

# Rhode Island Housing Underwriting Model

**Project: Pineview Apartments**

**City: Exeter**

Stage of Progress (Describe Stage, e.g. Initial Submittal to Committee, etc.)	Person Responsible	Date of Progress / Last Edit
2020 Application	Dean E. Harrison	December 20, 2019
2020 HOME/HTF Application	Dean E. Harrison	May 29, 2020
Updated Payment Standards and LIHTC rents	Liberatore / Berman	July 21, 2020
Reduced Bridge Loan to \$7MM and Incentive Developer Fee	Liberatore	July 21, 2020
Updated PBVs and 60% Rents and 4% credit rate	Liberatore	January 11, 2021
Revisions with SOVs, no PBVs	WDC-HOC	March 4, 2021
Updated Reserve Schedule	Liberatore	March 9, 2021
Revisions with PBVs, updated #s, and tying off to NEF projections	WDC-HOC	March 24, 2021
Hard Coded 30/50/60% AMI Rental Limits. Increased capitalized replacement reserve.	Liberatore	March 30, 2021
Unlocked Construction Schedule	Liberatore	April 13, 2021
Revisions to #s, tie off to NEF and const #s filled in	WDC-HOC	April 19, 2021
Updates to sources and construction cash flow	Liberatore	April 21, 2021
Updated interest rate to 4.25%	Liberatore	April 26, 2021
Adjusted Developer Fee, added Clerk of the Works and increased Soft Cost Contingency	Liberatore	May 4, 2021
Latest		May 4, 2021

**Development/Rehabilitation Costs (USES)**

Pineview Apartments

Current Model Progress Date: 5/4/2021

Description	Construction Type 1	Construction Type 2	Construction Type 3	Total	Each Item as a % of Subtotal	Eligible for Acquisition Credit	Eligible for New Construction / Rehab. Credit	Ineligible for Credit	HOME Eligible Basis	Aggregate Basis plus Land
	<b>Residential - New Construction</b>									
<b>ACQUISITION COSTS</b>										
Land Cost	\$1,035,000			\$1,035,000	83.5%			\$1,035,000		
Existing Structures				\$0	0.0%			\$0		
Off-site Improvements				\$0	0.0%			\$0		
Demolition				\$0	0.0%			\$0		
Site Work Reimbursement	\$205,000			\$205,000	16.5%			\$205,000		
Other				\$0	0.0%			\$0		
Other				\$0	0.0%			\$0		
<b>TOTAL ACQUISITION</b>	<b>\$1,240,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,240,000</b>	<b>100.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,240,000</b>	<b>\$0</b>	<b>\$0</b>
<b>CONSTRUCTION/REHAB. COSTS (input on Construction Cost tab)</b>										
Buildings	\$5,398,500	\$0	\$0	\$5,398,500	59.0%		\$5,398,500	\$0		
Site Work	\$2,090,000	\$0	\$0	\$2,090,000	22.8%		\$1,990,000	\$100,000	\$4,440,768	
General Requirements: Typically 6%	\$400,000	\$0	\$0	\$400,000	4.4%		\$400,000	\$0	\$3,219,000	
Builders General Overhead: Typically 2%	\$150,000	\$0	\$0	\$150,000	1.6%		\$150,000	\$0		
Builders Profit: Typically 5%	\$400,000	\$0	\$0	\$400,000	4.4%		\$400,000	\$0		
Bond Premium	\$102,642	\$0	\$0	\$102,642	1.1%		\$102,642	\$0		
Other Fees	\$15,000	\$0	\$0	\$15,000	0.2%		\$15,000	\$0		
<b>TOTAL HARD COSTS</b>	<b>\$8,556,142</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,556,142</b>	<b>93.5%</b>	<b>\$0</b>	<b>\$8,456,142</b>	<b>\$0</b>	<b>\$0</b>	
Construction Contingency: Typically 10%	\$598,930			\$598,930	6.5%		\$598,930	\$0		
<b>TOTAL CONSTRUCTION/REHABILITATION</b>	<b>\$9,155,072</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,155,072</b>	<b>100.0%</b>	<b>\$0</b>	<b>\$9,055,072</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,659,768</b>
<b>SOFT COSTS</b>										
Architect Fee - Design	\$224,000			\$224,000	16.0%		\$224,000	\$0		
Architect Fee - Supervision	\$56,000			\$56,000	4.0%		\$56,000	\$0		
Survey	\$20,000			\$20,000	1.4%		\$20,000	\$0		
Environmental	\$10,000			\$10,000	0.7%		\$10,000	\$0		
Civil Engineering & Reports	\$100,000	civil		\$100,000	7.2%		\$100,000	\$0		
Fire Code Compliance Report	\$0			\$0	0.0%		\$0	\$0		
Builders Risk Insurance	\$45,000			\$45,000	3.2%		\$45,000	\$0		
Clerk of the Works	\$91,551			\$91,551	6.5%		\$91,551	\$0		
Owner Legal Fees	\$80,000			\$80,000	5.7%		\$80,000	\$0		
RIH Legal Fees	\$50,000			\$50,000	3.6%		\$0	\$50,000		
Syndicator Legal	\$20,000			\$20,000	1.4%		\$0	\$20,000		
Title and Recording	\$45,000			\$45,000	3.2%		\$40,500	\$4,500		
Cost Certification	\$15,000			\$15,000	1.1%			\$15,000		
LIIHC Accounting	\$15,000			\$15,000	1.1%			\$15,000		
Appraisal	\$15,850	and mkt study		\$15,850	1.1%		\$15,850	\$0		
Market Study				\$0	0.0%			\$0		
Capital Needs Assessment	\$0			\$0	0.0%			\$0		
Furniture, Fixtures and Equipment	\$15,000			\$15,000	1.1%		\$15,000	\$0		
Marketing and Lease-up	\$50,000			\$50,000	3.6%			\$50,000		
Sewer, Water and Utility Hookups	\$270,000			\$270,000	19.3%		\$270,000	\$0		
Relocation	\$0			\$0	0.0%			\$0		
RE Tax Fee Set up	\$115			\$115	0.0%			\$115		
Credit Report	\$0			\$0	0.0%			\$0		
Zoning and Permitting (include building permit fees)	\$47,000			\$47,000	3.4%		\$47,000	\$0		
State Permits	\$7,500			\$7,500	0.5%		\$7,500	\$0		
Materials Testing & Misc.	\$20,500			\$20,500	1.5%		\$20,500	\$0		
Security System	\$25,000			\$25,000	1.8%		\$25,000	\$0		
Soft Cost Contingency	\$175,707			\$175,707	12.6%		\$175,707	\$0		
<b>TOTAL SOFT COSTS</b>	<b>\$1,398,222</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,398,222</b>	<b>100.0%</b>	<b>\$0</b>	<b>\$1,243,607</b>	<b>\$154,615</b>	<b>\$0</b>	<b>\$0</b>

