

CITY OF SOMERVILLE, MA

**MAYOR'S OFFICE OF STRATEGIC PLANNING AND COMMUNITY
DEVELOPMENT**

HOUSING DIVISION

STANDARD DEVELOPMENT PROJECT LOAN

TRUST FUNDING APPLICATION FORM

(updated 8/16/23)

INSTRUCTIONS:

This application contains the minimum information necessary for proposal review. Additional information should be included as necessary. Use extra sheets if needed. The Housing Division may request more information from the sponsor.

Applicants for Trust development project loans may apply on a rolling basis. Before beginning your application, please contact Paul Goldstein, the City's Housing Programs Coordinator, to introduce your project and confirm eligibility for development project loans. Contact Paul at 617-625-6600 Ext 2587 or pgoldstein@somervillema.gov.

If you have drafted or recently submitted another funding application for your project, such as for other city or state funds, you may submit relevant portions instead of the corresponding parts of the Trust application. However, please be sure to include the following:

1. The cover page form from this application;
2. All applicable attachments listed in this application;
3. A development budget
4. An operating budget, if applicable; and
5. The three most recent years of audited financials (Uniform Guidance Single Audit, Subpart F, formerly A-133, if applicable) if the applicant is a nonprofit or public entity, as well as management letters and board responses from each of those years, if any. In addition, applicants should provide the organization's most recent quarterly financial statements. (Not required if the City's Housing Division already has this information on file (e.g., from a past application to the Trust).

Applications are due two weeks before meetings of the Board of Trustees. For a list of Board dates, please contact the Housing Programs Coordinator. The Board prefers to receive applications electronically as a PDF, if possible.

SECTION 1: APPLICANT INFORMATION

1. Name of Applicant: _____

2. Address: _____

3. Type of Applicant (check):

- ☐ Non-Profit ☐ Public Agency
☐ Private Developer ☐ Other (specify):

Attach copies of Articles of Incorporation & By-Laws (for corporations) or Articles of Organization and Operating Agreement (for limited liability companies) and/or W-9 if not already on file w/City of Somerville

4. Applicant Contact Information:

Contact Person: _____ Title: _____

Phone: _____ E-Mail: _____

SECTION 2: PROJECT DESCRIPTION

1. Project Title: _____

2. Location: _____

3. Project Narrative: Provide a short description of the proposed project.

WE ARE COMFORTABLE SPLITTING REQUEST
BETWEEN TRUST AND CPA AS ALL UNITS ARE
80% AMI AND BELOW

4. Funding Request

Trust Funds Requested			
Trust CPA Funds Requested			
Other City HOME/CDBG Funds Requested (outside of this request)			
Total City Funding Request			
Type of Project (Check one)	Rental Housing	Homeownership	Mixed-Use
Purpose of funding being requested	Pre-development Adaptive re-use	Acquisition New Construction	Rehabilitation

5. Total Building(s) gross square footage at build-out: _____

6. What is the breakdown of units by bedroom sizes if applicable? (You can provide a matrix of affordability by bedroom size if you prefer.)

- _____ Studio units
- _____ 1 BR units
- _____ 2 BR units
- _____ 3 BR units
- _____ More than 3 BR units
- _____ TOTAL units

7. Occupancy: Affordability / # of units. Please provide an estimate if not confirmed yet.

- _____ Market
- _____ Middle (101-110% AMI)
- _____ Moderate (80 -100%)
- _____ Low-Income (below 80% AMI)
- _____ Very Low Income (below 50% AMI)
- _____ Extremely Low Income (below 30% AMI)
- _____ TOTAL

11 units @ 60% AMI
18 units @ 80% AMI

8. Special Populations: Please note if any units will be set-aside for specific populations, such as homeless, disabled, veterans, etc., and attach a draft service plan for any special populations served if available.
9. Market Study: A market study or housing needs assessment must provide evidence of need and demand for the proposed housing in the specific housing market, including typical sales prices, rental rates, and vacancy rates.
10. If available, attached the handicap accessibility plans proposed in this project.
11. Please explain any sustainable (green building) measures included in this project.
12. Explain how the proposed activities/project addresses a need and/or strategy in City of Somerville's 5-Year Consolidated Plan (Can be viewed online at www.somervillema.gov).
13. Explain how the proposed activities/project addresses a Goal or Action Step in the SomerVision Comprehensive Plan (Can be viewed online at www.somervillema.gov).

SECTION 3: DEVELOPMENT TEAM AND PERFORMANCE HISTORY

Development Team

Name all entities currently involved with this project (your organization/agency; lawyer; development consultant; architect; etc.). Add a sheet if you have more than three entities currently involved.

A. Role on Project Team: _____

Name: _____

Address: _____

Contact Person & Tel. #/e-mail: _____

Minority Owned Business (MBE): Yes No

Minority Women Owned Business (WMBE): Yes No

B. Role on Project Team: _____

Name: _____

Address: _____

Contact Person & Tel. #/e-mail: _____

Minority Owned Business (MBE): Yes No

Minority Women Owned Business (WMBE): Yes No

C. Role on Project Team: _____

Name: _____

Address: _____

Contact Person & Tel. #/e-mail: _____

Minority Owned Business (MBE): Yes No

Minority Women Owned Business (WMBE): Yes No

Other Potential Team Members: On a separate sheet, list other entities you are anticipating adding as the project moves forward, if known (*role, name of firm, MBE/WMBE status*)

*Joint Ventures: If the non-profit developer is involved in a joint venture with a private for-profit developer, provide evidence that the non-profit partner controls the majority interest in the joint venture. Attach a separate sheet identifying any other agencies that are involved in this project and briefly describing the extent of their involvement. Include the agency name, address, phone, and contact person. Attach additional documentation, such as Memoranda of Understanding, award letters, agreements, etc.

