

Financing Request

July 28, 2022

Wake County Equitable Housing & Community Development Division
Attention: Mark Perlman

City of Raleigh Housing & Neighborhood Department Community Development Corporation
Attention: Maria Dewes, Multifamily Coordinator

Re: New Bern Crossings, 3312 & 3600 New Bern Avenue, Raleigh, NC 27610
Owner: Harmony Housing, LLC (501 C3)
Developer: Greystone Affordable Development and Haven Ventures

The memorandum outlines the request for additional financing for the development of New Bern Crossings, a new construction project of 192-unit affordable housing community proposed in Southeast Raleigh along the New Bern Avenue Bus Rapid Transit corridor. The project has received a 4% LIHTC allocation from NCHFA as well as subordinate financing from both The City of Raleigh and Wake County.

Consistent with the broader overall market, the deal has experienced funding gaps due to a rising construction cost and interest rate environment. The development team has worked diligently to reduce the gap.

Actions Taken to Reduce Gap:

1. **Increased Volume Cap:** Inducement resolution from the Raleigh Housing Authority amending the volume cap from \$20 million to \$28 million to support the additional costs associated with construction costs.
2. **Change in Construction Costs:** The City Department of Transportation confirmed that the required improvements along Hillcrest would be immaterial. Additionally, the development team general contractor has received firmer estimates on the construction costs and the proposed costs are \$24.85 million which is approximately \$710K less than the estimate provided in 1Q22.
3. **Updated Market Study:** The development team engaged a new market study based on the new 2022 rents. Annual GPR increased by approximately \$335,000. Please note that there are no proposed changes to the unit mix, set asides, or targeted tenant base. Overall, the property maintains a healthy discount to the market rents.

The development team will submit a project update to NCHFA outlining the revised market study, proposed rent increases, and a revised financial analysis with the additional County and City funding. Please note that there no changes made to the unit mix or set asides, or the targeted tenant base which includes 40 Wake County PB vouchers that target homeless and formerly homeless households. As evidenced by the chart below the property will continue to maintain a healthy discount to the market rents.

Unit Type	AMI %	#Units	REVISED Pro Forma Rent	REVISED Market Study	Pro Forma vs. Market
1 BR/1 BA	30%	9	\$ 457	\$ 1,255	36.4%
1 BR/1 BA PBV	60%	10	\$ 1,028	\$ 1,255	81.9%
1 BR/1 BA	60%	53	\$ 1,028	\$ 1,255	81.9%
2 BR/1 BA	30%	6	\$ 532	\$ 1,519	35.0%
2 BR/1 BA PBV	60%	20	\$ 1,217	\$ 1,519	80.1%
2 BR/1 BA	60%	55	\$ 1,217	\$ 1,519	80.1%
3 BR/2 BA	30%	4	\$ 582	\$ 1,705	34.1%
3 BR/2 BA PBV	60%	10	\$ 1,376	\$ 1,705	80.7%
3 BR/2 BA	60%	25	\$ 1,376	\$ 1,705	80.7%
		192	\$ 1,114	\$ 1,458	76.4%

Unit Type	AMI %	#Units	ORIG. Pro Forma Rent	ORIG. Market Study	Pro Forma vs. Market
1 BR/1 BA	30%	9	\$ 418	\$ 985	42.4%
1 BR/1 BA PBV	60%	10	\$ 890	\$ 985	90.4%
1 BR/1 BA	60%	53	\$ 890	\$ 985	90.4%
2 BR/1 BA	30%	6	\$ 484	\$ 1,174	41.2%
2 BR/1 BA PBV	60%	20	\$ 1,050	\$ 1,174	89.4%
2 BR/1 BA	60%	55	\$ 1,050	\$ 1,174	89.4%
3 BR/2 BA	30%	4	\$ 525	\$ 1,406	37.3%
3 BR/2 BA PBV	60%	10	\$ 1,208	\$ 1,406	85.9%
3 BR/2 BA	60%	25	\$ 1,208	\$ 1,406	85.9%
		192	\$ 968	\$ 1,150	84.3%

4. **Additional Financing Requests:** The development team is requesting the following to close the remaining gap and advance the project forward:

- a. **AHDP Loan Increase:** An additional \$1.9 million from Wake County under the Affordable Housing Development Program which would bring the aggregate loan amount to \$4.15 million. The Wake County loan would remain below the City of Raleigh subordinate loan amount of \$4.25 million.
- b. **City Land Acquisition:** The City to acquire the land through an assignment of the existing purchase contract and execute a long-term ground lease with the developer. If the City acquires the land this would reduce the total development costs by \$1.944 million (\$1.8 million plus \$144K of extension fees).