**Development/Rehabilitation Costs (USES)**

Pineview Apartments

Current Model Progress Date: 5/4/2021

Description	Construction Type 1	Construction Type 2	Construction Type 3	Total	Each Item as a % of Subtotal
	Residential - New Construction				
<b>FINANCING</b>					
Taxes During Construction	\$15,000			\$15,000	1.6%
Risk Sharing Premium	\$2,471			\$2,471	0.3%
Construction Loan Interest	\$470,000			\$470,000	51.3%
Construction Loan Origination Fee	\$52,500	check		\$52,500	5.7%
R/H Origination Fee	\$40,000			\$40,000	4.4%
Other Lender Origination Fee	\$0			\$0	0.0%
Cost of Issuance (bond deals only)	\$108,750			\$108,750	11.9%
Tax Credit Allocation Fee: Typ. \$48,274	\$48,274			\$48,274	5.3%
Predevelopment costs and interest	\$105,000			\$105,000	11.5%
LJHTC Due Diligence and Const Mgt	\$75,000			\$75,000	8.2%
Other	\$0			\$0	0.0%
Other	\$0			\$0	0.0%
<b>TOTAL FINANCING COSTS</b>	<b>\$916,995</b>	<b>\$0</b>	<b>\$0</b>	<b>\$916,995</b>	<b>100.0%</b>
<b>RESERVES</b>					
1st Year Property Tax Escrow	\$18,429			\$18,429	7.4%
1st Year Insurance Escrow	\$12,000			\$12,000	4.8%
Operating Reserve: Typ. \$203,451	\$203,451			\$203,451	81.7%
Replacement Reserve	\$15,000			\$15,000	6.0%
Lease-up Reserve	\$0			\$0	0.0%
Other	\$0			\$0	0.0%
<b>TOTAL RESERVES</b>	<b>\$248,880</b>	<b>\$0</b>	<b>\$0</b>	<b>\$248,880</b>	<b>2.7%</b>
<b>DEVELOPER FEE</b>					
Base Developer Fee: Typ. \$756,000	\$756,000			\$756,000	51.9%
Eligible Incentive Developer Fee	\$701,833	2 yrs cashflow per NEF		\$701,833	48.1%
<b>TOTAL DEVELOPER FEE</b>	<b>\$1,457,833</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,457,833</b>	<b>100.0%</b>
<b>SUBTOTAL CONSTRUCTION &amp; SOFT COSTS</b>	<b>\$13,177,002</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,177,002</b>	<b>N/A</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$14,417,002</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,417,002</b>	<b>N/A</b>

