



Rural Housing Portfolio Case Study

Transaction Quick Overview

3 Rural Development 515 Existing Projects

1 Borrowing Entity

1 LIHTC Application (9%)

3 Rural Development Transfer Applications

3 Separate Capital Stacks per Project

2 Rural Development Loans per project

Rural Housing Service 538 Guaranteed Rural Rental Housing Program (“RHS 538 GRRHP”) – Senior Debt, Construction and Permanent Loan
2-Year Construction Term, 38-Year Permanent Term and 40-Year Amortization

Rural Development 515 Direct Loan Program – Subordinate Permanent Loan
Fixed at 1% with a 50 Year Amortization. No MPR/Debt Deferral

Project Closings on 2/28/19

Project Specifics - Rogue River Rural Development 515 Portfolio:



Hillside Village, Glendale-Oregon

- Built in 1986
- 24-Units
- 15-Units of RD RA
- RHS 538 Loan Amount of \$417,500, Interest Rate Fixed at 5.53%
- RHS 515 Loan Amount of \$704,467, Interest Rate Fixed at 1%
- RHS 538 Debt Coverage Ratio of 1.99, RHS 538 and RD 515 Combine Debt Service Coverage of 1.178.
- RHS 538 Loan-to-Cost of 8.52%, RHS 538 and RD 515 Combines Loan-to-Cost of 21%

Hillside Village Estimated Sources and Uses

SOURCES			USES		
Amount	Description	%	Amount	Description	%
\$ 417,500	Proposed RHS 538 Loan	8%	\$ 2,347,435	Total Estimated Cost of Construction	44%
\$ 3,633,541	Tax Credit Equity	68%	\$ 189,952	Architect Design & Supervisory	4%
\$ -	HOME Funds	0%	\$ 141,038	Total Carrying Charges and Financing*	3%
\$ 118,456	Deferred Developer Fee	2%	\$ 41,176	Legal Expense*	1%
\$ 120,387	GHAP, Weatherization	2%	\$ 37,621	Organization Cost*	1%
\$ 704,467	515 Debt	13%	\$ 7,059	Cost Certification Costs	0%
\$ 156,446	Enterprise/Meyer Memorial Grant	3%	\$ 168,000	Relocation Costs	3%
\$ 191,296	FHLB AHB Grant	4%	\$ -	Furniture, Fixtures and Equipment	0%
		0%	\$ 9,725	Other Taxes/Impact Fees	0%
		0%	\$ 452,941	Developer Fee	8%
		0%	\$ 1,506,667	Acquisition Cost	28%
			\$ 4,901,614	Total Est. Development Cost	
				Non-Mortgagable Costs and Reserves	
			\$ 46,949	RHS Construction Contingency Reserve	1%
			\$ 8,350	RHS O&M Reserve	0%
			\$ 98,032	RHS Conversion Reserve	2%
			\$ 252,898	Other Reserves	5%
			34,252	Capitalized Replacement Reserves	1%
\$ 5,342,094	Total Sources	100%	\$ 5,342,094	Total Uses	100%



Valerie Hills, Rogue, River-Oregon

- Built in 1986
- 42-Units
- 21-Units of RD RA
- RHS 538 Loan Amount of \$1,436,000, Interest Rate Fixed at 5.29%
- RHS 515 Loan Amount of \$1,209,770, Interest Rate Fixed at 1%
- RHS 538 Debt Coverage Ratio of 1.557, RHS 538 and RD 515 Combine Debt Service Coverage of 1.156.
- RHS 538 Loan-to-Cost of 18.31%, RHS 538 and RD 515 Combines Loan-to-Cost of 31.49%

Valerie Hills Estimated Sources and Uses

SOURCES			USES		
Amount	Description	%	Amount	Description	%
\$ 1,436,000	Proposed RHS 538 Loan	17%	\$ 3,601,885	Total Estimated Cost of Construction	43%
\$ 5,034,879	Tax Credit Equity	60%	\$ 237,439	Architect Design & Supervisory	3%
\$ -	HOME Loan	0%	\$ 214,214	Total Carrying Charges and Financing*	3%
\$ 246,530	Deferred Developer Fee	3%	\$ 57,059	Legal Expense*	1%
\$ 310,264	GHAP	4%	\$ 58,399	Organization Cost*	1%
\$ 1,209,770	515 Debt	14%	\$ 12,353	Cost Certification Costs	0%
\$ -	Low Income Weatherization Program	0%	\$ 230,000	Relocation Costs	3%
\$ 47,570	Meyer Memorial Trust	1%	\$ -	Furniture, Fixtures and Equipment	0%
\$ 115,894	FHLB AHP Grant	1%	\$ 9,165	Other Taxes/Impact Fees	0%
\$ -	Transfer of Existing Replacement Res.	0%	\$ 717,647	Developer Fee	9%
			\$ 2,706,667	Acquisition Cost	32%
			\$ 7,844,828	Total Est. Development Cost	
				Non-Mortgagable Costs and Reserves	
			\$ 72,038	RHS Construction Contingency Reserve	1%
			\$ 28,720	RHS O&M Reserve	0%
			\$ 156,897	RHS Conversion Reserve	2%
			\$ 298,423	Other Reserves	4%
			-	Capitalized Replacement Reserves	0%
\$ 8,400,907	Total Sources	100%	\$ 8,400,905	Total Uses	100%



Woodville Village, Rogue River-Oregon

- Built in 1985
- 36-Units
- 22-Units of RD RA
- RHS 538 Loan Amount of \$820,000, Interest Rate Fixed at 5.29%
- RHS 515 Loan Amount of \$938,945, Interest Rate Fixed at 1%
- RHS 538 Debt Coverage Ratio of 1.718, RHS 538 and RD 515 Combine Debt Service Coverage of 1.158.
- RHS 538 Loan-to-Cost of 14.97%, RHS 538 and RD 515 Combines Loan-to-Cost of 29.53%

Woodville Village Estimated Sources and Uses

SOURCES			USES		
Amount	Description	%	Amount	Description	%
\$ 820,000	Proposed RHS 538 Loan	14%	\$ 2,354,490	Total Estimated Cost of Construction	40%
\$ 3,409,606	Tax Credit Equity	57%	\$ 166,207	Architect Design & Supervisory	3%
\$ 392,809	FHLB AHP Grant	7%	\$ 183,537	Total Carrying Charges and Financing*	3%
\$ 135,013	Deferred Developer Fee	2%	\$ 51,765	Legal Expense*	1%
\$ 87,767	OR-MEP (Weatherization)	1%	\$ 49,140	Organization Cost*	1%
\$ 938,945	515 Debt	16%	\$ 10,588	Cost Certification Costs	0%
\$ 95,983	Meyer Memorial Trust	2%	\$ 112,000	Relocation Costs	2%
\$ 74,996	Transfer of Replacement Reserves	1%	\$ -	Furniture, Fixtures and Equipment	0%
			\$ 6,981	Other Taxes/Impact Fees	0%
			\$ 629,412	Developer Fee	11%
			\$ 1,906,667	Acquisition Cost	32%
			\$ 5,470,787	Total Est. Development Cost	
				Non-Mortgagable Costs and Reserves	
			\$ 47,090	RHS Construction Contingency Reserve	1%
			\$ 16,400	RHS O&M Reserve	0%
			\$ 109,416	RHS Conversion Reserve	2%
			\$ 311,427	Other Reserves	5%
			-	Capitalized Replacement Reserves	0%
\$ 5,955,119	Total Sources	100%	\$ 5,955,120	Total Uses	100%