

MYRTLE VILLAGE Updated Project Budgets		Rec'd by CPC staff 29 August 2013		
CURVE ST	7 UNITS			
Newton, MA				
29-Aug-13				
DEVELOPMENT BUDGET		<i>Per Unit</i>	<i>Total</i>	<i>Development Assumptions</i>
Hard Costs				
Acquisition		147,429	1,032,000	12 Curve St:\$400K mgt balance; 20 Curve St @ \$632K value
Sitework / Utilities/landscape		8,000	56,000	estimate based on drawings
Construction - new units		72,500	507,500	3,500sf @ \$145/sf - estimate based on drawings
Rehabilitation - existing units		106,779	747,450	4,530sf @ \$165/sf - estimate based on drawings
Contingency (5%-new; 15%-rehab)		19,642	137,493	40B guidelines
Sub-Total Hard Costs		354,349	2,480,443	
Soft Costs				
Surveys & Permits/peer review		4,286	30,000	estimate
Architecture & Engineering		16,857	118,000	contract
Legal, Title & Recording		3,571	25,000	estimate
Accounting & Cost Certification		714	5,000	estimate
Civil/Environmental /Geotech Engineering		2,143	15,000	estimate
Project Manager		10,714	75,000	contract
Finance Fees		1,000	7,000	1% of construction loan + DHCD application fees
Taxes		1,602	11,213	estimate based on existing taxes
Insurance		1,857	13,000	estimate
Relocation benefits-allowance		857	6,000	estimate
Construction Loan Interest		2,286	16,000	loan @ 6% for 8 mo (after CPA/CDBG funds)
Lease-up reserve		1,429	10,000	estimate
Rent up & Marketing		1,714	12,000	estimate
Appraisal/Market Study/reports		714	5,000	estimate
Development consultants		3,571	25,000	contract
Soft Cost Contingency		10,346	72,422	5% of soft costs per 40B guidelines
Developer Overhead & Fee		21,647	151,526	8% TDC less acquisition - 40B guidelines
Cost Certification Bond		0	0	not required - small project
Sub-Total Soft Costs		85,309	597,161	
TOTAL DEVELOPMENT COSTS		439,658	3,077,604	
DEVELOPMENT SOURCES				
Permanent Loan		84,535	591,746	1.25 debt coverage ratio-5.30% - 25 yr term
Developer Equity (20 Curve St)		90,286	632,000	assessed value of house
CPA funds		130,026	910,179	
CDBG funds		86,383	604,679	
HOME funds		48,429	339,000	
TOTAL DEVELOPMENT SOURCES		439,658	3,077,604	

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OPERATING BUDGET									
Number of Units:		7							
RENTAL REVENUES		Units	gross rent	Utility Allowance	net rent	OPERATING PRO-FORMA		Annually	
Assumptions:						Gross Rental Income		\$106,320.00	
Affordable 1BR @ 50%AMI		1	945	171	774	(less) Vacancy and Bad Debt		-\$7,442.40	
Affordable 2 BR @ 70% AMI		2	1487	254	1,233	Effective Rental Income		\$98,877.60	
CPA 2BR @ 85% AMI		2	1806	254	1,552	Other Income-parking		\$0.00	
Affordable 3BR @ 50% AMI		1	1180	335	845	Other Income -fees		\$0.00	
CPA 3BR @ 85% AMI		1	2006	335	1,671	Total Income		\$98,877.60	
						(less) Annual Operating Expenses		-\$45,660.00	
						NET OPERATING INCOME		\$53,217.60	
TOTAL UNITS		7				Debt coverage ratio @ 1.25			
Other Income - garages/carports/storage		0	0			Available to service debt		\$42,574.08	
Other Income - Fees		0							
Vacancy & Bad Debt		7.0%				Maximum mortgage @ 5.30% - 25 yrs		\$591,746.00	
Assumed annual rates of change:									
Annual Operating Expenses		3.0%							
Real Estate Taxes		2.5%							
Income Growth		2.0%							
PROJECTED OPERATING EXPENSES			Total	Per Unit					
MANAGEMENT FEE			3,360	480					
ADMINISTRATION			14,000	2,000					
MAINTENANCE			12,000	1,714					
UTILITIES (common areas only)			3,000	429					
REPLACEMENT RESERVE			2,100	300					
TAXES			8,200	1,171					
INSURANCE			3,000	429					
MONITORING FEE			0	0					
TOTAL OPERATING EXPENSES			45,660	6,523					
NOTES:									
affordable rents @ HUD 2013 limits calculated using DHCD methodology, eg. 70% income = 50% x 1.4: 85% inc = 50% x1.7									
vacancy/bad debt using MHP guidelines									
total operating expenses using MHP guidelines plus NCDF experience									
taxes estimated using NOI /cap rate of 6.4% x tax rate									

