

Provincetown Year Round Rental Housing Trust: Initial Feasibility Analysis - Exhibits

Date – November 17, 2020.

Exhibit A: Harbor Hill proforma model #1 – Current Rents

Exhibit B: Harbor Hill proforma model #2 – 110% Rents

Exhibit C: Harbor Hill proforma model #3 – Right-size rents to meet debt services.

Exhibit D: Harbor Hill proforma model #4 – Alt. Ex C using Cash Flow

Exhibit E: Harbor Hill Rental Comparative Rent Schedules

Exhibit F: Harbor Hill proforma model #4 – Alt. Ex C using Cash Flow

Harbor Hill - Rental Rehab Assumptions

Exhibit A

DRAFT - FOR DISCUSSION PURPOSES ONLY

Project Type Year round middle-income housing rehab/repositioning

Project Summary: Square Footage (gross): Units:

- Residential Rental	Existing	28
- Residential Condominium	NA	
- Retail (incl. common)	NA	
- Amenity/Common	No new	
- Circulation	Existing to remain	
- Mechanical (including rooftop)	Existing to remain	
- Garage	NA	
Total	-	-

Average per unit gross s.f.

Architectural Assumptions:

- Residential net rentable s.f.	
1 Bedroom	
2 Bedroom	
3 Bedroom	

Parking Summary (total on site, both phases):

- Residential Rental Garage Parking (garage)	28	<i>Assumed</i>
- Residential Rental Parking (surface)	TBD	
- Residential Condominium Garage Parking	TBD	
- Church	TBD	
	28	

Ownership Structure

- Project Owner	Harbor Hill YRMRHT
- Project Sponsor	Town of Provincetown
- 21% partner (if needed)	NA

Financing Assumptions

- Interest Rate (blended constr to perm)	7.5%
- Amortization	30 yrs
- Max Loan-to-Value	80%
- Parking space (rental rate)	\$20.00
- Valuation Cap Rate	5.5%
- Debt Service Coverage requirement	1.20
- Debt Leverage	TBD
- Rental inflation factor Phase I (years)	3
- Rental inflation (annual %)	1.03
- Construction discount (1:1)	1.00

Project Schedule: TBD

Harbor Hill - Rental Rehab Assumptions

Date: 10/15/2020

Program Summary - Mixed-use LIHTC rental

Income Guidelines

(statistical MSA)

2020 Barnstable County

Market	Household Size	0	1	2	3	4	5	6	7	8
100% AMI est.			\$ 67,700	\$ 77,300	\$ 87,000	\$ 96,600	\$ 104,400	\$ 112,100	\$ 119,800	\$ 127,600
80% AMI			\$ 54,150	\$ 61,850	\$ 69,600	\$ 77,300	\$ 83,500	\$ 89,700	\$ 95,900	\$ 102,050
60% AMI		\$ -	\$ 40,620	\$ 46,380	\$ 52,200	\$ 57,960	\$ 62,640	\$ 67,260	\$ 71,880	\$ 76,560
50% AMI			\$ 33,850	\$ 38,650	\$ 43,500	\$ 48,300	\$ 52,200	\$ 56,050	\$ 59,900	\$ 63,800
30% AMI			\$ 22,650	\$ 25,900	\$ 29,150	\$ 29,000	\$ 34,950	\$ 37,550	\$ 40,150	\$ 42,750
	Efficiency		1 BR	2 BR	3 BR	4 BR				
Fair Market Rent 2019		\$ -	\$ -	\$ -	\$ -	\$ -	NA			

Program: Net Rent Structure

Program Units	Income Tier:	0%	18%	79%	4%	0%	
		Studio	1 BR	2 BR	3 BR	4 BR	Total
Subsidized	Low-income restricted	-	-	-	-	-	\$ -
	Net Rent	-	\$ -	\$ -	\$ -	\$ -	\$ -
Market	Market Rents	-	-	-	-	-	\$ -
	Net Rent	-	\$ -	\$ -	\$ -	\$ -	\$ -
Middle Income	110% AMI	\$ -	-	-	-	-	\$ -
	Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current	Current Rents	\$ -	5	22	1	-	\$ 28
	Net Rent	\$ -	\$ 79,800	\$ 483,120	\$ 32,400	\$ -	\$ 595,320
		\$ -	\$ 79,800	\$ 483,120	\$ 32,400	\$ -	\$ -
							\$ 595,320
							\$ 613,180
							28

\$ 595,320 *Gross Income (Annual) 2018 rents*
 \$ 613,180 *Gross Income (Annual) @ 3% inflation to 2021*
 28 *Total Units*

Program: Gross Rent Structure

NA	Net Rent by Tier	Studio	1 BR	2 BR	3 BR	4 BR
		1	1	1.5	3.5	4.5
	Low Income/LIHTC (<60%)	\$ -	\$ 1,088	\$ 1,232	\$ 1,377	\$ 1,508
	Market: Middle (up to 200% AMI)	\$ -				
	Middle-income (110%)	\$ -	\$ 1,885	\$ 2,393	\$ 2,657	\$ -
	Current	\$ -	\$ 1,330	\$ 1,830	\$ 2,700	\$ -
		0	0	0	0	0

\$ 1,825 *Ave/unit*

Target 80% LTV

Utility Allowances

TBD - for now assume tenant pays nothing.

