



Historic District Development Corporation

Henderson Place Apartments

ULI Center for Leadership Class of 2019
mini Technical Assistance Panel (mTAP)

*“We cannot survive
spiritually separated
in a world that is
geographically together.”*

- Martin Luther King Jr.

AGENDA

MEET THE TEAM

ULI ► CFL + mTAP

CLIENT PROFILE

PROJECT BACKGROUND

EXISTING CONDITIONS

mTAP OBJECTIVES

OUR PROCESS

DESIGN CONCEPT

FINANCIAL ANALYSIS

NEXT STEPS



MEET THE TEAM



Molly Parnes

Asset Manager

**Trimont Real Estate
Advisors**



**Lionel
Johnson**

Senior Associate
Architect

TSW Design



Jennifer Fine

VP of Planning +
Strategic Initiatives

Invest Atlanta



Chris Pierre

VP of Operations

**Trinity Development
Partners**



Kristy LaRose

Director of Business
Development

**Wallace Structural
Engineers**



Center for Leadership (CFL)

Provides a powerful local resource to help guide responsible development of the Atlanta region

Strengthens connections among area organizations that guide and influence Atlanta real estate development

Our MISSION is to cultivate leadership and life-strategy skills by teaching emerging leaders in the real estate and land use industries how the Atlanta region gets built



Mini Technical Assistance Panel (mTAP)

Provide leadership on a critical Atlanta regional issue

Team is responsible for sharing their expertise and advice to develop recommendations for a sponsor organization

