

Instruction

[Project Name]

Current Model Progress Date: 1/0/1900

Input

01_1 General Data: General Project information, including:

*Note: users can navigate through the sheet using the buttons on top of the page.

1. General Data: project information, property information, first mortgage, construction loan, owner/borrower information.
 - a. Please fill out MIP in cell K16 as "0%" if there is no MIP.
 - b. If there is more than 1 address, please enter a "primary" address in this section and the rest in the "Acquisition" section.
2. Building Information/Configuration: number of buildings, amenities, square footage summary, utilities.
3. Equity Pay-in: project milestone dates, together with the equity pay-in schedule
 - a. Please fill out all the expected dates of the milestones even if an equity payment is not associated with the milestone. These dates will trigger calculations throughout the model.
4. Trending Assumption: input income and expense trend percentages as well as vacancy rates for underwriting
 - a. If it is necessary to modify the trending assumption differently for individual years (rather than using the same trending rate), please use the button "Modify Yearly Trending Assumption".
5. Absorption Schedule: units occupied in the lease-up / pre-stabilization period, commercial and other income occupied percentage
 - a. Please note that in the first year, the months before lease up date will be automatically grayed out.
 - b. Please enter the total expected affordable / market units count for each month.
6. Development Team Information: input development team information
7. Acquisition: building/address list, census tract, QCT/Opportunity Zone identification, information on existing debt
8. Throughout the model, Construction Loan and Bridge Loan is the same thing.

02_1 Income: input rental, commercial and other income information

1. Rental income: bedroom type, number of units, targeted AMI, net rent
2. Commercial, other income: units, net square footage
3. Utilities table: enter different utility types, cost per each bedroom type and utilities data year

02_2 Expense: input projected expenses and comparable / historical expenses

1. Projected expenses: input expenses to be used in underwriting. Input expenses from the Appraisal
2. For other projections, first choose between "Historical" and "Comparable" in the drop down. For existing properties, you will want to input their historical expenses.
 - a. Please fill out all information - property name, number of units, projection year
 - b. The Revenue and Net Income/Debt service section will not require an input for comparable data.
 - c. Use button "Add a Projection" in order to add additional columns as needed.
3. Section "Comparison" utilizes the average of Comparable/Historical projections.
 - a. The "Historical" comparison section will appear if "Rehabilitation" or "New Construction and Rehabilitation" is chosen for Development Type in the General Data page.
 - b. All comparison will be trended to the Underwritten year.

02_3 Sources: input fund sources for the project

1. In the "Debt" section, the first two lines is defaulted to be RHH First Mortgage and RHH Second Mortgage.
2. When listing each Debt, please use the drop down, identify whether if it's debt service / cash flow, and what is the percentage of cash flow going to that certain debt.

02_4_Uses: input all development costs for the project

1. Please make sure to choose a Construction type using the drop down. For projects with only one construction type, only one column will be populated.
2. Please enter Residential and Commercial uses in separate columns.
3. Columns allow the user to identify which costs are eligible for Acquisition Credits, for New Construction / Rehab Credits, HOME eligible basis, and for tax-exempt bond deals, the aggregate basis plus land.
4. Note that the Construction Costs will flow from the detailed schedules on tab "03_1_Construction Costs"

02_5 LIHTC Proceeds: input calculation for total LIHTC Proceeds

1. Total Eligible Uses will automatically flow from tab "02_4_Uses"
2. Select the appropriate Census Tract factor of 100% or 130% using the drop down.
3. Tax Credit Percentage will be automatically 9% for New/Rehab credit if 9% is chosen in the General data tab. Otherwise, it will be a manual input.
4. Enter investor percentage (i.e. 99.99%) and price per credit accordingly.

03_1 Construction Cost: input each line item under construction cost

1. Different construction types come directly from uses page. For projects with only one construction type, only one column will be populated.

03_2 Construction Schedule: input construction draw schedule during the Construction period, including each source and expense line items

1. Enter the expected Construction period (in months) and click the "Show Construction months timeline" button.
2. Button "Compact Schedule" is to hide the rows that are not necessary. Button "Decompact Schedule" is to show all the rows.
 - a. For example, not all Sources line items are filled out, or not all Expenses line items will be filled out. These could be hidden to compact the schedule.

03_3 Amortizations

1. This tab is used to calculate amortization for each loan.
2. Please fill out the first payment date for each applicable loan.

03_4 NH-Assisted Living Data: input income / expense for Nursing home / Assisted living as applicable

1. This tab will only appear when "Nursing Home", "Assisted Living" or "Congregate Care" is chosen in General data tab.

04_2 Pre-Stabilization

1. Fill out expected expenses for each month during the pre-stabilization period.
 - a. The button "Paste Monthly trending PAR" is used to auto-populate the Expense as a guideline.
 - b. The default model will have formulas for all Expense line items. However, the user can overwrite those formulas if need be.

04_3 Reserves

1. Fill out inflated annual needs from Capital Needs Assessment

Output

04_1 Pro Forma

1. The pro forma projects DSCR and cash flow over a 40-year term.
2. The first year of the pro forma will be the first full stabilized year.

04_2 Pre-Stabilization

1. This is a pro forma to serve the pre-stabilization period to assist in calculating the cash flow generated during this period.
2. This pro forma runs from the beginning of lease-up and can continue up to three years.
3. Rental Income and vacancy reflected on this tab flow from the Absorption schedule in the General Data tab.

04_3 Reserves

1. This page tracks the reserve balance each year and measures the reserve balance against projected annual repairs.