	1 BR	2 BR	3 BR	4 BR
Heat				
Cooking Fuel				
Electricity				
Refrig.				
Other				
Water Heating				
Water & Sewer				
	0	0		

Harbor Hill - Rental Rehab Assumptions

Date: 10/15/2020

Sources & Uses Summary

Project Sources

Equity - \$\$	\$ -		0% Private equity required.
Equity - land loan, seller's note			
Def Fee -deferred			
Perm Debt -- Bond*	\$ 10,700,000		125%
Subordinate debt - future	\$ 1,600,000		
Town Funds - TO COVER DEBT SERVICE DEFICIT	\$ 492,000	Town meeting Vote	
Transfers From Trust	\$ 199,216	\$	591,255
State Grant ADA Units	\$ 250,000	\$	136,000
	\$ 13,241,216	\$ 7,995,375	Total Estimated Value @ Current Rents
		\$ 6,396,300	Total Value Required @ 80% LTV
		\$ 1,620,866	Max debt supported at these rents+ op costs
		\$ (20,866)	Additional NOI required to support \$1.6M in add'l debt

Uses

		Per unit
Hard Costs - Previous expenditures including acquisition + interest paid.	\$ 11,641,216	Includes bond closing costs
Hard Costs - per Cap Needs Assessment	\$ 1,600,000	
Soft Costs:		
Harbor Hill Rental Interest paid to date		Thru Sept 4, 2020
Bond Repayment -- interest	\$ -	Amount <u>not</u> carried in the ops budget - balance of bond debt 28 add'l years (assumed Town will cover thru 9.4.21).
	\$ 13,241,216	
	\$ 472,901	Per unit

Surplus/(gap) \$ - \$ - Amount required per year in Town commitment

Harbor Hill - Rental Rehab Assumptions

Date: 10/15/2020

Operating Summary

Gross Residential Income

28

	Total	PUPY	
Leased Units	\$ 613,180	\$ 21,899	
Annual Town of Provincetown	\$ 432,960	\$ 15,463	Goal seek: See F87 below
Parking Income	\$ 500	\$ 18	Assumes 28 parking space
Reserve Funds Utilized	\$ 136,000	\$ 50	Annual allocation from HH reserves
Total Gross Residential Income	\$ 1,182,640	\$ 37,430	

Vacancy

	Total	PUPY
Residential	\$ -	\$ -
5% LIHTC Low	\$ -	\$ -
5% LIHTC	\$ -	\$ -
5% Middle	\$ (29,766)	\$ (1,063.07)
Parking Income	\$ -	\$ -
Other Income	\$ -	\$ -
Total Vacancy	\$ (29,766)	\$ (1,063)

Gross Income (Annual)

\$ 1,152,874	\$ 36,367
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Operating Expense Budget

Admin. Expenses

	Total	PUPY	
Office Staff Payrol	\$ -		
Employee Fringe/Benefits	\$ -		
Marketing	\$ -		
Audit	\$ -		
Management Fee	\$ -		% of income: 0%
Legal/Evictions	\$ -		
Acctg Serv	\$ -		
Office supplies	\$ -		
Office Exp	\$ -		
Support Staff	\$ -		
Telephone	\$ -		
DHCD monitoring fee	\$ -		
Misc	\$ -		
\$ -	\$ -		

Utilities

Electric	\$ -	
Heat/HW	\$ -	
Water/Sewer	\$ -	
\$ -	\$ -	

Operating and Maint.

	Total	PUPY
Op Maint. Staff Payrol		
Benefits		
Janitorial		
Landcaping		
Unit Turnover Supplies (Decorating, Int)		
Repairs		
Elevator Maintenance		
Trash Handling/Remvoal		
Snow Removal		
Extermination		
Misc./other		
Security		
\$ -	\$ -	

Resident Services

\$ -	\$ -
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Taxes and Insurance

	Total	PUPY
Real Estate Taxes		
Payroll Taxes		
Property Insurance		
\$ -	\$ -	

Finance Costs/Reserves

	Total	PUPY
LIHTC Annual Fee		
MIP (bond fees)		
Investor Fee (annual AM)		\$ -
Reserves	\$ 14,000	
\$ 14,000	\$ 500	

Total Expense (Annual)

\$ 280,168	\$ 10,006	Est. per management agent proposal (Including \$14,000 annual reserve)
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NOI

\$ 872,706

Amount Remaining for Debt

\$ 727,255	1.20 \$ 591,255	Req'd Bond
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DSCF Min \$ 136,000 Sub. Debt

Remaining Cash Flow projected

\$ 145,451	\$ -	Total DS
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Harbor Hill - Rental Rehab Assumptions

Exhibit B

DRAFT - FOR DISCUSSION PURPOSES ONLY

Project Type Year round middle-income housing rehab/repositioning

Project Summary: Square Footage (gross): Units:

- Residential Rental	Existing	28
- Residential Condominium	NA	
- Retail (incl. common)	NA	
- Amenity/Common	No new	
- Circulation	Existing to remain	
- Mechanical (including rooftop)	Existing to remain	
- Garage	NA	
Total		-

Average per unit gross s.f.

