

DRAFT

Townhomes at Carver Park

Low-Income Housing Tax Credit Financial Analysis
September 17, 2021

**Townhomes at Carver Park
PROJECT ASSUMPTIONS**

PROJECT INFORMATION

Partnership	Townhomes at Carver Park
County	Milwaukee
Number of Units	122
LP Formation	2022 4
Construction Start	2022 4
Construction Period	16
Operations	2023 10
Starting Month of Depreciation	10
Starting Month of Lease-Up	10
Absorption Rate (Mos.)	6
Credit % - 30% PV	4.00%
Credit % - 70% PV	9.00%
Qualified Census Tract	115.00%
LIH Credit Reserved	\$ 1,012,051
Project Cost	\$ 20,014,324
First Mortgage	5,895,238
HACM Seller Note	4,460,000
GP Equity	100
LIHTC Equity	9,411,133
Deferred Dev Fee	247,854

FINANCING ASSUMPTIONS

Construction Loan- Lender Amount	\$ 12,646,733
Construction Loan - NEED	\$ 12,646,733
Interest rate	4.00%
Term (months)	24
First Mortgage	\$ 5,895,238
Interest Rate	4.95%
Amortization (years)	35
Term (years)	35
Start Month	7
Start Year	2022
HACM Seller Note	\$ 4,460,000
Interest Rate	2.750%
Amortization (years)	50
Term (years)	50
Start Month	7
Start Year	2022
GP Equity	\$ 100
Deferred Developer Fee	\$ 247,854
Interest Rate	0.00%

SYNDICATION INFORMATION

Limited Partner's Capital Contribution				Percent of Ownership	
Entry Date:	Year	2022		General Partner	0.01%
	Month	4		Limited Partner	99.99%
	Day	15		Total	100.00%
State LIHTC Equity		0		Cash Flow Distribution	
Federal LIHTC Equity		\$ 9,411,133		General Partner	0.01%
Total Investor Capital		9,411,133		Limited Partner	99.99%
				Total	100.00%
Investor Federal Tax Rate		21.00%		Income, Loss & Credits	
1st Contribution	Date:	04/15/2022		General Partner	0.0100%
Closing	S LIHTC	\$ -		Limited Partner	99.99%
10.00%	F LIHTC	\$ 941,113		Total	100.00%
	Total	941,113		State Historic Tax Credits	
2nd Contribution	Date:	10/15/2023		General Partner	0.0100%
Completion	S LIHTC	\$ -		Limited Partner	99.99%
75.00%	F LIHTC	\$ 7,058,350		Total	100.00%
	Total	7,058,350		Federal Historic Tax Credits	
3rd Contribution	Date:	04/01/2024		General Partner	0.0100%
Stabilization	S LIHTC	\$ -		Limited Partner	99.99%
10.00%	F LIHTC	\$ 941,113		Total	100.00%
	Total	941,113		Sale Proceeds Distribution	
4th Contribution	Date:	07/01/2024		General Partner	90.00%
Stabilization	S LIHTC	\$ -		Limited Partner	10.00%
5.00%	F LIHTC	\$ 470,557		Total	100.00%
	Total	470,557			
Price Per Credit					
Federal Low Income Housing		\$ 0.9300			
WI Low Income Housing		\$ -			
Developer Fee Pay-in Schedule		1,213,680			
1st Contribution	Date:	04/15/2022			
Closing	20%	\$ 242,736			
2nd Contribution	Date:	10/15/2023			
Completion	31%	379,020			
3rd Contribution	Date:	04/01/2024			
Stabilization	10%	121,368			
4th Contribution	Date:	07/01/2024			
Stabilization	39%	470,557			

OPERATING EXPENSES

	Total	Per Unit	
Administrative	\$ 97,380	798	
Maintenance	255,510	2,094	
Operating	251,740	2,063	
Real Estate Taxes	54,712	448	
	<u>659,342</u>	<u>5,404</u>	
Replacement Reserve	36,600	300	
Property Management Fee	6% 51,240	420	PUPM
Total	<u>747,182</u>	<u>6,124</u>	\$ 510.37

Annual Operating Exp. Increase	3.00%
Annual Real Estate Tax Increase	3.00%
Annual Management Fee Increase	3.00%
Annual Reserve Increase	10.00% Indexed every 5 years
Interest rate on reserves	0.00%