CFL + mTAP

CLIENT PROFILE

- ✓ Non-Displacement
- ✓ Historic Renovation
- ✓ Sustainability



Built or preserved 120+ single family homes



Developed almost 500 multi-family units

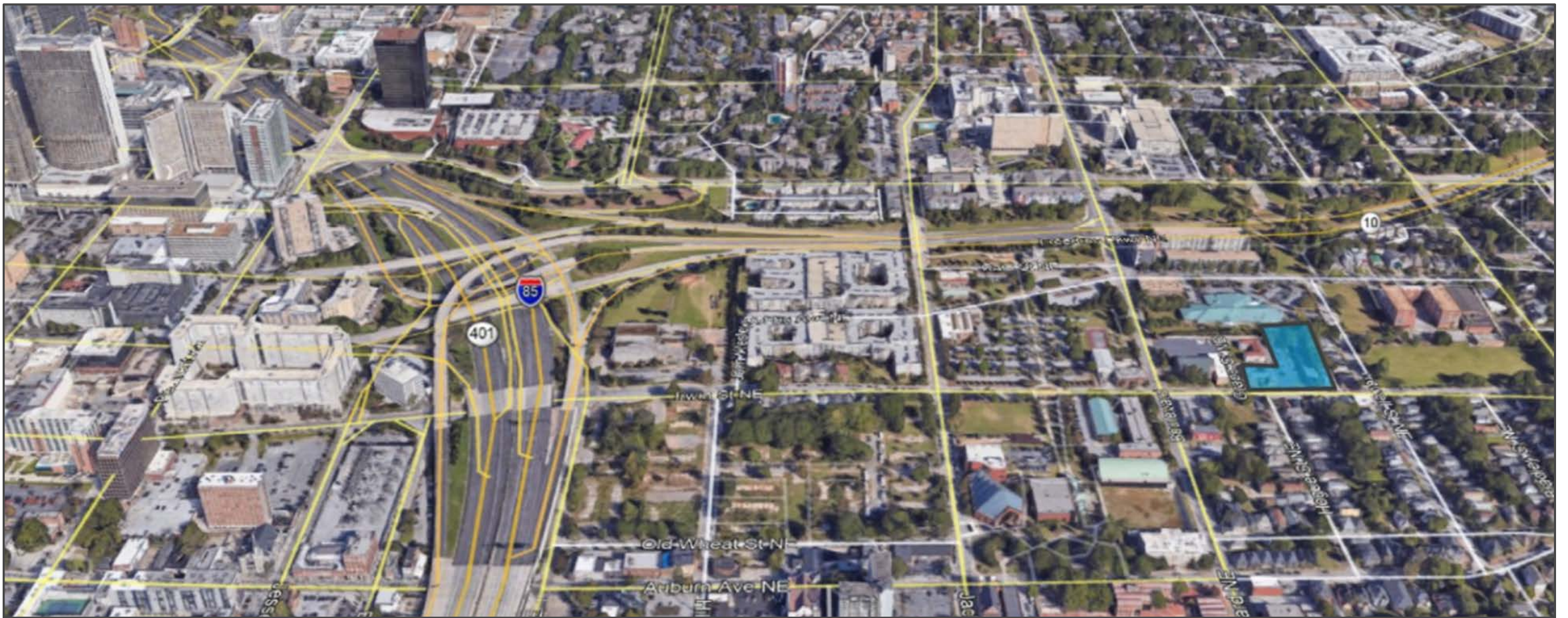


Added 40,000SF commercial space in Old Fourth Ward

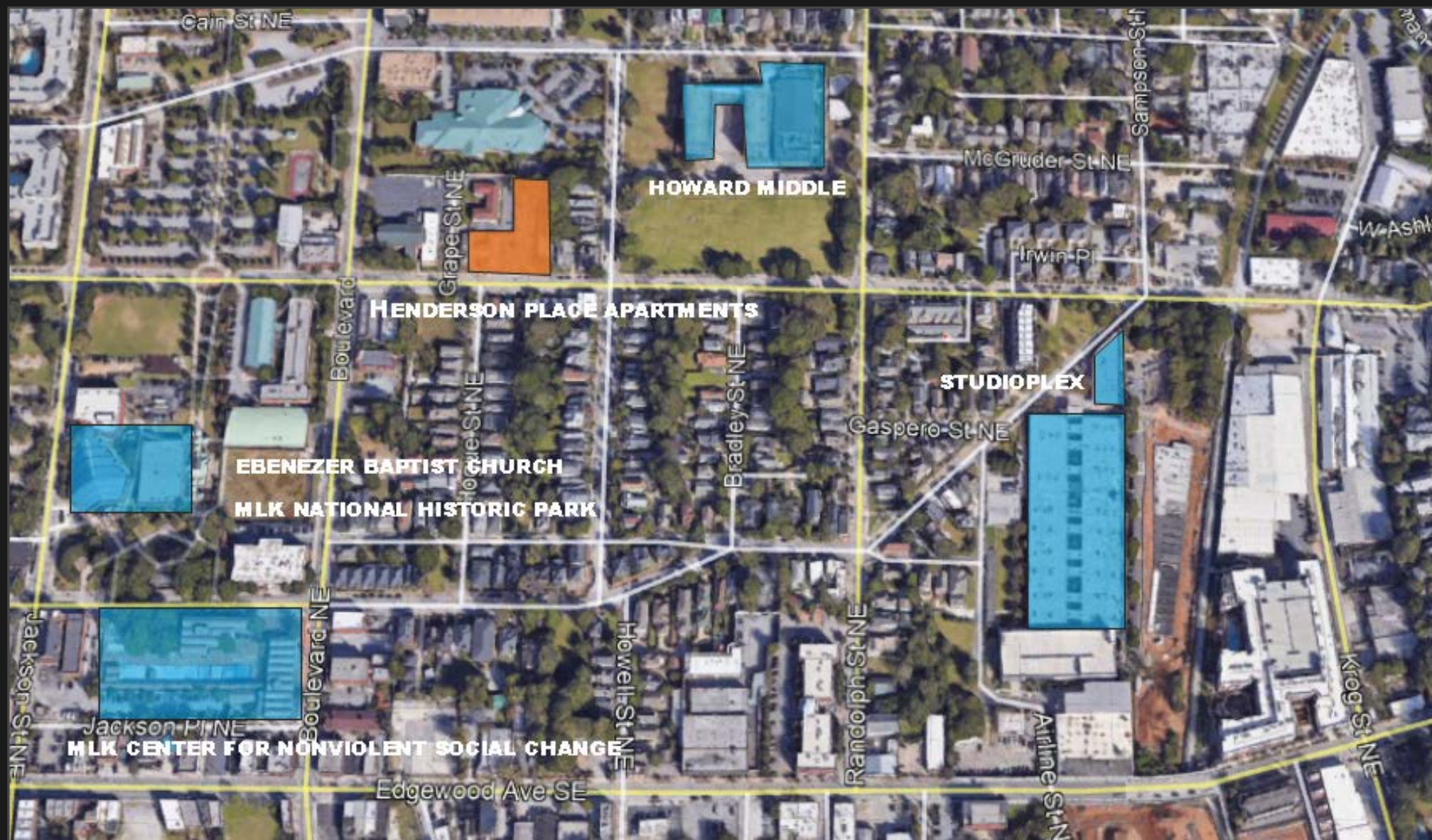
HENDERSON PLACE APARTMENTS

- 58-unit rental (44- Studio/14- 2BR) in O4W for low-income, long-term residents
- Acquired in 1997, with no cash flow since acquisition
- Outstanding LIHTC/HOME debt of approximately \$1.3M
- An assemblage of surrounding parcels not successful in the past
- Current layout of buildings is not highest and best use of the site
- Provides deep affordability, but has deferred maintenance and needs major renovation

PROJECT BACKGROUND



LOCATION & EXISTING CONDITIONS







HENDERSON PLACE APARTMENTS

- Evaluate options to increase density (80+) and provide larger units
- Assess feasibility to redevelop, reposition and/or re-program the property
- Consider demolishing and rebuilding property and possibly expanding footprint
- Suggestions to restore to the proud, economically diverse and viable community that once existed
- Solutions to continue to serve existing target tenant base of very low-income individuals/families
- Create housing opportunities for families anticipated with new Howard Middle School opening
- Improve the property's financial standing to operate in the black, generate cash flow enough to service project related debts, maintain the property adequately and satisfy outstanding debt



mTAP OBJECTIVES

OUR PROCESS

Site Visit ► Preliminary civil analysis

Due Diligence

Doug Young ► Assistant Director of Office of Design, City of Atlanta + Executive Director of Atlanta Urban Design Commission

**Confirmed possibility of demolishing existing buildings and building in conformance with the future land use (MR5B Zoning)

Preliminary design concepts and programming reviewed with HDDC

Assumptions:

- Outstanding City of Atlanta loan to be forgiven
- Outstanding DCA Loan to be paid off in 5 years
- Obtaining variance for reduced required parking
- Assemble two HDDC lots before building permit
- Rezoning R5 Zoning to MR5B Zoning to allow increased height and density
- Operating Expenses based on limited information