Eligible for Acquisition Credit	Eligible for New Construction / Rehab. Credit	Ineligible for Credit
	\$15,000	\$0
		\$2,471
	\$282,000	\$188,000
		\$52,500
		\$40,000
		\$0
		\$108,750
		\$48,274
		\$105,000
	\$15,000	\$60,000
		\$0
		\$0
\$0	\$312,000	\$604,995
		\$18,429
		\$12,000
		\$203,451
		\$15,000
		\$0
		\$0
\$0	\$0	\$248,880
	\$756,000	\$0
	\$701,833	\$0
\$0	\$1,457,833	\$0
\$0	\$12,068,512	\$1,008,490
\$0	\$12,068,512	\$2,248,490

HOME Eligible Basis	Aggregate Basis plus Land
\$0	\$0
	\$4,440,768
	\$3,219,000
\$0	\$7,659,768
\$0	\$0
\$0	\$15,319,537
\$0	\$15,319,537

Proforma											
Pineview Apartments											

	Trends	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028	Year 6 2029	Year 7 2030	Year 8 2031	Year 9 2032	Year 10 2033
<b>Income</b>											
Residential Affordable Income	2.0%	\$460,728	\$469,943	\$479,341	\$488,928	\$498,707	\$508,681	\$518,855	\$529,232	\$539,816	\$550,613
Residential Market Rate Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	2.0%	\$7,680	\$7,834	\$7,990	\$8,150	\$8,313	\$8,479	\$8,649	\$8,822	\$8,998	\$9,178
<b>Gross Project Income</b>		<b>\$468,408</b>	<b>\$477,776</b>	<b>\$487,332</b>	<b>\$497,078</b>	<b>\$507,020</b>	<b>\$517,160</b>	<b>\$527,503</b>	<b>\$538,054</b>	<b>\$548,815</b>	<b>\$559,791</b>
Vacancy Allowance Residential Affordable	6.6%	(\$30,408)	(\$31,016)	(\$31,637)	(\$32,269)	(\$32,915)	(\$33,573)	(\$34,244)	(\$34,929)	(\$35,628)	(\$36,340)
Vacancy Allowance Residential Market	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	7.0%	(\$538)	(\$548)	(\$559)	(\$571)	(\$582)	(\$594)	(\$605)	(\$618)	(\$630)	(\$642)
<b>Effective Gross Income</b>		<b>\$437,462</b>	<b>\$446,212</b>	<b>\$455,136</b>	<b>\$464,239</b>	<b>\$473,523</b>	<b>\$482,994</b>	<b>\$492,654</b>	<b>\$502,507</b>	<b>\$512,557</b>	<b>\$522,808</b>

<b>Expenses</b>											
Administrative	3.0%	\$56,429	\$58,122	\$59,866	\$61,661	\$63,511	\$65,417	\$67,379	\$69,401	\$71,483	\$73,627
Management Fee	7.0%	\$30,622	\$31,235	\$31,860	\$32,497	\$33,147	\$33,810	\$34,486	\$35,175	\$35,879	\$36,597
Utilities	3.0%	\$39,600	\$40,788	\$42,012	\$43,272	\$44,570	\$45,907	\$47,284	\$48,703	\$50,164	\$51,669
Operations & Maintenance	3.0%	\$82,586	\$85,064	\$87,615	\$90,244	\$92,951	\$95,740	\$98,612	\$101,570	\$104,617	\$107,756
Real Estate Taxes	2.0%	\$36,858	\$37,595	\$38,347	\$39,114	\$39,897	\$40,694	\$41,508	\$42,339	\$43,185	\$44,049
Property & Liability Insurance	3.0%	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315
Other Taxes & Insurance	3.0%	\$15,284	\$15,743	\$16,215	\$16,701	\$17,202	\$17,718	\$18,250	\$18,797	\$19,361	\$19,942
Replacement Reserve	3.0%	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
<b>Total Expenses</b>		<b>\$300,380</b>	<b>\$308,716</b>	<b>\$317,289</b>	<b>\$326,106</b>	<b>\$335,173</b>	<b>\$344,498</b>	<b>\$354,088</b>	<b>\$363,950</b>	<b>\$374,094</b>	<b>\$384,526</b>

