

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

**Section 5: FINANCIAL INFORMATION – Site Approval Application Rental 40B**

*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.*

Name of Proposed Project: Abbyville Commons

**Initial Capital Budget** (please enter “0” when no such source or use is anticipated)

Sources

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

**Pre-Permit Land Value, Reasonable Carrying Costs**

Item	Budgeted
Site Acquisition: pre-permit land value (to be determined by MassHousing commissioned appraisal) plus reasonable carrying costs.	380,000

## Uses (Costs)

Item	Budgeted
<b>Acquisition Cost (Actual)</b>	
Actual Acquisition Cost: Land	380,000
Actual Acquisition Cost: Buildings	0
Subtotal – Acquisition Costs	380,000
<b>Construction Costs – Building Structural Costs (Hard Costs)</b>	
Building Structure Costs	5,812,000
Hard Cost Contingency	290,600
Subtotal – Building Structural Costs (Hard Costs)	6,102,600
<b>Construction Costs – Site Work (Hard Costs)</b>	
Earth Work	75,000
Utilities: On Site	400,000
Utilities: Off-Site	0
Roads and Walks	125,000
Site Improvement	200,000
Lawns and Planting	250,000
Geotechnical Condition	0
Environmental Remediation	0
Demolition	20,000
Unusual Site Conditions/Other Site Work	53,500
Subtotal –Site Work (Hard Costs)	1,123,500
<b>Construction Costs – General Conditions, Builders Overhead and Profit (Hard Costs)</b>	
General Conditions	412,920
Builder's Overhead	137,640
Builder's Profit	412,920
Subtotal – General Conditions Builders Overhead and Profit (Hard Costs)	963,480
<b>General Development Costs (Soft Costs)</b>	
Appraisal and Marketing Study <i>(not 40B "as is" appraisal)</i>	15,000
Marketing and Initial Rent Up <i>(include model units, if any)</i>	90,000
Real Estate Taxes <i>(during construction)</i>	25,000
Utility Usage <i>(during construction)</i>	24,000
Insurance <i>(during construction)</i>	28,000
Security <i>(during construction)</i>	5,000
Inspecting Engineer	75,000

Item	Budgeted
<b>General Development Costs (Soft Costs) – Continued</b>	
Fees to Others	0
Construction Loan Interest	300,000
Fees to Construction Lender	15,000
Fees to Permanent Lender	15,000
Architecture/Engineering	
Survey, Permits, etc.	400,000
Clerk of the Works	0
Construction Manager	0
Bond Premiums ( <i>Payment/Performance/Lien Bond</i> )	15,000
Environmental Engineer	0
Legal	25,000
Title ( <i>including title insurance</i> ) and Recording	10,000
Accounting and Cost Certification ( <i>incl. 40B</i> )	25,000
Relocation	0
40B Site Approval Processing Fee	2,500
40B Technical Assistance/Mediation Fund Fee	3,940
40B Land Appraisal Cost ( <i>as-is value</i> )	4,000
40B Final Approval Processing Fee	2,500
40B Subsidizing Agency Cost Certification	0
Examination Fee	5,000
40B Monitoring Agent Fees	15,000
MIP	0
Credit Enhancement	0
Letter of Credit Fees	4,000
Other Financing Fees: Tax Credit Allocation Fee	0
Other Financing Fees	0
Development Consultant	15,000
Other Consultants ( <i>describe</i> ) <u>Peer Review</u>	15,000
Other Consultants ( <i>describe</i> ) _____	0
Syndication Costs	0
Soft Cost Contingency	56,697
Other Development (Soft) Costs	_____
<b>Subtotal – General Development Costs (Soft Costs)</b>	<b>1,190,637</b>
<b>Developer Fee and Overhead</b>	
Developer Fee	571,011
Developer Overhead	571,011
<b>Subtotal – Developer Fee and Overhead</b>	<b>1,142,022</b>
<b>Capitalized Reserves</b>	
Development Reserves	_____
Initial Rent-Up Reserves	100,000
Operating Reserves	_____
Net Worth Account	_____
Other Capitalized Reserves	_____
<b>Subtotal – Capitalized Reserves</b>	<b>100,000</b>

