

Somerville YMCA – 60-Unit Affordable Housing Executive-Level Pro Forma

<u>Project Metric</u>	<u>YMCA Housing Plan</u>	<u>Status</u>
Project	60-unit, 100% affordable housing redevelopment	Planned
Unit Mix	24 studios / 30 1BR / 4 2BR / 2 3BR	Planned
Deep Affordability	35 units ≤30% AMI	Planned
Additional Affordability	13 units ≤50% AMI / 12 units ≤60% AMI	Planned
HAP-Assisted Households	35 target assisted units (19 MRVP + 16 PBV)	Existing resource of 10 PBVs
Net Residential Unit Area	\$35,100	Planning
Housing Construction	40,115,295	Preliminary
Total Development Cost	\$57,202,731	Preliminary
TDC / Unit	\$953,379	Preliminary
Stabilized NOI	\$552,330	Preliminary
Indicative Permanent Debt	\$6,551,508	Preliminary

Affordable Housing Program – 60 Units			
Category	Units	Share	Planning Basis / Note
Studio	24	40.0%	500 SF planning target
1 Bedroom	30	50.0%	600 SF planning target
2 Bedroom	4	6.7%	800 SF planning target
3 Bedroom	2	3.3%	950 SF planning target
TOTAL	60	100.0%	
≤30% AMI	35	58.3%	All 35 targeted rental-assisted units (19 MRVP + 16 PBV) modeled at ≤30% AMI
≤50% AMI	13	21.7%	
≤60% AMI	12	20.0%	

Rental Assistance / AMI Alignment

MRVP-assisted units at ≤30% AMI	19	31.7%	Target scenario; not committed
Federal PBV-assisted units at ≤30% AMI	16	26.7%	Target scenario; not committed

Affordable Housing Sources	Amount	\$/Unit
Permanent First Mortgage	\$6,551,508	\$109,192
Federal 9% LIHTC Equity	\$9,800,000	\$163,333
Massachusetts State LIHTC Proceeds	\$3,320,000	\$55,333
HLC Soft Funding	\$6,000,000	\$100,000
FHLBank Boston AHP	\$1,000,000	\$16,667
Somerville AHT/CPA	\$2,500,000	\$41,667
Energy / Green Incentives	\$1,000,000	\$16,667
CMF/ CDFI Fund Source	\$5,000,000	\$83,333
National HTF	\$1,750,000	\$29,167
Housing Innovation Fund HIF	\$1,000,000	\$16,667
TOD Funding	\$1,250,000	\$20,833
Facilities Consolidation Fund FCF	\$250,000	\$4,167
HOME Funds	\$750,000	\$12,500
Housing Stabilization	\$875,000	\$14,583
State AHT	\$750,000	\$12,500
Appropriation	\$500,000	\$8,333
YMCA / Philanthropic / Other Housing Sources	\$2,500,000	\$41,667
Design/value-engineering savings	\$8,000,000	\$133,333
Deferred Developer Fee	\$1,500,000	\$25,000
TOTAL Housing Sources	\$54,296,508	\$904,942
Remaining Preliminary Funding Gap	\$2,906,223	\$48,437

Affordable Housing Uses	Amount	\$/Unit
Acquisition / Land		
Housing Construction	\$40,115,295	\$668,588
Construction Contingency	\$2,005,765	\$33,429
Residential FF&E	\$504,000	\$8,400
Architecture / Engineering / Other Soft Costs	\$5,214,988	\$86,916
Construction Financing / Interest	\$4,412,682	\$73,545
Operating / Replacement / Lease-up Reserves	\$750,000	\$12,500
Developer Fee	\$4,200,000	\$70,000
Total Affordable Housing Development Cost	\$57,202,731	\$953,379

Cash Flow																
Year	Growth Rate	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Gross Potential Rent	2.0%	1,361,400	1,388,628	1,416,401	1,444,729	1,473,623	1,503,096	1,533,158	1,563,821	1,595,097	1,626,999	1,659,539	1,692,730	1,726,584	1,761,116	1,796,338
Less Vacancy	5.0%	(68,070)	(69,431)	(70,820)	(72,236)	(73,681)	(75,155)	(76,658)	(78,191)	(79,755)	(81,350)	(82,977)	(84,636)	(86,329)	(88,056)	(89,817)
Less Expenses	3.0%	(720,000)	(741,600)	(763,848)	(786,763)	(810,366)	(834,677)	(859,718)	(885,509)	(912,074)	(939,437)	(967,620)	(996,648)	(1,026,548)	(1,057,344)	(1,089,065)
Less replacement reserves	3.0%	(21,000)	(21,630)	(22,279)	(22,947)	(23,636)	(24,345)	(25,075)	(25,827)	(26,602)	(27,400)	(28,222)	(29,069)	(29,941)	(30,839)	(31,764)
Net Operating Income		552,330	555,967	559,454	562,781	565,940	568,919	571,707	574,293	576,666	578,812	580,720	582,376	583,766	584,877	585,692
Less Annual Debt Service		(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)	(460,275)
Cash Flow		92,055	95,692	99,179	102,506	105,665	108,644	111,432	114,018	116,391	118,537	120,445	122,101	123,491	124,602	125,417
DSCR		1.20	1.21	1.22	1.22	1.23	1.24	1.24	1.25	1.25	1.26	1.26	1.27	1.27	1.27	1.27

Stabilized Affordable Housing Operations – Subsidized Underwriting Case

<u>Operating Item</u>	<u>Annual</u>	<u>Per Unit</u>	<u>Planning Assumption</u>
Gross Potential Residential Rent	\$1,361,400	\$22,690	Implied gross potential residential income before 5% economic vacancy
Less: Economic Vacancy	(\$68,070)	(\$1,135)	5% economic vacancy
Effective Gross Residential Income	\$1,293,330	\$21,556	Underwriting EGI reflecting proposed 19 MRVP + 16 PBV subsidy model
Housing Operating Expenses	(\$720,000)	(\$12,000)	\$12,000/unit operating expense assumption
Replacement Reserve	(\$21,000)	(\$350)	\$350/unit/year replacement reserve
Net Operating Income	\$552,330	\$9,206	NOI = EGI less operating expenses and replacement reserves
Maximum Annual Debt Service	(\$460,275)	(\$7,671)	1.20x DSCR
Indicative Permanent Mortgage	\$6,551,508	\$109,192	6.5% interest / 40-year amortization / 1.20x DSCR