Architectural Assumptions:

- Residential net rentable s.f.	
1 Bedroom	
2 Bedroom	
3 Bedroom	

Parking Summary (total on site, both phases):

- Residential Rental Garage Parking (garage)	28	<i>Assumed</i>
- Residential Rental Parking (surface)	TBD	
- Residential Condominium Garage Parking	TBD	
- Church	TBD	
	28	

Ownership Structure

- Project Owner	Harbor Hill YRMRHT
- Project Sponsor	Town of Provincetown
- 21% partner (if needed)	NA

Financing Assumptions

- Interest Rate (blended constr to perm)	7.5%
- Amortization	30 yrs
- Max Loan-to-Value	80%
- Parking space (rental rate)	\$20.00
- Valuation Cap Rate	5.5%
- Debt Service Coverage requirement	1.20
- Debt Leverage	TBD
- Rental inflation factor Phase I (years)	3
- Rental inflation (annual %)	1.03
- Construction discount (1:1)	1.00

Harbor Hill - Rental Rehab Assumptions

Date: 10/8/2020

Program Summary - Mixed-use LIHTC rental

Income Guidelines

(statistical MSA)

2020 Barnstable County

Market	Household Size	0	1	2	3	4	5	6	7	8
100% AMI est.			\$ 67,700	\$ 77,300	\$ 87,000	\$ 96,600	\$ 104,400	\$ 112,100	\$ 119,800	\$ 127,600
80% AMI			\$ 54,150	\$ 61,850	\$ 69,600	\$ 77,300	\$ 83,500	\$ 89,700	\$ 95,900	\$ 102,050
60% AMI		\$ -	\$ 40,620	\$ 46,380	\$ 52,200	\$ 57,960	\$ 62,640	\$ 67,260	\$ 71,880	\$ 76,560
50% AMI			\$ 33,850	\$ 38,650	\$ 43,500	\$ 48,300	\$ 52,200	\$ 56,050	\$ 59,900	\$ 63,800
30% AMI			\$ 22,650	\$ 25,900	\$ 29,150	\$ 29,000	\$ 34,950	\$ 37,550	\$ 40,150	\$ 42,750
	Efficiency		1 BR	2 BR	3 BR	4 BR				
	Fair Market Rent 2019	\$ -	\$ -	\$ -	\$ -	\$ -	NA			

Program: Net Rent Structure

Program Units	Income Tier:	0%	18%	79%	4%	0%	
		Studio	1 BR	2 BR	3 BR	4 BR	Total
Subsidized	Low-Income restricted	-	-	-	-	-	\$ -
	Net Rent	-	\$ -	\$ -	\$ -	\$ -	\$ -
Market Middle	Market Rents	-	-	-	-	-	\$ -
	Net Rent	-	\$ -	\$ -	\$ -	\$ -	\$ -
Middle Income	110% AMI Rents	\$ -	5	22	1	-	\$ 28
	Net Rent	\$ -	\$ 113,100	\$ 631,752	\$ 31,884	\$ -	\$ 776,736
Current	Current Rents	\$ -	-	-	-	-	\$ -
	Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\$ 776,736	Gross Income (Annual) 2018 rents
\$ 800,038	Gross Income (Annual) @ 3% inflation to 2021
28	Total Units

Program: Gross Rent Structure

Net Rent by Tier	Studio	1 BR	2 BR	3 BR	4 BR
	1	1.5	2.5	3.5	4.5
Low Income/LIHTC (<60%)	\$ -	\$ 1,088	\$ 1,232	\$ 1,377	\$ 1,508
Market: Middle (up to 200% AMI)	\$ -	-	-	-	-
Middle-income (110%)	\$ -	\$ 1,885	\$ 2,393	\$ 2,657	\$ -
Current	\$ -	\$ 1,330	\$ 1,830	\$ 2,700	\$ -
	0	0	0	0	0

\$ 2,381 Ave/unit

Target 80% LTV

Utility Allowances

TBD - for now assume tenant pays nothing.

	1 BR	2 BR	3 BR	4 BR
Heat				
Cooking Fuel				
Electricity				
Refrig.				
Other				
Water Heating				
Water & Sewer				
	0	0		

Harbor Hill - Rental Rehab Assumptions

Date: 10/8/2020

Sources & Uses Summary

Project Sources

Equity - \$\$	\$ -			0% Private equity required.
Equity - land loan, seller's note				
Def Fee -deferred				
Perm Debt -- Bond*	\$ 10,700,000			125%
Subordinate debt - future	\$ 1,600,000			
Town Funds - TO COVER DEBT SERVICE DEFICIT	\$ 492,000			
Transfers From Trust	\$ 199,216	\$		591,255
State Grant ADA Units	\$ 250,000	\$		136,000
	\$ 13,241,216	\$ 11,228,969		Total Estimated Value @ 110% AMI
		\$ 8,983,175		Total Value Required @ 80% LTV
		\$ 2,245,794		Value Deficit - at 80 LTV

* Includes repayment of \$1,500,000 to the Town

Uses

Uses		Per unit
Hard Costs - Previous expenditures including acquisition + interest paid.	\$ 11,641,216	
Hard Costs - per Cap Needs Assessment	\$ 1,600,000	
Soft Costs:		
Harbor Hill Rental Interest paid to date		
Bond Repayment -- interest	\$ -	
	\$ 13,241,216	
	\$ 472,901	Per unit
Surplus/(gap)	\$ -	

Includes bond closing costs

Thru Sept 4, 2020
Amount not carried in the ops budget - balance of bond debt 28 add'l years (assumed Town will cover thru 9.4.21).