DESIGN CONCEPT

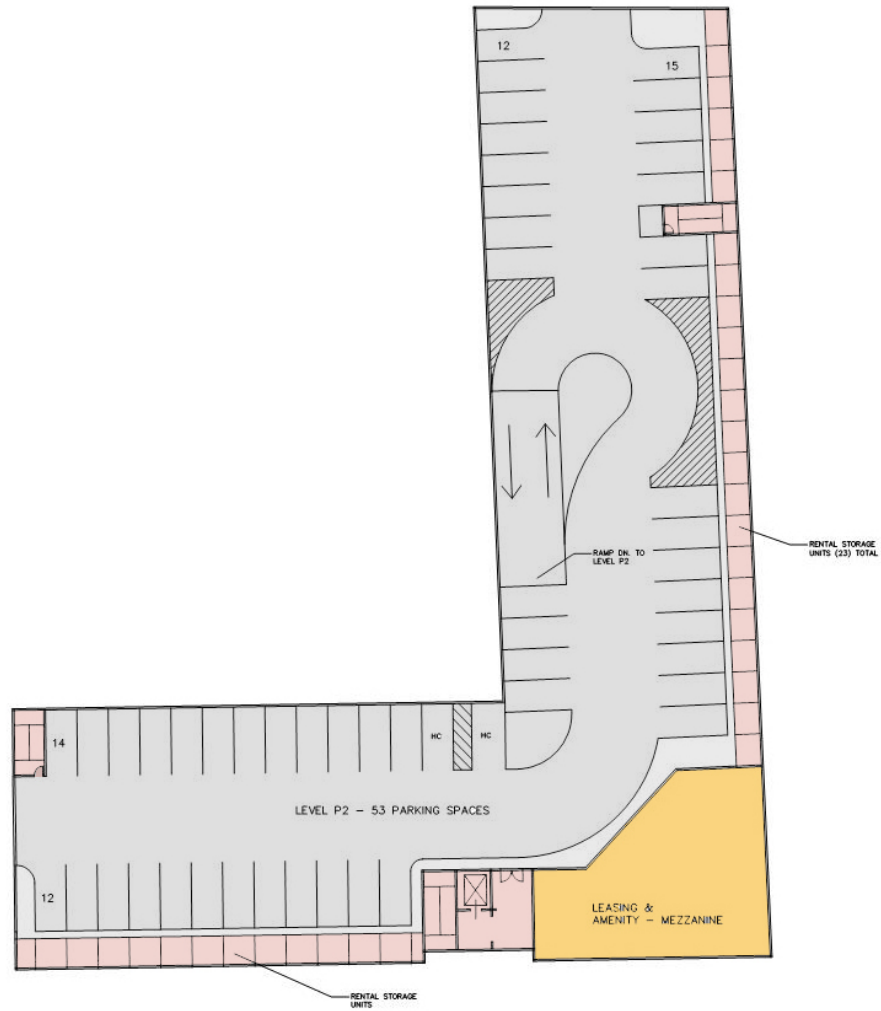
137
Total
Units

42%
Affordable

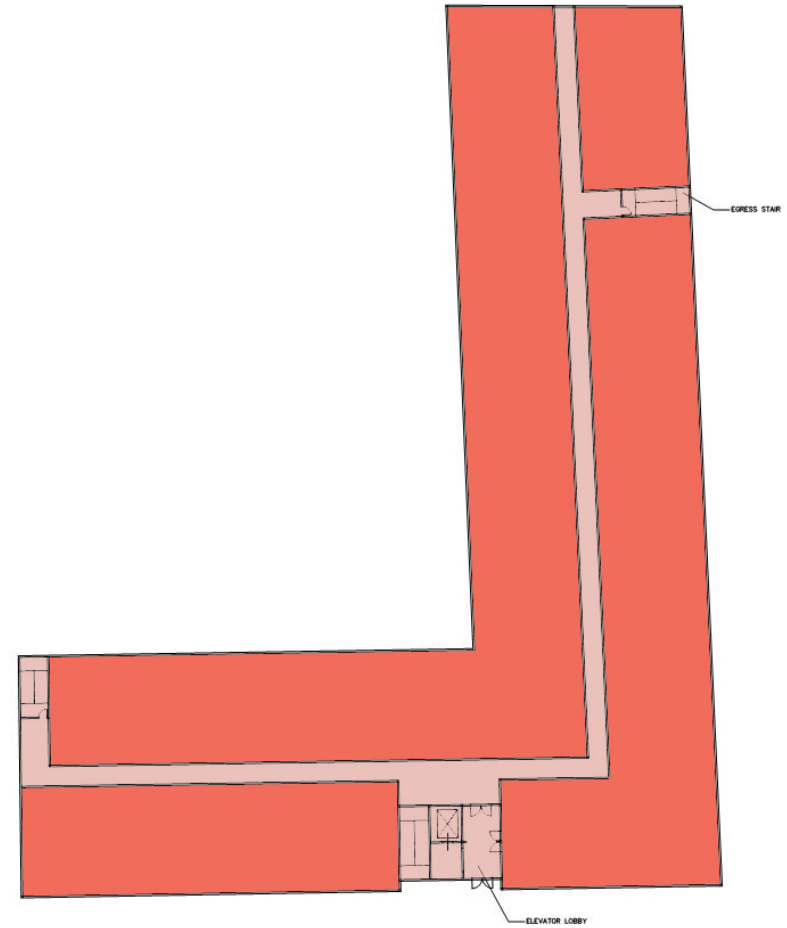
58%
Market
Rate

\$29M
Total
Project
Cost



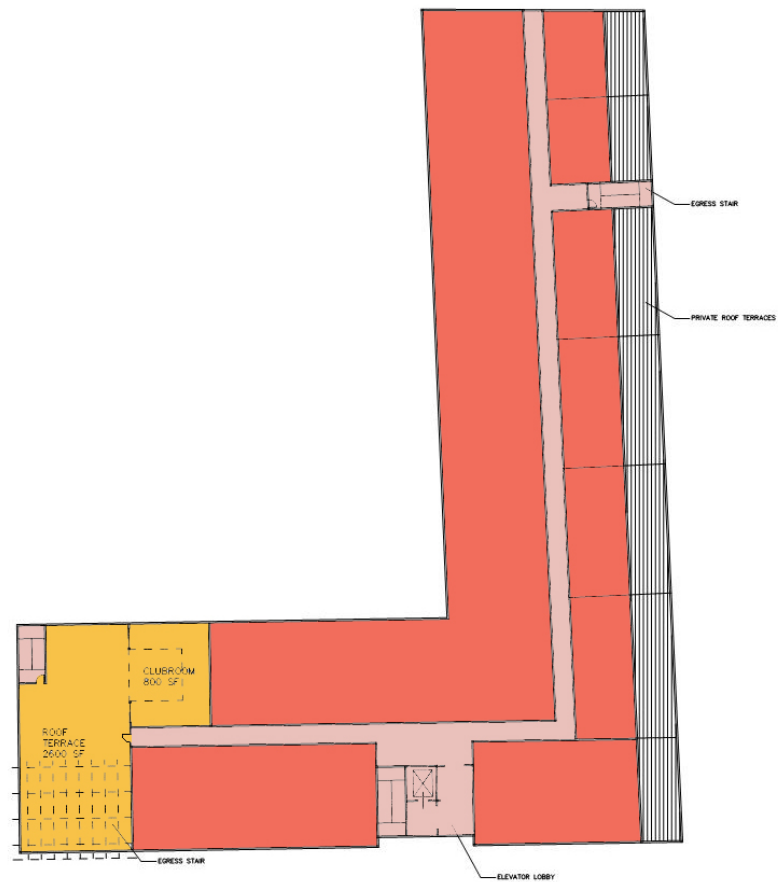


LEVEL P2



RES. LVL. 1-4

LEVEL P1
 GROSS AREA: 27,376 SF
 NET AREA: 24,455 SF

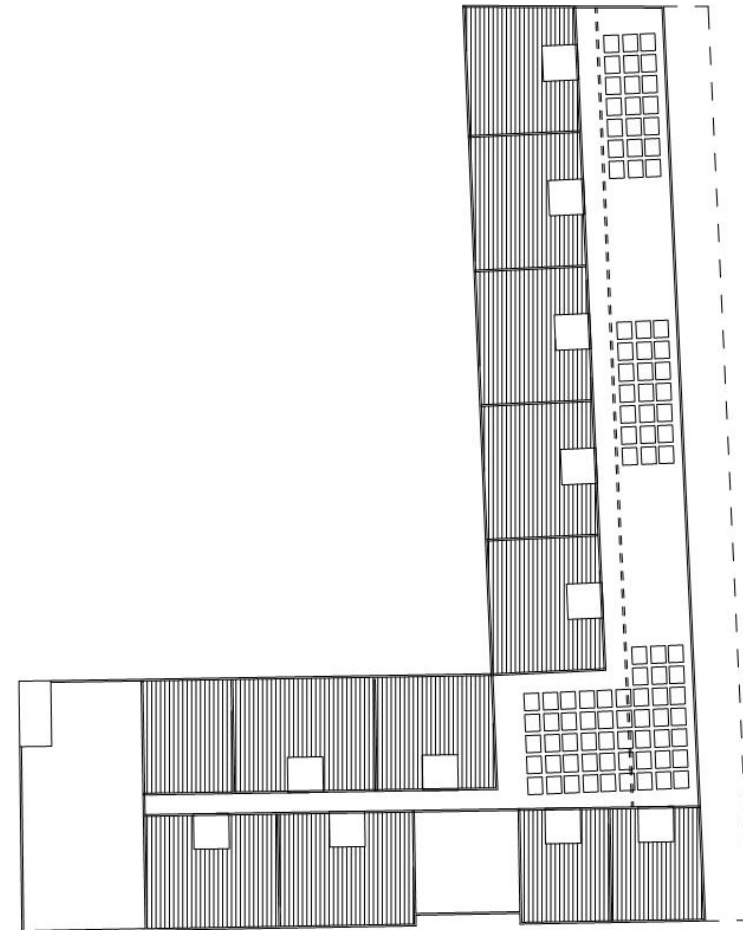


LEVEL 5

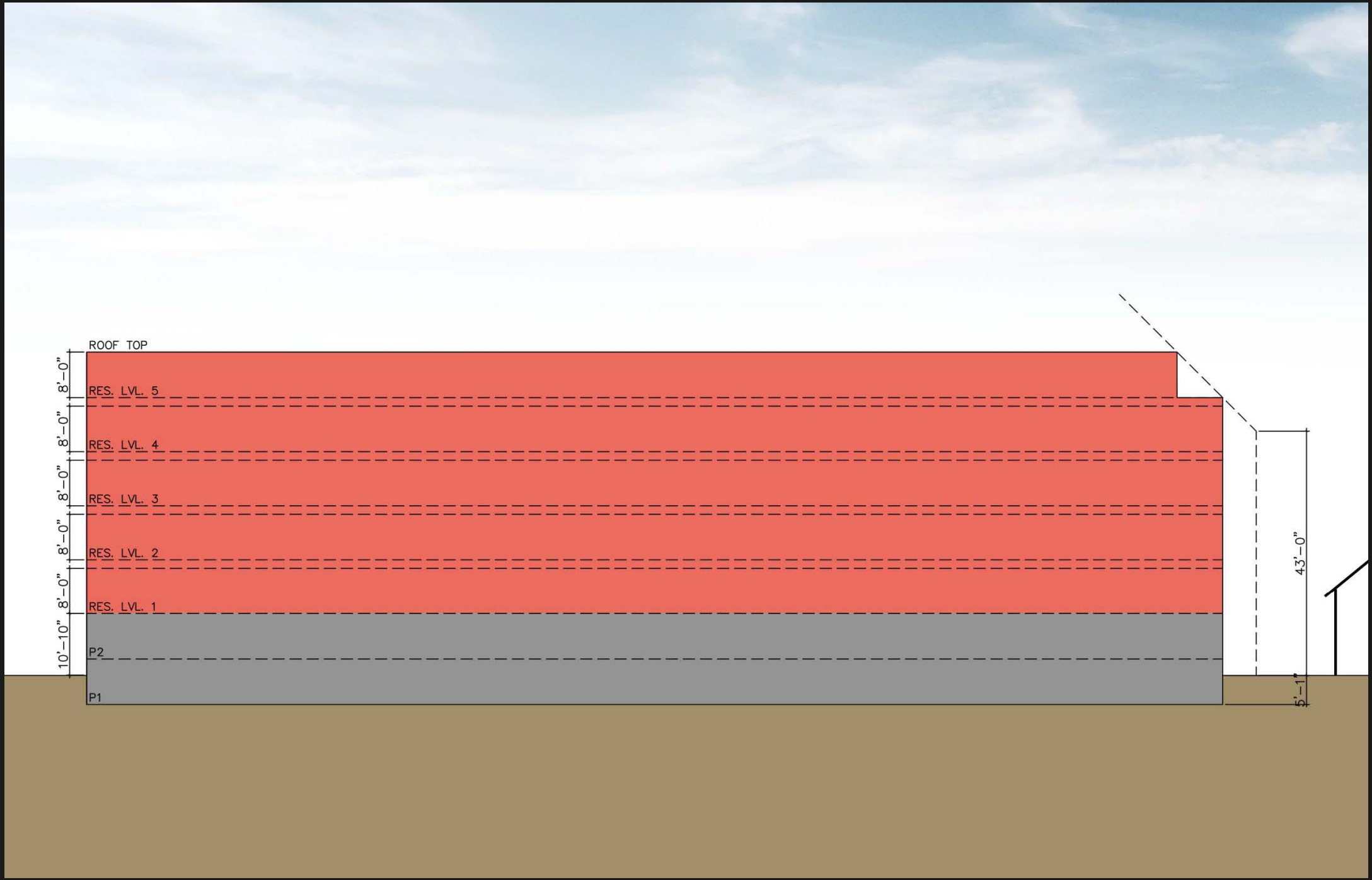
LEVEL P1

GROSS AREA: 24,927 SF
NET AREA: 21,398 SF

ROOF TERRACE: 2,600 SF
CLUBROOM: 800 SF

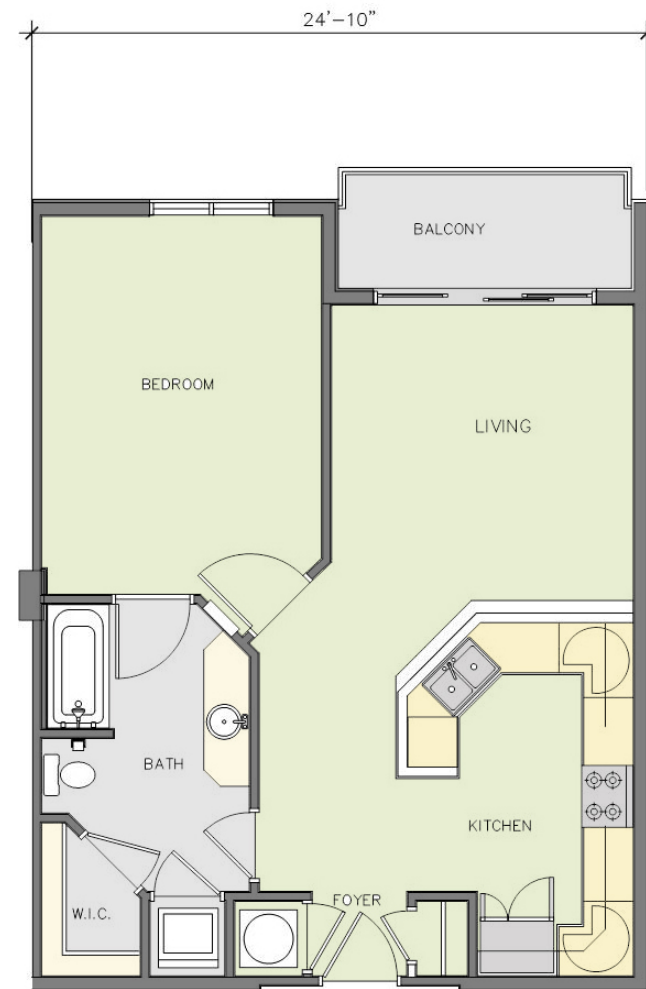
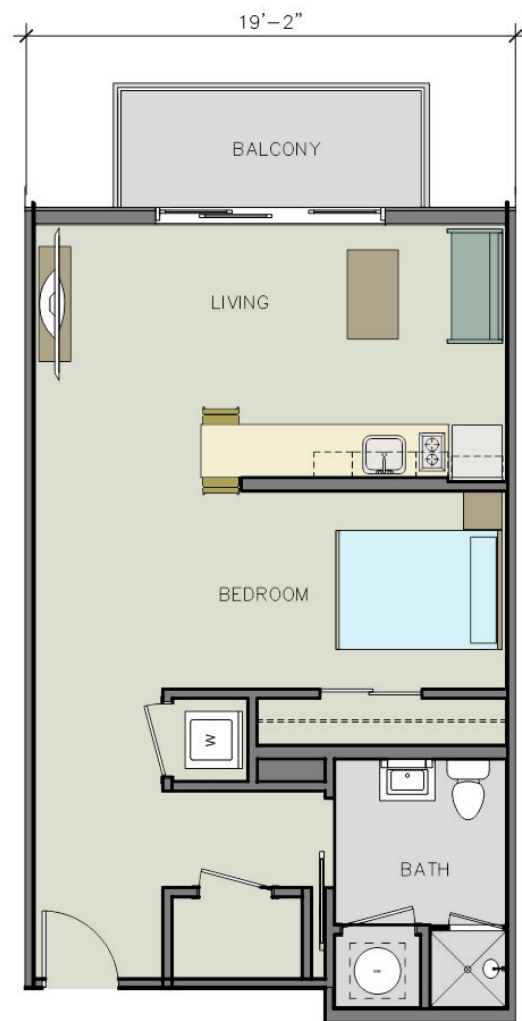


ROOF TOP



ROOF TOP
8'-0"
RES. LVL. 5
8'-0"
RES. LVL. 4
8'-0"
RES. LVL. 3
8'-0"
RES. LVL. 2
8'-0"
RES. LVL. 1
10'-10"
P2
P1

43'-0"
5'-11"





2 BR/ 2 BA
1,039 SF



2 BR/ 2 BA
1,039 SF



3 BR/ 2 BA
1,300 SF



3 BR/ 2 BA
1,300 SF











HENDERSON PLACE APARTMENTS



FINANCIAL ANALYSIS

HENDERSON PLACE**UNIT MIX & INCOME**

% AMI	Bedrooms	Bathrooms	Units	Unit SF	Monthly Gross Unit Rent	Tenant Paid Utility Allowance	Monthly Rent	Annual Income
30%	0	1	11	650	\$ 418	\$57	\$361	\$55,176
60%	0	1	12	650	\$ 837	\$74	\$763	\$120,528
Market	0	1	29	650	\$ 1,395	\$0	\$1,395	\$485,460
30%	1	1	10	750	\$ 448	\$57	\$391	\$53,760
60%	1	1	9	750	\$ 897	\$74	\$823	\$96,876
Market	1	1	33	750	\$ 1,495	\$0	\$1,495	\$592,020
30%	2	2	5	1,100	\$ 538	\$57	\$481	\$32,280
