69,018)	(\$70,398)	(\$71,806)	(\$73,242)	(\$74,707)	(\$76,201)	(\$77,725)	(\$79,280)	(\$80,865)
Vacancy Allowance Residential Market	7.5%	(\$27,066)	(\$27,607)	(\$28,159)	(\$28,722)	(\$29,297)	(\$29,883)	(\$30,480)	(\$31,090)	(\$31,712)	(\$32,346)
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance NH/Assisted Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$4,962,988	\$5,100,194	\$5,241,283	\$5,386,366	\$5,535,558	\$5,688,978	\$5,846,748	\$6,008,993	\$6,175,843	\$6,347,429
Expenses											
Administrative	3.0%	\$163,798	\$168,712	\$173,773	\$178,986	\$184,356	\$189,886	\$195,583	\$201,451	\$207,494	\$213,719
Management Fee	2.0%	\$99,260	\$102,004	\$104,826	\$107,727	\$110,711	\$113,780	\$116,935	\$120,180	\$123,517	\$126,949
Utilities	3.0%	\$221,940	\$228,598	\$235,456	\$242,519	\$249,795	\$257,289	\$265,008	\$272,958	\$281,146	\$289,581
Operations & Maintenance	3.0%	\$302,524	\$311,599	\$320,947	\$330,576	\$340,493	\$350,708	\$361,229	\$372,066	\$383,228	\$394,725
Real Estate Taxes	2.0%	\$139,190	\$141,973	\$144,813	\$147,709	\$150,663	\$153,676	\$156,750	\$159,885	\$163,083	\$166,344
Property & Liability Insurance	3.0%	\$91,253	\$93,991	\$96,810	\$99,715	\$102,706	\$105,787	\$108,961	\$112,230	\$115,596	\$119,064
Other Taxes & Insurance	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NH / Assisted Living / Elderly Care	3.0%	\$3,794,649	\$3,908,488	\$4,025,743	\$4,146,515	\$4,270,910	\$4,399,038	\$4,531,009	\$4,666,939	\$4,806,947	\$4,951,156
Replacement Reserve	1.0%	\$21,464	\$21,679	\$21,896	\$22,115	\$22,336	\$22,559	\$22,785	\$23,013	\$23,243	\$23,475
Total Expenses		\$4,834,076	\$4,977,044	\$5,124,263	\$5,275,862	\$5,431,971	\$5,592,724	\$5,758,259	\$5,928,721	\$6,104,255	\$6,285,013
<i>Management Fee is calculated as a percentage of EGI</i>											
Net Operating Income		\$128,911	\$123,150	\$117,019	\$110,503	\$103,587	\$96,255	\$88,489	\$80,273	\$71,588	\$62,416
Debt Service Financing											
RIH First Mortgage		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$104,443	\$0
Mortgage Insurance Premium		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$139,258	\$104,443	\$0
Cash Flow		(\$10,347)	(\$16,108)	(\$22,239)	(\$28,755)	(\$35,671)	(\$43,003)	(\$50,769)	(\$58,985)	(\$32,856)	\$62,416
Debt Coverage Ratio		0.93	0.88	0.84	0.79	0.74	0.69	0.64	0.58	0.69	0.00