Management Fee is calculated as a percentage of EGI

<b>Net Operating Income</b>		<b>\$137,083</b>	<b>\$137,495</b>	<b>\$137,846</b>	<b>\$138,133</b>	<b>\$138,350</b>	<b>\$138,496</b>	<b>\$138,566</b>	<b>\$138,556</b>	<b>\$138,463</b>	<b>\$138,282</b>
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<b>Debt Service Financing</b>											
RIH First Mortgage		\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069
Mortgage Insurance Premium		\$2,454	\$2,427	\$2,400	\$2,371	\$2,341	\$2,310	\$2,277	\$2,244	\$2,208	\$2,171
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$106,522	\$106,496	\$106,469	\$106,440	\$106,410	\$106,379	\$106,346	\$106,312	\$106,277	\$106,240
<b>Cash Flow</b>		<b>\$30,560</b>	<b>\$30,999</b>	<b>\$31,378</b>	<b>\$31,693</b>	<b>\$31,940</b>	<b>\$32,117</b>	<b>\$32,220</b>	<b>\$32,244</b>	<b>\$32,186</b>	<b>\$32,042</b>
<b>Debt Coverage Ratio</b>		<b>1.29</b>	<b>1.29</b>	<b>1.29</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>

<b>Cash Flow Financing</b>											
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Cash Flow Debt		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Remaining Cash Flow</b>		<b>\$30,560</b>	<b>\$30,999</b>	<b>\$31,378</b>	<b>\$31,693</b>	<b>\$31,940</b>	<b>\$32,117</b>	<b>\$32,220</b>	<b>\$32,244</b>	<b>\$32,186</b>	<b>\$32,042</b>

Proforma											
Pineview Apartments											

	Trends	Year 11 2034	Year 12 2035	Year 13 2036	Year 14 2037	Year 15 2038	Year 16 2039	Year 17 2040	Year 18 2041	Year 19 2042	Year 20 2043
<b>Income</b>											
Residential Affordable Income	2.0%	\$561,625	\$572,857	\$584,315	\$596,001	\$607,921	\$620,079	\$632,481	\$645,130	\$658,033	\$671,194
Residential Market Rate Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	2.0%	\$9,362	\$9,549	\$9,740	\$9,935	\$10,134	\$10,336	\$10,543	\$10,754	\$10,969	\$11,188
<b>Gross Project Income</b>		<b>\$570,987</b>	<b>\$582,406</b>	<b>\$594,055</b>	<b>\$605,936</b>	<b>\$618,054</b>	<b>\$630,415</b>	<b>\$643,024</b>	<b>\$655,884</b>	<b>\$669,002</b>	<b>\$682,382</b>
Vacancy Allowance Residential Affordable	6.6%	(\$37,067)	(\$37,809)	(\$38,565)	(\$39,336)	(\$40,123)	(\$40,925)	(\$41,744)	(\$42,579)	(\$43,430)	(\$44,299)
Vacancy Allowance Residential Market	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	7.0%	(\$655)	(\$668)	(\$682)	(\$695)	(\$709)	(\$724)	(\$738)	(\$753)	(\$768)	(\$783)
<b>Effective Gross Income</b>		<b>\$533,264</b>	<b>\$543,929</b>	<b>\$554,808</b>	<b>\$565,904</b>	<b>\$577,222</b>	<b>\$588,767</b>	<b>\$600,542</b>	<b>\$612,553</b>	<b>\$624,804</b>	<b>\$637,300</b>

