

SWIFT LANE: LIHC SOLICITATION RESULTS

[As of 6/5/2018]

Company Name	Total Equity Offered	Pay-In	Credit Price	Fees	Difference from MSHDA App	Difference from RFP budget	Guarantees	AAHC Guarantee Limit	Operating Reserve	Operating Deficit Guarantee	First Year Credits	Comments
Redstone	\$ 13,530,347	i) Closing - \$2,029,522; ii) TCO/G704 - \$1,353,035; iii) Perm closing/cost cert/90 days 1.15 DSC/95% occupancy - \$9,809,502; iv) 8609s - \$338,288	\$ 0.9100	i) annual asset management fee to RS - \$5,000; ii) due diligence fee of \$50,000 will be netted out of 1st installment	\$ (594,740)	\$ (371,713)	i) construction completion; ii) repurchase; iii) credit shortfall/recapture; iv) reserves; v) enviro	\$ 751,000	\$272,000	i) maximum ODG amount will = \$308,000; ii) 5 year period; iii) will be released after 5 years if project maintains 1.15 DCR over last 4 consecutive quarters prior to end of ODG Period	2020	i) minimum liquidity of \$1m and minimum net worth of \$3m; ii) net worth requirement goes away & liquidity requirement is reduced to size of AAHC's dev fee upon achievement of Stabilized Operations; iii) 25% of dev fee at closing table
Hudson Housing Capital	\$ 13,530,347	i) Closing - \$2,029,552; ii) 100% completion/draft cost cert - \$8,118,208; iii) Perm loan closing/90-day DCR/final cost cert/review of tenant files - \$2,706,069; iv) 8609s - \$676,517	\$ 0.9100	i) annual administrative expense reimbursement - \$5,000; ii) \$45,000 for closing/legal fee	\$ (594,740)	\$ (371,713)	i) construction completion (by NDUSA); ii) repurchase; iii) credit shortfall/recapture; iv) reserves; v) enviro	\$ 750,000	\$272,000	i) ends on the anniversary of 5 consecutive years of breakeven operations; ii) in an amount not to exceed 12 months of underwritten operating expenses - this is projected to be \$474,984 without DS and \$608,041 with DS	2020	i) minimum liquidity of \$1m and minimum net worth of \$3m; ii) net worth requirement goes away & liquidity requirement is reduced to size of AAHC's dev fee at the time of release of the 3rd installment; iii) 10% of dev fee at closing table; iv) interest on all soft loans to be 7%; v) required P&P bonds or a 15% LOC from the general contractor - will they accept NBC financial statements?; vi) require 5% hard cost contingency that is outside of the control of the GC
Regions/First Sterling	\$ 13,677,664	i) Closing - \$2,051,650; ii) 100% completion - \$1,367,766; iii) perm closing/90-day DSC of 1.15 - \$9,574,365; iv) 8609 - \$633,883; v) Tax return - \$50,000	\$ 0.9200	i) annual reporting services fee - \$6,000; ii) due diligence & legal fee - \$35,000	\$ (447,423)	\$ (224,396)	i) completion; ii) operating deficits (by AAHC); iii) tax credit timing delivery; iv) tax credit reduction; v) recapture; vi) repurchase	Six months of expenses/replacement reserves/debt service payments	\$297,448	Six months of expenses/replacement reserves/debt service payments	2020	i) up to 25% of dev fee at closing; ii) Op reserve is \$25k higher; iii) net worth/liquidity; a) NDUSA - \$1m/\$5m, b) AAHC - \$2m/\$1m
R4	\$ 13,531,000	i) Closing - \$2,029,650; ii) 100% completion/TCO/draft cost cert - \$5,683,020; iii) Perm closing/8609/93% occupancy/90-day 1.15 DCR - \$5,546,330; iv) operating reserve funding - \$272,000	\$ 0.9100	i) annual local admin fee - \$5,000	\$ (594,087)	\$ (371,060)	i) completion; ii) recapture; iii) repurchase; iv) environmental	\$ 354,690	\$272,000	Ends 5 years after date of 100% completion; must achieve 1.15 DCR for 12 consecutive months and have the op. reserve fully funded	2020	i) 5% of hard cost contingency to be controlled by lender outside of NBC's control; ii) installment #3 will be reduced by 15% if 8609s are not ready at that time (WHICH THEY WANT); iii) Review pg 7 re accelerated depreciation
PNC	\$ 13,567,518	i) Closing - \$1,356,752; ii) 100% completion/G704/final CO - \$213,707; iii) perm insurance/updated title - \$11,264,023; iv) stabilized occupancy/perm loan closing/final cost cert/100% initial occupancy/8609 - \$647,553; v) K-1/recorded LURA - \$85,483	\$ 0.91250	i) cumulative annual investor services fee - \$75 per unit (\$75 x 64 = \$4,800); ii) due diligence fee - \$65,000	\$ (557,569)	\$ (334,542)	i) completion; ii) recapture, iii) repurchase; iv) tax credit late shortfall and late delivery	\$305,621	\$305,621	GP to guaranty all deficits for 5 years in an amount not to exceed 6 months of debt/op expenses/replacement reserves, which they estimate to be \$305,621; prior to ODG termination, need 4 consecutive quarters of stabilized occupancy; GP must also guaranty any deficits suffered due to loss of PILOT/tax abatement	2019 (THIS IS INCORRECT)	i) why do they defer \$645,171 of fee?; ii) their Project Timing section is off by 5-6 months; iii) need to move 8609 delivery to the final installment; iv) net worth requirement for GP, guarantor and developer of \$5m/\$1m until end of ODG period; v) they require 10% of hard costs to be held by them outside of the GC contract as hard cost contingency!