History of Performance

Please provide basic information about history of your agency performance. List the last five projects regardless of whether they were funded with public or private funds, and indicate which projects are underway or completed.

Project	Funding Source	Status

Please attach a certified copy of the most recent financials (audited if available) for the Developer/ Owner/ Sponsor's most recent fiscal year just ended.

SECTION 4: PROPERTY INFORMATION

1. **Site/Zoning description**

The project site is the D4.3 Parcel (41-47 Webster Avenue), one of the disposition parcels in the Union Square Urban Revitalization Plan. Project zoning is defined by the Coordinated Development Special Permit (Planning Board Decision No. PB2017-21, December 14, 2017) and the provisions of the Somerville Zoning Ordinance and the Union Square Overlay District, effective as of December 14, 2017. The building design conforms with these requirements

2. **Site Acreage:** _____

3. **State if building(s) is a designated historic property or in a historic district:** Yes No

4. **Evidence of site control:** Option to purchase Purchase and Sale Agreement Ownership

OTHER: US2's Master Land Disposition Agreement (MLDA) with the SRA. US2 will acquire the project site per the terms of the MLDA and sell the property at cost to the Applicant for development of the project.

5. **Site plans, including maps.**

6. **Attach schematic drawings of proposed project, including site plan, floor plan and elevations, if available.**

7. **Attach to this application, if available, any site environmental studies, including lead-based paint and asbestos. If any hazardous materials are known to exist on the site, include mitigation plans if available.**

8. **Is the property presently occupied by commercial or residential tenants?** Yes No

9. **If the property has existing tenants, please provide a summary of the relocation plan for existing tenants:**

SECTION 5: DEVELOPMENT TIMELINE and BUDGET

A. PROPOSED DEVELOPMENT SCHEDULE (PROPOSED DATES):

1. Submission of Funding Applications: _____
2. Regulatory & Zoning Reviews & Approvals: _____
3. Acquisition if not already owned: _____
4. Construction Start: _____
5. Construction Completion: _____
6. Full Occupancy: _____

B. TOTAL DEVELOPMENT BUDGET - USES OF FUNDS

Please provide the proposed pro-forma in a format of your choice. The pro-forma should include;

1. Budget Summary
2. Sources of funds
3. Uses of funds
4. Construction budget
5. Rent Schedule showing any anticipated operating subsidies (Section 8, MRVP, etc)
6. 20-year annual operating budget
7. ~~Income from Sales of units, if applicable.~~

OTHER:

Please provide any additional information that you would like to be considered.

SECTION 7: APPLICATION REVIEW AND PROJECT EVALUATION CRITERIA

The Trust staff and Board members will evaluate submitted applications on the completeness of their submission and on how well they meet the goals of the Somerville Affordable Housing Trust Strategic Vision (available to view at <https://www.somervillema.gov/departments/affordable-housing-trust-fund>) using the *Project Evaluation Criteria* provided below.

In deciding how to allocate funds in any given funding round, the Board may also account for other relevant factors when the applications are being considered. These may include but are not limited to the following: the amount of funding available; anticipated future balances; the applicants' history before the Board and their past performance; and the ability to fund projects fully or partially.

The Board may ask applicants or organization sponsors to meet with the Board to discuss questions that members may have regarding the application(s). These meetings will be publicly noticed. When appropriate, the Board may ask to visit the site of the proposed acquisition.

Project Evaluation Criteria:

	Highly Advantageous	Advantageous	Not Advantageous
The project would create or preserve housing opportunities for households with incomes at or below 50% AMI	Y		
The project would create or preserve rental units up to 80% AMI		Y	
The project would create or preserve ownership units up to 110% AMI		Y	
The application demonstrates market need and demand.	<i>Demonstrates sufficient market need and demand.</i>	<i>Somewhat demonstrates sufficient market need and demand.</i>	<i>Does not demonstrate market need and demand.</i>
The application demonstrates how the project concept would address a documented need in the city.	<i>Demonstrates a documented high priority need</i>	<i>Demonstrates a need, but not high priority</i>	<i>Does not demonstrate a need</i>
The application demonstrates project feasibility and reasonable financing plan	<i>Demonstrates project feasibility and reasonable financing plan</i>	<i>Somewhat demonstrates project feasibility and reasonable financing plan</i>	<i>Does not demonstrate project feasibility and reasonable financing plan</i>
The application demonstrates sufficient performance of due diligence and a well-reasoned development plan	<i>Demonstrates sufficient performance of due diligence and a well-reasoned development plan</i>	<i>Somewhat demonstrates sufficient performance of due diligence and a well-reasoned development plan</i>	<i>Does not demonstrate sufficient performance of due diligence and a well-reasoned development plan</i>
The application demonstrates that the development team has a successful track record of projects similar in scope, scale, and cost.	<i>Demonstrates a successful track record</i>	<i>Somewhat demonstrates a successful track record</i>	<i>Does not demonstrate a successful track record</i>
The application demonstrates that the applicant organization has sufficient experience and capacity.	<i>Demonstrates sufficient experience and capacity</i>	<i>Somewhat demonstrates sufficient experience and capacity</i>	<i>Does not demonstrate sufficient experience and capacity</i>
The application demonstrates readiness to proceed.	<i>Demonstrates ability to start construction within 18 months of Trust fund award.</i>	<i>Demonstrates ability to start construction within 24 months of Trust fund award.</i>	<i>Does not demonstrate ability to start construction within 24 months of Trust fund award.</i>