Expenses											
Administrative	3.0%	\$75,836	\$78,111	\$80,454	\$82,868	\$85,354	\$87,915	\$90,552	\$93,269	\$96,067	\$98,949
Management Fee	7.0%	\$37,328	\$38,075	\$38,837	\$39,613	\$40,406	\$41,214	\$42,038	\$42,879	\$43,736	\$44,611
Utilities	3.0%	\$53,219	\$54,816	\$56,460	\$58,154	\$59,899	\$61,696	\$63,546	\$65,453	\$67,416	\$69,439
Operations & Maintenance	3.0%	\$110,989	\$114,318	\$117,748	\$121,280	\$124,919	\$128,666	\$132,526	\$136,502	\$140,597	\$144,815
Real Estate Taxes	2.0%	\$44,930	\$45,829	\$46,745	\$47,680	\$48,634	\$49,606	\$50,598	\$51,610	\$52,643	\$53,695
Property & Liability Insurance	3.0%	\$32,254	\$33,222	\$34,218	\$35,245	\$36,302	\$37,391	\$38,513	\$39,668	\$40,858	\$42,084
Other Taxes & Insurance	3.0%	\$20,540	\$21,157	\$21,791	\$22,445	\$23,118	\$23,812	\$24,526	\$25,262	\$26,020	\$26,801
Replacement Reserve	3.0%	\$20,159	\$20,764	\$21,386	\$22,028	\$22,689	\$23,370	\$24,071	\$24,793	\$25,536	\$26,303
<b>Total Expenses</b>		<b>\$395,255</b>	<b>\$406,290</b>	<b>\$417,640</b>	<b>\$429,313</b>	<b>\$441,320</b>	<b>\$453,669</b>	<b>\$466,371</b>	<b>\$479,436</b>	<b>\$492,874</b>	<b>\$506,696</b>

Management Fee is calculated as a percentage of EGI

<b>Net Operating Income</b>		<b>\$138,009</b>	<b>\$137,639</b>	<b>\$137,168</b>	<b>\$136,591</b>	<b>\$135,902</b>	<b>\$135,098</b>	<b>\$134,171</b>	<b>\$133,117</b>	<b>\$131,930</b>	<b>\$130,604</b>
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Debt Service Financing											
RIH First Mortgage		\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069
Mortgage Insurance Premium		\$2,133	\$2,092	\$2,050	\$2,007	\$1,961	\$1,913	\$1,863	\$1,812	\$1,757	\$1,701
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$106,201	\$106,161	\$106,119	\$106,075	\$106,030	\$105,982	\$105,932	\$105,880	\$105,826	\$105,770
Cash Flow		\$31,807	\$31,478	\$31,049	\$30,515	\$29,873	\$29,116	\$28,239	\$27,237	\$26,104	\$24,834
<b>Debt Coverage Ratio</b>		<b>1.30</b>	<b>1.30</b>	<b>1.29</b>	<b>1.29</b>	<b>1.28</b>	<b>1.27</b>	<b>1.27</b>	<b>1.26</b>	<b>1.25</b>	<b>1.23</b>

Cash Flow Financing											
	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Cash Flow Debt		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Remaining Cash Flow</b>		<b>\$31,807</b>	<b>\$31,478</b>	<b>\$31,049</b>	<b>\$30,515</b>	<b>\$29,873</b>	<b>\$29,116</b>	<b>\$28,239</b>	<b>\$27,237</b>	<b>\$26,104</b>	<b>\$24,834</b>

Proforma											
Pineview Apartments											

		Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Income	Trends	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Residential Affordable Income	2.0%	\$684,618	\$698,310	\$712,276	\$726,522	\$741,052	\$755,873	\$770,991	\$786,410	\$802,139	\$818,181
Residential Market Rate Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	2.0%	\$11,412	\$11,640	\$11,873	\$12,111	\$12,353	\$12,600	\$12,852	\$13,109	\$13,371	\$13,638
<b>Gross Project Income</b>		<b>\$696,030</b>	<b>\$709,950</b>	<b>\$724,149</b>	<b>\$738,632</b>	<b>\$753,405</b>	<b>\$768,473</b>	<b>\$783,842</b>	<b>\$799,519</b>	<b>\$815,510</b>	<b>\$831,820</b>
Vacancy Allowance Residential Affordable	6.6%	(\$45,185)	(\$46,088)	(\$47,010)	(\$47,950)	(\$48,909)	(\$49,888)	(\$50,885)	(\$51,903)	(\$52,941)	(\$54,000)
Vacancy Allowance Residential Market	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	7.0%	(\$799)	(\$815)	(\$831)	(\$848)	(\$865)	(\$882)	(\$900)	(\$918)	(\$936)	(\$955)
<b>Effective Gross Income</b>		<b>\$650,046</b>	<b>\$663,047</b>	<b>\$676,308</b>	<b>\$689,834</b>	<b>\$703,631</b>	<b>\$717,703</b>	<b>\$732,057</b>	<b>\$746,699</b>	<b>\$761,633</b>	<b>\$776,865</b>

