MULTI-FAMILY HOUSING AT 4410 FRANKFORD AVE, BALTIMORE, MD 21206

by

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Executive Summary:

This report analyzes the feasibility of successfully executing a new construction multifamily, 133 unit, three story garden style apartment building on a 3.44 acre site at 4410 Frankford Ave, Baltimore City, MD 21206 without the benefit of subsidized funding from the federal, state or local level. The analysis includes the demolition of an existing 76,392 square foot school formally used by the Catholic Archdiocese of Baltimore. The results of the study conclude that without alternative economic subsidies to fill the required equity gap or a public / private partnership, the project is not viable to attract developers and investors through the sole use of traditional debt financing. The subject property is located in an area that does not provide for a level of market rent and permissible dwelling unit density to generate at least a 10% cash on cash return, which is the established minimum rate of return for this the scope of this report. The hurdle of overcoming the large equity contribution needed in order to finance this project will detract many, if not all developers from this non-subsidized project. The accompanying body of research will examine in more detail the efforts to arrive at the "No-Go" recommendation.

Background

The origin of this project began after conducting market due diligence regarding the current list of 13 marketed assets for disposition by the Archdiocese of Baltimore. The list can be found on the website: (Archdiocese of Baltimore, 2011) and is attached as Appendix A. The list of marketed assets provided an opportunity to review the portfolio for sites that may support a ground up multifamily construction project. The majority of the sites reviewed for this practicum were historically used for educational purposes as schools, a use which is specifically restricted moving forward. As a result of this restriction, the redevelopment of the sites will depend upon a suitable market analysis of the highest and best use of the properties within the specific geographic areas. The next step included a physical drive-by survey of each of the 13 sites to review the Archdiocese's portfolio for suitability of newly constructed multi-family project. On February 19, 2011, the Subject Property was selected and is located at 4410 Frankford Avenue, Baltimore, MD 21206. This Subject property was chosen given its overall suitability of its large parking lot, available developable land and the belief that the entire 5.63 acres of land was for sale.

On March 3, 2011, I spoke directly to David Owens (Owens, 2011), who is the real estate manager in charge of disposing of the marketed assets for the Archdiocese of Baltimore. Mr. Owens advised that the Church and Rectory are to be retained on the site by the Archdiocese and that 3.44 of the 5.63 acres are to be sold, which includes the 76,392 Square foot school building and the accompanying parking lot. The exact sales price was not disclosed but it is said to be in the $2M to $2.8M range. Mr. Owens further confirmed that there is a contract pending for this parcel in the aforementioned range for the purposes of developing affordable housing. The specific market of elderly or multi-family is yet to be determined; however this does demonstrate competition by a subsidized product for the land limiting the negotiations for a lower sales price.

Argus / Excel Based Financial Modeling

For the purposes of the analysis, a hybrid use of Argus software and a financial model template created and its use permitted by Mr. Robert Bob Rajewski (current JHU Adjunct Instructor). The Argus software provided for the detailed entry of operating expenses and the complexity of generating market leasing assumptions (MLA). Additionally, Argus helped to model the absorption of one, two and three bedroom units upon completion of construction. As a result of the absorption during the initial phases of the project and the use of the market leasing assumptions for renewal probability, the modeled cash flows were blended during the rollover periods. Argus therefore facilitated a simpler way to then enter the Potential Gross Income and Operating Expenses in the Rajewski model (Rajewski, 2011). The Rajewski model then calculated Net Operating Income and Cash Flow Before Debt and this collective effort generated the proforma results. The variable inputs used for both Argus and the Rajewski models were provided by market data research from the 21206 area code, discussions with local lenders and subject matter experts to provide a range of outcomes to evaluate.

Summary of Findings

Market Study

The objective for the market study was to determine the suitability of the site for the construction of a new 133 unit multifamily non-subsidized, market rate apartment complex containing a mix of one, two and three bedroom units. The study included the research of existing competition, the market rate structure, demographic data from Lexis Nexis, foreclosure rate information from RealtyTrac, housing sales from the Multiple Regional Information System (MRIS) and individual surveys of leasing agents including their perceived demand for new construction. Based on the market study, a newly constructed facility would be absorbed with a higher percentage of three bedrooms due to strong demand and limited competition from older properties. As a result, the project is projected to achieve 95% occupancy within the first 8 months after construction completion.

Financial and Sensitivity Analysis

The financial results were not as favorable as the market study. As seen in Appendix B, a sensitivity range of rent escalations between 3 to 7.75% were considered to determine the viability of the project. The goals were to achieve the following: i) a minimum of 10% cash on cash leveraged return for investors after the first yr of stabilized income, ii) a positive net present value and iii) a favorable leveraged IRR in the high teens after a holding period of no less than 10 years (the analysis extends to 20 yrs as well). Throughout the analysis, consideration was also given for the level of construction finishes. During the analysis phase, the project was reviewed to consider value engineering principles largely attributable to sizing the apartments more appropriately while still maintaining the 133 unit density. This value engineering decreased the size of the facility in excess of 10KSF and reduced the costs by $1.2M.

Further sensitivity was applied to the construction and permanent loan sizing for each market rate escalation, considering Loan to Cost (LTC), Loan to Value (LTV), and Debt Service Coverage Ratio (DSCR) underwriting. The results of a conversation with a local lender (and current JHU Carey MSRE Graduate

Student Mr. Matthew Johnson) from M&T Bank advised that a 70% LTV would be at the high end of an underwriting standard for a construction loan. Mr. Johnson confirmed that although the permanent loan may result in a more investor favorable LTV based on DSCR, that M&T would have to ensure that its 24 month construction loan could be serviced (Johnson, 2011). This results in a substantial equity requirement during the first 24 months of the project, which includes the 12 months of construction and first year of operations before income stabilization. The construction loan also includes consideration of project feasibility given the size of the investor's equity contribution. In order for this project to have any conceivable option to become reality, it is critical that the permanent take out loan is capable of increasing the LTV as much as 90%. In this particular project's case, the permanent loan can still meet a DSCR of 1.25X in both the 3% and 7.75% rental rate trials and should be capable of underwriting pursuant to FHA 221 and 542 (c) programs, resulting in the "for profit" investor/developer effectively maximize debt since it is cheaper than equity.

The results of the sensitivity analysis further demonstrate that when market rental rates follow a conventional 3% escalation, the construction loan requires an equity contribution ranging from $5.6M when evaluated by LTC to $6.8M when evaluated by LTV for a 24 month period. This contemplates a permanent take-out loan to refund a portion of that equity based on a DSCR of 1.25X, increasing the LTV to 80/20, thus reducing the equity to $3.6M while still only achieving a dismal 5.23% leveraged cash on cash return. In this 3% rent escalation trial, if a "for profit" investor secured subsidies to achieve its desired 10% cash on cash return, a maximum equity contribution of $1.9M would be permissible by the investor, requiring an additional $1.7M in subsidized equity. Given the equity size, the risk and improbable investor interest but for economic subsidies, additional market rate escalation trials were considered.

The additional trials conducted (but not included in the body of this report) were at 4%, 5% and 6% market rent escalations in an effort to derive the increases required to generate the minimum NOI to produce 10% cash on cash leveraged returns. Finally, after a number of trials were run, one emerged for consideration and is included on the attached Appendix B. As shown, the annual market rental escalations of 7.75% increases first year stabilized NOI by $126,774 to $1,233,775. This is compared to NOI of $1,107,001 with 3% annual rental escalations. The magnitude of this annual rental increase results in the property producing enough NOI to meet the desired returns. This trial still assumes a permanent loan based on a DSCR of 1.25%, while increasing the LTV to 88/12, and as a result, the maximum equity contribution required by the profit investors is reduced by $1.5M to $2.1M.

Go / No-Go Recommendation

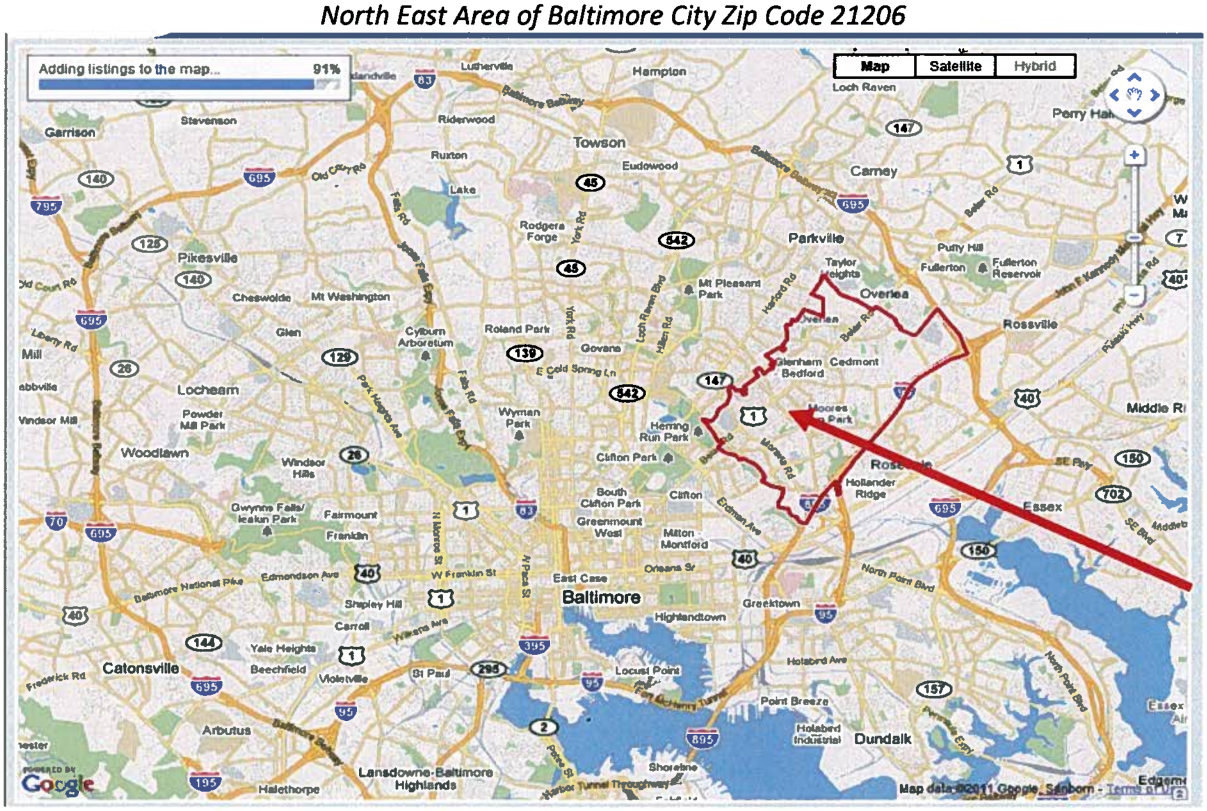
The new construction of a non-subsidized 133 unit garden style apartment is a "No-Go" recommendation based on the inadequacy of the market rental rates. The project's rental rates would need to increase at a minimum of 7.75%/yr for all bedroom unit types. This would result in an 11.45% increase over the conventional estimated 3%/yr rent escalation and is considered an unachievable rate and the primary risk marker for this project. Additional risks to consider that can increase the equity gap and decrease the desired returns include: i) the viability of securing a highly favorable permanent loan of an 88/12 LTV and DSCR of 1.25x, ii) avoiding any material construction overruns (in excess of the contingencies), iii) delays in unit absorption beyond the current analysis and iv) the possible increase of land costs due to subsidized competition evaluating affordable elderly or multi-family projects at this site. In conclusion, the risks are too great for a market rate development to overcome the challenges on this site, and this project can only by justified if sizeable economic subsidies are obtained to fill the equity gap.

Primary Market Area Defined:

The Primary Market Area (outlined in red below) will be limited to the 21206 area code for the purposes of this report. The central physical location relative to the zip code clearly limits the scope of this analysis beyond a broader area for demographic data. Additionally, given the limited size of the of the subject property it is unlikely that there is a capture rate beyond this zip code.

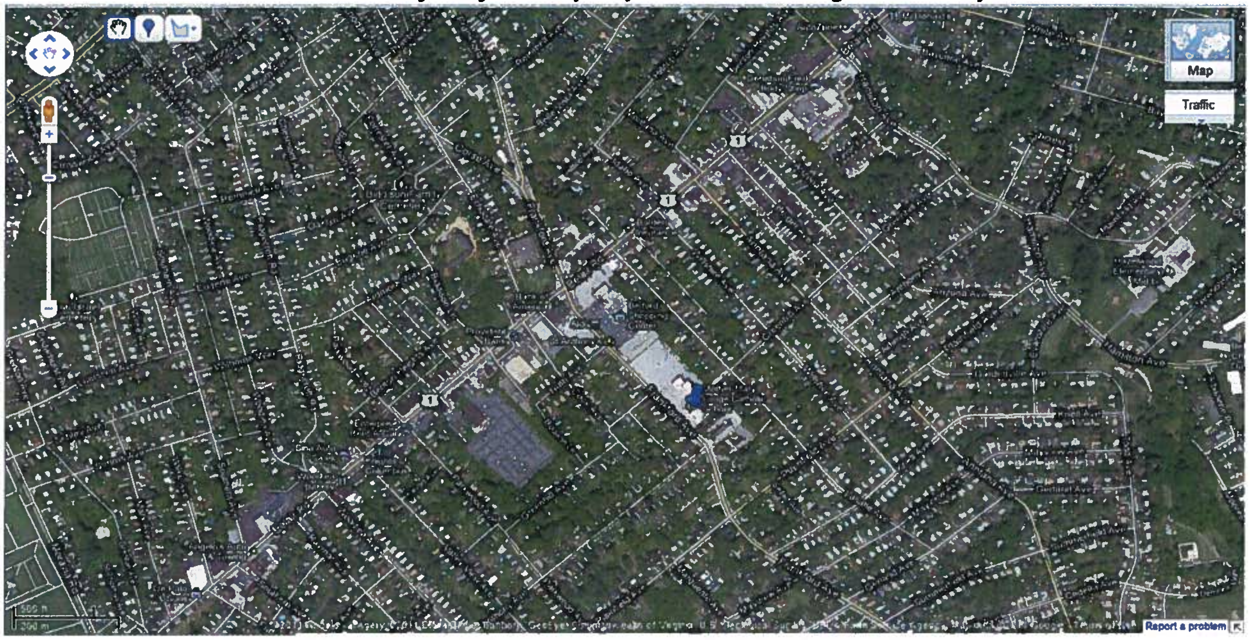
The Subject Property (as specified by the red arrow below) is located at 4410 Frankford Avenue, Baltimore MD, 21206 and is in close proximity to the intersection of Frankford Avenue and Belair Road. The Subject Property's geographic area and for zoning purposes is referred to as the North East District of Baltimore City. It is located in the neighborhood of Frankford (See Map p.14) bordering the main artery of retail along Belair Road which is less than 2/10 mile walk. This property was previously used as school and accommodated a large number of parking spaces which allow for new development. The neighboring uses were at one time constructed as single family detached homes. Some of the homes have been converted into multi-family units with separated entrances while others include individual rooms for rent.