Other considerations and distinguishing project characteristics that can contribute to a highly advantageous rating, including but not limited to:

- Accessibility (over minimum required)
- Age-friendly/age-inclusive
- Anti-displacement/preservation approach
- Community involvement and support
- Design contributes positively to the architectural character of the neighborhood
- Design promotes resilience and sustainability
- Duration of affordability period
- Fair housing considerations (e.g., contributing to affordable housing inclusion in all City neighborhoods)
- Leveraging other funding
- Location/access to public transit, services, jobs, etc.
- Promotes transportation alternatives
- Reuse/historic preservation of existing buildings
- Provision of supportive services
- Applicant is part of a Women or Minority Owned Business Enterprise

Project Sources

9/26/24 09:39

Summary Sources & Uses

Sources of Funds	Rate/Notes	Lien Position	Total	Per Unit	Uses of Funds	Total	Per Unit
Debt - TBD			13,581,404	261,181			
Soft Loan - Somerville AHTF			2,704,000	52,000			-
Soft Loan - EOHLC Soft			5,200,000	100,000			-
Soft Loan - Workforce			1,800,000	34,615			
Soft Loan -			-	-			-
POAH Sponsor Loan - Energy Incentive (PHIUS)			78,000	1,500			-
POAH Sponsor Loan - FHLB Subsidy			850,000	16,346			-
EOHLC- AAHG - 2 Units			885,333	17,026			-
Equity - Federal 9% LIHTC: \$0.94 per credit			9,399,060	180,751	Construction & Acquisition	33,610,286	646,352
Equity - State LIHTC: \$0.81 per credit			10,125,000	194,712	Hard Cost Contingency	1,751,417	33,681
Equity - Federal ITC: \$0.94 per credit			164,500	3,163	Soft Costs	6,456,212	124,158
Soft Loan - Somerville CPA (Garden Only)			750,000	14,423	Reserves	933,835	17,958
			-	-	Paid Developer Fee	2,785,546	53,568
Deferred Developer Fee			500,000	9,615	Deferred Developer Fee	500,000	9,615
Total Sources of Funds			46,037,297	885,333	Total Uses of Funds	46,037,297	885,333

Project Uses

Development Budget

Construction + Acquisition	Total	Per Unit	Notes	Pct in Cons Basis	Acq Basis	Rehab Basis	Not In Basis
Construction + Acquisition	24,794,541	476,818	416 per GSF	100%	-	24,794,541	-
Retail	1,020,000	19,615	200 per GSF	0%	-	-	1,020,000
GC Overhead	2,537,963	48,807		100%	-	2,537,963	-
Parking	-	-	- per GSF	75%	-	-	-
Tenant Improvements and LL Concessions	688,500	13,240	\$ 135 Per SQFT	0%	-	-	688,500
Garden Construction	500,000	9,615	77 per GSF	100%	-	500,000	-
Escalation	3,855,337	74,141	5.50% per year	100%	-	3,855,337	-
GC Fees	-	-	0.0% of Contract	100%	-	-	-
Construction Bond Fee	213,945	4,114	1.0% of Contract	100%	-	213,945	-
Subtotal Construction GMP	29,190,286	561,352			-	27,481,786	1,708,500
Construction Contingency	1,751,417	33,681	6.0% of Construction	100%	-	1,751,417	-
Total Construction Costs	35,361,704	680,033			-	29,233,204	1,708,500
Soft Costs	Total	Per Unit	Notes	Pct in Cons Basis	Acq Basis	Rehab Basis	Not In Basis
Permits	415,545	7,991	2.1% of Construction	100%	-	415,545	-
Architect Fees & Supervision	779,100	14,983	2.2% of Construction	100%	-	779,100	-
Landscape Architect	85,000	21,399	Offshoots proposal	100%	-	85,000	-
Engineering	162,000	3,115	0.5% of Construction	100%	-	162,000	-
Zoning Package	30,000	577		100%	-	30,000	-
Site Plan Review Fee	106,973		0.5% of Construction	100%	-	106,973	-
Green Design and Sustainability Engineer	150,000	2,885		100%	-	150,000	-
Interior Design	30,000	577	ICON proposal	100%	-	30,000	-
Furniture, Fixtures and Equipment	100,000	1,923		100%	-	100,000	-
Clerk of the Works/Owner's Rep	100,000	1,923		100%	-	100,000	-
Environmental	190,000	3,654	Based on McPhail Proposal environment	100%	-	190,000	-
Survey	25,000	481	Based on VHB proposal	100%	-	25,000	-
Traffic Engineer	50,000	962	Based on HSH Proposal	100%	-	50,000	-
Appraisal	15,000	288		0%	-	-	15,000
Market/Rent Study	20,000	385		0%	-	-	20,000
Title and Recording	45,000	865		100%	-	-	45,000
Relocation	-	-	4,000 per tenant; \$6,000 for consultant	0%	-	-	-
Security	-	-		100%	-	-	-
Utility Deposits	55,900	1,075	50.0% of Budgeted Utilities	0%	-	-	55,900
Builders' Risk Insurance During Construction	213,945	4,114	1.0% of Construction	100%	-	213,945	-
Property & Liab Insurance During Construction	-	-	0 mos	100%	-	-	-
Real Estate Taxes During Construction	39,000	750	6 mos	100%	-	39,000	-
Marketing & Lease-Up	18,000	346	250 p/u plus: 5000	0%	-	-	18,000
Development Operational Short Fall	28,878	555		0%	-	-	28,878
Developer Contributions	-	-		100%	-	-	-
Accounting and Cost Certification	25,000	481		0%	-	-	25,000
POAH Communities Setup/IT Costs	43,000	827	250 p/u plus: 5,000	0%	-	-	43,000
Legal Fees - Owner	160,000	3,077	135,000 for transaction counsel; 15,000 per	25%	-	40,000	120,000
Legal Fees - Syndicator	10,000	192		25%	-	2,500	7,500
Legal Fees - Bond Counsel	75,000	1,442		25%	-	18,750	56,250
Legal Fees - Investor	-	-		0%	-	-	-
Predevelopment Loan Interest	50,000	962	5% Pre Dev Exposure	0%	-	-	50,000
Construction Loan Origination Fee	284,795	5,477	1.0% of Const. Loan	0%	-	-	284,795
Construction Loan Interest	2,350,000	45,192	0.2 Months of Contingency	80%	-	1,880,000	470,000
Permanent Loan Origination Fee	250,000	4,808	2.0% of 1st Mortg.	0%	-	-	250,000
HUD Exam and Inspection Fees	-	-	HUD Inspection Fee	100%	-	-	-