New Bern Crossings will be transformative to this section of the New Bern Avenue corridor and will provide much needed housing to the City of Raleigh. We appreciate the continued partnership from both The City of Raleigh and Wake County.

Sincerely,

Kenya Pleasant
 Title: Senior Director of Development
 Greystone Affordable Development

Encl: Revised Financial Analysis

Cc:
 Larry Jarvis, City of Raleigh
 Lamont Taylor, City of Raleigh
 Erika Brandt, City of Raleigh
 Alicia Arnold, Wake County
 Kelly Baraldi, Wake County

New Bern Crossings NC

GENERAL INFO

Portfolio Transaction	No
Number of Properties	1
Units	192
Subsidy %	21%
Non Rev Units	1
Basis Boost Type	N/A
Opportunity Zone	N
Income Designation	High
Geographic Region	Metro
Type	New Construction
Targeted Population	Family

UNDERWRITING ASSUMPTIONS

Vacancy	7.0%
DSCR - 1st	1.29
DSCR - 1st + 2nd	1.15
DSCR - Yr 20 (All in)	1.24
LIHTC Price - Fed:	\$0.93
LIHTC Price - State:	N/A
LIHTC Rate (9%):	N/A
LIHTC Rate (4%):	4.00%
Total Annual Tax Credits:	\$ 1,581,154

CONSTRUCTION ASSUMPTIONS

Hard Cost / Unit:	\$ 129,408
Contingency %:	5%

OPERATING EXPENSE

Operating Expense / Unit:	\$ 4,556
Replacement Reserves (PUPY):	\$ 250

RENT & FINANCING ASSUMPTIONS

Avg Current Rent:	\$ -
Avg Market Rent:	\$ 1,458
Avg LIHTC Rent	\$ 1,173
Avg Pro Forma Rent:	\$ 1,114
New Loan Type:	Citi
UW Interest Rate:	5.600%
Loan Term (Yrs)	15

NOTES

Underwriting Assumptions

- 1) New Construction with 4% Credits in Raleigh, NC
- 2) Hard Costs as of June 2022
- 3) 40 units will be PSH units (30% AMI units; allowable rents of up to 60% AMI with voucher subsidy)
- 4) 19 additional units will be set-aside at 30% AMI with true 30% rents
- 4) Perm funding \$4.15MM from Wake County (AHDP) is underwritten with repayments at a 1% interest rate
- 5) Soft funding \$4.25MM from City of Raleigh is underwritten with Cash Flow repayments, terms TBD

Other:

- Operating Expenses include \$95,000 in Supportive Services Coordinator expense salary
-
-

SOURCES AND USES
4% TEB & Mortgage - Citi
New Bern Crossings

Sources of Funds:	Construction	Permanent
Constrx Tax Exempt Bond	21,890,000	-
Constrx Bridge Loan	9,764,630	
Permanent Debt (Citi)		20,400,000
Mortgage - AHDP	4,150,000	4,150,000
Mortgage - Soft (City of Raleigh)	4,250,000	4,250,000
TC Equity - Federal	7,351,633	14,703,265
Direct Equity		-
Investment Income		-
1% Delivery Assurance Fee		-
Deferred Developer Fee		785,939
TOTAL SOURCES	47,406,263	44,289,204
Uses of Funds:		
Constrx Bridge - Prepayment	5,490,152	
Acquisition Costs	283,750	283,750
Construction Costs	36,458,935	36,458,935
Financing & Legal Costs	2,697,160	2,697,160
Soft Costs	1,050,666	1,050,666
Developer Fee	1,296,000	2,592,000
Project Reserves	129,600	1,206,693
TOTAL USES	47,406,263	44,289,204
(GAP)/SURPLUS	(1)	-

**New Bern Crossings
Unit Mix / Rents**

Subsidy

Category	Project-Based	Tenant-Based	Total
Sec 521	0	0	0
Sec 8	0	0	0
HUD PBV	0	0	0
HUD PBRA	0	0	0
Other (PSH PBV)	40	0	40
Total	40	0	40
% Total Units	20.94%	0.00%	20.94%

UNIT MIX SUMMARY

TYPE	30%	PBV	50%	60%	80%	TOTAL
1BR/1BA	9	10		53		72
2BR/1BA	6	20		55		81
2BR/2BA						0
3BR/2BA	4	10		25		39
Total	19	40	0	133	0	192
%	10%	20.83%	0.00%	69%	0.00%	

SIZE	TYPE	MIX	NON REV UNITS	REV UNITS
1 BR/1 BA	Garden	9	0	9
1 BR/1 BA PBV	Garden	10	0	10
1 BR/1 BA	Garden	53	1	52
2 BR/1 BA	Garden	6	0	6
2 BR/1 BA PBV	Garden	20	0	20
2 BR/1 BA	Garden	55	0	55
3 BR/2 BA	Garden	4	0	4
3 BR/2 BA PBV	Garden	10	0	10
3 BR/2 BA	Garden	25	0	25
-	-	0	0	0
-	-	0	0	0
-	-	0	0	0
		192	1	191