North East Area of Baltimore City Zip Code 21206



Red Fin Google maps

Aerial view of Subject Property and surrounding community



Closer Aerial view of Subject Property Site Original Total 5.63 Acres

SITE AND PROPERTY DESCRIPTION

Subject Property Address:

- St.Anthony of Padua located at 4410 Frankford Avenue in Baltimore, Maryland.
- Site 3.44 Acres = 149,846 square feet of land
- Existing building = 76,392 square feet.
- 1924 - Original three-story building consisting of 38,000 square feet
- 1957 – Two wings constructed adding a total of 38,392 additional square feet

Zoning Code Information, Flood Zone and Seismic Zone

- Currently located in R-4, Residential, zoning district
  Property is located in Zone X per FEMA which is outside the 500-year flood plain
- Located in Zone 1, low probability of damaging ground motion.

Site Improvements - Utilities

The site is serviced by the following providers and further due diligence will be required beyond the scope of this report to confirm the adequacy to support the 133 unit Apartment; however it is expected that there will not be an issue either utilizing existing or upgrading the utility services:

- **Sanitary sewer:** City of Baltimore
- **Storm sewer** City of Baltimore
- **Domestic water** City of Baltimore
- **Electric service** Baltimore Gas and Electric (BGE)
- **Natural gas service** Baltimore Gas and Electric (BGE)

Site Access from Frankford Ave.

The subject property's current main entrance is located along Frankford Avenue on the southeast side of the property. The main entrance includes two means of ingress starting from the far west portion of the site with a right in/out and left in/out. Further east along Frankford Avenue there is another right in/out and left in/out. An additional entrance drive is located along the other adjacent public street on the northwest side of the property which includes a right in/out. The parking areas, entrance driveway aprons, and drive aisles are paved with asphalt.

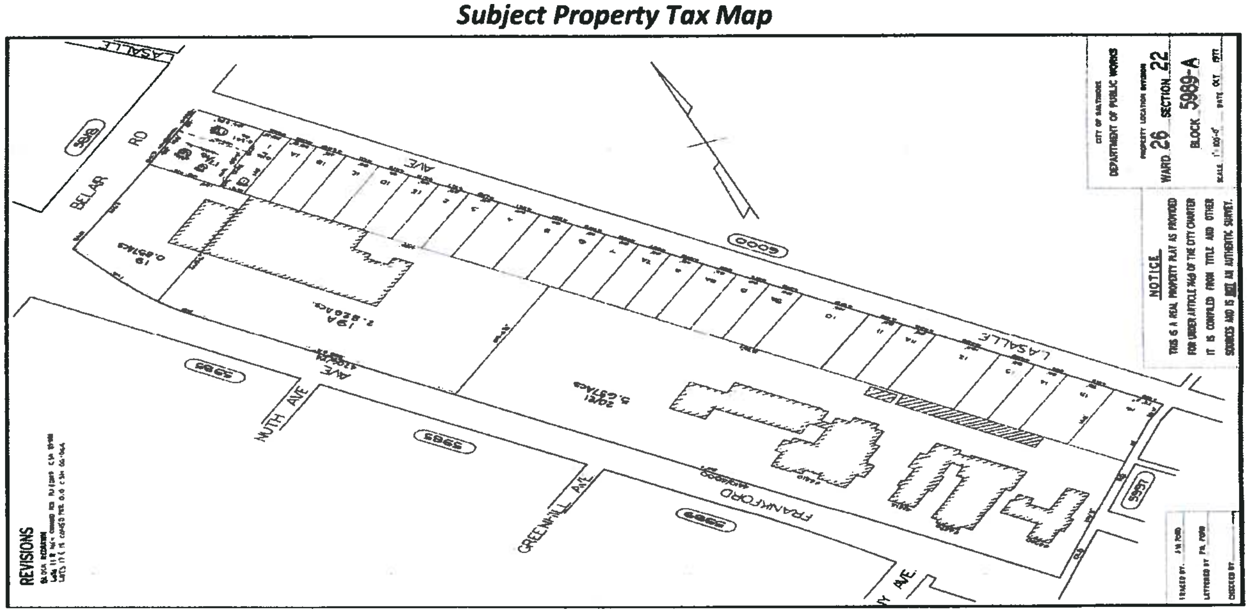
Topography and Landscaping

The property slopes gently down from the southeast side of the property to the northwest property line. The landscaping consists of some grasses along the property line. Surrounding properties include residential developments.

(Select information for the property description provided by Champion, 2003)

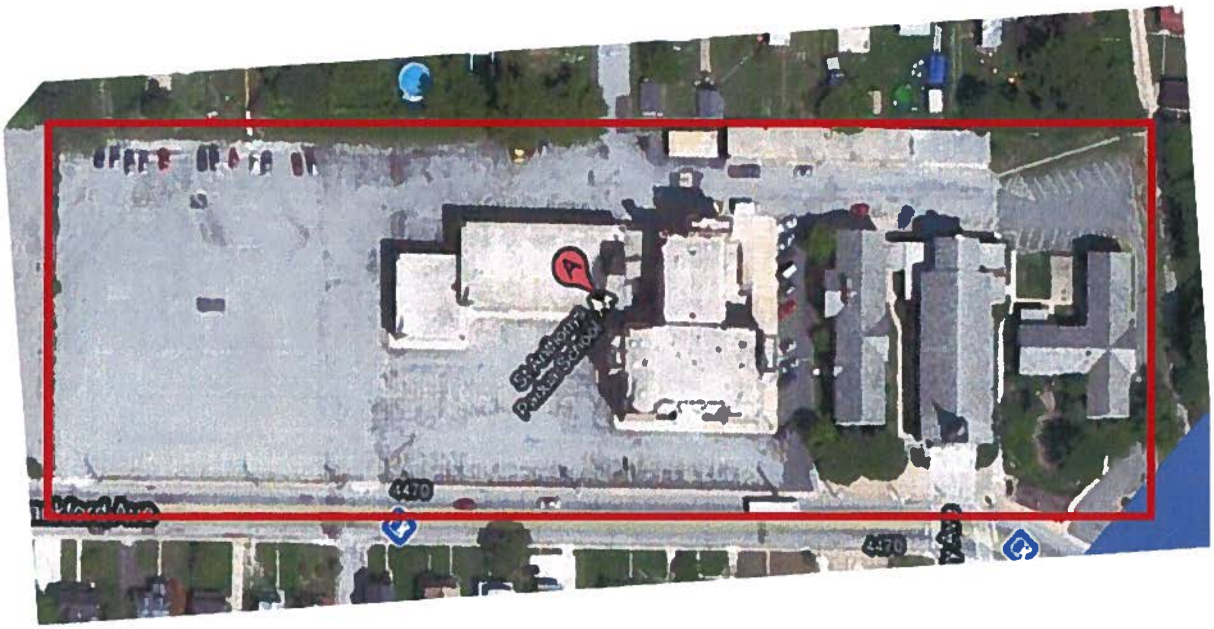
Subject Property parking lot and school full view looking easterly from adjacent retail

Subject Property Tax Map



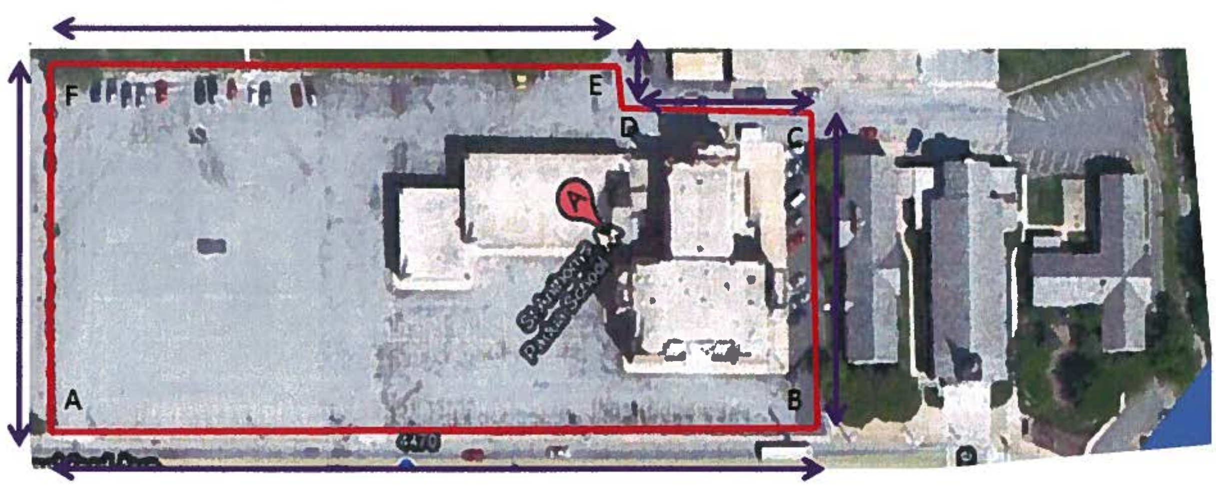
Retrieved from: Maryland Department of Assessments and Taxation

Existing 5.63 Acre Original Parcel including School, Parking lot, Church and Rectory



Proposed subdivision plan below by the Archdiocese

Approximate area – 3.44 Existing acres to be Subdivided or 149,846 square feet.
The Archdiocese will retain the Church and Rectory
A to B = 581' B to C = 220'
C to D = 181' D to E = 55'
E to F = 400'

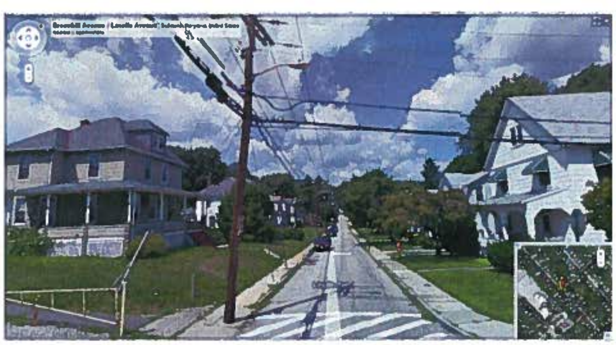


SURROUNDING AREA

Neighborhood: The surrounding homes are mostly detached with a few semidetached

View of residential homes directly across and facing the subject property. View Frankford Ave looking east. Most homes are situated on 50' x 100' lots

Rear access to the subject property




View at intersection of rear access and Lasalle Rd looking in each direction

Proximity to Schools:

- .2 mile distance proximity to Glendale Elementary School.
- 1.7 Miles to Thurgood Marshall Middle School and High School
- 1.3 Miles to Frankford Elementary School.
- 3.3 Miles To Morgan State University
- 4.5 Miles to Loyola University
- 5 Miles to Johns Hopkins University Homewood Campus

Healthcare:

- 5 miles to Johns Hopkins Bayview Hospital
- 3 miles to Good Samaritan Hospital

Access to Transportation Networks:

- 2 Miles to 895 and 95
- 4.2 Miles to I-695
- Bus Rte 44 runs along Frankford and Bus Routes 15 & 47 run along Belair Road

Baltimore CBD:

- 6.6 Miles to Downtown Central Business District

Recreation/ Greenspace:

- 1.7 Miles to Herring Run Park

Retail:

The 300' walk-able proximity to retail in the adjacent Gardenville Shopping Center:
Tenants include:

- Rite Aid
- Aldi – Grocery Store
- Family Dollar – Discount items
- Subway – Food Service
- God's Kingdom – Religious services
- Garden Liquor – Beer, Wine and Spirits
- Bank of America – Banking and Financial Services

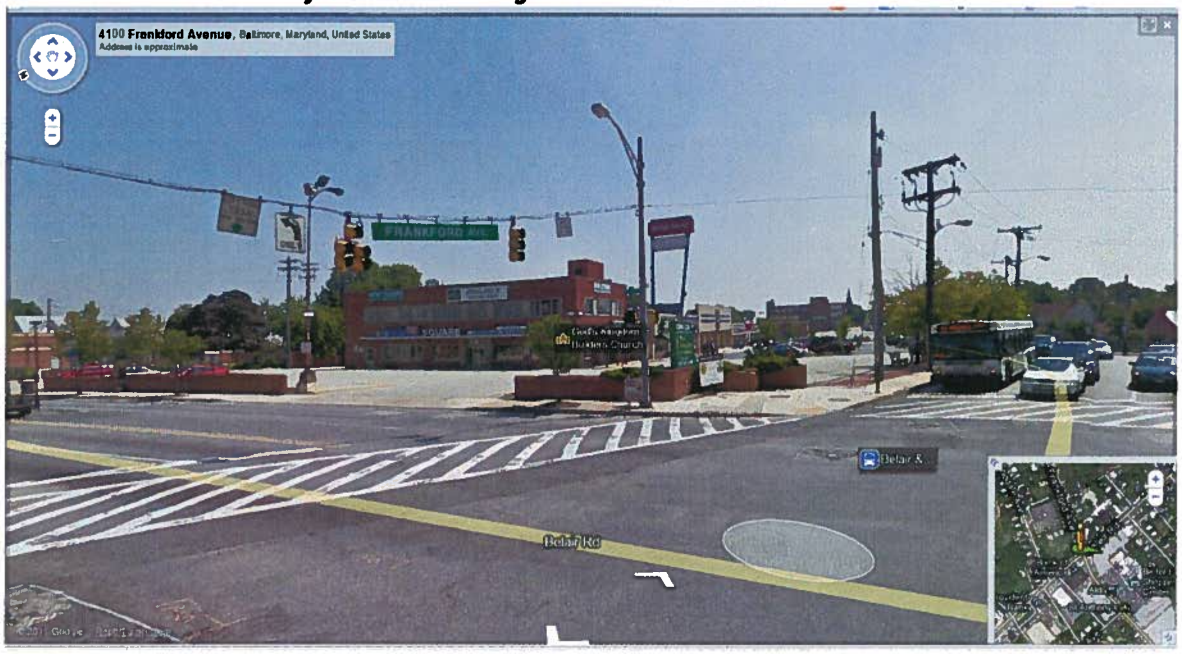
At the Belair road intersection are other services including:

- M&T – Banking and Financial Services
- Jackson Hewitt - Tax Preparation and Financial Services
- US Storage Centers - Short and long term storage units

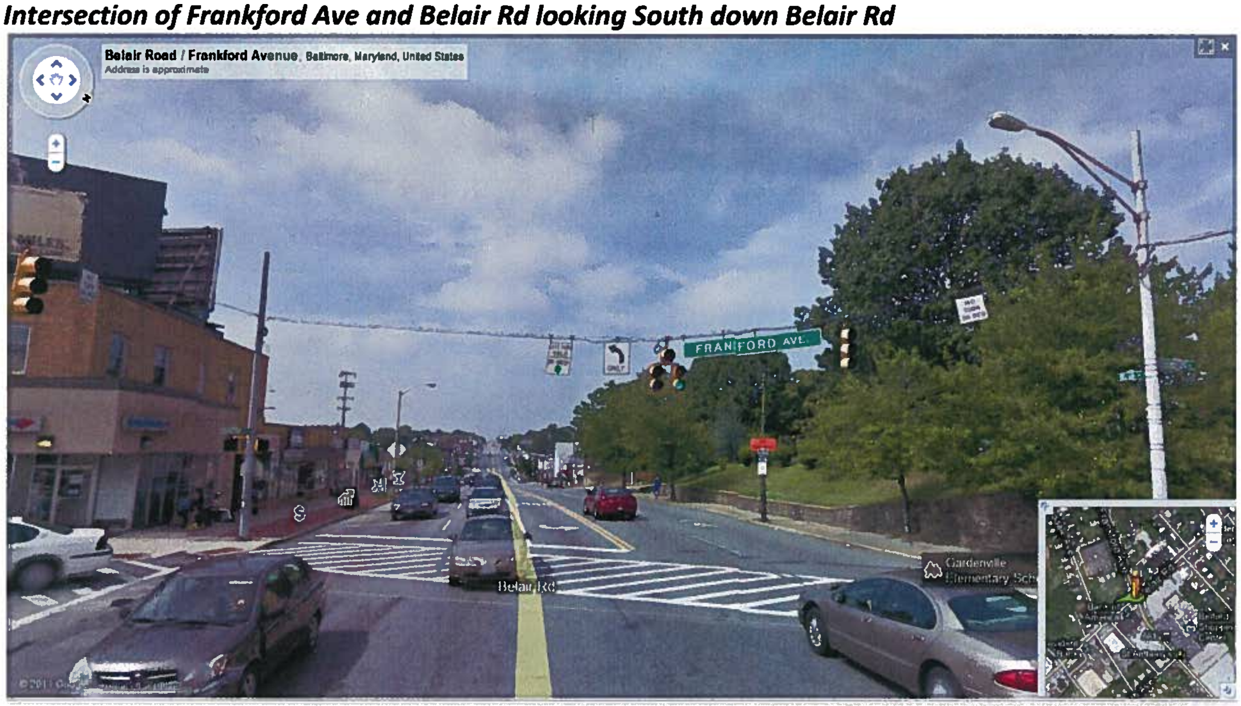
Other nearby retail:

- 1.3 Miles to Parkside Shopping Center (Giant Food / K-Mart)
- 7 miles to White Marsh mall

View From Intersection of Belair Rd looking east towards the site



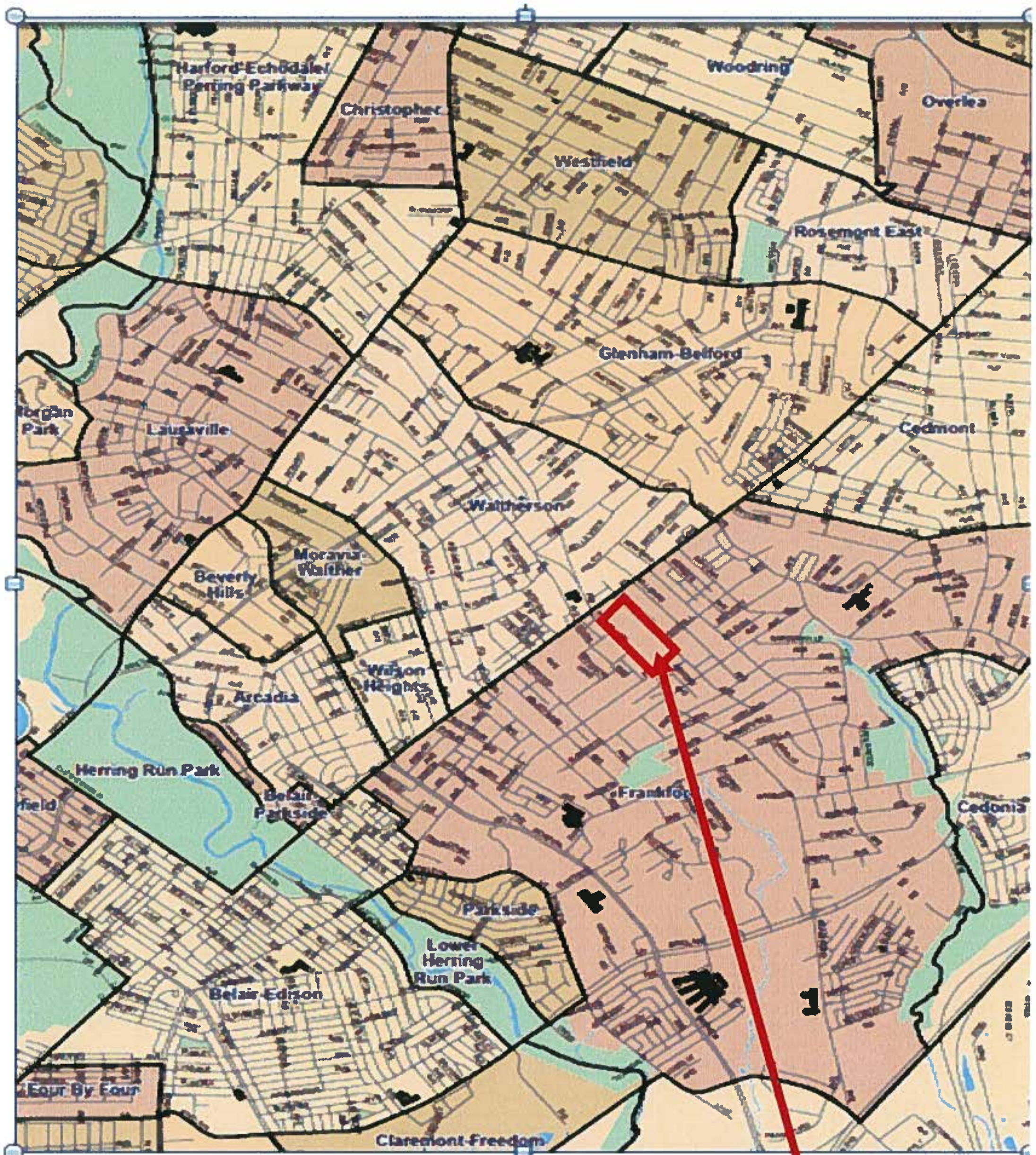
Intersection of Frankford Ave and Belair Rd looking South down Belair Rd



Neighboring Communities include:

-Waltherson	-Moravia Walther
-Glenham Belford	-Cedmont
-Wilson Heights	-Rosemont East
-Arcadia	-Beverly Hills
-Cedonia	-Westfield

-Recreation and Park area: Herring Run Park



Map from Baltimore City Planning.Gov

Subject Property

DEVELOPMENT PROPOSAL INCLUDING PERMITTING

Subject Property and Proposed Project Description:

1. Purchase 3.44 Acres 4410 Frankford Ave Baltimore, MD 21206 Block 5989A, Lot 20
2. Demolish the existing 76,392 square foot school building
3. Construct one, 133 unit, 135,048 square foot, 3-story garden style apartment building with the following apartment unit mix:
    a. 26, 1BR, 1 Bath @ 18,044sf or 694sf /unit
    b. 80, 2BR, 1.5 bath @ 68,640sf or 858sf/unit
    c. 27, 3BR 2 bath @ 28,107sf or 1,041sf/unit
    d. 114,791sf apartments or 85% of the project
    e. +20,257sf or 15% for common space, lobby, laundry, trash, business area, leasing office, etc.
    f. **= 133 Units total 135,048 s which is below the 1:1 FAR ratio**

Zoning Required:

1. Rezone the property from R4 to R6
2. Secure a variance of 25% for the dwelling unit to acreage ratio

Site Development Percentage Breakdown:

1. 45,016sf / 1.03 acres, 30% of the project = 1, 3 Story building footprint
2. 63,840sf /1.47 acres 43% of the project = Parking, driveways, traffic circulation, curbing, sidewalks representing a 2:1 dwelling unit ratio at 240sf per parking spot (12*20) – 133*2*240 = 63,840
3. 40,990sf / .94 acres or 27% of the project = green space (landscaping i.e. trees shrubs, grass, other)
4. 149,846sf Total or 3.44 acres

Zoning Related Issues:

- William Doane - Baltimore City Planner has been the primary contact with regard to the Zoning /Development Options

Proposal

- Propose Rezoning from the City Council of the Property to R6 AND seek a variance from the BZA to further increase density of dwelling units by 25%
- Rationale – the Property as zoned R4 may be reflective of the previous use; however it was a school and is no longer functioning as such. The subject property's proximity to Belair Road and the commercial business district appeals to a more dense use of the property. Additionally, this would not be considered "spot zoning" as there is precedence along this main arterial that accommodates R6.
- Per the zoning chart attached as Appendix C, R6 Multifamily allows a FAR of 1:1 and 1,500sf per dwelling unit, with the 25% variance provides a reduction by 375sf, allowing 1,125 sf/dwelling unit and with a 3.44 acre site = 149,846 total sf = 133 units. As further evidenced by the zoning matrix Appendix C, additional due diligence was considered for a variety of re-zoning options; however; it was recognized that obtaining zoning greater than R-6 was unlikely given the lack of R7-R10 in the surrounding vicinity.

Further due diligence identified the following characteristics of this site:

- Not located in an area with an Urban Renewal Plan
- Does not have an area Master Plan, but does have a Belair Rd corridor study in progress (not available for this report)
- Not located in an Empowerment Zone
- Not located in a Historical Zone
- Falls just outside of the Enterprise Zone
- Flood Plain - Not located in a FEMA designated area of concern
- Critical Area Management Program – Subject Property is outside of this area
- Rezoning of the parcel from R4 to R6 requires a City ordinance while additionally securing a variance increasing the density by 25% per dwelling unit from 1,500 sf to 1,125 sf.

Concerns

1. Overall Community support required due to the increased density on the site;
2. Addressing the increased density will require further exploration and need to address the 24/7/365 nature of the proposed development

Contacts that need to be made during the pre-planning phases

1. William Doane – City Planner
2. City Councilman – 2nd District Nicholas D'Adamo Jr. 2nd Council Representative
3. Archdiocese - St. Anthony Parishioners
4. HARBEL Community (Harford / Belair Rd)
5. Gardenville Bel Air Rd Business Associations
6. Frankford Improvement Association

Optional Contacts to demonstrate the social responsibility aspect of the project to solicit support for other economic development funds if required:

1. State Senator – 45th District Senator Nathaniel J. McFadden
2. State Delegates Talmadge Branch, Cherly D. Glenn, Hattie Harrison
3. US Congressman- Dutch Ruppersberger

Zoning / Entitlement / Permitting Process:

Per a conversation with the Northeast Regional Planner, William Doane of the Baltimore City Planning Department, the following process would take approximately 10-12 months and will be required to change the zoning from R4 to R6 and secure the required variance increasing the density per dwelling unit (Doane, 2011):

1. Pre-Development Meeting
1. Design and Architecture Review -meets every other week and the schedule can be found on Planning website, usually need to book at least 2 weeks in advance to get on the docket
2. Community Support
3. City Council (CC) Sponsorship (1st reader)
4. City Council 2nd and 3rd reader, adoption
5. Board of Zoning Appeals Required for the 25% Variance (BMZA – meet every other week, schedule at least a week in advance to get on the docket
    a. Suggestion by the North East Planner to secure community support by this point
6. Major Subdivision – will require storm water and utilities review
7. Planning Commission – Site Plan Review Committee includes Subdivision and site plan review and approval, deals with site plan constraints, additional partners include transportation and planning and with cooperation from storm water. It is recommended to schedule this effort two weeks in advance to get on the docket.

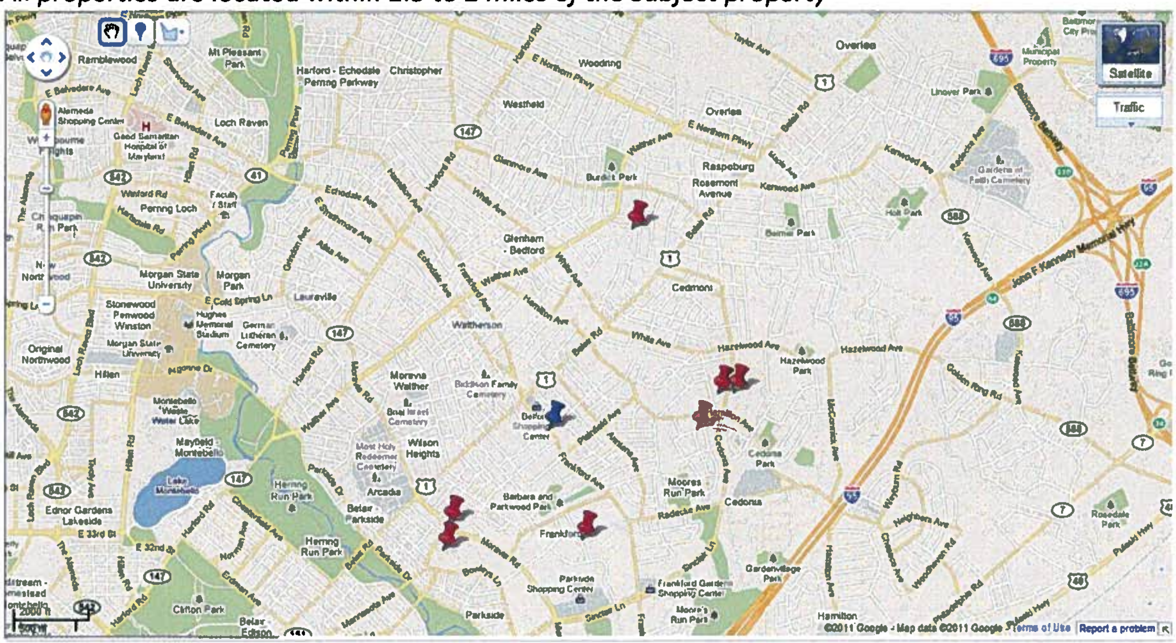
Other ancillary construction issues to be addressed during the permitting and planning commission process

1. Careful demolition protecting the site and the residents from air-borne debris and other general hazards associated with a construction site.
2. Addressing noise associated with the project that will impact the residents
3. Weather - Maintaining the schedule to commence demolition in June of 2010(if not earlier) and accelerating civil and site work in the early spring 2012 period to avoid winter elements delaying construction to begin accepting residents no later than June 2013.
4. Traffic Management - There will also need to supply adequate traffic management related to the construction and the heavily travelled corridor of Frankford Rd

MARKET ANALYSIS

The Primary Market Area ("PMA") is the 21206 Zip code (Frankford Rasepurg), which is bordered by Herring Run Park to the Southwest, Walther Boulevard to the northwest, Northern Parkway to the North East and I-95/895 to the east/southeast. The Primary Market Area (PMA) scope was limited to those comparison properties that charged market rates and were not age restricted or rent subsidized properties. Sources of market rate properties were determined from rent.com, conversations with Continental Realty Corporation and other leasing agents at each of the comparison properties. Additional field verification included driving throughout the market for other comparison properties.

All properties are located within 1.5 to 2 miles of the Subject property



Google Maps

The Primary Market Area consists of seven comparison properties and 1,057 units and are included in the above Map. The detailed analyis of unit mix and rates can be found in Appendix D. The following sites and corresponding photos make up the comparison market:

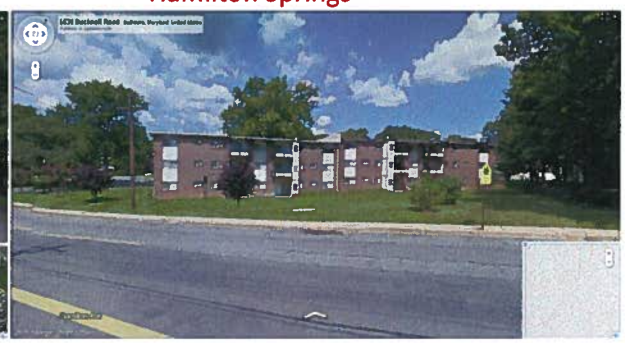
1. Windringe - 22 Units
2. Moravia Park Apartment Homes – 201 Units
3. Kenilworth at Hazelwood – 323 Units
4. Hamilton Springs – 132 Units
5. Holly Lane - 170 Units
6. Mannasota Manor – 121 Units
7. Hamilton Park Apartments – 88 Units

Windringe

Hazelwood

Mansaota Manor

Hamilton Springs



Hamilton Park

Moravia Park Apartmens

Holly Lane

The trends in the market according to all of the leasing managers surveyed, is that there is high demand for three-bedroom apartments. The data demonstrates below that in the 21206 zip code Primary Market Area (PMA), there is only a supply of ten three bedroom units. Out of 1,057 units in the PMA, the three bedrooms account for 1% of the units and there is essentially zero availability of unoccupied units. The chart below also shows the average size square footage of bedrooms by type including the weighted average market rent range with three bedrooms commanding in excess of $1,000/month, yet there is short supply. Additionally the average occupancy for all of the properties in the PMA by unit type was 95% and in certain properties surveyed, it was as high as 99%.