Lender Construction Inspection Fee	32,000	615			100%	-	32,000	-
Tax Credit Fee	25,000	481			0%	-	-	25,000
Tax Credit Reservation Fee	45,000	865	4.5%	Annual Credit Amount	0%	-	-	45,000
Construction Period MIP	33,954	653			100%	-	33,954	-
Buy and Hold Period Inflation Premium	-	-	0.0%	per year	100%	-	-	-
Subtotal Soft Cost	6,043,090	116,213		of Soft Costs Less Fees:		-	4,483,767	1,559,323
Soft Cost Contingency	413,122	7,945	7.5%		80%	-	330,498	82,624
Total Soft Cost	6,456,212	124,158	12%	of Hard Costs (excl. interest)		-	4,814,264	1,641,947

Capitalized Reserves	Total	Per Unit	Notes	Pct in Cons Basis	Acq Basis	Rehab Basis	Not In Basis	
Operating Reserve/Sinking Fund	769,935	14,806	6 months	of OpEx + DS	0%	-	-	769,935
Rental Subsidy/S8 Reserve	-	-			0%	-	-	-
Replacement Reserve	23,500	452			0%	-	-	23,500
Real Estate Tax Reserve	78,000	1,500	12 months	of RE Taxes	0%	-	-	78,000
Insurance Reserve	62,400	1,200	12 months	of Insurance	0%	-	-	62,400
Acquired Reserves	-	-			0%	-	-	-
Total Reserves	933,835	17,958				-	-	933,835

Developer Fee	Total	Per Unit	Notes	Pct in Cons Basis	Acq Basis	Rehab Basis	Not In Basis
Paid Developer Fee	2,785,546	53,568	6.0%	100%	-	2,785,546	-
Deferred Developer Fee	500,000	9,615		100%	-	500,000	-
Total Developer Fee	3,285,546	63,184	7.1%		-	3,285,546	-

Total Development Cost	46,037,297	885,333				-	37,333,014	8,704,283
							90% in basis	

Union Square D4.3 | Somerville, MA
52 Units
New Construction

Rent Schedule

Residential Unit Rent Inputs											Rent Limit References				
Unit Type	Units	Bedrooms	Bathrooms	Rent Program	AMI	Used for LIHTC	Unit Size (SF)	Utility	Utility	Utility	Family Size	120%	110%	U/W Rent	
								Allowance (LIHTC)	Allowance (PBV)	Allowance (MRVP)		Adj Factor	FMR		SAFMR
					Constraint			2024	2024	2024		2024	2023	2024	
1 Bedroom (ELI)	3	1	1	811	30%	Yes	600	54	98	17	0.75	2,377	2,680	2,754	
1 Bedroom Family (LI)-50% AMI - MRVP	-	1	1	MRVP	50%	Yes	600	54	98	17	0.00	2,377	2,680	-	
1 Bedroom Family (LI) - 60% AMI	4	1	1	LIHTC Unassisted	60%	Yes	600	54	98	17	0.75	2,377	2,680	1,690	
1 Bedroom Family (LI) - 80% AMI	8	1	1	Non-Subsidized	80%	No	600	54	98	17	0.75	2,377	2,680	2,271	
2 Bedroom (ELI) - PBV	5	2	1	PBV	30%	Yes	850	76	116	18	0.90	2,827	3,190	3,276	
2 Bedroom Family (LI) - 50% AMI - MRVP	8	2	1	MRVP	50%	Yes	850	76	116	18	0.90	2,827	3,190	2,809	
2 Bedroom Family (LI) - 60% AMI	5	2	1	LIHTC Unassisted	60%	Yes	850	76	116	18	0.90	2,827	3,190	2,017	
2 Bedroom Family (LI) - 80% AMI	8	2	1	Non-Subsidized	80%	No	850	76	116	18	0.90	2,827	3,190	2,714	
3 Bedroom (ELI) - PBV	3	3	2	PBV	30%	Yes	1,150	87	136	19	1.04	3,418	3,860	3,966	
3 Bedroom Family (LI)-50% AMI - MRVP	4	3	2	MRVP	50%	Yes	1,150	87	136	19	1.04	3,418	3,860	3,399	
3 Bedroom Family (LI)-60% AMI	2	3	2	LIHTC Unassisted	60%	Yes	1,150	87	136	19	1.04	3,418	3,860	2,331	
3 Bedroom Family (LI) - 80% AMI	2	3	2	Non-Subsidized	80%	No	1,150	87	136	19	1.04	3,418	3,860	3,137	
Total / Average	52	100	63		46.8%	34	43,750					2,822	3,185	2,698	
Gross						65%								1,683,252	

