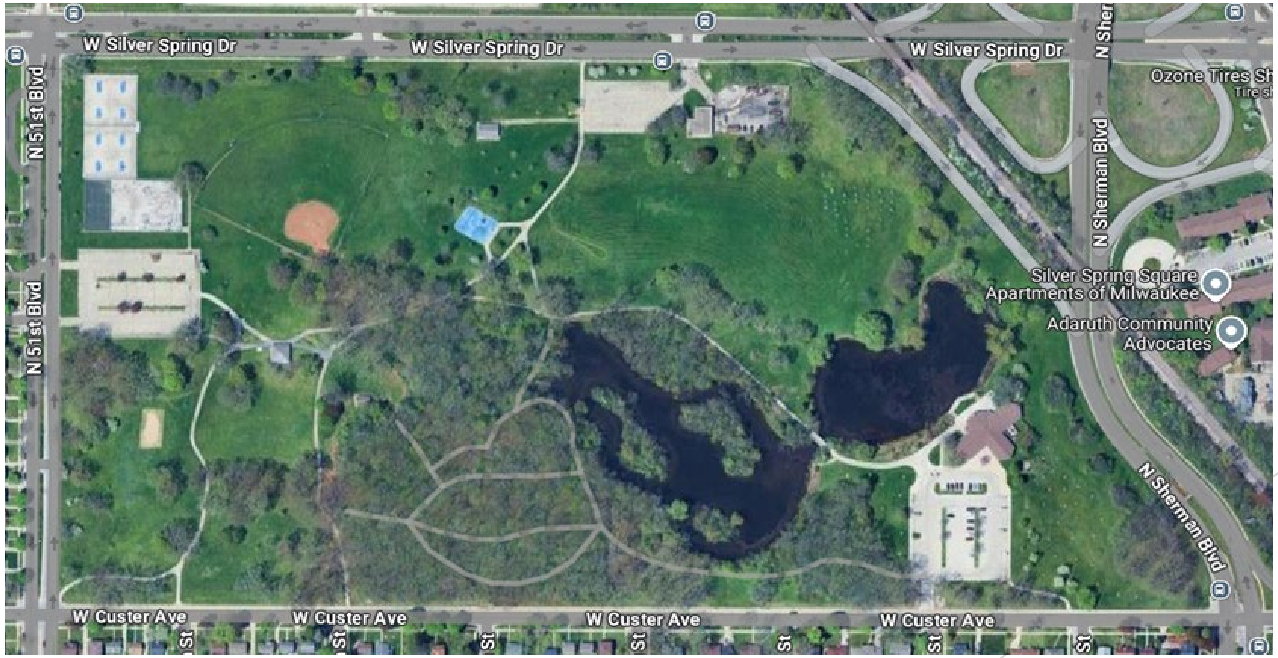
McGovern Park
DRAFT Financial Models

Jewish Family Services, Inc.

Jewish Family Services
Robert & Mimi Habush Family Center

JFS Housing Inc.



Low Income Housing Tax Credit Primer

- LIHTC provides equity for housing development in return for long-term affordability restrictions
- LIHTC can also be used to develop a Community Service Facility that is included as part of a housing development.
- The IRS caps the allowable basis of the Senior Center based on the overall size of the project.
- The 4% Federal tax credits that we propose to use for this project will offset around 44% of the development cost of the Senior Center within the project.

Tax Credit Mechanics	
Development Cost (eligible)	1,000,000
Basis Boost	130%
Eligible Basis	1,300,000
Federal Credit Percentage	4%
Potential Annual credits	52,000
	10
Total Credits	520,000
Price Per Credit	0.85
Tax Credit Equity	442,000
% of Cost Covered by Tax Credit Equity	**44.2%**

WHEDA

Assumptions
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- Modeled as a 4% Federal/4% State tax credit deal
- Hard Costs are rough and are based on review of earlier plans by Greenfire.
- Inflation Indexing adds ~$1M (7.02%) to construction cost based on Spring 2027 start
- Lower unit count results in higher Per-Unit-Per-Month Operating Expenses for the housing
- Maximize scoring for WHEDA and Federal Home Loan Bank funding
- County prefers to pay minimal or no rent for the Senior Center

DRAFT Financial Analysis

Units	30	35	40	40 w Rent	55
Sources					
Perm Mortgage	$ 955,638	$ 1,020,147	$ 1,098,791	$ 1,098,791	$ 1,315,291
Tax Credit Equity	$ 9,035,355	$ 9,728,911	$ 10,534,322	$ 10,531,757	$ 13,176,082
Appropriation	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000
FHLB AHP	$ 1,500,000	$ 1,750,000	$ 2,000,000	$ 2,000,000	$ 2,000,000
Deferred Developer Fee	$ 202,847	$ 236,162	$ 260,727	$ 780,688	$ 366,781
Total Sources	**$ 13,693,840**	**$ 14,735,220**	**$ 15,893,840**	**$ 16,411,236**	**$ 18,858,154**
Uses					
Hard Costs	$ 15,000,512	$ 15,000,512	$ 16,000,512	$ 16,000,512	$ 19,548,862
Soft Costs	$ 4,433,929	$ 4,682,927	$ 4,805,560	$ 5,033,611	$ 5,284,722
Total Uses	**$ 19,434,441**	**$ 19,683,439**	**$ 20,806,072**	**$ 21,034,123**	**$ 24,833,584**
Gap	**$ 5,740,601**	**$ 4,948,219**	**$ 4,912,232**	**$ 4,622,887**	**$ 5,975,430**

- Higher unit count increases overall gap, but increases operational and development efficiencies: $109k unit/TDC vs. $141k unit/TDC for 35-unit model

Note: figures are based on very preliminary estimates and are subject to change

DRAFT Takeaways

- From a development perspective, a unit count in the 40-50 range is likely the sweet spot for minimizing the funding gap
- From an operational perspective, a unit count in the 50+ range is preferable for operational efficiencies and to maximize development funding
- With construction costs of ~$5.8M attributable to Senior Center (including demo, sitework & build-out), tax credits cover ~$2.6M for the County. This figure excludes soft costs, which are also covered by tax credits.
- Additional financial benefits to the County include:
  - Reduced overall development expense when compared with the development of a freestanding building;
  - Reduced/shared operating expenses; and
  - 3rd party property management