CASH FLOW DISTRIBUTION

LP Asset Management Fee	\$ 5,000	3% / yr
Cash Flow Debt	50%	
GP Partnership Management Fee	100%	of remaining cash flow, non accruing

RENTAL INCOME

Number of Bedrooms	Units	AMI Set Aside %	Type	SF per Unit	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Total Monthly Rent
2 Bedroom	16	60%	LIHTC Only	1,034	853	119	972	13,648
3 Bedroom	35	60%	LIHTC Only	1,381	1,054	134	1,188	36,890
3 Bedroom	20	MKT	MKT	1,381	1,106	134	1,240	22,120
3 Bedroom	8	30%	RAD	1,381	566	134	700	4,528
3 Bedroom	8	40%	RAD	1,381	566	134	700	4,528
3 Bedroom	12	50%	RAD	1,381	566	134	700	6,792
3 Bedroom	7	60%	RAD	1,381	566	134	700	3,962
4 Bedroom	10	60%	RAD	1,427	634	155	789	6,340
5 Bedroom	6	60%	RAD	1,748	736	171	907	4,416
Total	122	45.90%		165,592				103,224

Applicable Fraction 83.61% 83.32%

Base Gross Residential Rent	\$ 1,238,688		
Commercial Income-\$10/ft	0		
Rent Increases	2.000%		
Other Income Increases	2.000%		
Residential Vacancy Loss	5.00%		
Commerical Vacancy Loss	25.00%		
EGI	1,190,814		
		Annually	PUPM
Other Income (Miscellaneous)	\$ 1,100	\$	0.75
Other Income (Late Fees)	9,200		6.28
Other Income (Sales & Service Tenants)	4,500		3.07
Total Other Income	\$ 14,800.0	\$	10.11

SOURCES OF FUNDS	Construction	Post Construction	Permanent							
First Mortgage	\$ -	\$ 5,895,238	\$ 5,895,238							
HACM Seller Note	4,460,000	-	4,460,000							
GP Equity	100	-	100							
Federal LIHTC Equity	941,113	8,470,020	9,411,133							
Deferred Dev Fee	-	247,854	247,854	17.0%						
Construction Loan	12,646,733	(12,646,733)	-							
Total Sources Of Funds	\$ 18,047,947	\$ 1,966,378	\$ 20,014,324							
USES OF FUNDS	Total Construction	Post Construction	Total Permanent	Building 27.5 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 15 Yr/SL	Amortization	Non Depreciable/ Amortizable	9.0% Eligible Basis	
Acquisition & Site Costs										
Land Costs/Acquisition Costs	1,350,000	-	1,350,000					1,350,000		
Building Acquisition	8,250,000	-	8,250,000					-	8,250,000	
Construction Costs										
Residential Construction	4,685,000	-	4,685,000	4,685,000	-	-	-	-	4,685,000	
General Requirements 5%	234,250	-	234,250	234,250	-	-	-	-	234,250	
Contractor Overhead 2%	98,385	-	98,385	98,385	-	-	-	-	98,385	
Contractor Profit 5%	250,882	-	250,882	250,882	-	-	-	-	250,882	
Construction Contingency 10%	526,852	-	526,852	526,852	-	-	-	-	526,852	
Personal Property	75,000	-	75,000	75,000	-	-	-	-	75,000	
Engineering & Architectural										
Architect: Design	244,000	-	244,000	244,000	-	-	-	-	244,000	
Engineering	106,000	-	106,000	106,000	-	-	-	-	106,000	
Survey	30,000	-	30,000	30,000	-	-	-	-	30,000	
Construction Interest & Fees										
Insurance - Builders Risk	40,000	-	40,000	40,000	-	-	-	-	40,000	
Construction Interest	685,000	-	685,000	545,760	-	-	-	139,239	545,760	
Construction Loan Origination 1%	126,467	-	126,467	126,467	-	-	-	-	126,467	
Construction Loan Documentation Fees	15,000	-	15,000	15,000	-	-	-	-	15,000	
Construction Period Taxes	54,627	-	54,627	54,627	-	-	-	-	54,627	
Inspection Fees	15,000	-	15,000	15,000	-	-	-	-	15,000	
Permanent Financing										
Perm Loan Origination Fee 1.5%	88,429	-	88,429	-	-	-	88,429	-		
Title and Recording	35,000	-	35,000	-	-	-	-	-	35,000	
Perm Loan Application Fee	500	-	500	-	-	-	500	-		
Soft Costs										
Market Study	10,000	-	10,000	10,000	-	-	-	-	10,000	
Appraisal	10,000	-	10,000	10,000	-	-	-	-	10,000	
Environmental Reports	5,000	-	5,000	5,000	-	-	-	-	5,000	
Tax Credit Fees	108,705	-	108,705	-	-	-	108,705	-		
Rent-Up Marketing	2,000	-	2,000	-	-	-	-	2,000		
Capital Needs Assessment	25,000	-	25,000	25,000	-	-	-	-	25,000	
Accounting	40,029	-	40,029	40,029	-	-	-	-	40,029	
Cost Certification	15,000	-	15,000	15,000	-	-	-	-		
Consulting	120,086	-	120,086	120,086	-	-	-	-	120,086	
Residential Relocation costs \$ 3,557	434,000	-	434,000	434,000	-	-	-	-	434,000	
Legal Fees - Real Estate	73,000	-	73,000	73,000	-	-	-	-	73,000	
Legal Fees - Miscellaneous	50,000	-	50,000	50,000	-	-	-	-	50,000	
Syndication Costs										
Organization (Partnership)	2,000	-	2,000	-	-	-	2,000	-		
Developer Fees / Reserves										
Developer Fee	242,736	1,218,798	1,461,534	1,461,534	-	-	-	-	1,461,534	
Replacement Reserve	-	196,600	196,600					196,600		
Operating and DS Reserve - 6 months	-	550,980	550,980					550,980		
Total Uses Of Funds	\$ 18,047,947	\$ 1,966,378	\$ 20,014,324	\$ 9,290,872	\$ -	\$ -	\$ 199,634	\$ 2,238,819	\$ 17,560,872	