Harbor Hill - Rental Rehab Assumptions

Date: 10/8/2020

Operating Summary

Gross Residential Income

28

	Total	PUPY	
Leased Units	\$ 800,038	\$ 28,573	
Annual Town of Provincetown	\$ 255,113	\$ 9,111	Hard code: See F87 below
Parking Income	\$ 560	\$ 20	Assumes 28 parking space
Reserve Funds Utilized	\$ 136,000	\$ 50	Annual allocation from HH reserves
Total Gross Residential Income	\$ 1,191,711	\$ 37,754	

Vacancy

	Total	PUPY
Residential	\$ -	\$ -
5% LIHTC Low	\$ -	\$ -
5% LIHTC	\$ -	\$ -
5% Middle	\$ (38,837)	\$ (1,387.03)
Parking Income	\$ -	\$ -
Other Income	\$ -	\$ -
Total Vacancy	\$ (38,837)	\$ (1,387)

Gross Income (Annual)

Total	\$ 1,152,874	\$ 36,367
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Operating Expense Budget

Admin. Expenses

	Total	PUPY	
Office Staff Payrol	\$ -		
Employee Fringe/Benefits	\$ -		
Marketing	\$ -		
Audit	\$ -		
Management Fee	\$ -		% of income: 0%
Legal/Evictions	\$ -		
Acctg Serv	\$ -		
Office supplies	\$ -		
Office Exp	\$ -		
Support Staff	\$ -		
Telephone	\$ -		
DHCD monitoring fee	\$ -		
Misc	\$ -		
Total	\$ -	\$ -	

Utilities

Electric	\$ -	
Heat/HW	\$ -	
Water/Sewer	\$ -	
Total	\$ -	\$ -

Operating and Maint.

	Total	PUPY
Op Maint. Staff Payrol		
Benefits		
Janitorial		
Landcaping		
Unit Turnover Supplies (Decorating, Int)		
Repairs		
Elevator Maintenance		
Trash Handling/Remvoal		
Snow Removal		
Extermination		
Misc./other		
Security		
Total	\$ -	\$ -

Resident Services

Total	\$ -	\$ -
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Taxes and Insurance

	Total	PUPY
Real Estate Taxes		
Payroll Taxes		
Property Insurance		
Total	\$ -	\$ -

Finance Costs/Reserves

	Total	PUPY
LIHTC Annual Fee		
MIP (bond fees)		
Investor Fee (annual AM)		\$ -
Reserves	\$ 14,000	
Total	\$ 14,000	\$ 500

Total Expense (Annual)

Total	\$ 280,168	\$ 10,006	Est. per management agent proposal (Including \$14,000 annual reserve)
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NOI

Total	\$ 872,706
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Amount Remaining for Debt

Total	\$ 727,255	1.20 \$ 591,255 Req'd Bond
		DSCF Min \$ 136,000

Remaining Cash Flow projected

Total	\$ 145,451	\$ - Total DS
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Harbor Hill - Rental Rehab Assumptions

Exhibit C

DRAFT - FOR DISCUSSION PURPOSES ONLY

Project Type Year round middle-income housing rehab/repositioning

Project Summary: Square Footage (gross): Units:

- Residential Rental	Existing	28
- Residential Condominium	NA	
- Retail (incl. common)	NA	
- Amenity/Common	No new	
- Circulation	Existing to remain	
- Mechanical (including rooftop)	Existing to remain	
- Garage	NA	
Total	-	-

Average per unit gross s.f.

Architectural Assumptions:

- Residential net rentable s.f.	
1 Bedroom	
2 Bedroom	
3 Bedroom	

Parking Summary (total on site, both phases):

- Residential Rental Garage Parking (garage)	28	<i>Assumed</i>
- Residential Rental Parking (surface)	TBD	
- Residential Condominium Garage Parking	TBD	
- Church	TBD	
	28	

Ownership Structure

- Project Owner	Harbor Hill YRMRHT
- Project Sponsor	Town of Provincetown
- 21% partner (if needed)	NA

Financing Assumptions

- Interest Rate (blended constr to perm)	7.5%
- Amortization	30 yrs
- Max Loan-to-Value	80%
- Parking space (rental rate)	\$20.00
- Valuation Cap Rate	5.5%
- Debt Service Coverage requirement	1.20
- Debt Leverage	TBD
- Rental inflation factor Phase I (years)	3
- Rental inflation (annual %)	1.03
- Construction discount (1:1)	1.00

Project Schedule: TBD

Harbor Hill - Rental Rehab Assumptions

Date: 10/8/2020

Program Summary - Mixed-use LIHTC rental

Income Guidelines (statistical MSA) 2020 Barnstable County

Household Size	0	1	2	3	4	5	6	7	8
Market									
100% AMI est.		\$ 67,700	\$ 77,300	\$ 87,000	\$ 96,600	\$ 104,400	\$ 112,100	\$ 119,800	\$ 127,600
80% AMI		\$ 54,150	\$ 61,850	\$ 69,600	\$ 77,300	\$ 83,500	\$ 89,700	\$ 95,900	\$ 102,050
60% AMI	\$ -	\$ 40,620	\$ 46,380	\$ 52,200	\$ 57,960	\$ 62,640	\$ 67,260	\$ 71,880	\$ 76,560
50% AMI		\$ 33,850	\$ 38,650	\$ 43,500	\$ 48,300	\$ 52,200	\$ 56,050	\$ 59,900	\$ 63,800
30% AMI		\$ 22,650	\$ 25,900	\$ 29,150	\$ 29,000	\$ 34,950	\$ 37,550	\$ 40,150	\$ 42,750
Efficiency		1 BR	2 BR	3 BR	4 BR				
Fair Market Rent 2019	\$ -	\$ -	\$ -	\$ -	\$ -	NA			

