ATTACHMENT FOUR: RENTAL HOUSING FEASIBILITY WORKSHEET

Complete the following calculations to determine the "gap", i.e. the minimum amount of HOME funds needed to carry out the proposed rental housing project. If the proposed project consists of scattered sites, then this form must be completed for each site.

PART I: PROJECT INFORMATION

A. Project Name _____

Project Address _____ County _____

City _____ State _____ Zip Code _____

Project Owner _____

B. PROJECT DETAILS

1. Type of Project

_____ Multifamily Rental Residential
_____ Single Room Occupancy (SRO) Housing
_____ Group Home
_____ Elderly Housing
_____ Single Family Dwelling
_____ Congregate Care Facility
_____ Other _____

2. Type of Activity

_____ New Construction
_____ Acquisition
_____ Acquisition/Rehabilitation
_____ Rehabilitation only

3. Number of HOME-assisted units _____

4. Are or will all low-income units be of at least equal comparability in terms of construction quality and amenities when compared to non HOME assisted units of the project?

Yes ☐ No ☐

C. SITE INFORMATION

1. Is the site currently under control of the applicant? Yes ☐ No ☐

If Yes, control is in the form of: Deed ☐ Option ☐ Contract ☐

Expiration date of contract or option _____

2. Is site properly zoned for the development? Yes ☐ No ☐

If no, is site currently in the process of re-zoning? Yes ☐ No ☐

When is the zoning issue to be resolved? _____ (month/year)

3. Are all necessary utilities presently available at the site? Yes ☐ No ☐

If no, which utilities need to be brought to the site?

_____

D. RELOCATION INFORMATION

Does this project propose any relocation of tenants? Yes ☐ No ☐

If YES, STOP. **You MUST notify THDA PRIOR to submitting an application.**

E. MAXIMUM HOME SUBSIDY

1. Maximum HOME subsidy possible:

0 BR	$ 52,862	x	_____	units	=	$_____
1 BR	$ 60,597	x	_____	units	=	$_____
2 BR	$ 73686	x	_____	units	=	$_____
3 BR	$ 95,325	x	_____	units	=	$_____
4 BR	$104,638	x	_____	units	=	$_____

Maximum HOME subsidy $_____

Total HOME Request or State Maximum Award: $_____

F. SOURCE OF FUNDS EXCLUDING HOME FUNDS
(Commitment letters must be attached)

1. Mortgage Proceeds $_____
2. Syndication Proceeds $_____
3. Equity Contributions $_____
4. Federal Funds Other than HOME $_____
5. State Funds $_____
6. Local Government Fund $_____
7. TOTAL FUNDS $_____

PART II: PROJECT FEASIBILITY WORKSHEET

A.	**PROJECT COSTS**	**HOME COSTS**	**TOTAL COSTS**
1.	To Purchase Land & Buildings	$ _____	$ _____
2.	Site Work	$ _____	$ _____
3.	New Building Hard Costs	$ _____	$ _____
	Rehabilitation Hard Costs	$ _____	$ _____
	Contractor Overhead	$ _____	$ _____
	Contractor Profit	$ _____	$ _____
	Subtotal	$ _____	$ _____
4.	Construction Contingency	$ XXXXXXXXXXXXXXX	$ _____
	Subtotal	$ XXXXXXXXXXXXXXX	$ _____
5.*	Architectural & Engineering Fees		
	Architect Fee-Design	$ _____	$ _____
	Architect Fee-Supervision	$ _____	$ _____
	Subtotal	$ _____	$ _____
6.*	Interim Costs		
	Construction Insurance	$ XXXXXXXXXXXXXXX	$ _____
	Construction Interest	$ XXXXXXXXXXXXXXX	$ _____
	Construction Loan Origin	$ _____	$ _____
	Construction Loan Credit	$ _____	$ _____
	Enhancement	$ _____	$ _____
	Taxes	$ _____	$ _____
	Subtotal	$ _____	$ _____
7.*	Financing Fees and Expenses		
	Bond Premium	$ _____	$ _____
	Credit Report	$ _____	$ _____
	Permanent Loan Origin fee	$ _____	$ _____
	Perm Loan Credit Enhance	$ _____	$ _____
	Cost of Issue/Underwriter	$ _____	$ _____
	Title and Recording	$ _____	$ _____
	Counsel's Fee	$ _____	$ _____
	Subtotal	$ _____	$ _____
8.*	Soft Costs		
	Property Appraisal	$ _____	$ _____
	Market Study	$ _____	$ _____
	Environmental Study	$ XXXXXXXXXXXXXXX	$ _____
	Rent-Up	$ XXXXXXXXXXXXXXX	$ _____
	Relocation Costs	$ _____	$ _____
	Affirmative Marketing Activities	$ XXXXXXXXXXXXXXX	$ _____
	Subtotal	$ _____	$ _____
9.	Initial Operating Reserves	$ XXXXXXXXXXXXXXX	$ _____
10.	**TOTAL DEVELOPMENT COSTS**	$ _____	$ _____

**If the total of project costs from Sections A(5), A(6), A(7) and A(8) exceed 12% of Total Development Costs (A(10)), you <u>must</u> provide written justification.*