ACQUISITION CREDIT	
Acquisition price	9,600,000
Less: Land & other non-depreciable costs	(1,350,000)
Less: Existing Reserves	-
Adjusted Eligible Basis	<u>8,250,000</u>
Qualified Census Tract Adjustment	100.00%
Eligible Basis	<u>8,250,000</u>
Applicable Fraction (Low Inc. %)	83.32%
Qualified Basis	<u>6,873,937</u>
Credit Percentage (30% PV)	<u>4.00%</u>

Potential Annual Credit **274,957**

CONSTRUCTION / REHAB CREDIT	
Eligible Building Basis	17,560,872
Less: Acquisition Credit	(8,250,000)
Less: Federal HTC - Residential	-
Adjusted Eligible Basis	<u>9,310,872</u>
Qualified Census Tract Adjustment	115.00%
Eligible Basis	<u>10,707,502</u>
Applicable Fraction (Low Inc. %)	83.32%
Qualified Basis	<u>8,921,539</u>
Credit Percentage (30% PV)	<u>9.00%</u>

Potential Annual Credit **802,939**

LIH CREDIT ANALYSIS		LIH Credit
Annual LIH Credit Calculated		1,077,896
Annual LIH Credit Reserved		<u>1,012,051</u>
Minimum Credit or Allocation		1,012,051
Total Tax Credit		10,120,510
Investor Percentage		<u>99.99%</u>
Tax Credits for Syndication		10,119,498
Price per Credit		<u>0.9300</u>
Federal LIHTC Equity Raised		9,411,133
Total Equity Raised		9,411,133