Commercial Unit Rent Inputs						Rent Limit References		
Unit Type	Units	Rent Program		Rent/SF	Unit Size (SF)	Utility		U/W Rent
Commercial Unit- Type A	1			\$ 30	1,300			\$ 3,250
Commercial Unit- Type B	2			\$ 30	1,900			\$ 4,750
Commercial Unit- Type C								\$ -
Total / Average	3	100	63		30	5,100		4,250
								153,000

	2024	2024
	Underwritten	Underwritten per unit
Revenue		
Economic Occupancy	95%	
Rental Income		
Tenant Rent	1,683,252	32,370
Rent Assistance Payments	-	-
Commercial Revenue	153,000	2,942
Total Rental Income	1,836,252	35,313
Adjustments to Potential		
Vacancy	(91,813)	(1,766)
Commercial Vacancy	(76,500)	(1,471)
Bad Debts	-	-
Gain/Loss on Leases	-	-
Tenant Concessions	-	-
Total Vacancy	(168,313)	(3,237)
Net Rental Income	1,667,939	32,076
Financial Income		
Interest Income - Operations		-
Interest Income - Residual Receipts		-
Interest Income - Replacement Reserve		-
Interest Income - Other Investments		-
Total Financial Income		-
Other Income		
Laundry & Vending Income	10,651	205
Tenant Charges	592	11
Parking Income		
Utility Reimbursements		
Cable Income		
Special Claims Revenue		
Grant Revenue - 3rd Party		
Grant Revenue - POAH		
Miscellaneous Revenue		
Total Other Income	11,242	216
Total Income	1,679,182	32,292
Expenses		
Administrative		
Education & Training	5,228	101
Advertising & Marketing	2,057	40
Other Renting Expense	-	-
Office Supplies	3,019	58
Postage	1,243	24
Computer Expense	4,500	87
Compliance "Program Support"	2,678	51

Consultant/Professional Fees	536	10
Compliance Fees	768	15
Technical Support	-	-
Legal Expense	3,470	67
Audit Expense	12,500	240
Bookkeeping/Accounting Expense	6,193	119
Central Office Expense	-	-
Telephone	7,258	140
Applicant Credit & Background	1,118	21
Travel & Mileage	3,563	69
Miscellaneous Admin. Expense	400	8
Total Administrative Expenses	54,530	1,049
Payroll		
Office Salaries	45,000	865
Manager Salary	40,000	769
Maintenance Payroll	-	-
Maintenance Super Salary	60,000	1,154
Cleaning & Janitorial Payroll	-	-
Payroll Taxes	11,600	223
Workers' Compensation Insurance	2,900	56
Health Insurance & Other Employee Ben	19,000	365
Retirement Benefits	4,350	84
Admin. Rent Free Unit		-
Maintenance Rent Free Unit		-
Union Benefits		-
Other Employee Benefits		-
Total Payroll Expenses	182,850	3,516
Management Fee		
Management Fee	39,312	756
Total Management Fee	39,312	756
Resident Services		
Resident Services Programs		-
Resident Services Mileage		-
Resident Services Computer Expense		-
Resident Services Telephone		-
Resident Services Payroll		-
Total Resident Services/Community Imp	-	-

Maintenance		
Repair Supplies - General	-	-
Exterminating Supplies	153	3
Grounds & Rec Supplies	148	3
Cleaning/Janitorial Supplies	2,000	38
Plumbing Repairs/Maint Supplies	-	-
Hardware Supplies	1,443	28
Decorating Supplies	1,501	29
Miscellaneous Repair Contract	-	-
Exterminating Contract	3,552	68
Asphalt & Parking Repairs	-	-
Grounds & Rec Contract	9,231	178
Cleaning/Janitorial Contract	21,312	410
Electrical Repairs & Maint Contract	-	-
Plumbing Repairs & Maint Contract	1,579	30
Appliance Repairs & Maintenance	-	-
Decorating Contract	4,800	92
Swim Pool Maintenance/Contract	-	-
Carpet & Floor Repairs	616	12
Elevator Maintenance	-	-
Uniforms	-	-
Trash Removal	12,581	242
Security Payroll/Contract	-	-
Security Rent Free Unit	-	-
Security Agency & Alarm	10,000	192
Security Camera - Hardware & Monitoring	266	5
Heating/Cooling Repairs & Maintenance	2,410	46
Snow Removal	3,400	65
Fire/Life Safety Equipment Maintenance	5,030	97
Vehicle & Maintenance Equipment Rep	-	-
Maintenance Tools & Equipment	1,867	36
Vacant Unit Preparation	-	-
Parking Area	-	-
Hurricane Prep/Repairs	-	-
Miscellaneous Maintenance Expense	-	-
Total Maintenance Expense	81,888	1,575
Expensed Replacements / CapEx		
Replacement Expense - Building Exterior		-
Replacement Expense - Exterior Painting		-
Replacement Expense - Other		-
Replacement Expense - Appliances		-
Replacement Expense - Carpeting/Floor Tile		-
Replacement Expense - HVAC		-
Total Replacement Expense	-	-
Total Controllable Expenses	358,580	6,896
Utilities & Tenancy for Comparison		
Electric	Tenant - E	
Heat	Owner - E	
Hot Water	Owner - E	
Tenancy	Family	