60%	2	2	4	1,100	\$ 1,077	\$74	\$1,003	\$51,696
Market	2	2	17	1,100	\$ 1,795	\$0	\$1,795	\$366,180
60%	3	2	7	1,300	\$ 1,243	\$94	\$1,149	\$104,412
Total			137	110,500	\$1,958,388			

HENDERSON PLACE

Units

137

USES

Type	Description	Reference %	Cost	Per Unit
Acquisition	Land		750,000	5,474
Subtotal	Acquisition		750,000	5,474

Hard Costs	Residential: New Construction	100%	21,461,898	
Hard Costs	Total Residential	100%	21,461,898	156,656
Subtotal	Total Hard Costs		21,461,898	156,656

Contingency	Construction Contingency	3%	934,679	6,822
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Soft Costs	Architect: Design	3%	970,895	7,087
Soft Costs	"Green/Sustainability" Certification Fees	0	-	-
Soft Costs	Legal	0.001530447	45,000	328
Soft Costs	Accounting / Cost Certification	0.001020298	30,000	219
Soft Costs	Survey	0.000425124	12,500	91
Soft Costs	Appraisal	0.000765223	22,500	164
Soft Costs	Environmental Reports	0.001190347	35,000	255
Soft Costs	Soil Tests	0.000306089	9,000	66
Soft Costs	Market Study	0.000238069	7,000	51
Soft Costs	3rd Party Cost Estimate	0.000408119	12,000	88
Soft Costs	Title and Recording	0.000408119	12,000	88
Soft Costs	Marketing	0.000938844	27,605	201
Soft Costs	Radon, material testing, local govt fees and Accessibility	0.007142085	210,000	1,533
Subtotal	Soft Costs		1,393,500	10,172

Financing	Invest Atlanta Application Fees		18,000	131