Townhomes at Carver Park
FORECAST OF NET CASH FLOW FROM OPERATIONS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	TOTAL	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
Income																	
Rental Income	2.0% \$ 1,238,688	\$ 1,263,462	\$ 1,288,731	\$ 1,314,506	\$ 1,340,796	\$ 1,367,612	\$ 1,394,964	\$ 1,422,863	\$ 1,451,320	\$ 1,480,347	\$ 1,509,954	\$ 1,540,153	\$ 1,570,956	\$ 1,602,375	\$ 1,634,423	\$ 21,421,148	
Less: Vacancy	7.0% (86,708)	(88,442)	(90,211)	(92,015)	(93,856)	(95,733)	(97,647)	(99,600)	(101,592)	(103,624)	(105,697)	(107,811)	(109,967)	(112,166)	(114,410)	(1,499,480)	
Other Income	2.0% 14,800	15,096	15,398	15,706	16,020	16,340	16,667	17,001	17,341	17,687	18,041	18,402	18,770	19,145	19,528	255,943	
Less: Vacancy	7.0% (1,036)	(1,057)	(1,078)	(1,099)	(1,121)	(1,144)	(1,167)	(1,190)	(1,214)	(1,238)	(1,263)	(1,288)	(1,314)	(1,340)	(1,367)	(17,916)	
Effective Gross Income		1,165,744	1,189,059	1,212,840	1,237,097	1,261,839	1,287,075	1,312,817	1,339,073	1,365,855	1,393,172	1,421,035	1,449,456	1,478,445	1,508,014	1,538,174	20,159,694
Expenses																	
Operating Expenses		604,630	622,769	641,452	660,696	680,516	700,932	721,960	743,619	765,927	788,905	812,572	836,949	862,058	887,920	914,557	11,245,461
Real Estate Taxes		54,712	56,353	58,044	59,785	61,579	63,426	65,329	67,289	69,308	71,387	73,528	75,734	78,006	80,346	82,757	1,017,584
Management Fee		51,240	52,777	54,361	55,991	57,671	59,401	61,183	63,019	64,909	66,857	68,862	70,928	73,056	75,248	77,505	953,008
Reserve for Replacement	3.0%	36,600	37,698	38,829	39,994	41,194	42,429	43,702	45,013	46,364	47,755	49,187	50,663	52,183	53,748	55,361	680,720
Total Operating Expenses		747,182	769,597	792,685	816,466	840,960	866,189	892,174	918,940	946,508	974,903	1,004,150	1,034,275	1,065,303	1,097,262	1,130,180	13,896,774
Net Operating Income		418,562	419,461	420,155	420,631	420,879	420,887	420,643	420,134	419,347	418,269	416,885	415,181	413,142	410,752	407,994	6,262,921
Debt Service																	
First Mortgage		354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	5,321,666
Total Debt Service		354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	354,778	5,321,666
DCR		1.18	1.18	1.18	1.19	1.19	1.19	1.19	1.18	1.18	1.18	1.18	1.17	1.16	1.16	1.15	
Cash Flow		63,784	64,683	65,377	65,853	66,101	66,109	65,865	65,356	64,569	63,491	62,107	60,404	58,364	55,974	53,217	941,254
Asset Management Fee	5,000	5,000	5,000	5,000	5,000	5,500	5,500	5,500	5,500	5,500	5,500	6,050	6,050	6,050	6,050	6,050	82,750
Cash Flow		58,784	59,683	60,377	60,853	61,101	60,609	60,365	59,856	59,069	57,991	56,057	54,354	52,314	49,924	47,167	858,504
Deferred Developer Fee*																	
Payment	247,854	58,784	59,683	60,377	60,853	8,156	-	-	-	-	-	-	-	-	-	-	247,854
Current Balance		189,070	129,386	69,009	8,156	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Available		-	-	-	-	52,945	60,609	60,365	59,856	59,069	57,991	56,057	54,354	52,314	49,924	47,167	610,650
Debt Service- Soft Loans	4,460,000																
HACM Seller Note	2.75%	-	-	-	-	52,945	60,609	60,365	59,856	59,069	57,991	56,057	54,354	52,314	49,924	47,167	610,650
Total Debt Service- Soft Loans		-	-	-	-	52,945	60,609	60,365	59,856	59,069	57,991	56,057	54,354	52,314	49,924	47,167	610,650
Net Cash Flow for GP Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP Partnership Management Fee	90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash Flow for Distribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Partner	0.01%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Limited Partner	99.99%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Annual Expense	Expense per Unit 122	% Gross Potential Rent
Administrative			
Management Fee	51,240	485.71	4.1%
Administrative	97,380	798.20	7.9%
Subtotal Administrative	148,620	1,218.20	12.0%
Maintenance:			
Misc Maintenance & Operating Expense	255,510	2,094.34	20.6%
Subtotal Maintenance	255,510	2,094.34	20.6%
Operating:			
Gas	4,000	32.79	0.3%
Electric	10,000	81.97	0.8%
Utilities	140,000	1,147.54	11.3%
Property and Liability Insurance	82,125	673.16	6.6%
Payroll	10,125	82.99	0.8%
Subtotal Operating	246,250	2,018.44	19.9%
Real Estate Taxes:	54,712	1,142.86	4.4%
Total Annual Expenses	710,582	5,824.44	57.4%
Tax Credit Monitoring Expense	5,490	45.00	0.4%
Replacement Reserve:	36,600	300.00	3.0%
Total Annual Expenses w/Reserves	747,182	6,124.44	60.3%
PUPM		510.37	