Program: Net Rent Structure

Income Tier:	0%	18%	79%	4%	0%	
	Studio	1 BR	2 BR	3 BR	4 BR	Total
Program Units						
Subsidized						
Low-Income restricted						
Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market		5	22	1	-	28
Market Rent						
Net Rent	\$ -	\$ 144,600	\$ 845,919	\$ 46,536	\$ -	\$ 1,037,055
Middle Income						
110% AMI	\$ -					\$ -
Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current						
Current Rents	\$ -					\$ -
Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 144,600	\$ 845,919	\$ 46,536	\$ -	\$ -
						\$ 1,037,055
						\$ 1,068,167
						28

\$ 1,037,055 *Gross Income (Annual) 2018 rents*
 \$ 1,068,167 *Gross Income (Annual) @ 3% inflation to 2021*
 28 *Total Units*

\$ 3,179 *Ave/unit*

Program: Gross Rent Structure

Net Rent by Tier	Studio	1 BR	2 BR	3 BR	4 BR
	1	1.5	2.5	3.5	4.5
NA					
Low Income/LIHTC (<60%)	\$ -	\$ 1,088	\$ 1,232	\$ 1,377	\$ 1,508
Market: Middle (up to 200% AMI)	\$ -	\$ 2,410	\$ 3,204	\$ 3,878	\$ -
Middle-income (110%)	\$ -	\$ 1,885	\$ 2,393	\$ 2,657	\$ -
Current	\$ -	\$ 1,330	\$ 1,830	\$ 2,700	\$ -
	0	0	0	0	0
Market AMI		127%	123%	123%	
Market @ 200%		\$ 3,625	\$ 4,108	\$ 4,590	

Target 80% LTV

Utility Allowances

TBD - for now assume tenant pays nothing.

	1 BR	2 BR	3 BR	4 BR
Heat				
Cooking Fuel				
Electricity				
Refrig.				
Other				
Water Heating				
Water & Sewer				
	0	0		

Harbor Hill - Rental Rehab Assumptions

Date:

10/8/2020

Sources & Uses Summary

Project Sources

Equity - \$\$	\$	-			
Equity - land loan, seller's note					
Def Fee -deferred					
Perm Debt -- Bond*	\$	10,700,000			125%
Subordinate debt - future	\$	1,600,000			
Town Funds - TO COVER DEBT SERVICE DEFICIT	\$	492,000			
Transfers From Trust	\$	199,216	\$		591,255
State Grant ADA Units	\$	250,000	\$		136,000
	\$	13,241,216	\$	15,867,382	Total Estimated Value @ adjusted market AMI
			\$	12,693,905	Total Value Required @ 80% LTV
			\$	1,620,866	Max debt supported at these rents + op costs
			\$	(20,866)	Additional NOI required to support \$1.6M in add'l debt

0% Private equity required.

Uses

Per unit

Hard Costs - Previous expenditures including acquisition + interest paid.	\$	11,641,216		Includes bond closing costs
Hard Costs - per Cap Needs Assessment	\$	1,600,000		
Soft Costs:				
Harbor Hill Rental Interest paid to date				Thru Sept 4, 2020
Bond Repayment -- interest				Amount <u>not</u> carried in the ops budget - balance of bond debt 28 add'l years (assumed Town will cover thru 9.4.21).
	\$	13,241,216		
	\$	472,901	Per unit	
Surplus/(gap)	\$	-		municipality own - Kurt James

Harbor Hill - Rental Rehab Assumptions

Date: 10/8/2020

Operating Summary

Gross Residential Income

28

	Total	PUPY	
Leased Units	\$ 1,068,167	\$ 38,149	
Annual Town of Provincetown		\$ -	Hard code: See F87 below
Parking Income	\$ 560	\$ 20	Assumes 28 parking space
Reserve Funds Utilized	\$ 136,000	\$ 50	Annual allocation from HH reserves
Total Gross Residential Income	\$ 1,204,727	\$ 38,219	

Vacancy

	Total	PUPY
Residential	\$ -	\$ -
5% LIHTC Low	\$ -	\$ -
5% LIHTC	\$ (51,853)	\$ (1,851.88)
5% Middle	\$ -	\$ -
Parking Income	\$ -	\$ -
10% Other Income	\$ -	\$ -
Total Vacancy	\$ (51,853)	\$ (1,852)

Gross Income (Annual)

\$ 1,152,874	\$ 36,367
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Operating Expense Budget

Admin. Expenses

	Total	PUPY	
Office Staff Payrol	\$ -		
Employee Fringe/Benefits	\$ -		
Marketing	\$ -		
Audit	\$ -		
Management Fee	\$ -		% of income: 0%
Legal/Evictions	\$ -		
Acctg Serv	\$ -		
Office supplies	\$ -		
Office Exp	\$ -		
Support Staff	\$ -		
Telephone	\$ -		
DHCD monitoring fee	\$ -		
Misc	\$ -		
\$ -	\$ -		

Utilities

Electric	\$ -	
Heat/HW	\$ -	
Water/Sewer	\$ -	
\$ -	\$ -	

Operating and Maint.