SIZE	AMI %	MIX	PRO FORMA RENT	LIHTC MAX (Net)	UTIL ALLOWANCE	LIHTC MAX (Gross)	Pro Forma vs. LIHTC
1 BR/1 BA	30%	9	\$ 457	\$ 481	\$ 120	\$ 601	95.01%
1 BR/1 BA PBV	60%	10	\$ 1,028	\$ 1,083	\$ 120	\$ 1,203	94.92%
1 BR/1 BA	60%	53	\$ 1,028	\$ 1,083	\$ 120	\$ 1,203	94.92%
2 BR/1 BA	30%	6	\$ 532	\$ 560	\$ 162	\$ 722	95.00%
2 BR/1 BA PBV	60%	20	\$ 1,217	\$ 1,282	\$ 162	\$ 1,444	94.93%
2 BR/1 BA	60%	55	\$ 1,217	\$ 1,282	\$ 162	\$ 1,444	94.93%
3 BR/2 BA	30%	4	\$ 582	\$ 613	\$ 221	\$ 834	94.94%
3 BR/2 BA PBV	60%	10	\$ 1,376	\$ 1,448	\$ 221	\$ 1,669	95.03%
3 BR/2 BA	60%	25	\$ 1,376	\$ 1,448	\$ 221	\$ 1,669	95.03%
-	0%	0	\$ -	\$ -	\$ -	\$ -	0.00%
-	0%	0	\$ -	\$ -	\$ -	\$ -	0.00%
-	0%	0	\$ -	\$ -	\$ -	\$ -	0.00%
		192	\$ 1,114	\$ 1,173	\$ 158	\$ 1,331	94.95%

Gross Potential Rent (incl NR Unit)

Current	Pro Forma
\$ -	\$ 213,832
\$ -	\$2,565,984

Monthly
Annual

SIZE	AMI %	MIX	PRO FORMA RENT	FMR	Appraisal	Market Study	Pro Forma vs. Market
1 BR/1 BA	30%	9	\$ 457	\$ 1,073	\$ 1,255	\$ 1,255	36.41%
1 BR/1 BA PBV	60%	10	\$ 1,028	\$ 1,073	\$ 1,255	\$ 1,255	81.91%
1 BR/1 BA	60%	53	\$ 1,028	\$ 1,073	\$ 1,255	\$ 1,255	81.91%
2 BR/1 BA	30%	6	\$ 532	\$ 1,223	\$ 1,519	\$ 1,519	35.02%
2 BR/1 BA PBV	60%	20	\$ 1,217	\$ 1,223	\$ 1,519	\$ 1,519	80.12%
2 BR/1 BA	60%	55	\$ 1,217	\$ 1,223	\$ 1,519	\$ 1,519	80.12%
3 BR/2 BA	30%	4	\$ 582	\$ 1,517	\$ 1,705	\$ 1,705	34.13%
3 BR/2 BA PBV	60%	10	\$ 1,376	\$ 1,517	\$ 1,705	\$ 1,705	80.70%
3 BR/2 BA	60%	25	\$ 1,376	\$ 1,517	\$ 1,705	\$ 1,705	80.70%
		192	\$ 1,114	\$ 1,226	\$ 1,458	\$ 1,458	76.40%

New Bern Crossings

Finance Summary

3312 & 3600 New Bern Avenue

Raleigh NC 27610

Wake County

PRO FORMA CASH FLOW (Post Rehab)			
		Per Unit	
Gross Potential Income	\$ 2,565,984	\$ 13,365	
Non Revenue Unit	(12,336)	(64)	
Other Income - Apartments	19,200	100	
Other Income - Non-Apartments	-	-	
Gross Income	2,572,848		
Vac/Bad Debt 7.00%	(178,755)	(931)	
Effective Gross Income	\$ 2,394,093	\$ 12,469	
Operating Expenses	(874,808)	(4,556)	
RR Transfer	(48,000)	(250)	
Net Operating Income	\$ 1,471,285	\$ 7,663	
Debt Service			
New Debt (Perm+AHDP)	24,550,000	(1,279,378)	(6,663)
Assumed Debt	-	-	-
Net Cash Flow	\$ 191,907	\$ 1,000	
Debt Service Summary			
Deferred Developer Fee	785,939	(191,907)	(1,000)
Mortgage - Soft (City of R)	4,250,000	-	-
	-	-	-
	-	-	-
	-	-	-
NET CASH FLOW	\$ -	\$ -	