Number of Units	52 units	
Utilities		
Fuel Oil		-
Electricity	52,000	1,000
Water	23,400	450
Gas	-	-
Sewer	36,400	700
Utility Fees		-
Cable TV/Internet Access		-
Total Utility Expense	111,800	2,150
Taxes & Insurance		
Real Estate Taxes	78,000	1,500
Property & Liability Insurance	62,400	1,200
Flood Insurance		-
Earthquake Insurance		-
Fidelity Bond Insurance		-
Automobile Insurance		-
Misc. Taxes, Licenses, & Insurance		-
Total Taxes & Insurance	140,400	2,700
Adjustments		
Ground Lease		-
Placeholder		-
Total Adjustments	-	-
Total Expenses (Before RRs)	610,780	11,746
Total Expenses per unit (before RRs)		
Replacement Reserve Deposits	350	7
Total Operating Expenses	611,130	11,753
Net Operating Income	1,068,052	20,539
<i>Check vs. Audit NOI</i>		
Principal & Interest Payment	928,740	
MIP / Bond Fees	-	
Annual Hard Debt Service	928,740	17,860
Cash Flow After Hard Debt Service	139,311	2,679
DSCR	1.15	
Operating Margin	64%	
Capitalized Replacements / CapEx		
Replacement - Building Exterior	-	-
Replacement - Exterior Painting	-	-
Replacement - Other	-	-
Replacement - Appliances	-	-
Replacement - Carpeting/Floor Tile	-	-
Replacement - HVAC	-	-
Total Reserve Items Capitalized	-	-
Replacement Reserve Activity		

Replacement Reserve Beg Balance	-	-
Interest / Additional Deposit		
Replacement Reserve Deposit	-	-
Replacement Reserve Withdrawal	-	-
Surplus Cash	139,311	2,679
Cash Flow Waterfall		