Project Summary

Forest Farm Assisted Living

Current Model Progress Date: 1/28/2021

RIH Program Type: **Preservation**

SOURCES	Total	Per Unit	Per NRSF
Permanent Loans			
RIH First Mortgage	\$ 2,250,000	\$ 45,918	\$ 84.10
RIH Second Mortgage	\$ -	\$ -	\$ -
Assumed Debt (Rollover)	\$ 1,019,292	\$ 20,802	\$ 38.10
Preservation Loan Fund Program	\$ 991,170	\$ 20,228	\$ 37.05
Capital Magnet Fund	\$ 750,000	\$ 15,306	\$ 28.03
Building Homes Rhode Island	\$ 500,000	\$ 10,204	\$ 18.69
FHLB Affordable Housing Program	\$ 650,000	\$ 13,265	\$ 24.30
RIH HOME Loan	\$ 850,000	\$ 17,347	\$ 31.77
Total Loans	\$ 7,010,462	\$ 143,071	\$ 262.03
Equity			
LIHTC Proceeds	\$ -	\$ -	\$ -
Fed. Historic Tax Credit Proceeds	\$ -	\$ -	\$ -
General Partner Capital	\$ 449,267	\$ 9,169	\$ 16.79
State Historic TC Proceeds	\$ -	\$ -	\$ -
Other (Describe)	\$ -	\$ -	\$ -
Total Equity	\$ 449,267	\$ 9,169	\$ 16.79
Grants			
RI Renewable Energy	\$ 29,450	\$ 601	\$ 1.10
None	\$ -	\$ -	\$ -
None	\$ -	\$ -	\$ -
None	\$ -	\$ -	\$ -
None	\$ -	\$ -	\$ -
Total Grants	\$ 29,450	\$ 601	\$ 1.10
TOTAL SOURCES	\$ 7,489,179	\$ 152,840	\$ 279.93

USES	Total	Per Unit	Per NRSF
Acquisition	\$ 1,728,500	\$ 35,276	\$ 64.61
Construction	\$ 4,127,851	\$ 84,242	\$ 154.29
Contingency	\$ 412,785	\$ 8,424	\$ 15.43
Soft Costs	\$ 590,614	\$ 12,053	\$ 22.08
Financing	\$ 47,813	\$ 976	\$ 1.79
Replacement Cost	\$ 6,907,563	\$ 140,971	\$ 258.19
Base Developer Fee	\$ 225,114	\$ 4,594	\$ 8.41
Approved Cost	\$ 7,132,677	\$ 145,565	\$ 266.60
Incentive Developer Fee	\$ -	\$ -	\$ -
TDC Net of Reserves	\$ 7,132,677	\$ 145,565	\$ 266.60
Operating Reserve	\$ 200,671	\$ 4,095	\$ 7.50
Replacement Reserve	\$ 98,000	\$ 2,000	\$ 3.66
Tax + Insurance	\$ 57,219	\$ 1,168	\$ 2.14
Lease-up Reserve	\$ -	\$ -	\$ -
Other	\$ 612	\$ 12	\$ 0.02
TDC Including Reserves	\$ 7,489,179	\$ 152,840	\$ 279.93
TOTAL USES	\$ 7,489,179	\$ 152,840	\$ 279.93
Total Hard Costs incl. Contingency			
	\$ 4,540,636	\$ 92,666	\$ 169.72
Year 1 Operating Expenses			
	\$ 2,021,429	\$ 41,254	\$ 75.56
	Total	Per Unit	per NRSF
PROJECT SURPLUS	\$0	\$0	\$0

UNDERWRITER ASSUMPTIONS

Debt Service Coverage Ratio	1.25	
Syndication Credit Detail:	\$000 per year at \$0.000 per Credit	
First Year of Operations/Pro Forma Yr. 1	2022	
Number of Units (Total)	49	
Type Detail	Market	LIHTC
SRO/EFF	0	0
1 Bedroom	14	35
2 Bedrooms	0	0
3 Bedrooms	0	0
4 Bedrooms	0	0
5 Bedrooms	0	0
Totals by Type	14	35

Mortgage (Yes or No)?	Yes
Risk Sharing (Yes or No)?	Yes
Historic Credits (Yes or No)?	No
Mortgage Interest Rate	5.500%
Mortgage Term	40
Second Mortgage Not Applicable	
Financing Status is Taxable	
Loan to Value	#DIV/0!
Vacancy Rates	
Residential Market Rate	7.50%
Residential Affordable Rate	7.50%
Commercial Market Rate	0.00%
NH/Assisted/Congregate Market Rate	0.00%