PERMANENT FUNDING SOURCES									
FUNDING SOURCES - Equity			BASIS	FED	CREDIT	AF			
			POINT	DATE	PRICE				
Federal LIHTC - 9%	<i>Jan-21</i>	N		9.00%	\$0.93	100%		-	0.00%
Federal LIHTC - 4%	<i>Jan-21</i>	N		4.00%	\$0.93	100%	14,703,265	33.20%	
State LIHTC	<i>Jan-21</i>	N		4.00%	\$0.00	100%		-	0.00%
Direct Equity Investment								-	0.00%
Owner Investment								-	0.00%
Other								-	
Other								-	
Other								-	
Other								-	
FUNDING SOURCES			AMORTIZING?	START DATE	RATE	AMORT TERM	DSCR	LTV %	DOLLARS
New Debt Sources:			28,800,000						
Mortgage - Citi	Yes	06/01/25	5.60%	35	1.29	72.86%	20,400,000	1,330,696	
Mortgage - AHDP	Yes	12/01/22	1.00%	30	1.15	87.68%	4,150,000		
Mortgage - Soft (City of R)	No	12/01/22	1.00%	30			4,250,000		
Assumed Debt Sources			-						
FUNDING SOURCES - Other								DOLLARS	
Other - Grant 1								-	
Other - Grant 2								-	
Other - Grant 3								-	
Other - Grant 4								-	
Other - Investment Income								-	
Other - Additional Cash								-	
1% Delivery Assurance Fee								-	
Deferred Developer Fee		<i>Paid in full - yr. 5</i>					785,939.00		30.32% of Total Fee
Gap in funds:								-	TDC = \$44,289,204.00