	Total	PUPY
Op Maint. Staff Payrol		
Benefits		
Janitorial		
Landcaping		
Unit Turnover Supplies (Decorating, Int)		
Repairs		
Elevator Maintenance		
Trash Handling/Remvoal		
Snow Removal		
Extermination		
Misc./other		
Security		
\$ -	\$ -	

Resident Services

\$ -	\$ -
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Taxes and Insurance

	Total	PUPY
Real Estate Taxes		
Payroll Taxes		
Property Insurance		
\$ -	\$ -	

Finance Costs/Reserves

	Total	PUPY
LIHTC Annual Fee		
MIP (bond fees)		
Investor Fee (annual AM)		\$ -
Reserves	\$ 14,000	\$ 500
\$ 14,000	\$ 500	

Total Expense (Annual)

\$ 280,168	\$ 10,006	Est. per management agent proposal (Including \$14,000 annual reserve)
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NOI

\$ 872,706

Amount Remaining for Debt

\$ 727,255		1.20 \$ 591,255 Req'd Bond
	DSCF Min	\$ 136,000

Remaining Cash Flow projected

\$ 145,451		\$ - Total DS
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Harbor Hill - Rental Rehab Assumptions

Exhibit D

DRAFT - FOR DISCUSSION PURPOSES ONLY

Project Type Year round middle-income housing rehab/repositioning

Project Summary: Square Footage (gross): Units:

- Residential Rental	Existing	28
- Residential Condominium	NA	
- Retail (incl. common)	NA	
- Amenity/Common	No new	
- Circulation	Existing to remain	
- Mechanical (including rooftop)	Existing to remain	
- Garage	NA	
Total	-	-

Average per unit gross s.f.

Architectural Assumptions:

- Residential net rentable s.f.	
1 Bedroom	
2 Bedroom	
3 Bedroom	

Parking Summary (total on site, both phases):

- Residential Rental Garage Parking (garage)	28	<i>Assumed</i>
- Residential Rental Parking (surface)	TBD	
- Residential Condominium Garage Parking	TBD	
- Church	TBD	
	28	

Ownership Structure

- Project Owner	Harbor Hill YRMRHT
- Project Sponsor	Town of Provincetown
- 21% partner (if needed)	NA

Financing Assumptions

- Interest Rate (blended constr to perm)	7.5%
- Amortization	30 yrs
- Max Loan-to-Value	80%
- Parking space (rental rate)	\$20.00
- Valuation Cap Rate	5.5%
- Debt Service Coverage requirement	1.20
- Debt Leverage	TBD
- Rental inflation factor Phase I (years)	3
- Rental inflation (annual %)	1.03
- Construction discount (1:1)	1.00

Project Schedule: TBD

Harbor Hill - Rental Rehab Assumptions

Date: 10/26/2020

Program Summary - Mixed-use LIHTC rental

Income Guidelines (statistical MSA) 2020 Barnstable County

Household Size	0	1	2	3	4	5	6	7	8
Market									
100% AMI est.		\$ 67,700	\$ 77,300	\$ 87,000	\$ 96,600	\$ 104,400	\$ 112,100	\$ 119,800	\$ 127,600
80% AMI		\$ 54,150	\$ 61,850	\$ 69,600	\$ 77,300	\$ 83,500	\$ 89,700	\$ 95,900	\$ 102,050
60% AMI	\$ -	\$ 40,620	\$ 46,380	\$ 52,200	\$ 57,960	\$ 62,640	\$ 67,260	\$ 71,880	\$ 76,560
50% AMI		\$ 33,850	\$ 38,650	\$ 43,500	\$ 48,300	\$ 52,200	\$ 56,050	\$ 59,900	\$ 63,800
30% AMI		\$ 22,650	\$ 25,900	\$ 29,150	\$ 29,000	\$ 34,950	\$ 37,550	\$ 40,150	\$ 42,750
Efficiency		1 BR	2 BR	3 BR	4 BR				
Fair Market Rent 2019	\$ -	\$ -	\$ -	\$ -	\$ -	NA			

Program: Net Rent Structure

	Income Tier:	0%	18%	79%	4%	0%	
		Studio	1 BR	2 BR	3 BR	4 BR	Total
Program Units							
Subsidized	Low-Income restricted	-	-	-	-	-	\$ -
	Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market	Market Rents	-	5	22	1	-	\$ 28
	Net Rent	\$ -	\$ 126,180	\$ 720,720	\$ 40,500	\$ -	\$ 887,400
Middle Income	110% AMI	\$ -				\$ -	\$ -
	Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current	Current Rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ 126,180	\$ 720,720	\$ 40,500	\$ -	\$ -
							\$ 887,400
							\$ 914,022
							28

\$ 887,400 *Gross Income (Annual) 2018 rents*
 \$ 914,022 *Gross Income (Annual) @ 3% inflation to 2021*
 28 *Total Units*

Program: Gross Rent Structure

	Net Rent by Tier	Studio	1 BR	2 BR	3 BR	4 BR
		1	1.5	2.5	3.5	4.5
NA	Low Income/LIHTC (<60%)	\$ -	\$ 1,088	\$ 1,232	\$ 1,377	\$ 1,508
	Market: Middle (up to 200% AMI)	\$ -	\$ 2,103	\$ 2,730	\$ 3,375	
	Middle-income (110%)	\$ -	\$ 1,885	\$ 2,393	\$ 2,657	\$ -
	Current	\$ -	\$ 1,330	\$ 1,830	\$ 2,700	\$ -
		0	0	0	0	0
	Market @ 200%		\$ 3,625	\$ 4,108	\$ 4,590	

\$ 2,720 *Ave/unit*

Target 80% LTV, use cash flow

Utility Allowances

TBD - for now assume tenant pays nothing.

