

**Application for Chapter 40B Project Eligibility / Site Approval**  
**for MassHousing-Financed and New England Fund ("NEF") Rental Projects**

**Section 5: FINANCIAL INFORMATION**

*In order to issue Site Approval, MassHousing must find (as required by 760 CMR 56.04 (4)) that an initial pro forma has been reviewed and that the Proposed Project appears financially feasible and consistent with the Chapter 40B Guidelines, and that the Proposed Project is fundable under the applicable program.*

**Initial Capital Budget**

**Sources**

<b>Description</b>	<b>Source</b>	<b>Budgeted</b>
Private Equity	Owner's Cash Equity	\$0
Private Equity	Tax Credit Equity	\$0
Private Equity	Developer Fee Contributed or Loaned	\$0
Private Equity	Developer Overhead Contributed or Loaned	\$0
Other Private Equity		\$0
Public/Soft Debt		\$0
Subordinate Debt		\$0
Permanent Debt		\$0
Permanent Debt		\$0
Construction Debt	<i>for informational purposes only, not included in Sources T</i>	\$0
Additional Source		\$0
Additional Source		\$0
<b>Total Sources</b>		<b>\$0</b>

**Pre-Permit Land Value**

<b>Item</b>	<b>Budgeted</b>
As-Is Market Value*:	\$0
Reasonable Carrying Costs:	\$0
<b>Total Pre-Permit Land Value:</b>	<b>\$0</b>

*\* As-Is market value to be determined by a MassHousing commissioned appraisal*

**Uses (Costs)****Item****Budgeted****Acquisition Cost (Actual):**

Actual Acquisition Cost: Land	\$425,000
Actual Acquisition Cost: Buildings	\$0
Reasonable Carrying Costs	\$0
<b>Subtotal - Acquisition Costs</b>	<b>\$425,000</b>

**Construction Costs-Building Structural Costs (Hard Costs):**

Building Structure Costs	\$9,065,000
Hard Cost Contingency	\$509,169

**Subtotal - Building Structural Costs (Hard Costs)****\$9,574,169****Construction Costs-Site Work (Hard Costs):**

Earth Work	\$256,385
Utilities: On-Site	\$135,295
Utilities: Off-Site	\$0
Roads and Walks	\$0
Site Improvement	\$0
Lawns and Plantings	\$52,000
Geotechnical Condition	\$0
Environmental Remediation	\$0
Demolition	\$12,000
Unusual Site Conditions/Other Site Work	\$58,543
<b>Subtotal - Site Work (Hard Costs)</b>	<b>\$514,223</b>

**Construction Costs-General Conditions, Builders Overhead and Profit (Hard Costs):**

General Conditions	\$28,543
Builder's Overhead	\$54,086
Builder's Profit	\$1,114,802

**Subtotal - General Conditions, Builder's Overhead & Profit****\$1,197,431****General Development Costs (Soft Costs):**

Appraisal and Marketing Study <i>(not 40B "As Is" Appraisal)</i>	\$1,000
Marketing and Initial Rent Up <i>(include model units if any)</i>	\$0
Real Estate Taxes <i>(during construction)</i>	\$25,000
Utility Usage <i>(during construction)</i>	\$13,000
Insurance <i>(during construction)</i>	\$48,000
Security <i>(during construction)</i>	\$10,000
Inspecting Engineer <i>(during construction)</i>	\$28,535
Construction Loan Interest	\$376,836
Fees to Construction Lender:	\$0
Fees to Permanent Lender:	\$0
Fees to Other Lenders:	\$0