New Bern Crossings Development Budget

DEVELOPMENT COST ITEMS	PAYEE	TOTAL	LIHTC BASIS		ELIGIBLE BASIS		AGGREGATE BASIS		COMMENTS	
			Eligible	Ineligible	Acquisition	Rehab	Good Cost	Bad Cost		
ACQUISITION COSTS										
Land		0.00%	-	-	-	-	-	-	UW assumes Ground Lease	
Building Improvements			-	-	-	-	-	-		
Other (NET ASSETS)			-	-	-	-	-	-		
Land Use Attorney	Morning Star		4,750.00	4,750.00	-	4,750.00	-	4,750.00	per TFE 10.25.21 (anticipated)	
Title Insurance & Recording Fees			144,000.00	-	144,000.00	-	-	144,000.00	\$5 / Thousand	
Real Estate Attorney - Acquisition	WBD		135,000.00	121,500.00	13,500.00	121,500.00	-	121,500.00	Estimate	
			Subtotal	283,750.00						
PRE-DEVELOPMENT COSTS										
Controlled Inspections	TBD		112,444.00	-	112,444.00	-	-	-	Estimate -Soils, Foundations, Energy Star + Army Corp	
Market Study	NCHFA,Bowen,+1		6,450.00	6,450.00	-	-	6,450.00	6,450.00	NCHFA + Bowen MS + TR Brown	
Zoning - Planning Board	City of Raleigh		188.00	188.00	-	-	188.00	188.00	Actual Expense per Invoices	
CNA/ UA Study	Zeffert		1,340.00	1,340.00	-	-	1,340.00	1,340.00	2020 report + 21.22 updates	
Topographical Survey	Partner		13,550.00	13,550.00	-	-	13,550.00	13,550.00	Partner Topo Survey Proposal 5/3/2021	
Water Flow Testing & Analysis	TBD		3,000.00	3,000.00	-	-	3,000.00	3,000.00	GAD Estimate	
Environmental Report	ECS		16,900.00	16,900.00	-	-	16,900.00	16,900.00	ECS Phase 1 + Phase 2	
Traffic Impact Analysis	RKA		19,250.00	-	19,250.00	-	-	-	RKA Quote \$17.5k + 10% Contingency	
ALTA Survey	Partner		21,000.00	21,000.00	-	-	21,000.00	21,000.00	Partner Quote - 8/11/20	
Appraisal	Crown		6,900.00	6,900.00	-	-	6,900.00	6,900.00	GAD Estimate - Land + Lender	
LIHTC App Fee & Processing Fee	NCHFA		2,800.00	-	2,800.00	-	-	2,800.00	21 QAP \$1400 PreApp, \$1400 FullApp	
Bond App Fee	Raleigh Housing		2,500.00	-	2,500.00	-	-	2,500.00	per McGuire Woods email 10/13	
CityofRaleigh/WakeCo App Fee	City of Raleigh		200.00	-	200.00	-	-	200.00	per RFP / Application	
Civil Design / Development	McAdams		255,750.00	255,750.00	-	-	255,750.00	255,750.00	McAdams Proposal 7/22/2020 + CO + ASR Resubmission fee	
Geotech	ECS		15,930.00	15,930.00	-	-	15,930.00	15,930.00	Estimate per Constrx	
			Subtotal	478,202.00						
CONSTRUCTION COSTS										
Off-Site Improvements			-	-	-	-	-	-		
On-Site Improvements (eligible)			3,100,000.00	2,308,177.00	791,823.00	-	2,308,177.00	2,308,177.00	791,823.00	June 2022 estimate
Demolition (in Basis)			-	-	-	-	-	-		
Site Work			-	-	-	-	-	-		
Security Upgrades/Improvements		\$0	150,000.00	150,000.00	-	-	150,000.00	150,000.00		
Add'l Hard Costs (per unit)		\$0	-	-	-	-	-	-		
Constrx - New Bldgs (per unit)		\$129,408	24,846,299.00	24,846,299.00	-	-	24,846,299.00	24,846,299.00	June 2022 HC estimate	
Constrx - Accessory Bldgs (per unit)		\$0	-	-	-	-	-	-		
General Requirements (%)	TBD	6.00%	1,676,777.00	1,676,777.00	-	-	1,676,777.00	1,676,777.00	21 QAP pg 31; 6% of elig constrx costs	
Contractor Overhead (%)	TBD	2.00%	592,461.00	592,461.00	-	-	592,461.00	592,461.00	21 QAP pg 31; 2% of elig constrx costs	
Contractor Profit (%)	TBD	6.00%	1,777,384.00	1,777,384.00	-	-	1,777,384.00	1,777,384.00	21 QAP pg 31; 8% elig constrx cost + GR (6% if IOI)	
Water, Sewer, and Impact Fees		\$0	988,860.00	988,860.00	-	-	988,860.00	988,860.00	Impact/TAP + Building Permits + \$10,240	
Building Permits & Review Fees			81,218.00	81,218.00	-	-	81,218.00	81,218.00	Impact/TAP + Building Permits + \$10,240	
Builders Risk	Ross & Yerger		151,262.00	151,262.00	-	-	151,262.00	151,262.00	per R&Y Quote 6.15.22	
Bonding			333,643.00	333,643.00	-	-	333,643.00	333,643.00	100% P&P requirement per Citi LOI	
			Subtotal	33,697,904.00						
CONTINGENCY COSTS										
Hard Cost Contingency		5.0%	1,607,146.00	1,607,146.00	-	-	1,607,146.00	1,607,146.00	21 QAP p.32; 5% for New Constrx	
Soft Cost Contingency			52,283.00	-	52,283.00	-	-	-	Estimate; 5% minimum requirement per Citi	
			Subtotal	1,659,429.00						
ARCHITECTURE / ENGINEERING										
Interior Design	Focus ID		25,000.00	25,000.00	-	-	25,000.00	25,000.00		
Architect (Design %)	TKA	1.72%	478,400.00	478,400.00	-	-	478,400.00	478,400.00		
Architect (Supervision %) - 20%	TKA		120,000.00	120,000.00	-	-	120,000.00	120,000.00		
Other - Survey Update			-	-	-	-	-	-		
			Subtotal	623,400.00						
INTERIM FINANCE COSTS										
Construction Period Insurance	Ross & Yerger		57,868.00	57,868.00	-	-	57,868.00	57,868.00	per R&Y Quote 6.15.22	
Interest - Tax-Exempt Bonds	TBD		1,367,423.00	697,042.00	670,381.00	-	697,042.00	697,042.00	670,381.00	
Interest - Citi			-	-	-	-	-	-		
Interest - Bridge Loan	TBD		212,038.00	97,963.00	114,075.00	-	97,963.00	97,963.00	114,075.00	Citi to DEB + Bridge Loan during Constrx
Constrx Phase Loan Origination Fee	TBD		316,706.00	316,706.00	-	-	316,706.00	316,706.00	1% of TE&B Bridge Loan	
Construction Borrower Legal			-	-	-	-	-	-	Included in Acquisition section	
Taxes			10,000.00	-	10,000.00	-	-	-	Estimate Constrx Period - Tax Abatement @ Completion	
Constrx Monitoring Fee		\$1,200	28,800.00	28,800.00	-	-	28,800.00	28,800.00	Estimate - \$1,200/month x 24 months	
Construction Loan Title	TBD		-	-	-	-	-	-		
Construction Lender Legal			20,000.00	20,000.00	-	-	20,000.00	20,000.00	Estimate	
			Subtotal	2,012,835.00						