Financing	Invest Atlanta Commitment Fees		84,000	613
Financing	4% Fees - DCA		14,000	102
Financing	Issuer's Counsel Fee		80,000	584
Financing	Loan Origination		170,800	1,247
Financing	Bond Issuance Fee		394,898	2,882
Financing	Construction Lender Legal		35,000	255
Financing	Payment and Performance Bond		93,468	682
Financing	Lender Inspector		20,000	146
Subtotal	Financing		910,166	6,644

Interim	Construction / Bridge loan interest		1,063,125	7,760
Interim	Servicing fees during construction		188,640	1,377
Interim	Insurance During Construction		75,000	547
Subtotal	Interim		1,326,765	9,684

Syndication	Syndication Legal		50,000	365
Syndication	Other Syndicator Fees		231,004	1,686
Subtotal	Syndication		281,004	2,051

Reserves	Real Estate Tax Reserve	0%	46,443	339
Reserves	Initial Rent-up Reserve		178,100	1,300
Reserves	Operating Reserve		602,800	4,400
Reserves	FF&E Reserve		136,178	994
Reserves	Site Lighting		11,645	85
Subtotal	Reserves		975,166	7,118

Developer Fee	Developer Fee (inclusive of consultants, managers, etc.)		1,370,000	10,000
Developer Fee	Total Developer Fee	5%	1,370,000	10,000

Total	Grand Total		29,403,179	214,622
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Tax Credit Calculation

Estimate Only. Final award amounts are dependent on the GA Dept. of Community Affairs and Cost Certifications.