**Expenses**

Administrative	3.0%	\$101,917	\$104,975	\$108,124	\$111,368	\$114,709	\$118,150	\$121,694	\$125,345	\$129,105	\$132,979
Management Fee	7.0%	\$45,503	\$46,413	\$47,342	\$48,288	\$49,254	\$50,239	\$51,244	\$52,269	\$53,314	\$54,381
Utilities	3.0%	\$71,522	\$73,668	\$75,878	\$78,154	\$80,499	\$82,914	\$85,401	\$87,963	\$90,602	\$93,320
Operations & Maintenance	3.0%	\$149,160	\$153,634	\$158,243	\$162,991	\$167,880	\$172,917	\$178,104	\$183,447	\$188,951	\$194,619
Real Estate Taxes	2.0%	\$54,769	\$55,865	\$56,982	\$58,122	\$59,284	\$60,470	\$61,679	\$62,913	\$64,171	\$65,455
Property & Liability Insurance	3.0%	\$43,347	\$44,647	\$45,986	\$47,366	\$48,787	\$50,251	\$51,758	\$53,311	\$54,910	\$56,558
Other Taxes & Insurance	3.0%	\$27,605	\$28,433	\$29,286	\$30,164	\$31,069	\$32,001	\$32,961	\$33,950	\$34,969	\$36,018
Replacement Reserve	3.0%	\$27,092	\$27,904	\$28,742	\$29,604	\$30,492	\$31,407	\$32,349	\$33,319	\$34,319	\$35,348
<b>Total Expenses</b>		<b>\$520,914</b>	<b>\$535,539</b>	<b>\$550,582</b>	<b>\$566,056</b>	<b>\$581,974</b>	<b>\$598,348</b>	<b>\$615,191</b>	<b>\$632,518</b>	<b>\$650,341</b>	<b>\$668,677</b>

Management Fee is calculated as a percentage of EGI

<b>Net Operating Income</b>		<b>\$129,132</b>	<b>\$127,508</b>	<b>\$125,726</b>	<b>\$123,778</b>	<b>\$121,657</b>	<b>\$119,355</b>	<b>\$116,866</b>	<b>\$114,181</b>	<b>\$111,291</b>	<b>\$108,188</b>
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**Debt Service Financing**

RIH First Mortgage		\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069
Mortgage Insurance Premium		\$1,642	\$1,581	\$1,516	\$1,449	\$1,380	\$1,307	\$1,231	\$1,151	\$1,069	\$982
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$105,711	\$105,649	\$105,585	\$105,518	\$105,448	\$105,376	\$105,300	\$105,220	\$105,138	\$105,051
Cash Flow		\$23,421	\$21,859	\$20,140	\$18,259	\$16,208	\$13,980	\$11,567	\$8,961	\$6,154	\$3,137
<b>Debt Coverage Ratio</b>		<b>1.22</b>	<b>1.21</b>	<b>1.19</b>	<b>1.17</b>	<b>1.15</b>	<b>1.13</b>	<b>1.11</b>	<b>1.09</b>	<b>1.06</b>	<b>1.03</b>

**Cash Flow Financing**

0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Cash Flow Debt		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Remaining Cash Flow</b>		<b>\$23,421</b>	<b>\$21,859</b>	<b>\$20,140</b>	<b>\$18,259</b>	<b>\$16,208</b>	<b>\$13,980</b>	<b>\$11,567</b>	<b>\$8,961</b>	<b>\$6,154</b>	<b>\$3,137</b>

