



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

DRAFT – MEMORANDUM - DRAFT

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Economic Development

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To: John Dutrey, Project Manager
City of Rialto

From: Julie Romey

Date: July 3, 2019

Subject: Jackson/Willow – Financial Gap Analysis

At your request, Keyser Marston Associates, Inc. (KMA) reviewed the pro forma provided by LaBarge Industries (LaBarge) dated July 2, 2019 as well as the proposed and Affordable Housing Agreement (Agreement) between the Rialto Housing Authority (Authority) and Rialto Jackson LP (Developer), in which LaBarge is a partner as well as Knowledge and Education for Your Success (KEYS). The proposed project includes 10 apartment units to be developed on the 0.40-acre site currently owned by the Rialto Successor Agency (Successor Agency) and located at 274 and 290 West Jackson Street (Site).

The Developer has entered into a Purchase and Sale Agreement (PSA) with the Successor Agency and has proposed that the Authority provide financial assistance for the acquisition of the Site, predevelopment costs and construction costs.

EXECUTIVE SUMMARY

The Developer proposes to acquire the Site from the Successor Agency and construct a 10 unit apartment project, consisting of eight one-bedroom units and two two-bedroom units that will be restricted to extremely-low, very-low and low income households for 55 years.

The total development costs are estimated at \$3.15 million. It is anticipated that the Developer will receive funding for a portion of the Project costs from the following sources:

1. A conventional loan based on the base rental income and five VASH project based vouchers to be provided by the County of San Bernardino County;
2. KEYS, a non-profit affiliate of the Housing Authority of the County of San Bernardino (County), will be a limited partner in the ownership group and will provide a residual receipts loan to the Project;
3. A Home Depot Veterans grant; and
4. A \$1,868,551 million loan from the Authority, sourced from \$805,715 in Neighborhood Stabilization Program (NSP) 1 funds, \$622,836 from NSP 3 funds, and \$440,000 from the Low and Moderate Income Housing Asset Fund (LMIHAF).

KMA's analysis concludes that the proposed financial gap for the Project is \$1.87 million, or \$186,800 per unit, and therefore, the proposed Authority Loan is warranted. The \$440,000 in LMIHAF will meet the SB 341 income targeting requirements. Based on the KMA analysis, the Project meets both the Extremely-low and Low income requirements.

BACKGROUND STATEMENT

The City of Rialto as the Successor Agency to the former City of Rialto Redevelopment Agency (City), acquired the Site on February 2, 2000, which is currently vacant. On March 21, 2018, the Oversight Board approved a Purchase and Sale Agreement (PSA) to convey the Site to the Developer for the fair market value of the Site, subject to the approval of the City and the California Department of Finance. The PSA's purchase amount of \$175,000 is based on an appraisal and is determined to be the fair market value of the Site. The Authority issued a request for qualifications (RFQ) in 2018 and selected the Developer.

The Developer plans to construct and operate 10 affordable housing units on the Site. The Authority obtained two allocations of the NSP funds in 2008 and 2010. The Authority plans to utilize NSP and LMIHAF to assist the Project.

PROJECT DESCRIPTION

The proposed scope of development can be described as follows:

1. The vacant Site is comprised of 17,424 square feet of land area and the present zoning is R-3 (Multi-Family Residential), which allows eight residential units to be developed on the Site. **HOW ARE THEY GETTING TO 10 UNITS? DENSITY BONUS?** The 10 unit project represents a density of 25 units per acre.
2. The Project will include 10 affordable housing units in one two-story building with 12 surface parking spaces. No amenities will be provided onsite; however, the tenants will have access to the amenities located at Park Place Apartments, an adjacent 47 unit apartment project also owned by the Developer. Park Place Apartments includes a community center, laundry facilities and play area.
3. The gross building area (GBA) for the Project is 6,400 square feet, which equates to a FAR of 0.37 and includes the following unit mix:

	Number of Units	Unit Size (Sf)
One-bedroom Units	8	600
Two-bedroom Units	2	800
Total/Average	10	640

4. The Project will not include an onsite property manager. Instead the Project will be managed by the property manager located Park Place Apartments, which is managed by the Developer.
5. Five one-bedroom units will be set-aside for veterans and subsidized by VASH vouchers provided by the Housing Authority of the County of San Bernardino (County).