Starting Year Operations 2023
Starting Month Lease-Up 10
Gross Monthly Other Income \$ 82,322

Unit	Rent Level	Square Feet	Monthly Rent	Units	'023 Jan	'023 Feb	'023 Mar	'023 Apr	'023 May	'023 Jun	'023 Jul	'023 Aug	'023 Sep	'023 Oct	'023 Nov	'023 Dec	'023 Total
2 Bedroom	60%	1,034	\$ 853	16	-	-	-	-	-	-	-	-	4	-	4	-	8
3 Bedroom	60%	1,381	\$ 1,054	35	-	-	-	-	-	-	-	-	4	-	4	-	8
3 Bedroom	MKT	1,381	\$ 1,106	20	-	-	-	-	-	-	20	-	-	-	-	-	20
3 Bedroom	30%	1,381	\$ 566	8	-	-	-	-	-	-	-	-	2	2	-	-	4
3 Bedroom	40%	1,381	\$ 566	8	-	-	-	-	-	-	-	-	-	2	-	-	2
3 Bedroom	50%	1,381	\$ 566	12	-	-	-	-	-	-	-	-	-	2	-	-	2
3 Bedroom	60%	1,381	\$ 566	7	-	-	-	-	-	-	-	-	-	2	-	2	4
4 Bedroom	60%	1,427	\$ 634	10	-	-	-	-	-	-	-	-	-	-	-	2	2
5 Bedroom	60%	1,748	\$ 736	6	-	-	-	-	-	-	-	-	-	-	-	2	2
				122													52
LI					-	-	-	-	-	-	-	-	10	18	26	32	
Mkt					-	-	-	-	-	-	20	20	20	20	20	20	
Total					-	-	-	-	-	-	20	20	30	38	46	52	

Year	Low Inc. Units	All Units	Low Inc SF	All Unit SF	Rehab Rent	Other Income
January	-	-	-	-	-	-
February	-	-	-	-	-	-
March	-	-	-	-	-	-
April	-	-	-	-	-	-
May	-	-	-	-	-	-
June	-	-	-	-	-	-
July	-	20	-	27,620	22,120	202
August	-	20	-	27,620	22,120	202
September	10	30	12,422	40,042	29,748	283
October	18	38	23,470	23,470	29,748	283
November	26	46	33,130	33,130	37,376	364
December	32	52	42,242	42,242	37,376	364
	5.87%	14.07%	5.60%	9.77%	178,488	1,698

'024 Jan	'024 Feb	'024 Mar	'024 Apr	'024 May	'024 Jun	'024 Jul	'024 Aug	'024 Sep	'024 Oct	'024 Nov	'024 Dec	'024 Total
-	-	1	-	-	2	-	2	3	-	-	-	8
2	2	2	-	-	2	-	-	2	5	2	-	27
-	-	-	-	-	-	-	-	-	-	-	-	-
2	1	1	-	-	-	-	-	-	-	-	-	-
-	-	1	2	2	-	-	1	-	-	-	-	6
-	-	-	2	2	-	-	1	2	-	-	-	10
-	-	-	-	-	2	1	-	-	-	-	-	3
-	-	-	-	-	1	3	-	-	-	-	-	4
-	-	-	-	-	-	2	-	-	-	-	-	2
36	39	44	48	52	59	65	69	76	81	83	102	
20	20	20	20	20	20	20	20	20	20	20	20	
56	59	64	68	72	79	85	89	96	101	103	122	

Year	Low Inc. Units	All Units	Low Inc. SF	All Unit SF	Total Rent	Other Income
January	36	56	47,766	75,386	17,711	392
February	39	59	51,909	79,529	19,861	412
March	44	64	58,467	86,087	22,882	443
April	48	68	63,991	91,611	22,882	443
May	52	72	69,515	97,135	22,882	443
June	59	79	78,534	106,154	26,772	485
July	65	85	87,692	115,312	26,772	485
August	69	89	92,522	120,142	28,512	505
September	76	96	101,148	128,768	33,272	557
October	81	101	108,053	135,673	38,648	608
November	83	103	110,815	138,435	40,798	629
December	102	122	137,972	165,592	51,549	732
	51.50%	67.90%	50.75%	67.43%	352,541	6,135