	4% - Acq	4%	Total
Eligible Basis	\$ -	\$ 24,787,497	\$ 24,787,497
- Historic Tax Credits	\$ -	\$ -	\$ -
- Deductions	\$ -	\$ -	\$ -
X Boost (if eligible)	100%	100%	
= Eligible Basis	\$ -	\$ 24,787,497	\$ 24,787,497
X Applicable Fraction	100.00%	100.00%	
= Qualified Basis	\$ -	\$ 24,787,497	\$ 24,787,497
X Applicable Percentage (IRS Published Monthly Rate)	3.29%	3.29%	
= Tax Credit Amount	\$ -	\$ 815,509	\$ 815,509

Tax Credit Election

20% at 50% of AMI	
40% at 60% of AMI	X
will Utilize income averaging	

HENDERSON PLACE	SOURCES
Construction Period Sources	

Construction period debt including equity bridge loans	Lien Position	Amount	Interest Rate	Construction Term (years)	Construction Debt Service	Funding Committed	Comments
Tax Exempt Bond (TEB) (\$):		\$ 16,500,000	4.50%	1	\$ 556,875		
Housing Opportunity Bond (\$):		\$ 1,500,000	1.50%	30	\$ 506,250		
Total		\$ 18,000,000			\$ 1,063,125		

Construction period grants; Grants available during construction		Amount	Funding Committed	Comments
Eastside TAD Community Empowerment		\$ 3,000,000		
Total		\$ 3,000,000		

Construction Period equity; Equity available during construction	Type	Amount	Funding Committed	Comments
Federal Tax Credit Equity		\$ 4,767,178		
State Tax Credit Equity		\$ 2,678,548		
Total		\$ 7,445,726		

	Amount	% of:	Total Developer Fee
Deferred Developer Fee	\$ 957,453		70%

Total Construction Sources ex Def. Dev Fee	\$ 28,445,726		
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Permanent Sources

Permanent Debt	Lien Position	Amount	Interest Rate	Loan Term (years)	Amort. Term (years)	Funding Committed	Annual Debt Service
Conventional Debt	1st	\$ 11,647,359	5%	35	35	Yes	\$ 711,324
Housing Opportunity Bond Loan	2nd	\$ 1,500,000	2%	35	35		\$ 55,400
GA DCA Loan	3rd	\$ 496,144	2%	5	5		\$ 105,261
Total		\$ 13,643,503					\$ 871,986

Grants		Amount	Committed	Comments
Eastside TAD Grant		\$ 3,000,000		
Total		\$ 3,000,000		

Equity	Type	Amount	Committed	Comments
Federal Tax Credit Equity		\$ 7,334,120		
State Tax Credit Equity		\$ 4,464,247		
Total		\$ 11,798,367		

	Amount	% of:	Total Developer Fee
Deferred Developer Fee	\$ 961,309		70%

Total Permanent Sources ex Def. Dev Fee	\$ 28,441,870		
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HENDERSON PLACE		OPERATING EXPENSES	
		Units	
		137	
Type	Description	Aggregate Exp.	Per Unit
Management	Management Fee	91,065	665
Administrative	Administrative Salaries	55,000	401
Administrative	Office Expenses	8,500	62
Administrative	Legal	5,000	36
Administrative	Accounting	7,000	51
Administrative	Telephone	2,000	15
Administrative	Monitoring Fee	5,000	36
Administrative	Marketing	2,500	18
Administrative	Other Admin and Compliance	12,628	94
Administrative	Total Other Administrative	97,628	714
Operating	Operating Expense Salaries	24,000	175
Operating	Janitorial Supplies	17,500	128
Operating	Exterminating	7,000	51
Operating	Rubbish Removal	25,000	182
Operating	Security Expense	20,000	146
Operating	Invest Atlanta Fees	27,432	200
Operating	Total Other Operating	120,932	883
Maintenance	Maintenance Salaries	25,000	182
Maintenance	Grounds and Pool Maintenance	12,000	88
Maintenance	Elevator	7,500	55
Maintenance	General Repairs	12,500	91
Maintenance	Miscellaneous	17,000	124
Maintenance	Total Other Maintenance	74,000	540
Utilities	Electricity	25,000	182
Utilities	Gas		-
Utilities	Oil		-
Utilities	Water & Sewer&Trash	45,000	328
Utilities	Total Utilities	70,000	511
Taxes / Ins.	Real Estate Taxes	96,500	704
Taxes / Ins.	Other Taxes		-
Taxes / Ins.	Insurance	35,000	255
Taxes / Ins.	Total Taxes / Ins.	131,500	960
Reserves	Replacement	34,250	250
Reserves	Operating		-
Reserves	FF&E		-
Reserves	Debt Service		-
Reserves	Transition		-
Reserves	Medicaid Payment Delay		-
Reserves	Total Reserves	34,250	250
Total	Total Annual Operating Expenses	619,575	4,522

Salaried Staff

Type	Position	Salary	Per Unit
Administrative	Manager	55,000	401
Administrative	Asst Mgr	-	-
Administrative			-
Administrative			-
Administrative	Administrative Salaries	55,000	401
Operating	Benefits, taxes, WC	24,000	175
Operating	Operating Salaries	24,000	175
Maintenance	Staff members	25,000	182
Maintenance	Maintenance Salaries	25,000	182

HENDERSON PLACE**FINANCING SOURCES AND USES****Sources**

Tax Exempt Bond	16,500,000
Housing Opportunity Bond / VCTF	1,500,000
BAHTF	-
Other Construction Debt	-
Eastside TAD Grant	3,000,000
Federal Tax Credit Equity	4,767,178
State Tax Credit Equity	2,678,548
Other Equity	-
Developer Fee during Construction	957,453
Total Construction Sources	29,403,179