6. Given that LMIHAF are proposed to be used to assist the Project, the units will be allocated for SB 341 purposes to the following income categories:

SB 341 Categories	
Extremely-Low Income	3
Very-Low / Low Income Units	0
Lower Income Units	0
Total LMIHAF Restricted Units	3

7. At least 50% of the units need to be restricted to very-low income households for NSP purposes. Therefore, the units will be allocated for NSP purposes to the following income categories:

SB 341 Categories	
Low HOME / 50% AMI	5
High HOME / 80% AMI	5
Total NSP Restricted Units	10

8. Wrap-around social services for the five VASH households will be provided by the Veterans Administration. In addition, the all of the tenants at the Project will have access to the services provided at Park Place Apartments, which include after school programs and educational classes.

FINANCIAL GAP ANALYSIS

KMA prepared a pro forma analysis to assist in evaluating the proposed Project. The analysis is located at the end of this memorandum, and is organized as follows:

Table 1:	Estimated Development Costs
Table 2:	Stabilized Net Operating Income
Table 3:	Financial Gap Calculation
Table 4:	SB 341 Allocation Test

Estimated Development Costs (Table 1)

KMA reviewed the Developer's development cost estimate provided on July 2, 2019, and independently prepared a development cost estimate. The resulting estimated development costs are as follows:

Land Acquisition Costs

The Developer has entered into a PSA with the Successor Agency to purchase the Site for the fair market value of the Site. On June 18, 2019, the Site was appraised by Aaron Gardner Appraiser, Inc. to have a fair market value of \$175,000, or \$10 per square foot of land area. Therefore, KMA concludes that the proposed purchase price is reasonable. In addition, the Developer estimates that the closing costs will equal \$5,000. Therefore, the total acquisition costs are estimated at \$180,000, or \$18,000 per unit.

Direct Costs

The direct cost estimates assume that the Project will be subject to federal Davis Bacon prevailing wage requirements due to the NSP funding source and VASH vouchers. The direct costs applied to the analysis can be summarized as follow:

1. The Project is not anticipated to incur offsite improvement requirements. This should be verified by City Staff.
2. Onsite improvements, including 12 surface parking spaces, are estimated to cost \$17 per square foot of land area, or \$300,000.
3. The building shell costs are estimated at \$170 per square foot of GBA, which totals \$1.09 million. This estimate is in the middle of estimates for similar projects with prevailing wage requirements recently reviewed by KMA.
4. Furnishings, fixtures and equipment (FF&E) are estimated at \$5,000 and includes five furnished units.
5. The Developer estimated the contractor fees and general requirements allowance at 10%, or \$142,000, which is lower than the typical 12% to 14% estimate provided by similar projects.
6. Contractor insurance and fees for construction bonds are estimated at 1% of the construction costs.
7. The direct cost contingency allowance is set at \$155,000, or 10% of the other direct costs. This estimate is prudent for a project of this size.

The total direct costs are estimated at \$1.70 million, which equates to \$170,500 per unit or \$266 per square foot of GBA.

Indirect Costs

The following summarizes the indirect cost assumptions:

1. Architecture, engineering and consulting costs are estimated at 15% of direct costs, which totals \$260,000. This estimate is considered appropriate for a project of this size.
2. The permits and fees are estimated at \$37,380 per unit, or \$374,000. City Staff should verify this estimate.
3. The taxes, insurance, legal and accounting costs are estimated at 6% of direct costs, which equates to \$97,000. This estimate is considered appropriate for a project of this size.
4. Marketing and leasing costs are estimated at \$300 per unit, or \$3,000.
5. The Developer fee is set at \$300,000, which is 9.5% of the total development costs, which is slightly higher than typical. However, due to the small size of the Project, KMA concludes that this estimate is reasonable.
6. The contingency allowance is set at 2% of other indirect costs, which totals \$25,000.

The total indirect costs are estimated at \$1.06 million.

Financing Costs

The following summarizes financing cost assumptions:

1. Interest during construction is estimated at \$62,000 based on a \$1.47 million construction loan, a 6.50% interest rate, a 13-month development period and a 60% average outstanding balance.
2. The financing fees are estimated at \$38,000.
3. The capitalized reserves are estimated as follows:
 - a. Operating Reserve - \$30,000, which is approximately four months of operating expenses and debt service payments.

- b. Transition Reserve – Due to the Project including five VASH contracts that have terms of 15 years, a \$72,000 reserve will be provided in case the VASH contracts are not renewed in the future, or \$14,400 per unit.