This PMA excludes the section 8 rent subsidized, and elderly (age restricted) housing as a market comparable since the emphasis is to examine the opportunities for market rent non-subsidized housing.

Current Primary Market Area (PMA) Market Rate Supply as of 4/5/11								
	# of Market rate Competitive Units in PMA	Total Square Footage	Average SF By BR Type	Weighted Average Monthly Mkt Rent by BR Type	% by BR Type	Average Occupany	Available Units by BR Type	Total PMA Available SF by BR Type
1BR	434	301,243	694	$736	41%	95%	22	15,062
2BR	613	525,999	858	$868	58%	95%	31	26,300
3BR	10	10,414	1,041	$1,051	1%	95%	0	
Totals	1057	837,656					52	41,362

Data provided by market leasing agents and operations managers

Demographics Review:

The chart below shows the median population, median age and the breakdown by age range, including the absolute breakdown between male and female. By 2014, there is an expected reduction in the population by 1,861 residents. It is reasonable to suggest that a portion of this shrinking population may be attributed to deaths in the 75 – 84 years of age, but when reviewing the age ranges of 25 – 44, the conclusion is that this cohort is leaving this market area which in turn is resulting in the decline of ages of 0-24 as well.

Primary Market Area (PMA) Population Statistics 200-2014 Zip Code 21206						
Demographic Category	2000	2009	2014 Projections	% Change from 2000 to 2009	% Change from 2009 to 2014	Absolute # Delta 2009 to 2014
Population Aged 85 Years and Older	652	735	743	13%	1%	8
Population Aged 75 to 84 Years	2,318	2,125	1,903	-8%	-10%	-222
Population Aged 65 to 74 Years	2,882	2,561	2,360	-11%	-8%	-201
Population Aged 55 to 64 Years	3,787	4,546	4,877	20%	7%	331
Population Aged 45 to 54 Years	6,710	7,322	7,462	9%	2%	140
Population Aged 35 to 44 Years	8,411	7,172	6,379	-15%	-11%	-793
Population Aged 25 to 34 Years	7,032	6,493	6,161	-8%	-5%	-332
Population Aged 18 to 24 Years	4,839	5,065	5,005	5%	-1%	-60
Population Aged 12 to17 Years	4,406	4,345	4,152	-1%	-4%	-193
Population Aged 6 to 11 Years	4,666	4,088	3,661	-12%	-10%	-427
Population Aged 0 to 5 Years	4,291	4,243	4,131	-1%	-3%	-112
Population, Urban Count	49,994	48,695	46,834	-3%	-4%	-1,861
Population, Median Age	35	35	36	0%	3%	1
Population, Male	23,394	22,869	22,032	-2%	-4%	-837
Population, Female	26,600	25,826	24,802	-3%	-4%	-1,024

Data Retrieved from Lexis Nexis

Median Income

The median household income is expected to increase 17% from 2010 to 2015 providing more disposable income, while acknowledging inflation for all consumable goods may absorb a portion of this increase.

Primary Market Area (PMA) Census Data				
Year	2010	2015		
ZIP	21206	21206	Absolute Change	% change from 2010 to 2015
Household Income, Average	$58,059	$65,052	$6,993	12%
Household Income, Median	$49,609	$57,889	$8,280	17%

Data Retrieved from LexisNexis

Area Median Income (AMI) Review

Studies have shown that no more than 30% of Household Income should be allocated towards housing. The left side of the table below shows the PMA's Area Median Income (AMI) of 57,889 and the breakdown of Households that fall within various income ranges of the AMI. The ranges show that 48% of the total households are below the AMI. The right side of the table shows what 30% of the income ranges for an annualized amount and subsequent monthly rent. This table suggests that a substantial portion of the community could afford the aggregate rental rate of the proposed project. Notwithstanding, given that 61.70% of the Total Households own versus rent, it is reasonable to conclude that the majority of the Households that have an AMI that can afford the subject property's rent, may currently own a home and therefore may be excluded from potential market share.

This additional market share is still difficult to assess however as preferences towards renting versus owning are changing and as will be discussed later in this report, even though households have an adequate AMI to own, due to more stringent credit underwriting standards, there is sufficient probability that households cannot qualify for home ownership. The result increases the opportunity for this subject property to market to higher AMI ranges given the possibility of lower credit qualifications.

Area Median Income (AMI) Analysis $57,889 AMI			Income Ranges and Amount of Monthly Rent that should be alocated to Housing	
% of AMI Ranges	Max Income for Range	Totals	30% Annual Income on Rent	Max Monthly Rent for Income band
</=30%	$17,367	2,766	$5,210	$434
>30% </=60%	$34,733	3,030	$10,420	$868
>60% </=80%	$46,311	2,402	$13,893	$1,158
>80% <100%	$57,888	1,045	$17,366	$1,447
>/= 100%	$57,889	10,142	$17,367	$1,447 Max Rent depends on Totoal Income
		19,385		

Source Data Retrieved from LexisNexis

Primary Market Area Market Rate Data

Housing Rent Range Demographics: There is an expected shift with a loss of rents in the $500-$999 and an increase in $1,000 - $1499 range. This may simply be due to an increase in the rent for the same product, but that is a fairly large jump when the current average rate for a one bedroom is $736, two bedroom is $868 and a three bedroom is $1,041 in the market. Furthermore, the decrease in the $750-$999 rent range is roughly half (-225) of the increase of $1,000 to $1,249 (+404) as projected in 2015 illustrates an interesting disproportionate contraction in the lower rent scale to the expansion in the higher one. (Given the higher rental range is twice that amount; I therefore conclude that this change in demographics translates to an increase in the desired number of bedroom as well). Another possible explanation for certain reductions in the $500-$749 month rent range (vs. a dramatic increase in rent payments) is the decline in population either associated with (i) deaths (populations 75-84) or (ii) relocation of other demographic groups outside of zip code 21206.

Primary Market Area (PMA) Zip Code 21206 Household Renter Demographics

	2010	2015	Absolute Change	% Change	% of renters
Census - Demographics Housing, Rent less than $250	96	91	-5	-5.21%	1%
Census - Demographics Housing, Rent $250-$499	553	497	-56	-10.13%	7%
Census - Demographics Housing, Rent $500-$749	3057	2591	-466	-15.24%	36%
Census - Demographics Housing, Rent $750-$999	2825	2600	-225	-7.96%	36%
Census - Demographics Housing, Rent $1,000-$1,249	772	1176	404	52.33%	16%
Census - Demographics Housing, Rent $1,250-$1,499	69	269	200	289.86%	4%
Census - Demographics Housing, Rent $1,500-$1,999	35	41	6	17.14%	1%
Census - Demographics Housing, Rent $2,000+	1	4	3	300.00%	0%
Totals	7408	7269	-139	-1.88%	100%

Opportunity to Capture this Growth

Data Retrieved from Lexis Nexis

<u>Single Family Home crisis leads to increase in demand for Multi-family:</u>

The challenges for housing are quite clear since beginning with signs of a bubble in 2007 and the dramatic free fall of events throughout 2008 – 2010 and still today, this PMA is not in a position to absorb new single family housing stock. As seen by the chart below, the median home price in February 2011 was $91,000, which makes it nearly impossible to justify a single family (detached or semi-detached) residential real estate development on this site due to the project cost to construct, lack of economies of scale, and the transaction costs would exceed sales price for any new construction. Additionaly, the maximum new homes that could be constructed on the development with a variance in the R4 district would be 40.

REALESTATE BUSINESS INTELLIGENCE
An MRIS Company

21206
Monthly Market Statistics - Detailed Report
February-2011

Sold Summary

	Feb-2011	Feb-2010	% Change
Sold Dollar Volume	$1,825,100	$1,575,350	15.85%
Avg Sold Price	$91,255	$82,913	10.06%
Median Sold Price	$72,000	$64,350	11.89%
Units Sold	20	19	5.26%
Avg Days on Market	125	105	19.05%
Avg List Price for Solds	$98,765	$88,287	11.89%
Avg SP to OLP Ratio	76.0%	84.8%	-10.43%
Ratio of Avg SP to Avg OLP	79.2%	85.5%	-7.38%
Attached Avg Sold Price	$66,533	$67,498	-1.43%
Detached Avg Sold Price	$101,850	$109,343	-6.85%
Attached Units Sold	6	12	-50.00%
Detached Units Sold	14	7	100.00%

Notes:
- SP = Sold Price
- OLP = Original List Price
- LP = List Price (at time of sale)
- Garage/Parking Spaces are not included in Detached/Attached section totals.

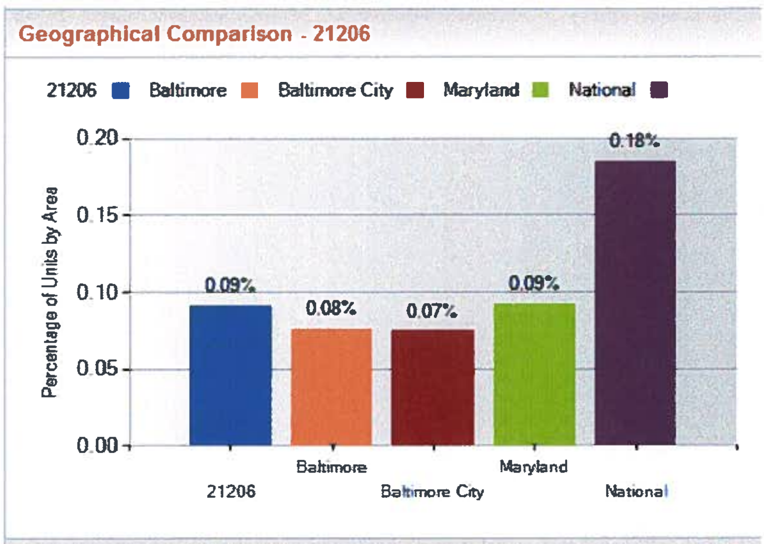
Data Retrieved from Metropolitan Regional Information Systems

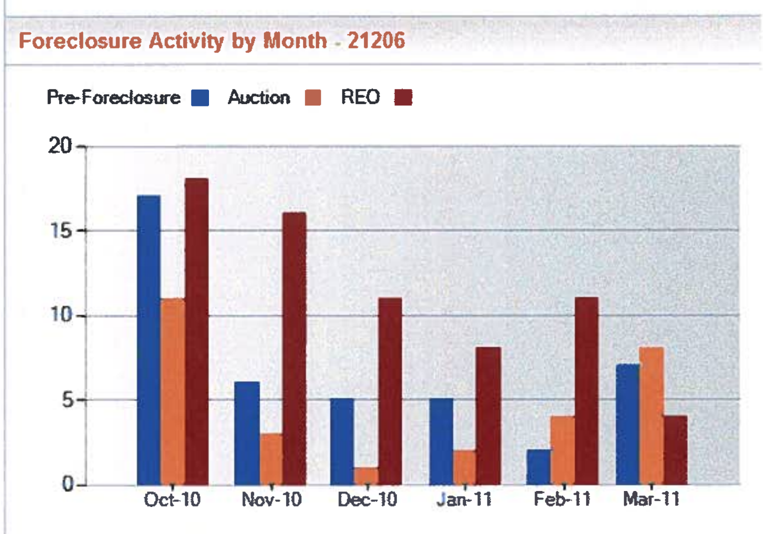
The limitation on the development of single family homes and focus on multi-family is further supported by a recent report by Fannie Mae. According to Fannie Mae:

> "U.S. housing demand is expected to continue growing. Anticipated population growth due to immigration and positive birth rates, coupled with demographic trends, is expected to increase household formation. Compared to past trends, future household growth is expected to tip more toward renting, underscoring the need for reliable and stable financing for the multifamily sector, for several reasons:
>
> • The "Echo Boomers" – offspring of Baby Boomers – are forming independent households. The prime renting age cohort, consisting of individuals aged 20 – 34 years, is expected to grow substantially between 2010 and 2030.
>
> • Consumer attitudes toward homeownership are changing as a result of the housing crisis. According to Fannie Mae's National Housing Surveys in 2010, while a majority of Americans still want to own homes, a significant number recognize they may have to wait longer than previously expected.

• In response to the housing crisis, mortgage underwriting standards have been strengthened to ensure long-term success and sustainability of the borrowers and the loans, reducing the number of households that may qualify to obtain a mortgage. Moreover, many borrowers with unsustainable loans who lost, sold, or relinquished their homes in this cycle will need to rely on rental housing in the near term and possibly longer." (Betancourt and Zahalak, 2011, p4)

The mortgage crisis continues to play-out not only nationally, but in 21206 as well. The results in this bar graph below from Realtytrac.com shows that foreclosures in 21206 are slightly ahead of both Baltimore County and the overall City, while on par with Maryland albeit far below that of the National numbers. While the 2nd graph below indicates a reduction of foreclosures since October 2010, the March 2011 number remain significant and further supports the need for multi-family.





Data Retrieved from Realtytrac.com

Employment Characteristics

The chart below shows the breakdown by employment type and associated percentages from 2010 and projected into 2015. This chart demonstrates a total expected loss of 538 jobs by 2015, with the largest coming from Manufacturing (-13%), and Retail Trade (-19%) *(Note: the -33% loss in Agriculture, Forestry is not considered meaningful due to the low absolute number variance*). These losses can be attributed to the forecasted increase in overall unemployment by a 17% increase to 10.16% for the PMA. This data also reflects that over one quarter (26.88%) of the PMA is and by 2015 will remain employed in the Educational, Health and Social Services sectors which are traditionally lower income sectors. This employment profile reinforces the area's lower market rents and further residual impact of the slowness of the forecasted economic recovery for this area.