Permanent Debt (includes outstanding DCA loan)	13,643,503
Eastside TAD Grant	3,000,000
Federal Tax Credit Equity	7,334,120
State Tax Credit Equity	4,464,247
Other Equity	-
Deferred Developer Fee	961,309
Total Permanent Sources	29,403,179

Uses

Acquisition	750,000
Hard Costs	21,461,898
Contingency	934,679
Soft Costs	1,393,500
Financing	910,166
Interim Expenses	1,326,765
Syndication Expenses	281,004
Reserves	975,166
Total Developer Fee	1,370,000
Total Uses	29,403,179

HENDERSON PLACE

CASH FLOW

			Trend	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
Income		Rent	2%	1,958,388	1,997,556	2,037,507	2,078,257	2,119,822	2,162,219	2,205,463	2,249,572	2,294,564	2,340,455	2,387,264	2,435,009	2,483,710	2,533,384	2,584,051	2,635,732	2,688,447	2,742,216	2,797,060	2,853,002	2,910,062	2,968,263	3,027,628	3,088,181	3,149,944
Income		Other	2%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income		Gross Residential		1,958,388	1,997,556	2,037,507	2,078,257	2,119,822	2,162,219	2,205,463	2,249,572	2,294,564	2,340,455	2,387,264	2,435,009	2,483,710	2,533,384	2,584,051	2,635,732	2,688,447	2,742,216	2,797,060	2,853,002	2,910,062	2,968,263	3,027,628	3,088,181	3,149,944
Vacancy	7%	Residential Vacancy		(137,087.16)	(139,829)	(142,625)	(145,478)	(148,388)	(151,355)	(154,382)	(157,470)	(160,619)	(163,832)	(167,108)	(170,451)	(173,860)	(177,337)	(180,884)	(184,501)	(188,191)	(191,955)	(195,794)	(199,710)	(203,704)	(207,778)	(211,934)	(216,173)	(220,496)
Income		Residential EGI		1,821,301	1,857,727	1,894,881	1,932,779	1,971,435	2,010,863	2,051,081	2,092,102	2,133,944	2,176,623	2,220,156	2,264,559	2,309,850	2,356,047	2,403,168	2,451,231	2,500,256	2,550,261	2,601,266	2,653,291	2,706,357	2,760,484	2,815,694	2,872,008	2,929,448

Management	5%	Management Fee		91,065	92,886	94,744	96,639	98,572	100,543	102,554	104,605	106,697	108,831	111,008	113,228	115,492	117,802	120,158	122,562	125,013	127,513	130,063	132,665	135,318	138,024	140,785	143,600	146,472
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Administrative		Administrative Salaries	3%	55,000	56,650	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763	73,915	76,133	78,417	80,769	83,192	85,688	88,259	90,907	93,634	96,443	99,336	102,316	105,386	108,547	111,804
Administrative		Other Administrative	3%	42,828	44,113	45,436	46,799	48,203	49,649	51,139	52,673	54,253	55,881	57,557	59,284	61,062	62,894	64,781	66,725	68,726	70,788	72,912	75,099	77,352	79,673	82,063	84,525	87,061

Operating		Operative Expense Salaries	3%	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084	43,347	44,647	45,986	47,366	48,787
Operating		Other Operating	3%	96,992	99,840	102,895	105,920	109,098	112,371	115,742	119,214	122,791	126,474	130,269	134,177	138,202	142,348	146,618	151,017	155,547	160,214	165,020	169,971	175,070	180,322	185,732	191,304	197,043

Maintenance		Maintenance Salaries	3%	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	42,561	43,838	45,153	46,507	47,903	49,340	50,820
Maintenance		Other Maintenance	3%	49,000	50,470	51,984	53,544	55,150	56,804	58,509	60,264	62,072	63,934	65,852	67,827	69,862	71,958	74,117	76,340	78,631	80,990	83,419	85,922	88,499	91,154	93,889	96,706	99,607

Utilities		Electricity	3%	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	38,949	40,118	41,321	42,561	43,838	45,153	46,507	47,903	49,340	50,820
Utilities		Gas	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		Oil	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities		Water & Sewer	3%	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	64,159	66,084	68,067	70,109	72,212	74,378	76,609	78,908	81,275	83,713	86,225	88,811	91,476
Utilities		Subtotal: Utilities	3%	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334	94,074	96,896	99,803	102,797	105,881	109,058	112,329	115,699	119,170	122,745	126,428	130,221	134,127	138,151	142,296

Taxes and Ins.		Real Estate Taxes	4%	96,500	100,360	104,374	108,549	112,891	117,407	122,103	126,987	132,067	137,350	142,844	148,557	154,500	160,680	167,107	173,791	180,743	187,972	195,491	203,311	211,443	219,901	228,697	237,845	247,359
Taxes and Ins.		Other Taxes	3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes and Ins.		Insurance	3%	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941	54,529	56,165	57,850	59,585	61,373	63,214	65,110	67,064	69,076	71,148
Taxes and Ins.		Subtotal: Taxes and Insurance		131,500	136,410	141,506	146,795	152,284	157,982	163,895	170,033	176,404	183,017	189,881	197,006	204,401	212,078	220,047	228,320	236,907	245,822	255,076	264,684	274,657	285,011	295,761	306,921	318,507

Reserves		Replacement	3%	34,250	35,278	36,336	37,426	38,549	39,705	40,896	42,123	43,387	44,688	46,029	47,410	48,832	50,297	51,806	53,360	54,961	56,610	58,308	60,058	61,859	63,715	65,627	67,595	69,623
Reserves		Subtotal: Reserves		34,250	35,278	36,336	37,426	38,549	39,705	40,896	42,123	43,387	44,688	46,029	47,410	48,832	50,297	51,806	53,360	54,961	56,610	58,308	60,058	61,859	63,715	65,627	67,595	69,623

EGI		Effective Gross Income		1,821,301	1,857,727	1,894,881	1,932,779	1,971,435	2,010,863	2,051,081	2,092,102	2,133,944	2,176,623	2,220,156	2,264,559	2,309,850	2,356,047	2,403,168	2,451,231	2,500,256	2,550,261	2,601,266	2,653,291	2,706,357	2,760,484	2,815,694	2,872,008	2,929,448
Expenses		Total Annual Expenses		619,575	638,217	657,438	677,257	697,694	718,768	740,500	762,910	786,021	809,856	834,437	859,788	885,935	912,903	940,719	969,410	999,005	1,029,532	1,061,023	1,093,508	1,127,019	1,161,591	1,197,258	1,234,055	1,272,019
NOI		Net Operating Income		1,201,726	1,219,510	1,237,444	1,255,522	1,273,740	1,292,095	1,310,581	1,329,192	1,347,923	1,366,767	1,385,719	1,404,771	1,423,915	1,443,144	1,462,449	1,481,821	1,501,251	1,520,729	1,540,243	1,559,784	1,579,338	1,598,893	1,618,436	1,637,953	1,657,429