The total financing costs are estimated at \$202,000.

Total Development Costs

The Developer estimates the total development costs at \$3.15 million, or \$314,600 per unit, and KMA concludes that this cost estimate is reasonable when compared to similar projects developed with Davis Bacon restrictions.

Stabilized Net Operating Income (Table 2)

The Project’s proposed funding sources include NSP and LMIHAF. Income limits are published for households that are qualified to reside in units that have received assistance from these sources. The United States Department of Housing and Urban Development (HUD) publishes rents for the HOME Program that are used for the NSP restrictions but the LMIHAF rent standards are provided in the California Health and Safety Code Section 50053. The Developer will be required to adhere to the strictest of the standards imposed by the funding sources.

The NSP assisted units are required to be restricted for a minimum of 20 years and LMIHAF assisted units are required to be restricted for a minimum of 55 years. The following summarizes the affordability restrictions as proposed:

Affordability Restrictions	One-Bedroom Units	Two-Bedroom Units
Extremely-Low Income (LMIHAF) / Low HOME (NSP)	3	0
Low HOME (NSP)	2	0
High HOME (NSP)	3	2
Total Units	8	2

Achievable Rental Income

The Project rents must adhere to the most restrictive of the requirements imposed by the funding sources. The rents used in this analysis are based on the 2019 rents published by HUD and the 2019 income information published by the California Housing

and Community Development department (HCD). The maximum allowable rents, net of the appropriate utility allowances are estimated as follows:¹

Rent Restrictions	One-Bedroom Units	Two-Bedroom Units
<u>ELI LMIHAF / Low HOME NSP</u>	3 Units	N/A
LMIHAF Rent	\$337	
NSP Rent	\$592	
Applicable Rent	\$337	
VASH Vouchers	Yes	
<u>Low HOME NSP</u>	2 Units	N/A
NSP Rent	\$592	
Applicable Rent	\$592	
VASH Vouchers	Yes	
<u>High HOME NSP</u>	3 Units	2 Units
NSP Rent	\$778	\$920
Applicable Rent	\$778	\$920
VASH Vouchers	No	No

Therefore, the maximum rental income that can be generated by the restricted units is \$76,433. In contrast, the average asking rent for the Rialto apartment market is approximately \$1,321 per month.

VASH Vouchers

The Project will apply for five one-bedroom project-based VASH vouchers from the County. The current Fair Market Rents (FMRs) are set at \$1,035 for one-bedroom units, before the deduction of utility allowances. If awarded the vouchers, the Project will enter into a 15 year contract to receive the difference between the amount the tenants pay, up to 30% of their actual household income, and the contract rent. The gross income generated from the VASH vouchers is estimated at \$30,896.

Estimated Net Operating Income (NOI)

The Project’s effective gross income (EGI) is estimated at \$102,646 based on the following assumptions:

1. The gross potential base rental income is estimated at \$76,433.

¹ The monthly utility allowances are estimated at \$81/1-bedroom unit and \$113/2-bedroom unit. The source of the allowances is the County.

2. The VASH subsidy for five units is estimated at \$30,896.
3. The miscellaneous income is estimated at \$6 per unit per month for a total of \$720.
4. A vacancy and collection allowance equal to 5% of gross income, equating to \$5,402, is deducted.

The residential operating expenses are estimated at \$58,109 based on the following assumptions:

1. The general operating expenses are estimated at \$5,261 per unit per year. This estimate is appropriate for a project of this size and population.
2. The Developer will apply for the property tax abatement that is accorded to non-profit housing organizations that own income-restricted apartments. The Developer estimated the property tax assessment overrides at \$500 per year.
3. The County will provide wrap-around social services for the five veteran households.
4. The annual replacement reserve deposit is set at \$500 per unit per year, or \$5,000.

The Project's EGI is estimated at \$102,646 and the operating expenses are estimated at \$58,109. This results in an estimated stabilized NOI of \$44,537.

Available Funding Sources (Table 3)

The following summarizes the potential funding sources:

Supportable Debt

Based on a \$44,537 NOI, the Project is estimated to support a \$545,000 permanent loan. The assumptions used to estimate the loan are a 1.20 debt coverage ratio, a 5.50% interest rate and a 30 year amortization term. The annual debt service payment is estimated at \$37,113. It should be noted that given the VASH contract term will be for 15 years, it is likely that a conventional lender will require the loan term to be 15 years, and thus, with a 30 year amortization term, the Project will be required to refinance the loan in year 15.