**Summary of Subtotals**

<b>Item</b>	<b>Budgeted</b>
Acquisition: Land	380,000
Acquisition: Building	0
Building Structural Costs (Hard Costs)	6,102,600
Site Work (Hard Costs)	1,123,500
Builder's Overhead, Profit and General Conditions (Hard Costs)	963,480
Developer Fee and Overhead	1,142,022
General Development Costs (Soft Costs)	1,190,637
Capitalized Reserves	100,000
<b>Total Development Costs (TDC)</b>	<b>11,002,239</b>
<b>Summary</b>	
<b>Total Sources</b>	<b>11,002,239</b>
<b>Total Uses (TDC)</b>	<b>11,002,239</b>

Projected Developer Fee and Overhead\*: 1,142,022

Maximum Allowable Developer Fee and Overhead\*\*: 1,142,022

Projected Developer Fee and Overhead equals 100% 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.*

*\*\* Maximum Allowable Developer Fee and Overhead is calculated as follows: 5% of acquisition costs, plus 15% of the first \$3 million of fee-based development costs, plus 12.5% of fee-based development costs between \$3 and \$5 million, plus 10% of fee-based development costs in excess of \$5 million (Per DHCD QAP Guidelines).*

Initial Unit/Rent Schedule

Affordable Units @ 80% AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Units	0	3	8	1	0
Number Square Feet	0	872-896	1,144 -1,163	1,293 -1,427	0
Monthly Rent	0	1220	1438	1658	0
Utility Allowance	0	150	205	241	0

Affordable Units @ 50% AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Units					
Number Square Feet					
Monthly Rent					
Utility Allowance					

Describe utility allowance assumptions (*utilities to be paid by tenants*): Market rate tenants will be responsible for all utilities. Utility Allowances have been applied for Heat, Hot Water, Cooking, Electric, and Natural Gas Customer Charge for all Affordable units based upon Walpole Housing Authority Utility Payment Schedule effective 4/1/16.

Market Rate Units	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Units	0	8	24	4	0
Number Square Feet	0	872-896	1,144 -1,163	1,293 -1,427	0
Monthly Rent	0	1700	2150	2400	0

**GROSS SQUARE FEET SUMMARY**  
**ABBYVILLE COMMONS**  
**NORFOLK, MA**

<u>Unit Mix</u>	<u>Units</u>	<u>Average Gross Square Feet/Unit</u>	<u>Total Gross Square Feet</u>
1BR	10	872	8,720
1BR ADA	<u>1</u>	896	896
	11		
2BR	31	1163	36,053
2BR ADA	<u>1</u>	1144	1,144
	32		
3BR	4	1427	5,708
3BR ADA	<u>1</u>	1293	<u>1,293</u>
	5		
<b>Total Gross Square Feet</b>	48	1121	53,814

See Initial Operating ProForma Attachment  
 Initial Rental Operating Pro-Forma (for year one of operations)

Item	Notes	Amount
Permanent Debt Assumptions		9215411
Loan Amount	Lender: TBD	
Annual Rate	5.00%	
Term	10	
Amortization	30	
Lender Required Debt Service Coverage Ratio	1.25	
Gross Rental Income		1099464
Other Income (utilities, parking)	Garages: \$25,500 / Pets: \$8064	33564
Less Vacancy (Market Units)	5% (vacancy rate)	44880
Less Vacancy (Affordable Units)	5% (vacancy rate)	10093
Gross Effective Income		1078055
Less Operating Expenses	Per Unit: 7000	336000
Net Operating Income		742055
Less Permanent Loan Debt Service		593648
Cash Flow		148407
Debt Service Coverage		1.25

Describe "other income": Pets an additional \$50.00 per month for 35% of the units and 20 parking garage bays at \$125 per month. 15% vacancy applied to garage income and 20% "vacancy" applied to pet fee 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.	336,000
Assumed Maximum Operating Expense/Unit*	Number of Units: 48	7000

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