New Bern Crossings Development Budget

DEVELOPMENT COST ITEMS	PAYEE	TOTAL	LIHTC BASIS		ELIGIBLE BASIS		AGGREGATE BASIS		COMMENTS	
			Eligible	Ineligible	Acquisition	Rehab	Good Cost	Bad Cost		
PERMANENT FINANCE COSTS										
City of Raleigh Orig Fee	City of Ral	1.00%	42,500.00	-	42,500.00	-	-	-	42,500.00	City of Raleigh only; Citi Origination Fees Constrx Period
Forward Monitoring Fee			-	-	-	-	-	-	-	
Forward Standby Fee			-	-	-	-	-	-	-	
Legal Fees - Permanent Lender	TBD	\$50,000	50,000.00	-	50,000.00	-	-	-	50,000.00	Estimate Lender Legal Fees (some portion in app fee)
Title Updates & Recording Fees	TBD		2,500.00	-	2,500.00	-	-	-	2,500.00	GAD Estimate
Good Faith Deposit			-	-	-	-	-	-	-	N/A for Private Placement
Legal Fees - Raleigh/WakeCo.	TBD		50,000.00	-	50,000.00	-	-	-	50,000.00	Need True Estimates
Loan Application Fee	TBD		50,200.00	-	50,200.00	-	-	-	50,200.00	App. Conversion, Review&Set-up Fees per Citi LOI
			Subtotal		195,200.00					
BOND ISSUANCE COSTS										
Bond UW Fee & Expenses		0.000%	-	-	-	-	-	-	-	N/A for Private Placement
Bond Counsel	McGuire Woods	\$75,000	75,000.00	-	75,000.00	-	-	-	75,000.00	per McGuire Woods email 10/13
Bond Special Matters Counsel	Tiber Hudson	\$55,000	55,000.00	-	55,000.00	-	-	-	55,000.00	Probably do not need for Private Placement per Kristen Kerby
Issuer Counsel & Expenses	Charles Francis	\$55,000	55,000.00	-	55,000.00	-	-	-	55,000.00	Estimate - referenced in McGuire Woods
Issuer Fee	Raleigh Housing Authority	1.000%	218,900.00	-	218,900.00	-	-	-	218,900.00	per McGuire Woods email 10/13
Underwriting Administrative Expense	TBD	\$5,000	5,000.00	-	5,000.00	-	-	-	5,000.00	
Trustee Fee	TBD	\$6,000	6,000.00	-	6,000.00	-	-	-	6,000.00	Estimate 5/27/21
Trustee Legal	TBD	\$6,500	6,500.00	-	6,500.00	-	-	-	6,500.00	NCHFA Fee Schedule
Rebate Analyst / Dissemination Fee		\$500	500.00	-	500.00	-	-	-	500.00	Estimate 5/27/21
Financial Review Fee	Raleigh Housing	\$10,000	10,000.00	-	10,000.00	-	-	-	10,000.00	per McGuire Woods email 10/13 - review of bond app
Rating Agency Fee	Moody's	\$0	-	-	-	-	-	-	-	N/A for Private Placement
Bond Monitoring Fee	RHA	0.13%	54,725.00	-	54,725.00	-	-	-	54,725.00	Constrx Period Bond Monitoring Fee
Other (TEFRA, etc.)		0.00%	2,500.00	-	2,500.00	-	-	-	2,500.00	Bidding Agent/Verification
			Subtotal		489,125.00					
SOFT COSTS										
Housing Credit Allocation Fee	NCHFA	0.86%	339,949.00	-	339,949.00	-	-	-	339,949.00	21 QAP; 0.86% of QB at Full App sub + increased allocation
Compliance Monitoring Fee	NCHFA	\$1,220	234,240.00	-	234,240.00	-	-	-	234,240.00	21 QAP; \$1,220 per unit
Plan & Cost Review			7,500.00	7,500.00	-	-	7,500.00	7,500.00	-	GAD Estimate
Cost Certification / Accounting			13,000.00	13,000.00	-	-	13,000.00	13,000.00	-	Estimate per Carter CPAs (CostCert/TR) - no audit per TFE
Project Administration	TBD		1,000.00	-	1,000.00	-	-	-	1,000.00	
Fixtures / Furniture / Equipment			220,344.00	220,344.00	-	-	220,344.00	220,344.00	-	New Constrx Est 0.50% of TDC
Initial Marketing Expense		\$0	25,000.00	-	25,000.00	-	-	-	25,000.00	Estimate - Marketing & Branding
Syndicator Legal	TBD	1.0%	147,033.00	-	147,033.00	-	-	-	147,033.00	Estimate - 1% of TC Equity
Other Soft Costs	Rent-Up Expense		57,600.00	-	57,600.00	-	-	-	57,600.00	Estimate - not required for TEB
			Subtotal		1,045,666.00					
PARTNERSHIP COSTS										
Organizational - Partnership	SOS		5,000.00	-	5,000.00	-	-	-	5,000.00	GAD Estimate
Bridge Loan Fees & Expenses			-	-	-	-	-	-	-	
Legal Opinion			-	-	-	-	-	-	-	
Asset Management Fee		\$0	-	-	-	-	-	-	-	
			Subtotal		5,000.00					
DEVELOPER FEES										
Fee - New Construction		\$ 13,500	2,592,000.00	2,592,000.00	-	-	2,592,000.00	2,592,000.00	-	21 QAP p.31; \$13.5k per unit
Fee - Rehabilitation		0%	-	-	-	-	-	-	-	
Other / Developer's Overhead			-	-	-	-	-	-	-	
			Subtotal		2,592,000.00					
PROJECT RESERVES										
IDRR	Owner		-	-	-	-	-	-	-	
Operating Deficit Reserve	Owner		1,077,093.00	-	1,077,093.00	-	-	-	1,077,093.00	6months DS, OpEx (4month QAP requirement)
Rent-up Reserve	Owner		57,600.00	-	57,600.00	-	-	-	57,600.00	
Working Capital Reserve	Owner		-	-	-	-	-	-	-	
Deposit to Operating Account	Owner		72,000.00	-	72,000.00	-	-	-	72,000.00	Estimate - 12 months insurance
			Subtotal		1,206,693.00					