KEYS Loan

KEYS is a nonprofit that will be part of the ownership entity and provide a \$450,000 residual receipts loan, which will have a 55 year term and a 0.25% interest rate. The loan will be subordinated to the permanent loan and the Authority’s loan. The KEYS Loan will be repaid with the Developer’s 50% portion of the residual receipts.

HOME Depot Veteran Grant

The Developer plans to apply for a \$283,000 grant from Home Depot, which equals \$28,300 per unit. The approval of this funding source should be a requirement for the provision of the City’s financial assistance.

Total Available Outside Funding Sources

Therefore, the Developer has identified a total of \$1.28 million in available outside funding sources, or \$127,800 per unit.

Financial Gap Calculation (Table 3)

When the estimated development costs are compared to the available outside funding sources, the following is the resulting financial gap:

Financial Gap Calculation	
Total Estimated Development Costs	\$3,146,000
(Less) Available Outside Funding Sources	(1,277,000)
Financial Gap	\$1,869,000
Per Unit	\$186,900

The Developer has requested that the Authority provide \$1,868,551 in financial assistance to fill the financial gap and enable the Project to be feasible. Based on the KMA analysis, this request is warranted.

SB 341 PROPORTIONALITY ANALYSIS (TABLE 4)

Section 34176.1 of the California Health and Safety Code has restricted how the LMIHAF monies are to be allocated to extremely-low and low income households over a five-year period as well as set limitations on the number of senior citizen units that can be assisted by the authority over a 10-year period.

Income Test

Section 34176.1(a)(3)(B) requires that the Authority must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI (Extremely-Low Income) and Section 34176.1(a)(3)(C) requires that no more than 20% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning between 60% and 80% of the AMI (Low Income). The Income Test is applied over five-year period, with the first period being 2014 to 2019. The Income Test is applied cumulatively over the five-year period. It does not need to be met on a project-by-project basis.

According to the Authority’s staff, \$440,000 of the \$1,868,551 cash assistance will be used from the Housing Successor Agency’s LMIHAF and fall under the SB 341 requirements.

Extremely-Low Income Test

As shown in Table 4, the entire \$440,000 will be allocated to three extremely-low income units, which represents 100% of the LMIHAF money that will be provided to the Project. As shown in the following table, prior this Project, the Authority has spent the following in LMIHAFs:

2014 – 2019 Period	Extremely-Low Income Expenditures	Total LMIHAF Expenditures
2014	\$249,936	\$950,000
2015	0	0
2016	1,412,588	4,550,000
2017	0	0
2018	0	0
2019	440,000	440,000
Total Expenditures to Date	\$2,147,524	\$5,940,000
As a % of Total Expenditures	36%	100%

It is important to understand that penalties are applied if the Authority fails to comply with the Extremely-Low Income requirement in any five-year period. If this occurs, the remaining LMIHAF will need to be spent on households earning 30% or less of the AMI

until the Authority demonstrates compliance with the Extremely-Low Income requirement.

Low Income Test

None of the proposed LMIHAF expenditures will be attributed to Low Income units. Therefore, the following summarizes the current status of the Low Income test:

2014 – 2019 Period	Low Income Expenditures	Total HAF Expenditures
2014	\$189,671	\$950,000
2015	0	0
2016	908,424	4,550,000
2017	0	0
2018	0	0
2019	0	440,000
Total Expenditures to Date	\$1,098,095	\$5,940,000
As a % of Total Expenditures	18%	100%

Penalties will be applied if the Authority exceeds the cap on Low Income expenditures during any five-year period. Specifically, if the Authority fails to meet this requirement during the five-year period, in each following fiscal year the Authority is prohibited from spending any LMIHAF funds on Low Income units until the Authority demonstrates compliance with the Low Income requirement.

Senior Test

The Project will not be restricted to seniors; therefore, this test is not applicable to the Project assistance.

SB 341 Conclusions

With the entire amount of the LMIHAF assistance, \$440,000, being attributed to three extremely-low income units, the Housing Successor will remain in compliance of the SB 341 income requirements when the proposed assistance is allocated to the Project.

PROPOSED LOAN TERMS

The Authority will provide the Developer with \$1,868,551 in the form of a second trust deed loan.