	1 BR	2 BR	3 BR	4 BR
Heat				
Cooking Fuel				
Electricity				
Refrig.				
Other				
Water Heating				
Water & Sewer				
	0	0		

Harbor Hill - Rental Rehab Assumptions

Date:

10/26/2020

Sources & Uses Summary

Project Sources

Equity - \$\$	\$	-			0% Private equity required.
Equity - land loan, seller's note					
Def Fee -deferred					
Perm Debt -- Bond*	\$	10,700,000			125%
Subordinate debt - future	\$	1,600,000			
Town Funds - TO COVER DEBT SERVICE DEFICIT	\$	492,000			
Transfers From Trust	\$	199,216	\$		591,255
State Grant ADA Units	\$	250,000	\$		136,000
	\$	13,241,216	\$	13,200,800	Total Estimated Value @ adjusted market AMI
			\$	10,560,640	Total Value Required @ 80% LTV
				\$1,620,866	Max debt supported at these rents + op costs
				\$ (20,866)	Additional NOI required to support \$1.6M in add'l debt

Uses

		Per unit
Hard Costs - Previous expenditures including acquisition + interest paid.	\$	11,641,216
Hard Costs - per Cap Needs Assessment	\$	1,600,000
Soft Costs:		
Harbor Hill Rental Interest paid to date		
Bond Repayment -- interest	\$	-
	\$	13,241,216
	\$	472,901
		Per unit
Surplus/(gap)	\$	-

Includes bond closing costs

Thru Sept 4, 2020
Amount not carried in the ops budget - balance of bond debt
28 add'l years (assumed Town will cover thru 9.4.21).

Harbor Hill - Rental Rehab Assumptions

Date: 10/26/2020

Operating Summary

Gross Residential Income

28

	Total	PUPY	
Leased Units	\$ 914,022	\$ 32,644	
Annual Town of Provincetown	\$ 146,662	\$ 5,238	Equals the amount of operational cash flow
Parking Income	\$ 560	\$ 20	Assumes 28 parking space
Reserve Funds Utilized	\$ 136,000	\$ 50	Annual allocation from HH reserves
Total Gross Residential Income	\$ 1,197,244	\$ 37,952	

Vacancy

	Total	PUPY
Residential	\$ -	\$ -
5% LIHTC Low	\$ -	\$ -
5% LIHTC	\$ (44,370)	\$ (1,584.64)
5% Middle	\$ -	\$ -
Parking Income	\$ -	\$ -
10% Other Income	\$ -	\$ -
Total Vacancy	\$ (44,370)	\$ (1,585)

Gross Income (Annual)

\$ 1,152,874	\$ 36,367
---------------------	------------------

Operating Expense Budget

Admin. Expenses

	Total	PUPY	
Office Staff Payrol	\$ -		
Employee Fringe/Benefits	\$ -		
Marketing	\$ -		
Audit	\$ -		
Management Fee	\$ -		% of income: 0%
Legal/Evictions	\$ -		
Acctg Serv	\$ -		
Office supplies	\$ -		
Office Exp	\$ -		
Support Staff	\$ -		
Telephone	\$ -		
DHCD monitoring fee	\$ -		
Misc	\$ -		
\$ -	\$ -		

Utilities

Electric	\$ -	
Heat/HW	\$ -	
Water/Sewer	\$ -	
\$ -	\$ -	

Operating and Maint.

	Total	PUPY
Op Maint. Staff Payrol		
Benefits		
Janitorial		
Landcaping		
Unit Turnover Supplies (Decorating, Int)		
Repairs		
Elevator Maintenance		
Trash Handling/Remvoal		
Snow Removal		
Extermination		
Misc./other		
Security		
\$ -	\$ -	

Resident Services

\$ -	\$ -
-------------	-------------

Taxes and Insurance

	Total	PUPY
Real Estate Taxes		
Payroll Taxes		
Property Insurance		
\$ -	\$ -	

Finance Costs/Reserves

	Total	PUPY
LIHTC Annual Fee		
MIP (bond fees)		
Investor Fee (annual AM)		\$ -
Reserves	\$ 14,000	\$ 500
\$ 14,000	\$ 500	

Total Expense (Annual)

\$ 280,168	\$ 10,006	Est. per management agent proposal (Including \$14,000 annual reserve)
-------------------	------------------	--

NOI

\$ 872,706

Amount Remaining for Debt

\$ 727,255	1.20 \$ 591,255 Req'd Bond
	DSCF Min \$ 136,000

Remaining Cash Flow projected

\$ 145,451	\$ - Total DS
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Harbor Hill - Rental Comparative Rent Schedules