Hunt	\$ 13,203,240	i) closing - \$1,980,486; ii) 100% completion/TCO/draft cost cert - \$8,582,106; iii) Rental achievement/perm loan closing/LURA/cost cert - \$2,240,648; iv) 8609 - \$400,000	\$ 0.88000	i) asset management fee = \$7,500; ii) closing fee = \$85,000; iii) construction monitor fee of \$15k is fixed and fully payable at closing;	\$ (921,847)	\$ (698,820)	i) recapture; ii) completion; iii) adjusters;	\$320,000	\$320,000	For a 5 year period following Rental Achievement up to \$320k; need to hit 1.15 DCR for 12 months prior to expiration of ODG period - otherwise, it's extended for another 12 months;	2020	i) Operating reserve = \$320k; ii) deferred fee = \$875,903; iii) proposed dev fee pay-out schedule is ludicrous; iv) net worth and liquidity targets are \$3m and \$1m;
RBC	\$ 13,567,518.00	i) closing - \$2,035,128; ii) TCO/prelim cost cert/HAP - \$8,818,887; iii) Final CO/final cost cert/100% CO/perm loan closing/stabilization - \$2,463,503; iv) 8609 - \$250,000	\$ 0.9125	i) asset management fee of \$5,000; ii) due diligence fee = \$50k	\$ (557,569)	\$ (334,542)	i) construction completion; ii) recapture, iii) repurchase; iv) operating deficits; v) after Norstar Release date, the AAHC guaranty shall be limited to IRS Safe Harbor guidelines in an amount = to the total amount of developer fee	\$ 305,000	\$303,401	Five year period until DCR of 1.15 for 12 months is achieved; project must also hit 1.15 DCR for each of the 3 months prior to release date; all HAP contracts are in still in effect; prior to release date, the operating reserve cannot be less than \$303,401	2020	i) excess development costs may first be reduced by deferring up to \$300k in unpaid fee; ii) Norstar Release Date = concurrent with release of 3rd installment; iii) net worth = \$3m combined, liquidity = \$1m combined