Proforma											
Pineview Apartments											
		Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
Income	Trends	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063
Residential Affordable Income	2.0%	\$834,545	\$851,236	\$868,261	\$885,626	\$903,338	\$921,405	\$939,833	\$958,630	\$977,802	\$997,359
Residential Market Rate Income	2.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Income	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NH/Asst Living/Elderly Care	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	2.0%	\$13,911	\$14,189	\$14,473	\$14,763	\$15,058	\$15,359	\$15,666	\$15,980	\$16,299	\$16,625
<b>Gross Project Income</b>		<b>\$848,456</b>	<b>\$865,425</b>	<b>\$882,734</b>	<b>\$900,389</b>	<b>\$918,396</b>	<b>\$936,764</b>	<b>\$955,500</b>	<b>\$974,610</b>	<b>\$994,102</b>	<b>\$1,013,984</b>
Vacancy Allowance Residential Affordable	6.6%	(\$55,080)	(\$56,182)	(\$57,305)	(\$58,451)	(\$59,620)	(\$60,813)	(\$62,029)	(\$63,270)	(\$64,535)	(\$65,826)
Vacancy Allowance Residential Market	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Commercial	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Allowance Other	7.0%	(\$974)	(\$993)	(\$1,013)	(\$1,033)	(\$1,054)	(\$1,075)	(\$1,097)	(\$1,119)	(\$1,141)	(\$1,164)
<b>Effective Gross Income</b>		<b>\$792,402</b>	<b>\$808,251</b>	<b>\$824,416</b>	<b>\$840,904</b>	<b>\$857,722</b>	<b>\$874,876</b>	<b>\$892,374</b>	<b>\$910,221</b>	<b>\$928,426</b>	<b>\$946,994</b>
<b>Expenses</b>											
Administrative	3.0%	\$136,968	\$141,077	\$145,309	\$149,669	\$154,159	\$158,783	\$163,547	\$168,453	\$173,507	\$178,712
Management Fee	7.0%	\$55,468	\$56,578	\$57,709	\$58,863	\$60,041	\$61,241	\$62,466	\$63,715	\$64,990	\$66,290
Utilities	3.0%	\$96,120	\$99,003	\$101,973	\$105,032	\$108,183	\$111,429	\$114,772	\$118,215	\$121,761	\$125,414
Operations & Maintenance	3.0%	\$200,458	\$206,472	\$212,666	\$219,046	\$225,617	\$232,386	\$239,357	\$246,538	\$253,934	\$261,552
Real Estate Taxes	2.0%	\$66,764	\$68,099	\$69,461	\$70,850	\$72,267	\$73,712	\$75,187	\$76,690	\$78,224	\$79,789
Property & Liability Insurance	3.0%	\$58,254	\$60,002	\$61,802	\$63,656	\$65,566	\$67,533	\$69,559	\$71,645	\$73,795	\$76,009
Other Taxes & Insurance	3.0%	\$37,098	\$38,211	\$39,358	\$40,538	\$41,754	\$43,007	\$44,297	\$45,626	\$46,995	\$48,405
Replacement Reserve	3.0%	\$36,409	\$37,501	\$38,626	\$39,785	\$40,979	\$42,208	\$43,474	\$44,778	\$46,122	\$47,505
<b>Total Expenses</b>		<b>\$687,539</b>	<b>\$706,943</b>	<b>\$726,904</b>	<b>\$747,440</b>	<b>\$768,566</b>	<b>\$790,300</b>	<b>\$812,659</b>	<b>\$835,662</b>	<b>\$859,328</b>	<b>\$883,676</b>
<i>Management Fee is calculated as a percentage of EGI</i>											
<b>Net Operating Income</b>		<b>\$104,864</b>	<b>\$101,308</b>	<b>\$97,511</b>	<b>\$93,464</b>	<b>\$89,156</b>	<b>\$84,577</b>	<b>\$79,715</b>	<b>\$74,559</b>	<b>\$69,098</b>	<b>\$63,319</b>
<b>Debt Service Financing</b>											
RIH First Mortgage		\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$104,069	\$60,707	\$0
Mortgage Insurance Premium		\$892	\$798	\$700	\$598	\$491	\$380	\$264	\$142	\$25	\$0
RIH Second Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$104,961	\$104,867	\$104,769	\$104,667	\$104,560	\$104,449	\$104,333	\$104,211	\$60,732	\$0
<b>Cash Flow</b>		<b>(\$97)</b>	<b>(\$3,559)</b>	<b>(\$7,258)</b>	<b>(\$11,202)</b>	<b>(\$15,404)</b>	<b>(\$19,872)</b>	<b>(\$24,618)</b>	<b>(\$29,652)</b>	<b>\$8,366</b>	<b>\$63,319</b>
<b>Debt Coverage Ratio</b>		<b>1.00</b>	<b>0.97</b>	<b>0.93</b>	<b>0.89</b>	<b>0.85</b>	<b>0.81</b>	<b>0.76</b>	<b>0.72</b>	<b>1.14</b>	<b>0.00</b>
<b>Cash Flow Financing</b>											
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Cash Flow Debt</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Remaining Cash Flow</b>		<b>(\$97)</b>	<b>(\$3,559)</b>	<b>(\$7,258)</b>	<b>(\$11,202)</b>	<b>(\$15,404)</b>	<b>(\$19,872)</b>	<b>(\$24,618)</b>	<b>(\$29,652)</b>	<b>\$8,366</b>	<b>\$63,319</b>

# Project Summary

## Pineview Apartments

Current Model Progress Date:

5/4/2021

RIH Program Type:

Rental Production

SOURCES	Total	Per Unit	Per NRSF
<b>Permanent Loans</b>			
RIH First Mortgage	\$ 2,000,000	\$ 50,000	\$ 68.20
RIH Second Mortgage	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -
<b>Total Loans</b>	<b>\$ 2,000,000</b>	<b>\$ 50,000</b>	<b>\$ 68.20</b>
<b>Equity</b>			
LIHTC Proceeds	\$ 4,440,768	\$ 111,019	\$ 151.43
Fed. Historic Tax Credit Proceeds	\$ -	\$ -	\$ -
General Partner Capital	\$ 100	\$ 3	\$ 0.00
State Historic TC Proceeds	\$ -	\$ -	\$ -
Deferred Developer Fee	\$ 737,134	\$ 18,428	\$ 25.14
<b>Total Equity</b>	<b>\$ 5,178,002</b>	<b>\$ 129,450</b>	<b>\$ 176.57</b>
<b>Grants</b>			
Building Homes Rhode Island	\$ 4,640,000	\$ 116,000	\$ 158.23
HOME	\$ 1,459,000	\$ 36,475	\$ 49.75
Housing Trust Fund	\$ 515,000	\$ 12,875	\$ 17.56
Capital Magnet Fund	\$ 625,000	\$ 15,625	\$ 21.31
None	\$ -	\$ -	\$ -
<b>Total Grants</b>	<b>\$ 7,239,000</b>	<b>\$ 180,975</b>	<b>\$ 246.85</b>
<b>TOTAL SOURCES</b>	<b>\$ 14,417,002</b>	<b>\$ 360,425</b>	<b>\$ 491.63</b>

USES	Total	Per Unit	Per NRSF
Acquisition	\$ 1,240,000	\$ 31,000	\$ 42.28
Construction	\$ 8,556,142	\$ 213,904	\$ 291.77
Contingency	\$ 598,930	\$ 14,973	\$ 20.42
Soft Costs	\$ 1,398,222	\$ 34,956	\$ 47.68
Financing	\$ 916,995	\$ 22,925	\$ 31.27
<b>Replacement Cost</b>	<b>\$ 12,710,289</b>	<b>\$ 317,757</b>	<b>\$ 433.43</b>
Base Developer Fee	\$ 756,000	\$ 18,900	\$ 25.78
<b>Approved Cost</b>	<b>\$ 13,466,289</b>	<b>\$ 336,657</b>	<b>\$ 459.21</b>
Incentive Developer Fee	\$ 701,833	\$ 17,546	\$ 23.93
<b>TDC Net of Reserves</b>	<b>\$ 14,168,122</b>	<b>\$ 354,203</b>	<b>\$ 483.14</b>
Operating Reserve	\$ 203,451	\$ 5,086	\$ 6.94
Replacement Reserve	\$ 15,000	\$ 375	\$ 0.51
Tax + Insurance	\$ 30,429	\$ 761	\$ 1.04
Lease-up Reserve	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
<b>TDC Including Reserves</b>	<b>\$ 14,417,002</b>	<b>\$ 360,425</b>	<b>\$ 491.63</b>
<b>TOTAL USES</b>	<b>\$ 14,417,002</b>	<b>\$ 360,425</b>	<b>\$ 491.63</b>
Total Hard Costs incl. Contingency	\$ 9,155,072	\$ 228,877	\$ 312.19
Year 1 Operating Expenses	\$ 300,380	\$ 7,509	\$ 10.24
	<b>Total</b>	<b>Per Unit</b>	<b>per NRSF</b>
<b>PROJECT SURPLUS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### UNDERWRITER ASSUMPTIONS

Debt Service Coverage Ratio	1.15	
Syndication Credit Detail:	\$482,740 per year at \$0.920 per Credit	
First Year of Operations/Pro Forma Yr. 1	2024	
Number of Units (Total)	40	
<b>Type Detail</b>	<b>Market</b>	<b>LIHTC</b>
SRO/EFF	0	0
1 Bedroom	0	5
2 Bedrooms	0	35
3 Bedrooms	0	0
4 Bedrooms	0	0
5 Bedrooms	0	0
<b>Totals by Type</b>	<b>0</b>	<b>40</b>

Mortgage (Yes or No)?	Yes
Risk Sharing (Yes or No)?	Yes
Historic Credits (Yes or No)?	No
Mortgage Interest Rate	4.250%
Mortgage Term	40
Second Mortgage Not Applicable	
Financing Status is Tax Exempt	
Loan to Value	64%
<b>Vacancy Rates</b>	
Residential Market Rate	0.00%
Residential Affordable Rate	6.60%
Commercial Market Rate	0.00%
NH/Assisted/Congregate Market Rate	0.00%