Exhibit E

HARBOR HILL RENT SCHEDULES

Proforma Analysis

11.11.20

	# of units	Beds	Rent	12 Months	Current Rents		110% AMI Rents			Target: LTV 80% prop. Value			Target: LTV 80% prop. Value + Use Op Cash Flow			
					Est AMI/year req'd	Est. AMI equiv.	Affordability AMI by persons	30% AMI rent	Affordability AMI by persons	30% AMI rent	Affordability AMI by persons	30% AMI rent	Affordability AMI by persons	30% AMI rent		
8 HH Rd # 4																
Unit 5a	1	1	\$ 1,000	12000	1 pers	\$ 40,000	55%	\$ 79,750	\$ 1,994	110%	\$ 105,995	\$ 2,650	146%	\$ 90,625	\$ 2,266	125%
unit 4-1	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 4-2	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 4-3	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 4-4	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 4-5	1	2	\$ 2,000	24000	1-2 pers	\$ 80,000	90%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
subtotal	6	11	\$ 10,100	121,200												
3 HH Rd # 5																
unit 5-21	1	1	\$ 1,550	18600	1 pers	\$ 62,000	80%	\$ 79,750	\$ 1,994	110%	\$ 105,995	\$ 2,650	146%	\$ 90,625	\$ 2,266	125%
unit 5-22	1	2	\$ 2,000	24000	1-2 pers	\$ 80,000	90%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 5-23	1	2	\$ 1,950	23400	1-2 pers	\$ 78,000	91%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 5-24	1	3	\$ 2,700	32400	3 pers	\$ 108,000	112%	\$ 106,260	\$ 2,657	110%	\$ 155,140	\$ 3,878	146%	\$ 135,000	\$ 3,375	125%
unit 5-25	1	1	\$ 1,450	17400	1 pers	\$ 58,000	78%	\$ 79,750	\$ 1,994	110%	\$ 105,995	\$ 2,650	146%	\$ 90,625	\$ 2,266	125%
unit 5-26	1	2	\$ 2,000	24000	1-2 pers	\$ 80,000	90%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
sub totals	6	11	\$ 11,650	139,800												
4 HH Rd Bldg #6																
unit 6-6	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 6-7	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 6-8	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 6-9	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 6-10	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 6-11	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
sub totals	6	12	\$ 10,650	127,800												
37 Brad St ext #7																
unit 7-12	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 7-13	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 7-14	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 7-15	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 7-16	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit7-17	1	2	\$ 1,650	19800	1-2 pers	\$ 66,000	78%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit7-18	1	2	\$ 1,900	22800	1-2 pers	\$ 76,000	89%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 7-19	1	1	\$ 1,450	17400	1 pers	\$ 58,000	78%	\$ 79,750	\$ 1,994	110%	\$ 105,995	\$ 2,650	146%	\$ 90,625	\$ 2,266	125%
unit 7-20	1	2	\$ 2,000	24000	1-2 pers	\$ 80,000	90%	\$ 95,700	\$ 2,393	110%	\$ 127,020	\$ 3,176	146%	\$ 108,750	\$ 2,719	125%
unit 7-20A	1	1	\$ 1,200	14400	1 pers	\$ 48,000	62%	\$ 58,000	\$ 1,450	80%	\$ 58,000	\$ 1,450	80%	\$ 58,000	\$ 1,450	80%
subtotal	10	18	\$ 17,200	206,400												
Total	28	52	\$ 49,600	595,200												

This unit is deed restrictions to 80% AMI rents

The 110%, 150% and 125% assume household sizes commensurate with HUD/DHCD AMI standards.

Harbor Hill - Rental Summary of Operational Options

Exhibit F

Option A: Current Rents + Current Operating Costs

Gross Income	\$ 719,914
Plus: required Town subsidy	\$ 432,960
Less: Operating Expenses	\$ (280,168) <small>Hold for all four options</small>
= Net Operating Income (NOI)	\$ 872,706
Amount remaining for debt	\$ 727,255
Remaining cash flow	\$ 145,451
Debt Service Coverage	1.2
Debt Service to be "subsidized"	\$ 432,960

Rents Modeled (Current Rents)

		Ave. AMI
1 BR	\$ 1,330	71%
2 BR	\$ 1,830	81%
3 BR	\$ 2,700	112%
Asset Value projected:	\$7,995,375	
Value deficit projected:	(\$7,872,007)	

Option B: 110% AMI Rents + Adjusted/Reduced Operating Costs

Gross Income	\$ 953,303
Plus: required Town subsidy	\$ 199,571
Less: Operating Expenses	\$ (280,168) <small>Hold for all four options</small>
= Net Operating Income (NOI)	\$ 872,706
Amount remaining for debt	\$ 727,255
Remaining cash flow	\$ 145,451
Debt Service Coverage	1.20
Debt Service to be "subsidized"	\$ 199,571

Rents Modeled

		AMI
1 BR	\$ 1,885	104% <small>Blended (20A at 80%)</small>
2 BR	\$ 2,393	110%
3 BR	\$ 2,657	110%
Asset Value projected:	\$11,228,969	
Value deficit projected:	(\$4,638,413)	

Option C: Market Rate with optimal rents and operating costs - Using cash flow to cover debt service - Town will likely need to guarantee the cash flow projected.

Gross Income	\$ 1,152,874
Plus: required Town subsidy	\$ -
Less: Operating Expenses	\$ 280,168 <small>Hold for all four options</small>
= Net Operating Income (NOI)	\$ 872,706
Amount remaining for debt	\$ 727,255
Remaining cash flow	\$ 1,274
Debt Service Coverage	1.20
Debt Service to be "subsidized"	\$ 145,451 <small>Cash flow to guarantee debt</small>

Rents Modeled

		AMI
1 BR	\$ 2,410	133% <small>Blended (20A at 80%)</small>
2 BR	\$ 3,204	147%
3 BR	\$ 3,878	146%
Asset Value projected:	\$15,867,382	
Value deficit projected:	\$0	

Option D: Market Rate with optimal rents and operating costs - increase rents assuming cash flow can not be use to cover cash flow.

Gross Income	\$ 1,152,874
Plus: required Town subsidy	\$ -
Less: Operating Expenses	\$ 280,168 <small>Hold for all four options</small>
= Net Operating Income (NOI)	\$ 872,706
Amount remaining for debt	\$ 727,255
Remaining cash flow	\$ 145,451
Debt Service Coverage	1.20
Debt Service to be "subsidized"	\$ - <small>Cash flow to guarantee debt</small>

Rents Modeled

		AMI
1 BR	\$ 2,103	116% <small>Blended (20A at 80%)</small>
2 BR	\$ 2,730	126%
3 BR	\$ 3,375	125%
Asset Value projected:	\$13,200,800	
Value deficit projected:	(\$2,666,582)	