ZIP	21206	21206				
Year	2010	2015	Absolute Change	% Change	2010 % of Total Employment	2015 % of Total Employment
Employment, Agriculture, Forestry, Fishing and Hunting, and Mining (Pop 16+)	12	8	-4	-33%	0.05%	0.04%
Employment, Arts, Entertainment, Accommodation and Food Services, etc. (Pop 16+)	1,562	1,590	28	2%	7.01%	7.32%
Employment, Construction (Pop 16+)	1,445	1,502	57	4%	6.49%	6.91%
Employment, Educational, Health and Social Services (Pop 16+)	5,758	5,843	85	1%	25.85%	26.88%
Employment, Finance, Insurance, Real Estate and Rental and Leasing (Pop 16+)	1,421	1,363	-58	-4%	6.38%	6.27%
Employment, Information (Pop 16+)	642	649	7	1%	2.88%	2.99%
Employment, Manufacturing (Pop 16+)	1,772	1,538	-234	-13%	7.96%	7.08%
Employment, Other Services (Pop 16+)	1,182	1,192	10	1%	5.31%	5.48%
Employment, Professional, Scientific, Management, Administrative, etc. (Pop 16+)	2,114	2,203	89	4%	9.49%	10.14%
Employment, Public Administration (Pop 16+)	2,318	2,210	-108	-5%	10.41%	10.17%
Employment, Retail Trade(Pop 16+)	2,038	1,653	-385	-19%	9.15%	7.60%
Employment, Transportation and Warehousing, and Utilities (Pop 16+)	1,466	1,494	28	2%	6.58%	6.87%
Employment, Wholesale Trade (Pop 16+)	544	491	-53	-10%	2.44%	2.26%
Totals	22,274	21,736	-538	-2%	100%	100%
Employment, Armed Forces Female (Pop 16+)	34	36	2	6%	58%	59%
Employment, Armed Forces Male (Pop 16+)	25	25	0	0%	42%	41%
Totals	59	61	2	3%	100%	100%
Employment, Unemployed Female (Pop 16+)	929	1,132	203	22%	44%	46%
Employment, Unemployed Males (Pop 16+)	1,196	1,334	138	12%	56%	54%
Totals	2,125	2,466	341	16%	100%	100%
Total working or looking for work	24,458	24,263	-195	-1%		
Unemployment rate	8.69%	10.16%		17%		

							% not in Labor out of potential	% not in Labor out of potential
Employment, Not in the Labor Force Female (Pop 16+)	7,164	6,716	-448	-6%	57%	55%		
Employment, Not in the Labor Force Male (Pop 16+)	5,512	5,392	-120	-2%	43%	45%		
Totals	12,676	12,108	-568	-4%	100%	100%	34%	33%
Employment Potential (Pop 16+)	37,134	36,371	-763	-2%				

Data Retrieved from LexisNexis

Survey Results

The survey of area leasing agents was based on the following premises, "if there were a newly constructed, non-rent subsidized or age restricted community at 4410 Frankford Avenue, while assuming 100 units". The survey consisted of three questions: (1) What should the percentage of one, two and three bedrooms consist of? (2) What should be the range of rents per unit type? (3) How long would it take to absorb the units? The entirety of the leasing and operations personnel interviewed (see results below) indicated that they would allocate a blend of 21%, 59% and 20% respectively for a one, two and three bedroom product. Additionally they advised that new construction should maintain a one, one and one half and two bathroom sizing, increasing the market rate for the project. Given the low number of three bedrooms and the market rate exceeding $1,000, all respondents indicated that it would be challenging to charge rent in excess of $1,100, per month due to the income levels in the market. However each respondent advised that the demand is certainly present and they implied that the PMA 21206 community is losing household population as a result of the inadequate supply of three bedrooms. The charts below aggregate the survey results with the survey based on a 100 unit newly constructed facility.

Survey of Leasing professionals proposing 100 Units in PMA								
Type	CRC	Moravia Park	Holly Lane	Manasota Manor	Hamilton Park	Hamilton Springs	Totals	% Unit Type
1BR 1 Bath	20	10	20	35	20	20	125	21%
2BR 1.5 Bath	60	60	65	55	60	55	355	59%
3BR 2 Bath	20	30	15	10	20	25	120	20%
	100	100	100	100	100	100	600	100%
100 Units								

Survey of Leasing professionals of 100 Units proposed Average Market Rent Range for Unit Type Mix for PMA								
	CRC	Moravia Park	Holly Lane	Manasota Manor	Hamilton Park	Hamilton Springs	Low	High
1BR		$775-$825	$825	$774-$824	$695-$730	$700-$750	$695	$825
2BR	1053	$865-$980	$950	$859-$959	$780-$840	$900-$950	$780	$980
3BR	1100	$985-$1,025	$1050	$950-$1,200	$1,010-$1,055	$1,000-$1,100	$950	$1,200

(Data provided by Leasing Agents see reference section p.35: First Name is identified, Last Name Doe, 2011 and DeFrancesco, 2011)

Market Conclusions

The Subject property will be superior to the comparable properties in terms of age (median 1958), condition and amenities. It will offer a high number of highly desirable three bedroom units with two bathrooms vs. the 10, three bedroom units with one and one half baths in the entire comparison market. Additionally, all two bedroom units will have one and one half baths rather than one also increasing the desirability. By 2015, the overall market will consist of 7,424 renters comprising 38.3% of the total 19,385 households. The demographics also show the potential of market capture opportunity with the percentage of renters who can afford this product increasing 52.33% in the rent category of $1,000 - $1,249, with still more growth by 289% in the $1,250 - $1,499 range. With the proposed 133 units and no other proposed multifamily construction of this nature in the pipeline, and the continuing impact of the real estate housing bubble, the total household renter unit count will increase to 7,557 or 38.72% of the total Households. This additional increase is only a 1.72% in absolute number of household units. As a result of this modest number of additional units and given the continuing steady rate of foreclosures, it is reasonable to conclude that this product will be absorbed by the market and that adequate demand exists for the proposed units at the surveyed rent levels.

DEVELOPMENT/ CONSTRUCTION COSTS

The following construction cost estimates were determined through the use of RS Means Cost Works. It is expected that total development costs will be approximately $16.75M which includes $2.8M for the land. Notwithstanding the land, the construction and permitting costs are expected to be $13.95M equating to $105.21 per square foot or $104,912 per unit.

These costs reflect value engineering savings due to a 10% reduction in size for each bedroom unit type. It was determined that such value engineering was reasonable since the product would still be considered desirable in the market due to the age and size of the existing competition. These numbers may experience further value engineering to the extent that a more modular approach can be applied to create greater efficiencies in construction. This estimate is subject to additional variability in the event that permitting is delayed requiring additional legal representation and soft cost architectural redesign and engineering.

Construction Costs

Acres	3.44		
Square Footage	135,048		
# of Units	133		
Total Land/Acquisition Costs	$2,800,000	$20.73	$21,052.63
Hard/Construction Costs			
Civil/Site Work	$170,010.75	$1.26	$1,278.28
Substructure	$321,744.27	$2.38	$2,419.13
Shell	$1,014,800.34	$7.51	$7,630.08
Interiors	$2,982,666.68	$22.09	$22,426.07
Services	$6,508,786.47	$48.20	$48,938.24
Furnishings	$343,374.13	$2.54	$2,581.76
Demolition	$380,000.00	$5.00	$2,857.14
LEED Certified	$135,046.07	$1.00	$1,015.38
Hard Cost Contingency	$583,554.88	$4.32	$4,387.63
Total Hard/Construction Costs	$12,439,983.59	$94.30	$93,533.71
Soft/Development Costs			
A&E	$586,710.13	$4.34	$4,411.35
User Fees	$246,483.15	$1.83	$1,853.26
GC & OHD	$558,764.34	$4.14	$4,201.24
Permit, Zoning & Legal	$50,000.00	$0.37	$375.94
Soft Cost Contingency	$71,400.19	$0.53	$536.84
Total Soft Costs	$1,513,357.81	$11.21	$11,378.63
Total Hard and Soft Construction Costs	$13,953,341.40	$105.51	$104,912.34
Total Development Costs before Financing	$16,753,341.40	$124.05	$125,964.97

Data Provided by RS Means Cost works

Construction Management
The Construction Management details requested for this proposed development are as follows:
Pre-Planning
1. Initiate the project
2. Develop schedule and costs
3. Document Architectural Engineering (A&E)/General Contractor (GC)/ Owner's Representative

Design
1. Complete requirements and programming of space
2. Obtain design approvals
3. Complete an updated cost and schedule (if required)
4. Obtain development, entitlement approvals for construction
5. Obtain necessary permits
6. Complete updated cost and schedule (if required)

Close-Out
1. Complete lien documentation, if necessary
2. As -built drawings
3. Obtain an occupancy certificate
4. Obtain building acceptance and approval by lender

Construction & Change Management / Risk Mitigation
The Owner's Representative ("OR") has the ultimate responsibility for managing construction and is responsible for cost, schedule, quality, and technical performance of the project.

Project Status Review Reports
The OR will provide status to the Developer and Lender on a weekly basis (or as required) as part of the project status reports. The project status report will be used to keep the Developer and Lender apprised of GC performance status and allows the OR to identify issues that may need to be addressed by the Owner.

Risk Management Roles and Responsibilities
Risk Management is a continuous, forward-looking view that is used to identify potential problems so that activities may be planned and implemented as needed throughout the project lifecycle to ensure they are avoided or minimized. Participants in risk management include the General Contractor Owner's Representative, Owner/Developer/ Lender

- Determine extent of contractor participation in the risk management
- Monitor the progress of risk handling action plan implementation
- Ensure that risk management is iterative throughout the life of the Project
- Reporting risk management status at the appropriate management reviews

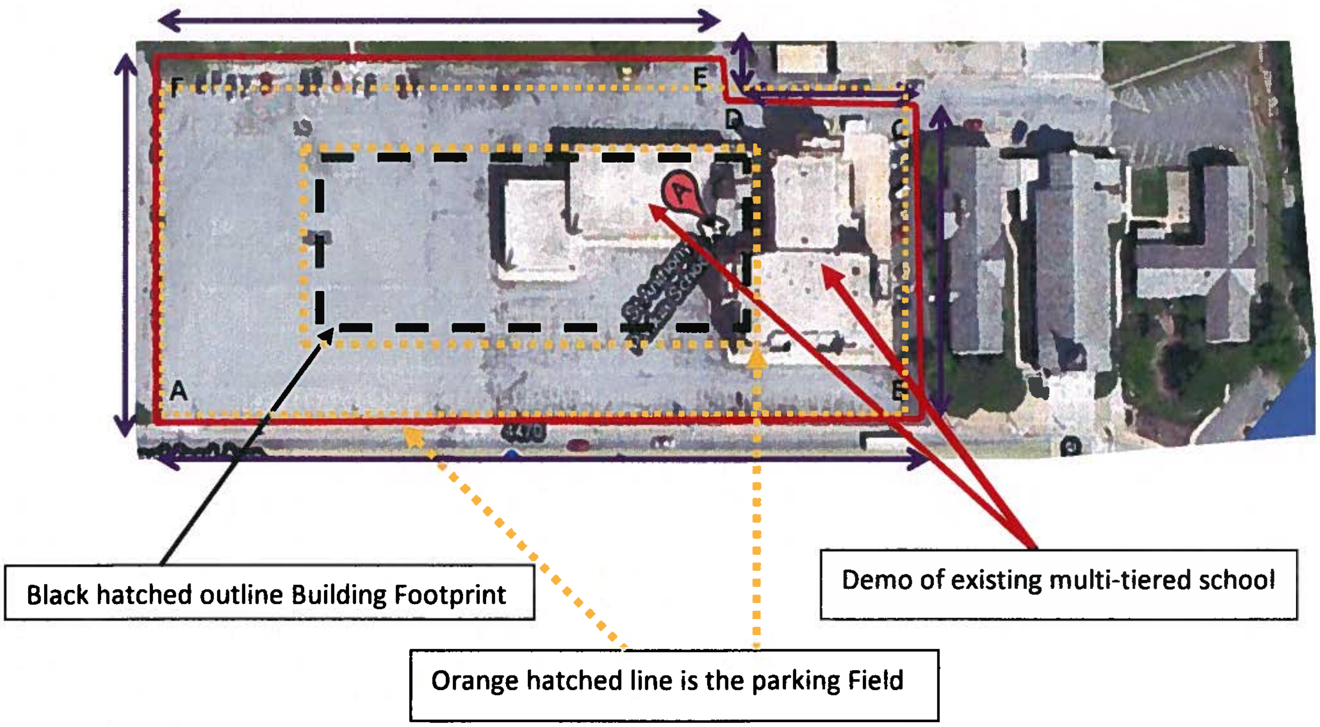
Change Management – Price/Scope/Schedule Controls
The change management describes the tasks necessary to control all construction changes affecting the project including Scheduling. Changes may originate from the General Contractor (GC), the Owner's Rep, and Architect. The Owner's Rep and Owner/Developer are the primary interface for communicating and controlling changes. The types of changes and required actions must be clearly documented in the project.

Building and Site Design

The concept is to demolish the existing multi-tiered, inefficient 1924/56 school building and in its place build a new, sustainable, 133 unit, 3 story garden style apartment building similar to the ones shown below. The project would consist of one building and have perimeter field parking with areas of landscaping to produce a suburban feel within an urban setting. There would be an effort to include as much soft-scaping as possible to produce a welcoming setting in the community and provide further differentiation from existing product in the market.

Example source: [***http://www.apartmentguide.com/apartments/Maryland/Lexington-Park/***](http://www.apartmentguide.com/apartments/Maryland/Lexington-Park/)

This plan accommodates a better unit allocation and lay-out mix, improved siting of the apartment building providing an enhanced traffic circulation pattern and dispersed landscape plan.



Green space will be allocated around the perimeter of the lot facility, inclusive of traffic islands, shrubbery and other ornamental areas. Mulch will be placed around the landscaping and tree plantings such as Bradford Pear, Arbor Vitae, Cedar and Lyndon trees are optional vegetation to be planted on the site.

SCHEDULE
See detailed attached Schedule as Appendix E. The overall project beginning as of June 1, 2011 is expected to take 25 months upon the commencement of contract negotiations with the Archdiocese. Site Identification will have been completed and Option Contract negotiations are expected to take 60 days. Permitting (inclusive of schematic design, design development, and construction drawings) will be completed over a 10 month period. Demolition and construction are expected to take 12 months and the project will begin accepting Tenants at the beginning of month 25 if not earlier, construction provided. Note: that unknown force majeure issues may develop which could negatively impact the schedule, such as extended permitting time, community opposition and inclement weather.

Development Team/ Reporting Structure

Team Members Include:

1. Owner/Developer Managing Member – All remaining team members will report either by a direct report to the managing member or by way of a matrixed reporting arrangement
2. Possible JV Partner [which could included 501-(C)(3) Partner]
3. Other Equity Investors (General Partners)
4. Baltimore Development Corporation
5. Legal team
6. Architect Exterior, Interior, Landscaping,
7. Engineer – MEP / Civil, DOT
8. Construction Manager / Owner's Representative (OR)
9. Leasing Agent for the Building – Sales and marketing
10. Property Manager
11. Financial Officer Lender for Construction
12. Lender for Permanent Financing – FHA/Fannie Mae / Freddie Mac

Financial Splits of Cash Flow

The contribution of equity would be as follows: i) managing member = 25%, ii) joint venture partner = 25%, and iii) general partners = 50%. The managing member and joint venture partner would agree to pay the general partners first from excess cash flows after debt at least 10% cash on cash return up to 12%. If the general partners did not receive payment, the unpaid returns would accrue at 7% interest compounded annually until they could be reimbursed. Any cash flow in excess of the 12% after any annual distributions would be split pari passu between the managing member and the Joint venture partner. Upon the sale or refinancing of the project, the managing member and joint venture partner would split the sales proceeds 70/30 with the general partners and have the ability to take-out the general partners at their discretion provided certain conditions have been met. These conditions include: i) achievement of previous annual returns, ii) is subordinate to the return of the general partners' original equity contribution, and iii) the general partners must receive an overall leveraged IRR for the holding period of 18%.

FINANCIALS / SENSITIVITY ANALYSIS

The following assumptions/variables were used in the financial / sensitivity analysis:

Timing – The Analysis begins June 1, 2011.

Analysis Duration – Analysis provides financial results beginning June 1, 2011 and continuing for a 22 yr period of cash flows beginning with the first accepted Tenant projected in June 2013. The duration of holding periods can be seen on each of the "returns" sections of the Appendices B2.3, 2.4...B8.3, B8.4, which indicates various cash on cash returns including Internal Rates of Return varying by holding period as short as the first year of stabilized income until year 22.