B. MONTHLY UTILITY ALLOWANCE CALCULATIONS
(If utilities are paid by tenants)

UTILITY TYPE		ALLOWANCE AMOUNT				
		0 BEDRM	*1 BEDRM*	*2 BEDRM*	*3 BEDRM*	*4 BEDRM*
Heating	Natural Gas					
	Bottle Gas					
	Oil/Electric					
	Coal/Other					
Cooking	Natural Gas					
	Bottle Gas					
	Oil/Electric					
	Coal/Other					
Other Electric						
Air Conditioning						
Water Heating	Natural Gas					
	Bottle Gas					
	Oil/Electric					
	Coal/Other					
Water						
Sewer						
Trash Collection						
Range/Microwave						
Refrigerator						
Other-specify						
TOTAL						

SOURCE OF UTILITY AMOUNTS: THDA ☐ Local PHA ☐ Other_____ ☐

C. MAXIMUM HOME RENTS *(See Attachment Six: HOME Program Rents)*

RENT	0 BEDRM	1 BEDRM	2 BEDRM	3 BEDRM	4 BEDRM
High HOME Rent					
Low HOME Rent					
Net High HOME Rent (High rent less U.A.)					
Net Low HOME Rent (Low rent less U. A.)					

D. PROPERTY INCOME CALCULATIONS

If charging less than allowable net rents, you must attach a written justification.

1. 0 Bedroom _____ # units x _____ monthly **high** rent $_____
   0 Bedroom _____ # units x _____ monthly **low** rent $_____

2. 1 Bedroom _____ # units x _____ monthly high rent $_____
   1 Bedroom _____ # units x _____ monthly low rent $_____

3. 2 Bedroom _____ # units x _____ monthly high rent $_____
   2 Bedroom _____ # units x _____ monthly low rent $_____

4. 3 Bedroom _____ # units x _____ monthly high rent $_____
   3 Bedroom _____ # units x _____ monthly low rent $_____

5. 4 Bedroom _____ # units x _____ monthly **high** rent $_____
   4 bedroom _____ # units x _____ monthly **low** rent $_____

6. Total monthly income (D1 + D2 + D3 + D4 + D5) $_____

7. Less vacancy allowance _____% $_____
   If the estimated vacancy allowance exceeds 10%, attach a written justification.

8. Other income (List) _____ $_____

9. Net monthly income (D6 - D7 + D8) $_____

10. Total annual project income (D9 x 12) $_____

E. PROJECT OPERATING EXPENSES *(Do not include the cost for support services)*

1. Management $_____
2. Utility $_____
3. Water/Sewer $_____
4. Trash Removal $_____
5. Payroll/Payroll Taxes $_____
6. Insurance $_____
7. Real Estate Taxes $_____
8. Maintenance $_____
9. Compliance Reporting $_____
10. Other $_____

11. Total Annual Operating Expenses $_____
(E1 + E2 + E3 + E4 + E5 + E6 + E7 + E8 + E9 + E10)

If "Annual Operating Expenses" (E11) exceeds 50% of "Total Annual Income" (D10), you must attach a written justification.

F. ANNUAL REPLACEMENT RESERVES FOR UNITS $_____

If Annual Replacement for Reserves exceeds $200 per unit per year, you must attach a written justification.

G. TOTAL AVAILABLE FOR DEBT SERVICE

1. Annual Project Income (D10) $_____

2. Less Annual Operating Expenses (E11) $_____

3. Less Annual Replacement Reserves (F) $_____

4. Total available for debt service (G1 - G2 - G3) $_____

H. DEBT PROJECT WILL SUPPORT *(This section should be completed with your Lender)*

1. Total available for debt service (G4) $_____

2. Debt Service Coverage Ratio Required from Lender _____%
(Percentage of net income from the project the lender will consider available to pay debt)
If this ratio exceeds 125%, your lender must attach a written justification.

3. Actual Amount Available for Debt Service $_____
(Total available for debt service divided by debt service ratio)

4. Specifics of Debt

a. Interest Rate _____%
If the interest rate exceeds 10%, your lender must attach a written justification.

b. Amortization Term _____Years
If the amortization term is less than 15 years, your lender must attach a written justification.

5. Debt project will support $_____
(Should agree with Mortgage Proceeds (Part I: F1 on page 2)

I. FEASIBILITY SUMMARY

1. Total Development Costs (Part II: A10 on page 3) $_____

2. Total Funding Sources

a. Debt Project will Support (H5) $_____

b. Owner's Equity Contribution (including syndication proceeds) $_____

c. Other Grants $_____

d. Total Funding $_____

3. The Gap

a. Total Development Costs less Total Funding (I1 - I2(d)) $_____

b. HOME Award $_____

c. Balance to be funded by Owner (I(3)(a) - I(3)(b)) $_____

J. MANAGEMENT AND MARKETING.

1. For single developments of over 12 units, you agree that should your proposal be accepted by THDA that you will produce a market analysis to determine the marketability of the development in a form acceptable to THDA.

2. For single developments of over 12 units, you agree that should your proposal be accepted by THDA that you will formulate a plan for the management of the development once completed in a form acceptable to THDA.

The undersigned hereby certifies that the information set forth in this form, and in any attachment in support thereof, is true, correct and complete. If additional sources of federal funds become available, THDA will be notified immediately. The undersigned also certifies that they are aware that providing false information can subject the individual signing to criminal sanctions up to and including a Class B Felony.

APPLICANT: _____

BY: _____ DATE: _____