The following summarizes the terms of the Authority's Note to the Project:

1. A \$1,868,511 loan funded with the following:
 - a. \$440,000 from LMIHAF
 - b. \$805,715 from NSP 1 funds; and
 - c. \$622,836 from NSP 3 funds.
2. A 0.25% simple interest rate.
3. A 55-year term from the date of recordation of the Certificate of Completion for the Project.
4. An annual payment of 50% of the residual receipts.
5. Secured with a second trust deed.

CONCLUSIONS

The following summarizes the KMA conclusions based on the financial gap analysis:

1. The \$1,868,551 in financial assistance that the Developer requests for the Projects is considered to be warranted.
2. By applying the entire \$440,000 of the LMIHAFs to three extremely-low income units, the Housing Successor will remain in compliance with SB 341.
3. The proposed financial assistance should be predicated on the Project receiving the five VASH vouchers and the Home Depot Veterans grant.
4. If there are any cost savings or increases in outside funding sources, a provision should be included in the Agreement that addresses how these funds are to be used for the benefit of the Project or reimbursed to the Housing Authority.

Attachments

TABLE 1

**ESTIMATED DEVELOPMENT COSTS
JACKSON & WILLOW
RIALTO, CALIFORNIA**

I. <u>Acquisition Costs</u>				
Land Acquisition Costs ¹	17,424	Sf Land Area	\$10 /Sf Land	\$175,000
Closing Costs		3% of Acquisition Costs		5,000
Total Acquisition Costs	10	Units	\$18,000 /Unit	\$180,000
II. <u>Direct Costs</u> ²				
Off-site Improvements		Allowance		\$0
On-site Improvements	17,424	Sf Land Area	\$17 /Sf Land	300,000
Parking Costs ³	12	Spaces	\$0 /Space	0
Residential Shell Costs	6,400	Sf GBA	\$170 /Sf GBA	1,088,000
Furnishings, Fixtures & Equipment	10	Units	\$500 /Unit	5,000
Contractor Fees / General Requirements		10% of Const Costs		142,000
Construction Insurance / Bonds		1% of Const Costs		15,000
Contingency Allowance		10% of Other Directs		155,000
Total Direct Costs	10	Units	\$170,500 /Unit	\$1,705,000
III. <u>Indirect Costs</u> ⁴				
Architecture, Engineering & Consultants		15% of Directs		\$260,000
Permits & Fees	10	Units	\$37,380 /Unit	374,000
Taxes, Insurance, Legal & Accounting		6% of Directs		97,000
Marketing & Leasing	10	Units	\$300 /Unit	3,000
Developer Fee		9.5% of Total Costs		300,000
Contingency Allowance		2% of Other Indirects		25,000
Total Indirect Costs				\$1,059,000
IV. <u>Financing Costs</u> ⁴				
Construction Interest ⁵	\$1,470,930	Loan	6.50% Int Rate	\$62,000
<u>Financing Fees</u>				
Construction Loan	\$1,470,930	Loan	2.04 Points	30,000
Permanent Loan	\$545,000	Loan	1.47 Points	8,000
<u>Capitalized Reserves</u>				
Operating	\$7,935	/Month	3.78 Months	30,000
Transition	5	PBV Units	\$14,400 /PBV Unit	72,000
Total Financing Costs				\$202,000
V. <u>Estimated Development Costs</u>	10	Units	\$314,600 /Unit	\$3,146,000

¹ Based on PSA between Developer and Successor Agency and June 2019 appraisal of the fair market value.

² Based on Developer estimate. Assumes Davis Bacon wages are imposed.

³ Parking costs are included in the onsite improvement costs.

⁴ Based on Developer estimate.

⁵ Assumes a 13-month development period and an average outstanding balance of 60%.