Initial Absorption Period and Market Rental Rates excluding utilities:

1. One Bedroom = eight months; $844/mo
2. Two Bedroom = six months; $1,014/mo
3. Three Bedroom = four months $1,150/mo

Miscellaneous Income
Laundry Revenue Sharing - Estimates provided by Continental Realty Corporation for its Hazelwood Property in the subject market.

Lease Term – 12 months / **Rollover Assumptions:** 1 and 2 BR = 70% and 3 BR = 80% renewal probability

Vacancy - 5% = Stabilized

Credit /Collections Loss = 2.4%

Concessions - Free Rent for half of one month on new leases only

Operating and Capital Expenses / OPEX Ratio

1. OPEX and CAPEX Estimates provided by Continental Realty Corporation for its Hazelwood Property in the subject market. Adjustments made for new construction operational efficiencies and expected 5yr year tax abatement or 10 yr PILOT phase in for new construction
2. Renewal/ New Leasing Commissions - Estimates provided by Continental Realty Corporation for its Hazelwood Property in the subject market
3. New Unit Preparation - Estimates provided by Continental Realty Corporation for its Hazelwood Property in the subject market
4. For 3% rent increases - the operating expense ratio starts at 33.6% and grows to 44% by yr 22
5. For 7.75% rent increases - the operating expense ratio starts at 31.64% and decreases to 17% by yr 22 to due operational leverage and the increased spread between Effective Gross Income (EGI) and Operating Expenses

Sensitivity Annual Rental Rate Increase (Refer to page 5 for further discussion of multiple trials)

1. Trial One - Three percent (3%) increases per unit, per year
2. Trial Two – Seven and three quarters percent (7.75%) increases per unit, per year

Discount Rate – A range of rates was considered starting at a conservative 8% with 25 basis point increases to 9.5%, with the goal of achieving a positive Net Present Value (NPV).

Beginning Cap Rate = 6.75% - determined from recent CB Richard Ellis December 2010 reports on Baltimore Class B multi-family cap rates (CB Richard Ellis, 2010, p.12)

Terminal Cap Rate = 7.5% = 75 basis points risk adjustment increase but well within current forecasting terminal yields for class B multi-family in Baltimore (CB Richard Ellis, 2010, p.12)

Cash on Cash Return – Objective 10% (leveraged) in year one of stabilized Income

Internal Rate of Return – Minimum holding period of 10 years, objective high teens

Construction Loan – 7% interest only 24 month loan based on 70%-LTV

Permanent Loan - FHA funded non-recourse loan based on a 1.25X Debt Service Coverage ratio (DSCR) @ 5.4% interest amortizing loan for 40 years [equivalent to a 542(c) FHA-Insured Multifamily Loan Program]

The preceding variables and assumptions are included in the attached Appendices and used to evaluate the development for its financial feasibility. Each Financial Appendix and its evaluation criteria are further described below:

Appendix B – Summary level sensitivity analysis showing the consolidated results of the impact of an annual 3% and 7.75% market rent escalation. Results include: i) first year stabilized NOI, ii) capitalized value based on stabilization, iii) total development costs, iv) loan evaluation type either LTC, LTV or DSCR, v) non-subsidized capital stack, vi) unleveraged and leveraged cash on cash returns, vii) max for profit investor equity contribution to achieve a minimum 10% cash on cash return and subsequent determination of equity gap, viii) 10 and 20 year unleveraged and leveraged IRRs, ix) 10 and 20 year discounted cash flows at varying discount rates.

Appendix B(i) – Monthly rent increases by bedroom unit type for each trial of 3% and 7.75 % market rent escalations. Appendix includes the monthly and annual variance showing an overall 11.45% spread due to the escalations for each bedroom unit type year over year.

Appendix B 1 – Detailed consolidated proforma calculating both NOI and cash flow before debt service for the 3% annual market rental rate escalation trial.

Appendices B 2.1, B 2.2, B 2.3 and B 2.4 – Detailed development analysis of 3% market rent escalation based upon approved lender funding determined by DSCR of 1.25X NOI. Separate Appendices include 10 and 20 year Discounted Cash Flows, non subsidized / and subsidized cash on cash returns and IRRs. The Returns II Appendix considers a "what if" calculation to determine the maximum amount of equity under this 3% market rental escalation trial and the required equity gap economic development incentives to achieve the desired return hurdles and attract "for profit" investors.

Appendices B 3.1, B 3.2, B 3.3 and B 3.4 - These Appendices detail the same analysis as B 2.1 – B 2.4 with the exception that approved lender funding is based upon a Loan to Cost (LTC) of 68.49%

Appendices B 4.1, B 4.2, B 4.3 and B 4.4 - These Appendices detail the same analysis as B 2.1 – B 2.4 with the exception that approved lender funding is based upon a Loan to Value (LTV) of 70%

Appendix B 5 – Detailed consolidated proforma calculating both NOI and cash flow before debt service for the 7.75% annual market rental rate escalation trial.

Appendices B 6.1, B 6.2, B 6.3 and B 6.4 – Detailed development analysis of 7.75% market rent escalation based upon approved lender funding determined by DSCR of 1.25X NOI. Separate Appendices include 10 and 20 year Discounted Cash Flows, non subsidized / and subsidized cash on cash returns and IRRs. The Returns II Appendix considers a "what if" calculation to determine the maximum amount of equity under this 3% market rental escalation trial and the required equity gap economic development incentives to achieve the desired return hurdles and attract for profit investors.

Appendices B 7.1, B 7.2, B 7.3 and B 7.4 - These Appendices detail the same analysis as B 6.1 – B 6.4 with the exception that approved lender funding is based upon a Loan to Cost (LTC) of 75.75%

Appendices B 8.1, B 8.2, B 8.3 and B 8.4 - These Appendices detail the same analysis as B 6.1 – B 6.4 with the exception that approved lender funding is based upon a Loan to Value (LTV) of 70%

Financial Results

As detailed earlier on pages four and five of this report and throughout the aforementioned and attached appendices, this project demonstrates a lack of feasibility due to the marketplace's inability to sustain an 11.45% rent premium (see Financial Sensitivity Analysis Appendix B). This financial result indicates that the annual rental rate for all unit types would need to increase a minimum of 7.75% annually while operating expense increases remain flat at a level 3%/yr throughout the entire 22 year holding period. The risk associated with this project is too high to suggest a 7.75% market rent increase is feasible, given the market rates for comparable properties would be 11.45% below or $187, $225 and $255 per month less for a one, two and three bedroom unit respectively in only the third year of tenants occupancy after stabilized income (2017). The 21206 primary market area simply does not warrant this type of market rental premium even for newly constructed rental units. Unfortunately, this project based upon the variables and assumptions reviewed, will be a "No-Go" recommendation.

The combination of i) new construction costs and ii) low market rent rates, creates a low stabilized income. The capitalization of this income at anything less than a 7.75% market rent increase, fails to produce an acceptable value to attract a large enough construction loan (based upon a LTV), resulting in a higher amount of equity to continue with the development. This lack of value versus construction cost continues to be a problem when reviewing the permanent loan opportunities. The best case scenario to secure a permanent loan in each of the 3% and 7.75% market rent trials is only feasible with an extremely generous 5.4% interest rate lock and a 40 year amortization. Unfortunately, even at these generous terms, this project falls short of providing any value to an investor at anything less than a 7.75% market rent increase. The permanent loan is able to service itself with the DSCR under all loan types and rental rates; however the cash on cash returns are again dismal but for the scenario of securing a permanent loan based on a 1.25x DSCR and a minimum market rate increase of 7.75%. The Unleveraged return for this project at a 3% market rent is 6.43% with an IRR of 4.67%. The Leveraged cash on cash gets worse with ranges from 5.23% to 5.77% with an IRR ranging from 1.93 to 3.22%.

This project only begins to pencil out with market rate rentals increasing to 7.75% during the second trial; under the permanent loan conditions of a 1.25x DSCR, the cash on cash return produces the required 10% rate and a leveraged IRR of 23.90%. Unfortunately, this scenario is too risky and will be further addressed in the conclusion and recommendation portion of this report.

CONCLUSIONS AND RECOMMENDATION

The conclusion is to recommend a "No-Go" to proceed as a nonsubsidized market rate multifamily project on the basis of insufficient sustainable market rental rate growth and a subsequent inability to achieve a minimum 10% cash on cash leveraged return within the first year of stabilized income and internal rates of return in the high teens anytime after a 10yr holding period.

An alternative recommendation may include a course of action evaluating the following: i) financial variable modifications, ii) additional mezzanine financing, iii) economic development incentives, iv) contractual options, or v) value engineering:

Examples include:

- Adjustment of the going in cap rate further down from 6.75% to establish revised stabilized value while maintaining a reasonable estimate of annual market rent increases.
- Securing the land at no cost or significantly reduced amount (unlikely given that it is already under contract to a competitor using subsidies)
- Establish a Public/Private partnership to fund the equity gap to provide for 10% cash on cash return to the investors/developers.
- Further value engineer the building and address the construction costs, materials and type
- Proceed as a Fee Developer only and approach another entity such as 501-(c)(3) for a more socially responsible development which includes Federal, State and Local incentives
- Seek alternative economic development incentives to replace the equity portion of the project from the Federal, State or local Baltimore Development Corporation to further reduce the equity requirement. Potential sources include:
    - New Market Tax Credits
    - Tax Increment Financing (TIF)
    - Expansion of current Enterprize Zone
    - Low Discounted Interest Rates
- Retro-fit the existing building in order to reduce construction costs
- Subsidies for Workforce Rental Housing
- 542(c) FHA-Insured Multifamily Loan Program

The further evaluation of the economic or further development alternatives are outside the scope of this report.

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APPENDICES

Appendix A

Archdiocese of Baltimore Excess Real Estate Holdings as of 2.11.11							
Baltimore City Schools	Address	City	State	Zip	Square Footage	Asking NNN Rate	Possible Sale Price
Our Lady of Fatima	6400 E. Pratt Street	Baltimore	MD	21224	17,458	$5.00	$727,417
St. Rose of Lima	410 Jeffrey Street	Baltimore	MD	21225	27000 School, 11000 Convent	$5.78	$1,300,000
St. Peter Claver	1526 N. Fremont Street	Baltimore	MD	21217	11,546	$5.00	$481,083
St. Edward	2848 W. Lafayette Avenue	Baltimore	MD	21216	26,355	$4.00	$878,500
Sacred Heart of Mary	2726 Youngstown Aven	Baltimore	MD	21222	47,580	$5.00	$1,982,500
St. Katharine	1201 N. Rose Street	Baltimore	MD	21213	22,183	$3.65	$675,000
St. Joseph Passionist Monastery	3601 Old Frederick Road	Baltimore	MD		69,000	$2.96	$1,700,000
St. Patrick (Fells Point)	313-315 S. Broadway	Baltimore	MD	21231	16,192	$4.30	$580,000
St. Rita	8 and 8A Dunmanway	Dundalk	MD	21222	19,688	$3.20	$525,000
St. Anthony of Padua	4410 Frankford Avenue	Baltimore	MD	21206	60,268	$4.00	$2,800,000
St. Mary, Star of the Sea	300 E. Gittings Avenue	Federal Hill	MD	21230	26,220	$5.00	$1,311,000
Baltimore County Schools							
St. Clare	716 Myrth Avenue	Essex		21221	22,000	$5.00	$916,667
Ascension	4601 Maple Avenue	Halethorpe		21227	29,427	$5.00	$1,226,125

Financial Sensitivity Analysis

Units	133											
Square Footage	135,048											
Rent Escalations	3.00%			NOI Per Unit/yr	NOI Per Unit/mo	Per SF/yr	7.75%			NOI Per Unit/yr	NOI Per Unit/mo	Per SF/yr
Stabilized Income Yr 2	$1,107,001	$1,107,001	$1,107,001	$8,323	$693.61	$8.20	$1,233,775	$1,233,775	$1,233,775	$9,277	$773	$9.14
Value based on NOI and Cap Rate	$16,400,015	$16,400,015	$16,400,015				$18,278,148	$18,278,148	$18,278,148			
Land Costs	$2,800,000	$2,800,000	$2,800,000	$21,053		$21	$2,800,000	$2,800,000	$2,800,000	$21,053		$20.73
Hard and Soft												
Construction Costs Less Land	$13,953,341	$13,953,341	$13,953,341	$104,912		$103	$13,953,341	$13,953,341	$13,953,341	$104,912		$103
Land /Hard /Soft Costs	$16,753,341	$16,753,341	$16,753,341	$125,965		$124	$16,753,341	$16,753,341	$16,753,341	$125,965		$124
Capital Interest Carry Construction and 1st yr	$1,205,400	$1,125,040	$1,420,920				$1,343,433	$1,253,871	$1,583,678		11.45% Increase over proposed 3% Increases	
Total Development Costs	$17,958,741	$17,878,381	$18,174,261				$18,096,774	$18,007,212	$18,337,019			
Loan Evaluation Type	LTC	LTV	DSCR				LTC	LTV	DSCR			
	68.49%	70%	1.25x				75.75%	70%	1.25x			
Capital Stack												
Equity Required	$5,658,742	$6,398,382	$3,675,078				$4,388,275	$5,212,612	$2,177,041			
Debt	$12,300,000	$11,480,000	$14,499,184				$13,708,500	$12,794,600	$16,159,978			
Total Capital	$17,958,741	$17,878,381	$18,174,261				$18,096,774	$18,007,212	$18,337,019			
1st Year of Stabilized Income Unleveraged Cash On Cash Return without Economic Subsidies	6.43%	6.43%	6.43%				7.19%	7.19%	7.19%			
1st Year of Stabilized Income Leveraged Cash On Cash Return without Economic Subsidies	5.77%	5.89%	5.23%				8.37%	8.12%	10.00%			
Max Equity Required for 10% Return on Cash	$3,253,274	$3,747,557	$1,925,788				$3,669,245	$4,227,258				
Required Economic Subsidy to Equity for 10% Return	$2,405,468	$2,650,825	$1,749,289	Economic Development Equity Subsidy Requirements			$719,030	$985,353	$0	NO Equity Requirements for Perm Loan Based on qualifying with 1.25x DSCR		
Total Equity for 10% Cash on Cash	$5,658,742	$6,398,382	$3,675,078				$4,388,275	$5,212,612				
Going In Cap Rate	6.75%	6.75%	6.75%				6.75%	6.75%	6.75%			
Terminal Cap Rate	7.50%	7.50%	7.50%				7.50%	7.50%	7.50%			
Unleveraged IRR 10 YR Hold	4.67%	4.67%	4.67%				10.48%	10.48%	10.48%			
Unleveraged IRR 20 YR Hold	4.67%	4.67%	4.67%				10.48%	10.48%	10.48%			
Leveraged IRR 10 YR Hold	3.22%	3.48%	1.93%				18.13%	16.89%	23.90%			
Leveraged IRR 20 YR Hold	3.22%	3.48%	1.93%				18.13%	16.89%	23.90%			
Discount Rate Ranges	10 yr DCF NPV BEFORE DEBT											
8.00%	($3,533,317)	($3,452,957)	($3,748,837)				$6,477,657	$6,567,219	$6,237,412			
8.25%	($3,781,972)	($3,701,612)	($3,997,492)				$6,017,025	$6,106,587	$5,776,780			
8.50%	($4,025,037)	($3,944,677)	($4,240,557)				$5,567,073	$5,656,636	$5,326,828			
8.75%	($4,262,658)	($4,182,298)	($4,478,178)				$5,127,523	$5,217,085	$4,887,278			
9.00%	($4,494,972)	($4,414,612)	($4,710,492)				$4,698,101	$4,787,664	$4,457,857			
9.25%	($4,722,118)	($4,641,758)	($4,937,638)				$4,278,546	$4,368,108	$4,038,301			
9.50%	($4,944,226)	($4,863,866)	($5,159,746)				$3,868,599	$3,958,162	$3,628,355			
Discount Rate Ranges	20 yr DCF NPV BEFORE DEBT											
8.00%	($2,130,560)	($2,050,200)	($2,346,080)				$18,537,624	$18,627,187	$18,297,379			
8.25%	($2,558,453)	($2,478,093)	($2,773,973)				$17,314,712	$17,404,274	$17,074,467			
8.50%	($2,969,977)	($2,889,617)	($3,185,497)				$16,142,634	$16,232,196	$15,902,389			
8.75%	($3,365,855)	($3,285,495)	($3,581,375)				$15,019,052	$15,108,614	$14,778,807			
9.00%	($3,746,776)	($3,666,416)	($3,962,296)				$13,941,743	$14,031,305	$13,701,498			
9.25%	($4,113,395)	($4,033,035)	($4,328,915)				$12,908,593	$12,998,155	$12,668,348			
9.50%	($4,466,337)	($4,385,977)	($4,681,857)				$11,917,592	$12,007,154	$11,677,347			