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CURVE ST											
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10-YEAR OPERATING PROJECTIONS											
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ANNUAL RENTAL INCOME											
Affordable 1BR @ 50%AMI	1	9,288	9,474	9,663	9,856	10,054	10,255	10,460	10,669	10,882	11,100
Affordable 2 BR @ 70% AMI	2	29,592	30,184	30,788	31,403	32,031	32,672	33,325	33,992	34,672	35,365
CPA 2BR @ 85% AMI	2	37,248	37,993	38,753	39,528	40,318	41,125	41,947	42,786	43,642	44,515
Affordable 3BR @ 50% AMI	1	10,140	10,343	10,550	10,761	10,976	11,195	11,419	11,648	11,881	12,118
CPA 3BR @ 85% AMI	1	20,052	20,453	20,862	21,279	21,705	22,139	22,582	23,033	23,494	23,964
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Tenant Rental Contribution	7	106,320	108,446	110,615	112,828	115,084	117,386	119,734	122,128	124,571	127,062
Other Income - Parking		0	0	0	0	0	0	0	0	0	0
Other Income - fees+ tower		0	0	0	0	0	0	0	0	0	0
GROSS RENTAL INCOME		106,320	108,446	110,615	112,828	115,084	117,386	119,734	122,128	124,571	127,062
(less) Vacancy and Bad Debt	7%	(7,442)	(7,591)	(7,743)	(7,898)	(8,056)	(8,217)	(8,381)	(8,549)	(8,720)	(8,894)
NET RENTAL INCOME		98,878	100,855	102,872	104,930	107,028	109,169	111,352	113,579	115,851	118,168
ANNUAL OPERATING EXPENSES											
Administrative		(14,000)	(14,420)	(14,853)	(15,298)	(15,757)	(16,230)	(16,717)	(17,218)	(17,735)	(18,267)
Management Fee		(3,360)	(3,461)	(3,565)	(3,672)	(3,782)	(3,895)	(4,012)	(4,132)	(4,256)	(4,384)
Maintenance		(12,000)	(12,360)	(12,731)	(13,113)	(13,506)	(13,911)	(14,329)	(14,758)	(15,201)	(15,657)
Utilities		(3,000)	(3,090)	(3,183)	(3,278)	(3,377)	(3,478)	(3,582)	(3,690)	(3,800)	(3,914)
Real Estate Taxes		(8,200)	(8,405)	(8,615)	(8,831)	(9,051)	(9,278)	(9,509)	(9,747)	(9,991)	(10,241)
Insurance		(3,000)	(3,090)	(3,183)	(3,278)	(3,377)	(3,478)	(3,582)	(3,690)	(3,800)	(3,914)
Monitoring Fee		0	0	0	0	0	0	0	0	0	0
Replacement Reserves		(2,100)	(2,163)	(2,228)	(2,295)	(2,364)	(2,434)	(2,508)	(2,583)	(2,660)	(2,740)
SUB-TOTAL OPERATING EXPENSES		(45,660)	(46,989)	(48,356)	(49,764)	(51,213)	(52,704)	(54,239)	(55,818)	(57,444)	(59,117)
NET OPERATING INCOME		53,218	53,866	54,516	55,166	55,815	56,465	57,114	57,761	58,407	59,050
(less) Debt Service		(42,574)	(42,574)	(42,574)	(42,574)	(42,574)	(42,574)	(42,574)	(42,574)	(42,574)	(42,574)
NET CASH FLOW		10,644	11,292	11,942	12,592	13,241	13,891	14,539	15,187	15,833	16,476