TABLE 2

**STABILIZED NET OPERATING INCOME
JACKSON & WILLOW
RIALTO, CALIFORNIA**

I. <u>Operating Income</u>¹			
Manager's Unit ²	0 Units	\$0 /Month	\$0
<u>ELI HCD / Low HOME</u>			
1-Bdrm Units (600 Sf)	3 Units	\$337 /Month	12,137
2-Bdrm Units (800 Sf)	0 Units	\$358 /Month	0
<u>Low HOME</u>			
1-Bdrm Units (600 Sf)	2 Units	\$592 /Month	14,208
2-Bdrm Units (800 Sf)	0 Units	\$695 /Month	0
<u>High HOME</u>			
1-Bdrm Units (600 Sf)	3 Units	\$778 /Month	28,008
2-Bdrm Units (800 Sf)	2 Units	\$920 /Month	22,080
Gross Potential Rental Income			\$76,433
PBV Overhang	5 Units	\$515 /Month	30,896
Miscellaneous Income	10 Units	\$6 /Month	720
Gross Potential Income			\$108,048
(Less) Vacancy & Collection Allowance	5% of PGI		(5,402)
Effective Gross Income			\$102,646
II. <u>Operating Expenses</u>⁴			
General Operating Expenses	10 Units	\$5,261 /Unit	\$52,609
Property Taxes	10 Units	\$50 /Unit	500
Social Services ⁵	10 Units	\$0 /Unit	0
City Monitoring Fees	10 Units	\$0 /Unit	0
Replacement Reserve	10 Units	\$500 /Unit	5,000
Total Operating Expenses	10 Units	\$5,811 /Unit	\$58,109
III. <u>Net Operating Income</u>			\$44,537

¹ Based on LMIHAF requirements of ELI households and NSP requirements of VLI and Low households; rents are based on 2019 San Bernardino County rents and utility allowances. Utility allowances include gas utilities and basic electricity expenses at \$811-bdrm unit and \$113/2-bdrm units.

² LaBarge.

³ Based on current VASH contract rents of \$1,035/month.

⁴ Based on Developer's estimates.

⁵ Wrap around services will be provided by the VA for the five veteran households and all tenants will have access to services at Park Place Apartments.

TABLE 3

**FINANCIAL GAP CALCULATION
JACKSON & WILLOW
RIALTO, CALIFORNIA**

I. <u>Supportable Funding Sources</u>				
A. Conventional Loan	1.20 DCR 5.50% Int Rate	\$37,113 Debt Svc 30 Yrs Amort		\$545,000
B. KEYS Loan	10 Units	\$45,000 /Unit		\$450,000
C. Home Depot Veteran Grant	10 Units	\$28,200 /Unit		<u>\$282,000</u>
Total Supportable Funding Sources				\$1,277,000
II. <u>Financial Gap Calculation</u>				
Total Development Costs				\$3,146,000
(Less) Supportable Funding Sources				<u>(1,277,000)</u>
Financial Gap	10 Units	\$186,900 /Unit		\$1,869,000
III. <u>Proposed Financial Assistance Sources</u>				
LMIHAF - Land Purchase				\$140,000
LMIHAF - Predevelopment				250,000
LMIHAF - Construction				50,000
NSP 1				805,715
NSP 2				<u>622,836</u>
Total Financial Assistance	10 Units	\$186,855 /Unit		\$1,868,551

TABLE 4

**SB 341 ALLOCATION TEST
JACKSON & WILLOW
RIALTO, CALIFORNIA**

	ELI Units	VLI Units	LI Units	NSP	Project
I. Number of Units	3	0	0	7	10
II. Net Operating Income					
Gross Rental Income	\$12,137	\$0	\$0	\$64,296	\$76,433
PBV Overhang	22,208	0	0	8,688	30,896
Miscellaneous Income	216	0	0	504	720
Gross Potential Income	\$34,560	\$0	\$0	\$73,488	\$108,048
(Less) Vacancy & Collection Allowance	(1,728)	0	0	(3,674)	(5,402)
Effective Gross Income	\$32,832	\$0	\$0	\$69,814	\$102,646
(Less) Operating Expenses	(17,433)	0	0	(40,676)	(58,109)
Net Operating Income	\$15,399	\$0	\$0	\$29,138	\$44,537
III. Conventional Loan	\$188,340	\$0	\$0	\$356,361	\$544,701
IV. Total Development Costs	\$943,800	\$0	\$0	\$2,202,200	\$3,146,000
V. Financial Gap Calculation					
Total Development Costs	\$943,800	\$0	\$0	\$2,202,200	\$3,146,000
(Less) Conventional Loan	(188,340)	0	0	(356,660)	(545,000)
(Less) KEYS Loan	(135,000)	0	0	(315,000)	(450,000)
(Less) Home Depot Loan	(181,011)	0	0	(100,989)	(282,000)
(Less) Authority NSP Funds	0	0	0	(1,428,551)	(1,428,551)
Financial Gap	\$439,449	\$0	\$0	\$1,000	\$440,449
VI. SB 341 Income Test					
% of Total Funds Subject to SB 341	100%	0%	0%		
	Min 30%	N/A	Max 20%		