Debt Service		Conventional Debt		711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324	711,324
Debt Service		Housing Opportunity Bond Loan		55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400	55,400
Debt Service		GA DCA Loan		105,261	105,261	105,261	105,261	105,261	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service		Subtotal: Debt Service		871,986	871,986	871,986	871,986	871,986	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725	766,725

Cash Flow		Cash Flow After Debt Service		329,740	347,525	365,458	383,536	401,755	525,371	543,856	562,467	581,198	600,043	618,994	638,046	657,190	676,419	695,724	715,096	734,527	754,004	773,519	793,059	812,613	832,169	851,712	871,229	890,705
Cash Flow		Cash Flow Per Unit		2,407	2,537	2,668	2,800	2,933	3,835	3,970	4,106	4,242	4,380	4,518	4,657	4,797	4,937	5,078	5,220	5,362	5,504	5,646	5,789	5,931	6,074	6,217	6,359	6,501

Cash Flow	100%	Cumulative Cash Flow		329,740	677,265	1,042,723	1,426,259	1,828,013	2,353,384	2,897,240	3,459,707	4,040,906	4,640,948	5,259,943	5,897,989	6,555,179	7,231,598	7,927,322	8,642,419	9,376,945	10,130,949	10,904,468	11,697,528	12,510,141	13,342,309	14,194,021	15,065,250	15,955,955
Cash Flow	75%	Cumulative Cash Flow		247,305	507,949	782,042	1,069,694	1,371,010	1,765,038	2,172,930	2,594,781	3,030,679	3,480,711	3,944,957	4,423,492	4,916,384	5,423,699	5,945,492	6,481,814	7,032,709	7,598,212	8,178,351	8,773,146	9,382,606	10,006,732	10,645,516	11,298,938	11,966,966

DCR		Conventional Debt		1.69	1.71	1.74	1.77	1.79	1.82	1.84	1.87	1.89	1.92	1.95	1.97	2.00	2.03	2.06	2.08	2.11	2.14	2.17	2.19	2.22	2.25	2.28	2.30	2.33
DCR		Housing Opportunity Bond Loan		8.85	9.17	9.50	9.82	10.15	10.48	10.82	11.15	11.49	11.83	12.17	12.52	12.86	13.21	13.56	13.91	14.26	14.61	14.96	15.32	15.67	16.02	16.37	16.73	17.08
DCR		GA DCA Loan		4.13	11.59	11.76	11.93	12.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCR		Aggregate DCR		1.38	1.40	1.42	1.44	1.46	1.69	1.71	1.73	1.76	1.78	1.81	1.83	1.86	1.88	1.91	1.93	1.96	1.98	2.01	2.03	2.06	2.09	2.11	2.14	2.16

PROJECT:	Henderson Place	BORROWER:	HDDC
LOCATION:	131 Grape Street	PROP ORIG FEE:	1.25%
		PROP INT RATE:	4.50%

INCOME & VACANCY SENSITIVITY: ASSUMPTIONS			
Net Rentable Area:	120,750 SF	Loan Balance:	\$ 13,643,503
Total # of Units:	137	Constant:	5.80%
Avg Rent (Unit/Month):	\$1,162	Amort. (# of years):	34
Premium/Other Income (Unit/Year):	\$128	1st Yr. Total Pmts.:	\$172,596
Expenses (Unit/Year):	\$4,506	Interest Rate:	4.56%
Vacancy:	7.00%	Required DSC:	1.20X

		AVERAGE RENTAL RATE					
		10.0%	5.0%	Underwritten	7.2%	14.5%	21.7%
		Higher	Higher	Rate	Lower	Lower	Lower
Indicated Rent (Unit/Month)		\$1,278	\$1,220	\$1,162	\$1,078	\$994	\$910
Vacancy Factor							
1.0%	NOI	\$1,480,562	\$1,385,992	\$1,291,422	\$1,154,575	\$1,017,729	\$880,882
	DCR	1.87X	1.75X	1.63X	1.46X	1.29X	1.11X
3.0%	NOI	\$1,438,180	\$1,345,521	\$1,252,861	\$1,118,779	\$984,697	\$850,615
	DCR	1.82X	1.70X	1.58X	1.41X	1.24X	1.07X
5.0%	NOI	\$1,395,798	\$1,305,049	\$1,214,300	\$1,082,982	\$951,665	\$820,347
	DCR	1.76X	1.65X	1.53X	1.37X	1.20X	1.04X
Underwritten							
7.0%	NOI	\$1,353,416	\$1,264,578	\$1,175,739	\$1,047,186	\$918,633	\$790,080
Vacancy	DCR	1.71X	1.60X	1.49X	1.32X	1.16X	1.00X
13.6%	NOI	\$1,212,575	\$1,130,085	\$1,047,595	\$928,229	\$808,864	\$689,498
	DCR	1.53X	1.43X	1.32X	1.17X	1.02X	0.87X
20.3%	NOI	\$1,071,733	\$995,593	\$919,452	\$809,273	\$699,094	\$588,915
	DCR	1.35X	1.26X	1.16X	1.02X	0.88X	0.74X
26.9%	NOI	\$930,892	\$861,100	\$791,308	\$690,316	\$589,325	\$488,333
	DCR	1.18X	1.09X	1.00X	0.87X	0.74X	0.62X

INTEREST RATE SENSITIVITY				
Sensitivity Assumptions	Interest Rate	Loan Constant	Annual Debt Service	DCR with NOI of \$1,175,739
Underwriting Rate	4.56%	5.80%	\$791,308	1.49X
+0.5%	5.06%	6.18%	\$842,499	1.40X
+1.0%	5.56%	6.56%	\$895,129	1.31X
+1.5%	6.06%	6.96%	\$949,118	1.24X
+2.0%	6.56%	7.36%	\$1,004,384	1.17X

NEXT STEPS

- Internally HDDC determine a timeline for additional due diligence
- Refine programming and financial model based on confirmed data
- Initiate applications for funding sources (4% LIHTC, Eastside TAD, HOB, etc.)
- The mTap team is available for future consultation