Appendix B(i) Rent Comparison

	Year 1 May-2012	Year 2 May-2013	Year 3 May-2014	Year 4 May-2015	Year 5 May-2016	Year 6 May-2017	Year 7 May-2018	Year 8 May-2019	Year 9 May-2020	Year 10 May-2021	Year 11 May-2022	Year 12 May-2023	Year 13 May-2024
1BR @ 3%			$869.32	$895.40	$922.26	$949.93	$978.43	$1,007.78	$1,038.01	$1,069.15	$1,101.23	$1,134.27	$1,168.29
1BR @ 7.75%			$909.41	$979.89	$1,055.83	$1,137.66	$1,225.83	$1,320.83	$1,423.19	$1,533.49	$1,652.33	$1,780.39	$1,918.37
Monthly Difference			$40.09	$84.49	$133.57	$187.73	$247.40	$313.05	$385.18	$464.34	$551.10	$646.12	$750.08
Annual Difference			$481.08	$1,013.88	$1,602.84	$2,252.76	$2,968.80	$3,756.60	$4,622.16	$5,572.08	$6,613.20	$7,753.44	$9,000.96
2BR @ 3%			$1,044.42	$1,075.75	$1,108.03	$1,141.27	$1,175.50	$1,210.77	$1,247.09	$1,284.50	$1,323.04	$1,362.73	$1,403.61
2BR @ 7.75%			$1,092.59	$1,177.26	$1,268.50	$1,366.81	$1,472.73	$1,586.87	$1,709.85	$1,842.37	$1,985.15	$2,139.00	$2,304.77
Monthly Difference			$48.17	$101.51	$160.47	$225.54	$297.23	$376.10	$462.76	$557.87	$662.11	$776.27	$901.16
Annual Difference			$578.04	$1,218.12	$1,925.64	$2,706.48	$3,566.76	$4,513.20	$5,553.12	$6,694.44	$7,945.32	$9,315.24	$10,813.92
3BR @ 3%			$1,184.50	$1,220.04	$1,256.64	$1,294.34	$1,333.17	$1,373.16	$1,414.35	$1,456.79	$1,500.49	$1,545.50	$1,591.87
3BR @ 7.75%			$1,239.13	$1,335.16	$1,438.63	$1,550.13	$1,670.26	$1,799.71	$1,939.18	$2,089.47	$2,251.40	$2,425.89	$2,613.89
Monthly Difference			$54.63	$115.12	$181.99	$255.79	$337.09	$426.55	$524.83	$632.68	$750.91	$880.39	$1,022.02
Annual Difference			$655.56	$1,381.44	$2,183.88	$3,069.48	$4,045.08	$5,118.60	$6,297.96	$7,592.16	$9,010.92	$10,564.68	$12,264.24

	Year 14 May-2025	Year 15 May-2026	Year 16 May-2027	Year 17 May-2028	Year 18 May-2029	Year 19 May-2030	Year 20 May-2031	Year 21 May-2032	Year 22 May-2033	Year 23 May-2034	Year 24 May-2035	Year 25 May-2036
1BR @ 3%	$1,203.34	$1,239.44	$1,276.63	$1,314.92	$1,354.37	$1,395.00	$1,436.85	$1,479.96	$1,524.36	$1,570.09	$1,617.19	$1,665.71
1BR @ 7.75%	$2,067.04	$2,227.24	$2,399.85	$2,585.84	$2,786.24	$3,002.18	$3,234.84	$3,485.55	$3,755.68	$4,046.74	$4,360.36	$4,698.29
Monthly Difference	$863.70	$987.80	$1,123.22	$1,270.92	$1,431.87	$1,607.18	$1,797.99	$2,005.59	$2,231.32	$2,476.65	$2,743.17	$3,032.58
Annual Difference	$10,364.40	$11,853.60	$13,478.64	$15,251.04	$17,182.44	$19,286.16	$21,575.88	$24,067.08	$26,775.84	$29,719.80	$32,918.04	$36,390.96
2BR @ 3%	$1,445.72	$1,489.09	$1,533.77	$1,579.78	$1,627.17	$1,675.99	$1,726.27	$1,778.06	$1,831.40	$1,886.34	$1,942.93	$2,001.22
2BR @ 7.75%	$2,483.39	$2,675.86	$2,883.23	$3,106.68	$3,347.45	$3,606.88	$3,886.41	$4,187.61	$4,512.15	$4,861.84	$5,238.63	$5,644.63
Monthly Difference	$1,037.67	$1,186.77	$1,349.46	$1,526.90	$1,720.28	$1,930.89	$2,160.14	$2,409.55	$2,680.75	$2,975.50	$3,295.70	$3,643.41
Annual Difference	$12,452.04	$14,241.24	$16,193.52	$18,322.80	$20,643.36	$23,170.68	$25,921.68	$28,914.60	$32,169.00	$35,706.00	$39,548.40	$43,720.92
3BR @ 3%	$1,639.63	$1,688.81	$1,739.48	$1,791.66	$1,845.41	$1,900.77	$1,957.80	$2,016.53	$2,077.03	$2,139.34	$2,203.52	$2,269.62
3BR @ 7.75%	$2,816.47	$3,034.75	$3,269.94	$3,523.36	$3,796.42	$4,090.64	$4,407.67	$4,749.26	$5,117.33	$5,513.92	$5,941.25	$6,401.70
Monthly Difference	$1,176.84	$1,345.94	$1,530.46	$1,731.70	$1,951.01	$2,189.87	$2,449.87	$2,732.73	$3,040.30	$3,374.58	$3,737.73	$4,132.08
Annual Difference	$14,122.08	$16,151.28	$18,365.52	$20,780.40	$23,412.12	$26,278.44	$29,398.44	$32,792.76	$36,483.60	$40,494.96	$44,852.76	$49,584.96

Appendix B 1
Proforma 3% Market Rent Escalations

Appendix B-1 Proforma

4410 Frankford Ave
Forecast

	2013 Year 1	2014 Year 2	2015 Year 3	2016 Year 4	2017 Year 5	2018 Year 6	2019 Year 7	2020 Year 8	2021 Year 9	2022 Year 10	2023 Year 11
Potential Gross Revenue											
Base Rental Revenue	$1,823,177	$1,877,873	$1,934,209	$1,992,235	$2,052,003	$2,113,563	$2,176,970	$2,242,278	$2,309,547	$2,378,833	$2,450,198
Absorption & Turnover Vacancy	342,434	81,415	83,855	86,370	88,964	91,635	94,383	97,215	100,129	103,134	106,226
Scheduled Base Rental Revenue	$1,480,743	$1,796,458	$1,850,354	$1,905,865	$1,963,039	$2,021,928	$2,082,587	$2,145,063	$2,209,418	$2,275,699	$2,343,972
Expense Reimbursement Revenue											
Taxes (state, county and municipality, fire, education)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property and liability)	0	0	0	0	0	0	0	0	0	0	0
CAM (site utilities, sweeping, landscaping, repairs)	0	0	0	0	0	0	0	0	0	0	0
Total Reimbursement Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Potential Gross Revenue	$1,480,743	$1,796,458	$1,850,354	$1,905,865	$1,963,039	$2,021,928	$2,082,587	$2,145,063	$2,209,418	$2,275,699	$2,343,972
General Vacancy - static	$74,037	$89,825	$92,518	$95,293	$98,152	$101,096	$104,129	$107,253	$110,471	$113,785	$117,199
Collection Loss - based on tenants history	31,565	39,023	40,194	41,400	42,642	43,921	45,238	46,596	47,994	49,433	50,916
Total Vacancy & Collection Loss	$105,602	$128,846	$132,712	$136,693	$140,794	$145,017	$149,367	$153,849	$158,465	$163,218	$168,115
Effective Gross Revenue	$1,375,141	$1,667,612	$1,717,642	$1,769,172	$1,822,245	$1,876,911	$1,933,220	$1,991,214	$2,050,953	$2,112,481	$2,175,857
Operating Expenses											
Taxes (state, county and municipality, fire, education)	$191,262	$216,700	$243,491	$271,696	$301,373	$326,750	$365,402	$399,887	$436,112	$474,151	$514,080
Insurance (property and liability)	23,647	24,356	25,087	25,840	26,615	27,413	78,236	29,083	29,955	30,854	31,779
CAM (site utilities, sweeping, landscaping, repairs)	158,588	163,503	168,407	173,400	178,664	184,024	189,546	195,230	201,086	207,121	213,335
Property Management (on site salary, acctg., fees)	20,865	21,491	22,136	22,800	23,484	24,188	24,914	25,661	26,431	27,224	28,041
Misc Legal	130,754	134,561	138,598	142,757	147,038	151,449	155,994	160,672	165,493	170,459	175,571
Total Operating Expenses	$525,116	$560,611	$597,719	$636,553	$677,174	$713,824	$764,092	$810,533	$859,077	$909,809	$962,806
Net Operating Income - THE MORE LUMPY THE MORE REALISTI	$850,025	$1,107,001	$1,119,923	$1,132,619	$1,145,071	$1,163,087	$1,169,128	$1,180,681	$1,191,876	$1,202,672	$1,213,051
Leasing & Capital Costs											
Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Leasing Commissions	0	0	0	0	0	0	0	0	0	0	0
Bank Required Reserves	28,360	29,069	29,796	30,541	31,304	32,087	32,889	33,711	34,554	35,418	36,303
Total Leasing & Capital Costs	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
Cash Flow Before Debt Service aka THE STRIP!	$821,665	$1,077,932	$1,090,127	$1,102,078	$1,113,767	$1,131,000	$1,136,239	$1,146,970	$1,157,322	$1,167,254	$1,176,748

	2024 Year 12	2025 Year 13	2026 Year 14	2027 Year 15	2028 Year 16	2029 Year 17	2030 Year 18	2031 Year 19	2032 Year 20	2033 Year 21	2034 Year 22
Potential Gross Revenue											
Base Rental Revenue	$2,523,704	$2,599,415	$2,677,398	$2,757,719	$2,840,451	$2,925,665	$3,013,434	$3,103,838	$3,196,953	$3,292,862	$3,391,647
Absorption & Turnover Vacancy	109,414	112,695	116,078	119,559	123,147	126,840	130,648	134,564	138,604	142,760	147,043
Scheduled Base Rental Revenue	$2,414,290	$2,486,720	$2,561,320	$2,638,160	$2,717,304	$2,798,825	$2,882,786	$2,969,274	$3,058,349	$3,150,102	$3,244,604
Expense Reimbursement Revenue											
Taxes (state, county and municipality, fire, education)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property and liability)	0	0	0	0	0	0	0	0	0	0	0
CAM (site utilities, sweeping, landscaping, repairs)	0	0	0	0	0	0	0	0	0	0	0
Total Reimbursement Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Potential Gross Revenue	$2,414,290	$2,486,720	$2,561,320	$2,638,160	$2,717,304	$2,798,825	$2,882,786	$2,969,274	$3,058,349	$3,150,102	$3,244,604
General Vacancy - static	$120,714	$124,336	$128,066	$131,908	$135,865	$139,941	$144,139	$148,464	$152,917	$157,505	$162,230
Collection Loss - based on tenants history	52,444	54,017	55,638	57,307	59,026	60,797	62,621	64,499	66,434	68,427	70,480
Total Vacancy & Collection Loss	$173,158	$178,353	$183,704	$189,215	$194,891	$200,738	$206,760	$212,963	$219,351	$225,932	$232,710
Effective Gross Revenue	$2,241,132	$2,308,367	$2,377,616	$2,448,945	$2,522,413	$2,598,087	$2,676,026	$2,756,311	$2,838,998	$2,924,170	$3,011,894
Operating Expenses											
Taxes (state, county and municipality, fire, education)	$529,502	$545,387	$561,749	$578,601	$595,959	$613,838	$632,253	$651,221	$670,757	$690,880	$711,606
Insurance (property and liability)	32,733	33,715	34,726	35,768	46,841	37,946	39,085	40,257	41,465	42,709	43,990
CAM (site utilities, sweeping, landscaping, repairs)	219,733	226,327	233,115	240,108	247,311	254,731	262,373	270,243	278,350	286,702	295,305
Property Management (on site salary, acctg., fees)	28,882	29,748	30,641	31,560	32,507	33,482	34,487	35,521	36,587	37,684	38,815
Misc Legal	180,840	186,263	191,850	197,608	203,537	209,642	215,933	222,408	229,082	235,955	243,033
Total Operating Expenses	$991,690	$1,021,440	$1,052,081	$1,083,645	$1,116,155	$1,149,639	$1,184,131	$1,219,650	$1,256,241	$1,293,930	$1,332,749
Net Operating Income - THE MORE LUMPY THE MORE REALISTI	$1,249,442	$1,286,927	$1,325,535	$1,365,300	$1,406,258	$1,448,448	$1,491,895	$1,536,661	$1,582,757	$1,630,240	$1,679,145
Leasing & Capital Costs											
Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Leasing Commissions	0	0	0	0	0	0	0	0	0	0	0
Bank Required Reserves	37,211	38,141	39,095	40,072	41,074	42,101	43,153	44,232	45,338	46,471	47,633
Total Leasing & Capital Costs	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$46,471	$47,633
Cash Flow Before Debt Service aka THE STRIP!	$1,212,231	$1,248,786	$1,286,440	$1,325,228	$1,365,184	$1,406,347	$1,448,742	$1,492,429	$1,537,419	$1,583,769	$1,631,512

Appendix B-2.1DCF

Appendix B 2.1

10 and 20 Year DCF results based on Permanent Loan DSCR 1.25x NOI

4410 Frankford Ave
DISCOUNTED CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Net Operating Income	$850,025	$1,107,001	$1,119,923	$1,132,619	$1,145,071	$1,161,087	$1,169,128	$1,180,681	$1,191,876	$1,202,672	$1,213,051	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$16,174,013	Reversion
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$0	
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$646,961	Sale Cost
CASH FLOW	$821,665	$1,077,932	$1,090,127	$1,102,078	$1,113,767	$1,131,000	$1,136,239	$1,146,970	$1,157,322	$16,694,307	$15,527,053	Net Reversion