**General Development Costs (Soft Costs) - continued**

<b>Item</b>	<b>Budgeted</b>
Architecture / Engineering	\$75,784
Survey, Permits, etc.	\$51,352
Clerk of the Works	\$15,000
Construction Manager	\$15,000
Bond Premiums	\$0
Environmental Engineer	\$0
Legal	\$73,892
Title (including title insurance) and Recording	\$0
Accounting and Cost Certification (incl. 40B)	\$35,266
Relocation	\$0
40B Site Approval Processing Fee	\$11,400
40B Technical Assistance / Mediation Fee	\$0
40B Land Appraisal Cost (as-is value)	\$1,000
40B Final Approval Processing Fee	\$20,720
40B Subsidizing Agency Cost Certification Examination Fee	\$0
40B Monitoring Agent Fee	\$0
MIP	\$0
Credit Enhancement	\$0
Letter of Credit Fees	\$0
Tax Credit Allocation Fee	\$0
Other Financing Fees	\$0
Development Consultant	\$12,500
Other Consultant:	\$0
Other Consultant:	\$0
Syndication Costs	\$0
Soft Cost Contingency	\$28,543
Other Development Costs:	\$0
<b>Subtotal - General Development Costs (Soft Costs)</b>	<b>\$842,828</b>
<b>Developer Fee and Overhead:</b>	
Developer Fee	\$0
Developer Overhead	\$0
<b>Subtotal Developer Fee and Overhead</b>	<b>\$0</b>
<b>Capitalized Reserves:</b>	
Development Reserves	\$0
Initial Rent Up Reserves	\$0
Operating Reserves	\$0
Net Worth Account	\$0
Other Capitalized Reserves	\$0

**Subtotal - Capitalized Reserves** \$0

**Summary of Subtotals**

Item	Budgeted
Acquisition Costs (Actual):	\$425,000
Building Structural Costs (Hard Costs)	\$9,574,169
Site Work (Hard Costs)	\$514,223
General Conditions, Builder's Overhead & Profit (Hard Costs)	\$1,197,431
Developer Fee and Overhead	\$0
General Development Costs (Soft Costs)	\$842,828
Capitalized Reserves	\$0
Total Development Costs (TDC)	\$12,553,651

**Summary**

Total Sources	\$0
Total Uses (TDC)	\$12,553,651

Projected Developer Fee and Overhead*:	\$0
Maximum Allowable Developer Fee and Overhead**:	\$0
Projected Developer Fee and Overhead Equals	0.00% of Maximum Allowable Fee and Overhead

\* Note in particular the provisions of Section IV.B.5.a of the Guidelines, which detail the tasks (i) for which a developer may or may not receive compensation beyond the Maximum Allowable Developer Fee and Overhead and (ii) the costs of which must, if the tasks were performed by third parties, be included within the Maximum Allowable Developer Fee and Overhead.

\*\* Please consult the most recent DHCD Qualified Allocation Plan (QAP) to determine how to calculate the maximum allowable developer fee and overhead. If you have any questions regarding this calculation, please contact MassHousing.

**Initial Rental Operating Pro-Forma** (for year one of operations)

Item	Notes	Amount
Permanent Debt Assumptions		\$0
Loan Amount	Lender	0.00%
Annual Rate		0 Months
Term		0 Months
Amortization		0.00
Lender Required Debt Service Coverage Ratio		
		\$0
Gross Rental Income		\$0
Other Income (utilities, parking)		\$0
Less Vacancy (Market Units): 5% (vacancy rate)		\$0
Less Vacancy (Affordable Units): 5% (vacancy rate)		\$0
		\$0
Gross Effective Income		\$0
Less Operating Expenses		\$0
Net Operating Income		\$0
Less Permanent Loan Debt Service		\$0
Cash Flow		0.00
Debt Service Coverage		

Describe Other Income:

**Rental Operating Expense Assumption**

Item	Notes	Amount
Assumed Maximum Operating Expenses	Calculated based on Net Operating Income, Debt Service and required Debt Service Coverage listed above.	\$0
Assumed Maximum Operating Expense/Unit*	Number of Units: 0	\$0

\* MassHousing may request further detail regarding projected operating expenses if such expenses appear higher or lower than market comparables.