Union Square D4.3 | Somerville, MA
52 Units
New Construction

Cash Flow Projection & Waterfall			Ops Year 1	Ops Year 2	Ops Year 3	Ops Year 4	Ops Year 5	Ops Year 6	Ops Year 7	Ops Year 8	Ops Year 9	Ops Year 10	Ops Year 11	Ops Year 12	Ops Year 13	Ops Year 14	Ops Year 15
PIS - Perm Conversion	10/31/2027 - 5/31/2028	Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Disposition	12/31/2047	Development Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Operating Pro Forma Cash Flow Projection			Annual Increase/Rate														
Economic Occupancy			95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Revenue																	
Total Rental Income	2.00%		1,836,252	1,872,977	1,910,437	1,948,645	1,987,618	2,027,371	2,067,918	2,109,276	2,151,462	2,194,491	2,238,381	2,283,149	2,328,812	2,375,388	2,422,896
Total Vacancy			(91,813)	(93,649)	(95,522)	(97,432)	(99,381)	(101,369)	(103,396)	(105,464)	(107,573)	(109,725)	(111,919)	(114,157)	(116,441)	(118,769)	(121,145)
Vacancy	5.00%		(91,813)	(93,649)	(95,522)	(97,432)	(99,381)	(101,369)	(103,396)	(105,464)	(107,573)	(109,725)	(111,919)	(114,157)	(116,441)	(118,769)	(121,145)
Bad Debt/Concessions/Loss to Lease	0.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Income	2.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	2.00%		(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)	(65,258)
Effective Income	2.07%	Check	1,679,182	1,714,071	1,749,657	1,785,956	1,822,980	1,860,745	1,899,265	1,938,555	1,978,631	2,019,509	2,061,204	2,103,734	2,147,113	2,191,361	2,236,493
Expenses																	
Total Administrative Expenses	3.00%		54,530	56,166	57,851	59,587	61,374	63,216	65,112	67,066	69,077	71,150	73,284	75,483	77,747	80,080	82,482
Total Payroll Expenses	3.00%		182,850	188,336	193,986	199,805	205,799	211,973	218,332	224,882	231,629	238,578	245,735	253,107	260,700	268,521	276,577
Total Management Fee	3.00%		39,312	40,491	41,706	42,957	44,246	45,573	46,941	48,349	49,799	51,293	52,832	54,417	56,050	57,731	59,463
Total Resident Services/Community Impact	3.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Utility Expense	3.00%		111,800	115,154	118,609	122,167	125,832	129,607	133,495	137,500	141,625	145,874	150,250	154,757	159,400	164,182	169,108
Total Maintenance Expense	3.00%		81,888	84,345	86,875	89,481	92,166	94,931	97,778	100,712	103,733	106,845	110,051	113,352	116,753	120,255	123,863
Total Replacement Expense	3.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Taxes & Insurance	3.00%		140,400	144,612	148,950	153,419	158,021	162,762	167,645	172,674	177,855	183,190	188,686	194,346	200,177	206,182	212,368
Real Estate Taxes	3.00%		78,000	80,340	82,750	85,233	87,790	90,423	93,136	95,930	98,808	101,772	104,825	107,970	111,209	114,546	117,982
Total Adjustments	3.00%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses (Before RR)			610,780	629,104	647,977	667,416	687,439	708,062	729,304	751,183	773,718	796,930	820,838	845,463	870,827	896,951	923,860
Replacement Reserve Deposits	3.00%		350	361	371	382	394	406	418	430	443	457	470	484	499	514	529
Total Expenses (with RR)	3.00%	Check	611,130	629,464	648,348	667,799	687,833	708,468	729,722	751,613	774,162	797,386	821,308	845,947	871,326	897,465	924,389
Net Operating Income	1.48%	Check	1,068,052	1,084,606	1,101,309	1,118,157	1,135,147	1,152,277	1,169,543	1,186,942	1,204,470	1,222,123	1,239,896	1,257,786	1,275,788	1,293,895	1,312,104
Capital Transaction Proceeds																	
Residual Sale	Sale Cap Rate	6.00%	23,410,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt Service																	
TBD Debt		Amort Period	0	12	24	36	48	60	72	84	96	108	120	132	144	156	168
Beg Balance	13,581,404	Beg Bal	13,581,404	13,497,951	13,409,325	13,315,204	13,215,248	13,109,095	12,996,361	12,876,638	12,749,493	12,614,466	12,471,067	12,318,779	12,157,049	11,985,292	11,802,888
Interest Rate	6.030%	Interest	845,288	840,114	834,620	828,784	822,588	816,007	809,018	801,595	793,713	785,342	776,452	767,011	756,984	746,336	735,028
Annual Payment	928,740	Principal	83,453	88,626	94,121	99,956	106,153	112,734	119,723	127,145	135,027	143,399	152,289	161,730	171,756	182,404	193,713
Amort / IO Period	480	Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment Date	12/31/2047	End Bal	13,497,951	13,409,325	13,315,204	13,215,248	13,109,095	12,996,361	12,876,638	12,749,493	12,614,466	12,471,067	12,318,779	12,157,049	11,985,292	11,802,888	11,609,175
MIP / Bond Fees	0.25%	MIP/Bond Fees	33,954	33,745	33,523	33,288	33,038	32,773	32,491	32,192	31,874	31,536	31,178	30,797	30,393	29,963	29,507
DSCR:			1.11	1.13	1.14	1.16	1.18	1.20	1.22	1.24	1.25	1.27	1.29	1.31	1.33	1.35	1.37
Cash Flow After Hard Debt Service			105,358	122,121	139,045	156,128	173,369	190,764	208,312	226,010	243,855	261,846	279,978	298,249	316,655	335,192	353,856
Cash Flow per Unit			2,026	2,348	2,674	3,002	3,334	3,669	4,006	4,346	4,690	5,035	5,384	5,736	6,090	6,446	6,805