Total **\$ 44,289,204.00** | **\$ 39,655,108.00** | **\$ 4,634,096.00** | **\$ 126,250.00** | **\$ 39,528,858.00** | **\$ 39,799,108.00** | **\$ 4,490,096.00**
 Loan/TDC: 46.06% OK = TDC OK = Eligible Basis OK = TDC
 Per unit: \$230,672.94

New Bern Crossings Development Budget

DEVELOPMENT COST ITEMS	PAYEE	TOTAL	LIHTC BASIS		ELIGIBLE BASIS		AGGREGATE BASIS		COMMENTS
			Eligible	Ineligible	Acquisition	Rehab	Good Cost	Bad Cost	

New Bern Crossings Tax Credits and Depreciation

LIHTC Equity Calculations		Acquisition	Rehab	New Constr.
LIHTC Eligible Basis		0	0	39,528,858
less Federal Historic LIHTC			0	
less Comm Dev Block Grants		0		
Eligible Basis	\$39,528,858	0	0	39,528,858
x Applicable Fraction	100.0%	0	0	0
Basis Boost	0.0%		0	0
Equals Qualified Basis		\$ -	\$ -	\$ 39,528,858
Tax Credit Rate		4.000%	4.000%	4.000%
Annual Tax Credits by Type		0	0	1,581,154
Total Annual Tax Credits				\$ 1,581,154
Total Tax Credits (10 Years)				15,811,543
Federal Equity Price				0.9300
Federal LIHTC Equity Investment				\$ 14,704,735
GP share	Haven Dev	0.01%		\$1,470
LP share	TBD	99.99%		\$ 14,703,265
Annual Tax Credits (State)				0
Total Tax Credits (10 Years)				0
State Equity Price				0.0000
State LIHTC Equity Investment				\$ -
GP share	Haven Dev	100.00%		\$0
LP share	\$0	0.00%		\$ -

New Bern Crossings Pro Forma

Income Escalator	2.0%	Expenses Escalator	3.0%	Reserves Escalator	4.0%	PLS Date	6/1/2025
Asset Mgmt Fee / Unit	N/A	Total Asset Mgmt Fee	N/A	Asset Mgmt Fee Escalator	0.0%	Restricted Use Period (Yrs)	30

