

**Static Proforma**

Income and Expense Analysis	Total \$	\$/PSF		Assumptions/Remarks
		Net Rentable		
<b>INCOME</b>				
Residential Rent - Market	\$ 696,000			Based on recent market survey rates per s.f. 7 studios and 3 1bdrms at 50% AMI with parking not included Unbundled parking within overall market rent Net Rentable Residential incl. Parking
Residential Rent - Affordable	\$ 61,056			
Parking Revenue	\$ 30,600			
<b>Total Residential Revenue</b>	\$ 787,656	\$ 16.94		
Retail Revenue	\$ 290,952	\$ 27.00		Per s.f. of rentable retail
<b>Total Revenue</b>	\$ 1,078,608	\$ 18.83		
Scheduled Gross Income	\$ 1,078,608			
(Less) Vacancy/Collection Loss	\$ (107,861)			10%
<b>Effective Gross Income</b>	\$ 970,747	\$ 16.95		Net Rentable Residential + Retail
<b>EXPENSES</b>				
Real Estate Taxes	\$ 174,209			1.25% of Tot. Proj Costs
Operating Expense	\$ 194,149			20% of EGI
Management Fee	\$ 48,537			5% of EGI
Insurance	\$ 29,122			3% of EGI
Reserves	\$ 29,122			3% of EGI
Marketing	\$ 29,122			3% of EGI
<b>Total Expense</b>	\$ 504,263	\$ 8.81		Net Rentable Residential + Retail*
<b>NOI BEFORE DEBT SERVICE</b>	\$ 466,484	\$ 8.15		Net Rentable Residential + Retail

Project Costs	Total \$	\$/PSF		Assumptions/Remarks	Eligible Basis - Total Residential	
		GBA or Land			% of Tot.	Amount
<b>LAND ACQUISITION</b>						
Land Purchase	\$ 428,000	\$ 12.68		per SF Land \$328k for Lot 6 and \$100k for 2 bldgs per S.A. appraisals		
Cost of Sale	\$ 4,280	\$ 0.13		1%		
<b>Total Land Acquisition</b>	\$ 432,280	\$ 12.81		per SF Land		
<b>HARD COSTS</b>						
Hardscape/Landscape	\$ 168,750	\$ 5.00		per SF Land	86%	\$ 145,715
Demolition	\$ 35,000					
On-site Improvements : DPU **	\$ 250,000	\$ 7.41		per SF Land per DH in DPU	86%	\$ 215,875
On-site Improvements : Fire Dept **	\$ -	\$ -		per SF Land	86%	\$ -
On-site Improvements : FMFCD **	\$ 2,462	\$ 0.07		per SF Land	86%	\$ 2,126
On-site Improvements : PW **	\$ -	\$ -		per SF Land	86%	\$ -
Off-site Improvements	\$ -	\$ -		per SF Land	N/A	
Building Costs - Apartments	\$ 7,395,000	\$ 93.67		\$ 145,000 per Unit	100%	\$ 7,395,000
Building Costs - Retail Core/Shell	\$ 700,440	\$ 8.87		\$ 65.00 per SF Retail	N/A	
Building Costs - Retail TI's	\$ 215,520	\$ 2.73		\$ 20.00 per SF Retail	N/A	
Parking **	\$ 765,000	\$ 9.69		\$ 15,000 per space	100%	
Contingency	\$ 953,217	\$ 12.07		10% of Tot. Hard Costs		\$ 775,872
<b>Total Hard Costs</b>	\$ 10,485,389	\$ 132.82				\$ 8,534,587
<b>SOFT COSTS</b>						
A&E	\$ 524,269	\$ 6.64		5% of Tot. Hard Costs		\$ 426,729
Building Plan Check Fees and Permits	\$ 524,269	\$ 6.64		5% of Tot. Hard Costs		\$ 426,729
Regional Transport Mitigation Fees	\$ 73,400	\$ 0.93		from estimate dated 11/25/14	86%	\$ 63,381
Impact Fees: Water Connection **	\$ 6,561	\$ 0.08			86%	\$ 5,665
Impact Fees: Sewer Connection **	\$ 15,630	\$ 0.20			86%	\$ 13,496
Impact Fees: Citywide/Regional **	\$ 495,270	\$ 6.27			86%	\$ 427,665
Impact Fees: "Other" **	\$ 200,000	\$ 2.53			86%	\$ 172,700
Soft Cost Contingency	\$ 91,970	\$ 1.17		5% of Tot. Soft Costs		\$ 76,818
<b>Total Soft Costs</b>	\$ 1,931,370	\$ 24.47				\$ 1,613,184
Developer Supervision	\$ 317,421	\$ 4.02		3% of Tot. Hard+Soft less Contingency		\$ 273,671
<b>Total Hard + Soft Costs</b>	\$ 12,734,180	\$ 161.31				\$ 10,421,443
<b>FINANCING COSTS</b>						
Loan Amount	\$ 9,874,845			75% LTC incl. Land		
Interest Rate				4.5%		
Construction Period				24 Months		
Loan Carry				70%		
Financing Cost	622,115					
Loan Fee	\$ 148,123			1.5%		
<b>Total Financing Costs</b>	\$ 770,238	\$ 9.76				
<b>TOTAL PROJECT COSTS</b>	\$ 13,936,698	\$ 176.54				

Estimated Project Development Gap		Assumptions/Remarks
Net Operating Income	\$ 466,484	
Required Return on Cost	6.6%	
yields a supportable value of	\$ 7,067,946	developer threshold is 7.5% adjusted by KMA for tax-exempt financing
Less: Total Project Costs	\$ (13,936,698)	
PROJECT (GAP)/SURPLUS Before Tax Credit	\$ (6,868,753)	
+ MHP Grant	\$ 1,900,000	per city staff
+ MHP Affordable Housing Loan	\$ 1,283,069	per KMA
+ Tax Credit	\$ 694,763	see calculation below
Land Donation from City	\$ 432,280	
Developer Equity	\$ 1,400,000	
Measure C TOD	\$ 711,085	
Impact Fee Waivers	\$ 495,270	
<b>ADJUSTED PROJECT (GAP)/SURPLUS</b>	\$ 47,714	
Gap as % of Total Project Costs	-0.3%	
Implied Unassisted Return on Cost	3.3%	

Tax Credit Calculation	
Eligible Tax Basis	\$ 2,043,420.17
40% Tax Credit (Total)	\$ 817,368
15% Likely Placement Cost	\$ (122,605)
<b>TAX CREDIT (NET)</b>	\$ 694,763

\* These are general ratios for residential without tenant recovery. Any additional costs for retail assumed to be recovered from retail NNN tenants  
 \*\* These line items appear to not be included in the KMA Proforma for their Off-Site Parking scenario