	Webster Ave												Cranshaw Construction
	Somerville, MA												09/23/22
	22-020 - Schedule of Values												
					PODIUM			RESIDENTIAL			SITE		
	BUILDING AREAS	SF Area	Unit Count		SF Area	Units	Avg sf/ea	SF Area	Units	Avg sf/ea			
	1st Floor	12,431	2		12,431	2	6,216	0	0	#DIV/0!			
	2nd Floor	15,807	15		0	0	#DIV/0!	15,807	15	1,054			
	3rd Floor	15,807	15		0	0	#DIV/0!	15,807	15	1,054			
	4th Floor	15,807	15		0	0	#DIV/0!	15,807	15	1,054			
	Penthouse	296	0		0	0	#DIV/0!	296	0	#DIV/0!			
	Gross Floor Area (GFA)	60,148	47	1,280	12,431	2	6,216	47,717	45	1,060			
Div	Description	Value	Cost/GFA	Cost/Unit	Value	Cost/GFA	Cost/Unit	Value	Cost/GFA	Cost/Unit	Value	Remarks	
00-0000	Special Conditions	160,593	2.67	3,417	43,343	3.49	21,672	92,250	1.93	2,050	25,000	Winter Conditions, Temp Power, Safety, Allowances	
02-4100	Building Demolition	100,000	1.66	2,128	0	0.00	0	0	0.00	0	100,000	Allowance inclusive of abatement	
03-0000	Concrete Turnkey Package	963,404	16.02	20,498	888,404	71.47	444,202	0	0.00	0	75,000		
03-5400	Gypcrete	89,278	1.48	1,900	0	0.00	0	89,278	1.87	1,984			
04-0000	Masonry	431,590	7.18	9,183	202,051	16.25	101,026	229,539	4.81	5,101			
05-1000	Structural Metal Framing	841,503	13.99	17,904	841,503	67.69	420,752	0	0.00	0			
05-5000	Miscellaneous Metals	105,525	1.75	2,245	55,768	4.49	27,884	49,757	1.04	1,106			
06-1000	Carpentry Labor & Materials	1,789,386	29.75	38,072	2,426	0.20	1,213	1,786,960	37.45	39,710			
06-2000	Millwork Labor & Material	170,178	2.83	3,621	14,613	1.18	7,307	155,565	3.26	3,457			
07-1000	Waterproofing, Caulking, & Sealants	237,972	3.96	5,063	52,786	4.25	26,393	185,186	3.88	4,115			
07-2100	Spray-Applied Insulation	22,335	0.37	475	22,335	1.80	11,168	0	0.00	0			
07-4600	Siding	2,036,232	33.85	43,324	523,506	42.11	261,753	1,512,726	31.70	33,616			
07-5000	Membrane Roofing	433,974	7.22	9,233	75,048	6.04	37,524	358,926	7.52	7,976			
07-8100	Applied Fireproofing	51,002	0.85	1,085	51,002	4.10	25,501	0	0.00	0			
08-1000	Doors, Frames & Hardware	199,814	3.32	4,251	19,315	1.55	9,658	180,499	3.78	4,011			
08-2000	Install Doors	94,998	1.58	2,021	8,440	0.68	4,220	86,558	1.81	1,924			
08-3300	Coiling Doors & Grilles	0	0.00	0	0	0.00	0	0	0.00	0			
08-4000	Glass & Glazing	311,560	5.18	6,629	311,560	25.06	155,780	0	0.00	0			
08-5000	Windows	194,880	3.24	4,146	9,660	0.78	4,830	185,220	3.88	4,116			
09-2000	Drywall	2,255,547	37.50	47,990	257,951	20.75	128,976	1,997,596	41.86	44,391			
09-5100	Acoustical Ceilings	50,479	0.84	1,074	18,605	1.50	9,303	31,874	0.67	708			
09-6000	Flooring	531,246	8.83	11,303	54,376	4.37	27,188	476,870	9.99	10,597			
09-9000	Painting & Wallcovering	283,853	4.72	6,039	26,274	2.11	13,137	257,579	5.40	5,724			
10-0000	Miscellaneous Specialties	15,575	0.26	331	13,075	1.05	6,538	2,500	0.05	56			
10-2800	Toilet & Bath Accessories	39,286	0.65	836	1,403	0.11	702	37,883	0.79	842			
11-3100	Residential Appliances	164,500	2.73	3,500	7,000	0.56	3,500	157,500	3.30	3,500			
12-2000	Window Treatments	23,704	0.39	504	1,175	0.09	588	22,529	0.47	501			
12-3000	Residential Casework	163,295	2.71	3,474	7,105	0.57	3,553	156,190	3.27	3,471			
12-3600	Countertops	127,987	2.13	2,723	5,720	0.46	2,860	122,267	2.56	2,717			
14-2000	Elevators	161,500	2.69	3,436	38,500	3.10	19,250	123,000	2.58	2,733			
14-9000	Trash & Laundry Chutes	18,075	0.30	385	7,230	0.58	3,615	10,845	0.23	241		Compactors and bins are assumed by Owner	
21-1000	Fire Suppression Systems	226,292	3.76	4,815	56,212	4.52	28,106	170,080	3.56	3,780			
22-0000	Plumbing	1,339,500	22.27	28,500	166,472	13.39	83,236	1,173,028	24.58	26,067			
23-0000	HVAC	1,504,000	25.00	32,000	226,579	18.23	113,290	1,277,421	26.77	28,387			
26-0000	Electrical	1,624,500	27.01	34,564	182,262	14.66	91,131	1,392,238	29.18	30,939	50,000		
31-0000	Sitework	579,591	9.64	12,332	79,591	6.40	39,796	0	0.00	0	500,000		
31-6000	Special Foundations & Load Bearing El	0	0.00	0	0	0.00	0	0	0.00	0			
32-0000	Exterior Improvements	150,000	2.49	3,191	0	0.00	0	0	0.00	0	150,000	Landscaping	
50-0000	Job Expenses	236,115	3.93	5,024	0	0.00	0	236,115	4.95	5,247			
55-0000	Daily Labor/Final Cleaning	483,601	8.04	10,289	75,870	6.10	37,935	407,731	8.54	9,061			
60-0000	Allowances	532,483	8.85	11,329	217,120	17.47	108,560	315,363	6.61	7,008			
	Subtotal	18,745,353	312	398,837	4,564,280	367	2,282,140	13,281,073	278	295,135	900,000		
	Pricing Contingency - 5%	937,268	15.58	19,942	228,214	18.36	114,107	664,054	13.92	14,757	45,000		
	GMP Contingency - 2.5%	492,066	8.18	10,469	119,812	9.64	59,906	348,628	7.31	7,747	23,625		
	SDI/Bonds - 1.46%	294,550	4.90	6,267	71,720	5.77	35,860	208,689	4.37	4,638	14,142		
	General Conditions	1,982,900	32.97	42,189	482,813	38.84	241,407	1,404,883	29.44	31,220	95,203		
	Insurance - 1.41%	316,575	5.26	6,736	77,082	6.20	38,541	224,293	4.70	4,984	15,199		
	Fee - 3%	683,061	11.36	14,533	166,318	13.38	83,159	483,949	10.14	10,754	32,795		
	Total	23,451,773	389.90	498,974	5,710,240	459.35	2,855,120	16,615,569	348.21	369,235	1,125,964		
	Escalation Recommendation - 1 Year a	1,172,589	(not included above)										