PROFORMA YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Gross Potential Income	2,565,984	2,617,304	2,669,650	2,723,043	2,777,504	2,833,054	2,889,715	2,947,509	3,006,459	3,066,588	3,127,920	3,190,478	3,254,288	3,319,374	3,385,761	3,453,477	3,522,546	3,592,997	3,664,857	3,738,154	3,812,917	3,889,176	3,966,959	4,046,298	4,127,224
Non Revenue Unit	(12,336)	(12,583)	(12,835)	(13,092)	(13,354)	(13,621)	(13,893)	(14,171)	(14,454)	(14,743)	(15,038)	(15,339)	(15,646)	(15,959)	(16,278)	(16,604)	(16,936)	(17,275)	(17,621)	(17,973)	(18,332)	(18,699)	(19,073)	(19,454)	(19,843)
Other Income - Apartments	19,200	19,584	19,976	20,376	20,784	21,200	21,624	22,056	22,497	22,947	23,406	23,874	24,351	24,838	25,335	25,842	26,359	26,886	27,424	27,972	28,531	29,102	29,684	30,278	30,884
Other Income - Non-Apartments	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
Gross Income	2,572,848	2,624,305	2,676,791	2,730,327	2,784,934	2,840,633	2,897,446	2,955,394	3,014,502	3,074,792	3,136,288	3,199,013	3,262,993	3,328,253	3,394,818	3,462,715	3,531,969	3,602,608	3,674,660	3,748,153	3,823,116	3,899,579	3,977,570	4,057,122	4,138,265
Vac/Bad Debt	(178,755)	(182,330)	(185,977)	(189,697)	(193,491)	(197,360)	(201,308)	(205,334)	(209,440)	(213,629)	(217,902)	(222,260)	(226,705)	(231,239)	(235,864)	(240,581)	(245,393)	(250,301)	(255,307)	(260,413)	(265,621)	(270,933)	(276,352)	(281,879)	(287,517)
Effective Gross Income	2,394,093	2,441,975	2,490,814	2,540,630	2,591,444	2,643,273	2,696,138	2,750,060	2,805,062	2,861,163	2,918,386	2,976,753	3,036,288	3,097,014	3,158,955	3,222,134	3,286,577	3,352,308	3,419,354	3,487,741	3,557,495	3,628,645	3,701,218	3,775,243	3,850,749
Operating Expenses	(874,808)	(901,052)	(928,084)	(955,927)	(984,605)	(1,014,143)	(1,044,567)	(1,075,904)	(1,108,181)	(1,141,426)	(1,175,669)	(1,210,939)	(1,247,267)	(1,284,685)	(1,323,226)	(1,362,923)	(1,403,811)	(1,445,925)	(1,489,303)	(1,533,982)	(1,580,001)	(1,627,401)	(1,676,223)	(1,726,510)	(1,778,305)
RR Transfer	(48,000)	(49,920)	(51,917)	(53,994)	(56,154)	(58,400)	(60,736)	(63,165)	(65,692)	(68,320)	(71,053)	(73,895)	(76,851)	(79,925)	(83,122)	(86,447)	(89,905)	(93,501)	(97,241)	(101,131)	(105,176)	(109,383)	(113,758)	(118,308)	(123,049)
Net Operating Income	1,471,285	1,491,003	1,510,813	1,530,709	1,550,685	1,570,730	1,590,835	1,610,991	1,631,189	1,651,417	1,671,664	1,691,919	1,712,170	1,732,404	1,752,607	1,772,764	1,792,861	1,812,882	1,832,810	1,852,628	1,872,318	1,891,861	1,911,237	1,930,425	1,949,404
Debt Service																									
Mortgage - Citi	(1,142,400)	(1,142,400)	(1,142,400)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)	(1,330,696)
Mortgage - AHDP	(136,978)	(154,124)	(171,350)	(355)	(17,725)	(35,156)	(52,639)	(70,166)	(87,729)	(105,318)	(122,925)	(140,538)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)	(160,176)
Assumed Debt	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
Net Cash Flow	191,907	194,479	197,063	199,658	202,263	204,878	207,500	210,129	212,764	215,402	218,043	220,685	221,297	241,531	261,734	281,891	301,988	322,009	341,937	361,755	381,446	400,989	420,364	439,552	458,531
Deferred Developer Fee	5	14																							
Mortgage - Soft (City of Raleigh)	24	30																							
Remaining Cash Flow	0	0	0	0	18,716	20,488	20,750	21,013	21,277	21,540	21,804	22,068	22,129	24,153	26,174	28,189	30,199	32,201	34,194	36,176	38,145	40,099	42,036	215,791	458,531
Investor Dividend / AM Fee	4/1/2025	10.00%																							
GP Cash Flow	0	0	0	0	16,845	18,439	18,675	18,912	19,149	19,386	19,624	19,861	19,916	21,738	23,556	25,370	27,179	28,981	30,774	32,558	34,330	36,089	37,833	194,212	412,678
1st Mortgage Debt Coverage Ratio	1.2879	1.31	1.32	1.1503	1.17	1.18	1.20	1.21	1.23	1.24	1.26	1.27	1.29	1.30	1.32	1.33	1.35	1.36	1.38	1.39	1.41	1.42	1.44	1.45	1.46
1st + 2nd Mortgage DSCR	1.150	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.16	1.18	1.19	1.20	1.22	1.23	1.24	1.26	1.27	1.28	1.29	1.31
Add'l Debt Paydown																									
Deferred Developer Fee	Rate	Amount																							
Mortgage - Soft (City of Raleigh)	1.0%	785,939																							
	1.0%	4,250,000																							
Total Remaining Balance	4,892,473	4,744,974	4,593,390	4,437,670	4,296,664	4,153,397	4,006,313	3,855,369	3,700,521	3,541,726	3,378,942	3,212,128	3,043,090	2,853,969	2,644,593	2,414,800	2,164,441	1,893,379	1,601,492	1,288,672	954,825	599,874	223,761	0	0