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Net Operating Income	$850,025	$1,107,001	$1,119,923	$1,132,619	$1,145,071	$1,161,087	$1,169,128	$1,180,681	$1,191,876	$1,202,672	$1,213,051
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	35,418	36,303
CASH FLOW	$821,665	$1,077,932	$1,090,127	$1,102,078	$1,113,767	$1,131,000	$1,136,239	$1,146,970	$1,157,322	$1,167,254	$1,176,748

	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	
Net Operating Income	$1,249,442	$1,286,927	$1,325,515	$1,365,300	$1,406,258	$1,448,448	$1,491,895	$1,536,661	$1,582,757	$1,630,240	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$21,736,533	Reversion
Less Reserves	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$0	
Sub total	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$869,461	Sale Cost
CASH FLOW	$1,212,231	$1,248,786	$1,286,440	$1,325,228	$1,365,184	$1,406,347	$1,448,742	$1,492,429	$22,404,491	$20,867,072	Net Reversion

VALUATION MATRIX - DCF 10 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$14,425,425	$108,461.84	$18,174,261	($1,748,837)	NO
8.25%	$14,176,770	$106,592.25	$18,174,261	($1,997,492)	NO
8.50%	$13,933,704	$104,764.69	$18,174,261	($4,240,557)	NO
8.75%	$13,696,084	$102,978.07	$18,174,261	($4,478,178)	NO
9.00%	$13,463,769	$101,231.35	$18,174,261	($4,710,492)	NO
9.25%	$13,236,624	$99,523.49	$18,174,261	($4,937,638)	NO
9.50%	$13,014,516	$97,853.50	$18,174,261	($5,159,746)	NO

VALUATION MATRIX - DCF 20 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$15,828,181	$119,008.88	$18,174,261	($2,346,080)	NO
8.25%	$15,400,288	$115,791.64	$18,174,261	($2,773,974)	NO
8.50%	$14,988,764	$112,697.48	$18,174,261	($3,185,497)	NO
8.75%	$14,592,886	$109,720.95	$18,174,261	($3,581,375)	NO
9.00%	$14,211,965	$106,856.88	$18,174,261	($3,962,296)	NO
9.25%	$13,845,346	$104,100.35	$18,174,261	($4,328,915)	NO
9.50%	$13,492,405	$101,446.65	$18,174,261	($4,681,857)	NO

4410 Frankford Ave
VALUATION MATRIX - DIRECT CAP

Cap Rate	Projected NOI	Value	Value/Unit	Development Costs	NPV	Value Creation
6.75%	$1,107,001	$16,400,015	$123,308.38	$18,174,261	($1,774,247)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$18,174,261	($1,774,247)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$18,174,261	($1,774,247)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$18,174,261	($1,774,247)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$18,174,261	($1,774,247)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$18,174,261	($1,774,247)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$18,174,261	($1,774,247)	NO

Appendix B 2.2 Financing Source

4410 Frankford Ave

Sources & Uses, Financing, Budget

Apartment SF	135,048 gross sf
Other	0 sf
Other	0 sf
Square Foot Area	135,048 gross sf
Number of Units	133

Sources & Uses

Sources			Uses				
1st Position Debt	$	14,499,184	Acquisition Price of Property	$	2,800,000	$20.73 per sf	$21,053 per unit
Equity Contribution		3,675,078	Development Costs		15,374,261	$113.84 per sf	$115,596 per unit
Deferred Developer Fee		-	Deferred Developer Fee		-		
Sub-Total	$	18,174,261	Sub-Total	$	18,174,261	$134.58 per sf	$136,649 per unit
Balance	$	-					

Construction Loan

Stabilized Net Operating Income		$1,107,001	2nd year			
Stabilized Cap Rate		6.75%				
Concluded Value "At Stabilization"	$	16,400,015				
Proposed Acquisition/Construction Loan Amount	$	14,499,184				
Proposed Acquisition/Construction Loan Term		24 Months	2.00 Years			
Financial Institution Maximum Loan to Value		70.0%	Actual Loan to Value	88.41%	-18.41% variance	$ 11,480,010.37
Financial Institution Maximum Loan to Cost		75.0%	Actual Loan to Cost	79.78%	-4.78% variance	
Contributed Equity to Cost				20.22%		
Underwritten Construction Rate - Interest Only Rate (locked)		7.00%	30 DAY LIBOR 0.25%	SPREAD OF 3.00% 3.25%		7.0% floor

Permanent Loan - Takeout

Stabilized Net Operating Income	$	1,107,001	2nd year based on but funded the 1st year				
Permanent Loan Amount	$	14,499,184	Valuation Analysis				
Maximum Loan to Value		70.00%	Stabilized NOI	$	1,107,001		
Actual Loan to Value		88.41%	Stabilized Value	$	16,400,015	$121.44 per sf	$123,308 per unit
Actual DSC		1.25 x	Stabilized Cap Rate		6.75%	from above	
Required Minimum DSC for Takeout Loan		1.25x	Value/SFNRA	$	121.44		
Interest Rate (locked) for Takeout Loan		5.40%	Loan/SFNRA	$	107.36		
Amortization for Takeout Loan		480 Months 40 Years	Value/UNIT	$	123,308.38		
Debt Service		$885,582	Loan/UNIT	$	109,016.42		

Loan Gap Analysis for Takeout by Permanent Lender

Loan Constant		6.11%
Equity Payback at Refinance	$	0
Balance of Equity in Deal after Perm Takeout	$	3,675,077
GAP		None

Construction Budget

Category		Uses Per Unit	Uses Project Costs	Sources Loan Funding	Sources Equity Funding	Deferred Fees
Land Purchase Price		$ 21,053	$ 2,800,000	$ -	$ 2,800,000	
Site Costs		$ 1,278	170,011	0	170,011	
	Subtotal	$ 22,331	$ 2,970,011	$ -	$ 2,970,011	$0
Cost to Construct		$ 85,186	$ 11,343,044	$ 10,637,977	$ 705,067	
Tenant Improvements		$ 2,582	343,374	343,374	0	
Other		$ -	0	0	0	
Hard Cost Contingency		$ 4,388	583,555	583,555	0	
	Subtotal Hard Costs	$ 92,255	$ 12,269,973	$ 11,564,906	$ 705,067	$0
Architecture Engineering		$ 4,411	$ 586,710	$ 586,710	$	
Other		$ -	0	0	0	
User Fees		$ 1,853	246,483	246,483	0	
GC & OHO		$ 4,201	558,764	558,764	0	
Zoning & Legal		$ 376	50,000	50,000	0	
Soft Cost Contingency		$ 537	71,400	71,400	0	
Other		$ -	0	0	0	
	Subtotal Soft Costs	$ 11,379	$ 1,513,358	$ 1,513,358	$	$0
Loan Interest Carry		$ -		$ -	$	
Loan Fees/Closing Costs	3.9%	$ 5,342	710,460	710,460	0	
Interest Carry until 1st year		$ 5,342	710,460	710,460		
Other		$ -		0		
	Subtotal Financing/Carry	$ 10,684	$ 1,420,920	$ 1,420,920	$	$0
Developers Fee	0.00%	$ -	$	$ -	$	$
Leasing Commissions foApartment Space		$ -	0	0	0	
Marketing		$ -	0	0	0	
Operating Deficit		$ -	0	0		
Contingency	0.00%	$ -	0	0	0	
	Subtotal Miscellaneous	$ -	$	$ -	$ -	$ -
TOTALS		$ 136,649	$ 18,174,261	$ 14,499,184	$ 3,675,078	$0

Appendix B 2.3

Non-Subsidized Returns based on Permanent Loan DSCR 1.25x NOI

Appendix B 2.3 - Returns

4410 Frankford Ave

Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 11-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	135,048 sf
Number of Units	133

	Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Net Operating Income	$		$ 850,025	$ 1,107,001	$ 1,119,925	$ 1,132,819	$ 1,145,072	$ 1,163,087	$ 1,169,128	$ 1,180,631	$ 1,191,876	$ 1,202,672	$ 1,213,051	$ 1,249,442	$ 1,286,927	$ 1,325,535	$ 1,365,309	$ 1,406,258	$ 1,448,448	$ 1,491,895	$ 1,536,661	$ 1,582,757	$ 1,630,240	$ 1,679,145
% Growth				30.13%	1.17%	1.13%	1.10%	1.57%	0.52%	0.99%	0.95%	0.81%	0.86%	1.00%	3.00%	3.00%	1.00%	1.00%	1.00%	2.00%	1.00%	3.00%	1.00%	3.00%
Property Cash Flow Before Debt	$		$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,512
SCF / SF	$		$ 6.08	$ 7.98	$ 8.07	$ 8.16	$ 8.25	$ 8.37	$ 8.41	$ 8.49	$ 8.57	$ 8.64	$ 8.71	$ 8.98	$ 9.25	$ 9.53	$ 9.81	$ 10.11	$ 10.41	$ 10.73	$ 11.05	$ 11.38	$ 11.73	$ 12.08
SCF/Unit			$ 6,178	$ 8,105	$ 8,196	$ 8,286	$ 8,374	$ 8,504	$ 8,542	$ 8,624	$ 8,702	$ 8,774	$ 8,844	$ 9,115	$ 9,389	$ 9,671	$ 9,964	$ 10,365	$ 10,574	$ 10,893	$ 11,131	$ 11,560	$ 11,908	$ 12,267
Monthly Net Rent			$ 515	$ 675	$ 683	$ 691	$ 698	$ 709	$ 733	$ 719	$ 725	$ 731	$ 737	$ 760	$ 782	$ 806	$ 830	$ 855	$ 881	$ 908	$ 935	$ 963	$ 992	$ 1,021
% Growth				31.19%	1.33%	1.10%	1.06%	1.55%	0.46%	0.94%	0.90%	0.86%	0.81%	1.02%	3.02%	3.02%	2.02%	2.02%	1.02%	3.01%	3.02%	3.01%	3.01%	3.01%

UNLEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Unleveraged NOI Return on Investment	5.07%	6.61%	6.68%	6.76%	6.83%	6.94%	6.98%	7.05%	7.11%	7.18%	7.24%	7.46%	7.68%	7.91%	8.15%	8.39%	8.65%	8.91%	9.17%	9.45%	8.73%	10.02%
Cash on Cash Return on Investment	4.90%	6.43%	6.51%	6.58%	6.65%	6.75%	6.78%	6.85%	6.91%	6.97%	7.02%	7.24%	7.45%	7.68%	7.91%	8.15%	8.39%	8.65%	8.91%	9.18%	9.45%	9.74%
UNLEVERAGED IRR	-2.64%	-0.79%	0.89%	1.08%	2.84%	3.36%	9.81%	4.16%	4.44%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	6.67%	4.67%	4.67%	4.67%	4.67%

Holding Period	Investment	Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($16,753,341)	$0	$0	$ 14,991,278																					
2 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 15,412,946																				
3 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 1,077,937	$ 15,587,650																			
4 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,931	$ 1,090,127	$ 15,758,987																		
5 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,933	$ 1,090,127	$ 1,102,078	$ 16,001,288																	
6 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,933	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 16,095,839																
7 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,933	$ 1,090,137	$ 1,102,078	$ 1,117,767	$ 1,131,000	$ 16,248,996															
8 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 1,077,933	$ 1,090,127	$ 1,102,078	$ 1,133,767	$ 1,131,000	$ 1,136,239	$ 16,402,983														
9 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 1,077,933	$ 1,090,127	$ 1,102,078	$ 1,112,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 16,551,524													
10 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 16,694,307												
11 YEARS	($16,753,341)	$0	$0	$ 421,665	$ 1,077,932	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 17,169,605											
12 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 1,077,933	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,238	$ 1,146,970	$ 1,157,311	$ 1,167,254	$ 1,176,748	$ 27,684,897										
13 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,933	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,333	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 18,215,634									
14 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 18,762,288								
15 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 1,077,833	$ 1,090,137	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,323	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 19,325,330							
16 YEARS	($16,753,341)	$0	$0	$ 831,665	$ 1,077,932	$ 1,090,137	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,333	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 19,905,318						
17 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,911	$ 1,090,137	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,116,239	$ 1,144,970	$ 1,157,333	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 20,502,603					
18 YEARS	($16,753,341)	$0	$0	$ 831,685	$ 1,077,931	$ 1,090,137	$ 1,102,078	$ 1,113,767	$ 1,123,000	$ 1,136,239	$ 1,146,970	$ 1,157,333	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,406,347	$ 21,118,003				
19 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 1,077,921	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,134,139	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,178,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 21,751,718			
20 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,931	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,134,239	$ 1,146,970	$ 1,157,311	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 1,492,429	$ 22,404,491		
21 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,933	$ 1,090,137	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,332	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 1,492,429	$ 1,537,419	$ 23,076,825	
22 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,931	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,229	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 1,492,429	$ 1,537,419	$ 1,583,769	

LEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 811,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,787	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,333	$ 1,167,254	$ 1,176,748	$ 1,311,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,406,347	$ 1,448,741	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,512
Annual Payment	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582
Cash Flow After Debt	$ (63,917)	$ 191,150	$ 204,545	$ 116,496	$ 228,185	$ 245,418	$ 250,657	$ 381,388	$ 171,740	$ 381,672	$ 291,166	$ 126,648	$ 263,204	$ 400,858	$ 439,646	$ 479,602	$ 520,765	$ 563,160	$ 606,847	$ 651,337	$ 698,167	$ 745,930
Cash on Cash Return on Investment	NA	5.22%	5.57%	5.89%	6.21%	6.68%	6.82%	7.11%	7.39%	7.68%	7.92%	8.89%	9.88%	10.91%	11.96%	12.05%	14.17%	15.32%	16.51%	17.74%	19.00%	20.30%
LEVERAGED IRR	Can't Sell This Yr.	#NUM!	#NUM!	-16.31%	-10.76%	-6.73%	-3.51%	-1.16%	8.59%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%	1.93%

Holding Period	Investment	Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($3,675,078)	$0	$0	[illegible]																					
2 YEAR	($3,675,078)	$0	$0	$ (63,917)	$244,413																				
3 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$536,291																			
4 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$204,545	$831,289																		
5 YEAR	($3,675,078)	$0	$0	($63,917)	$182,350	$204,545	$316,496	$1,204,888																	
6 YEAR	($3,675,078)	$0	$0	($67,917)	$192,350	$204,545	$216,496	$328,185	$1,436,377																
7 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$328,185	$245,418	$1,734,849															
8 YEAR	($3,675,078)	$0	$0	($63,917)	$182,350	$204,545	$316,496	$328,185	$245,418	$250,657	$2,042,277														
9 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$2,352,712													
10 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$204,545	$316,496	$228,185	$245,413	$250,657	$261,388	$ 271,740	$2,666,349												
11 YEAR	($3,675,078)	$0	$0	($63,917)	$182,350	$204,545	$316,496	$228,185	$245,413	$250,657	$281,388	$ 271,740	$ 281,672	$3,321,961											
12 YEAR	($3,675,078)	$0	$0	($61,917)	$192,350	$204,545	$316,496	$328,185	$245,418	$250,657	$261,388	$ 371,740	$ 381,673	$ 291,166	$4,827,546										
13 YEAR	($3,675,078)	$0	$0	($63,917)	$182,350	$204,545	$316,496	$328,185	$245,418	$250,657	$261,388	$ 271,740	$ 181,672	$ 291,166	326,640	$4,759,112									
14 YEAR	($3,675,078)	$0	$0	($63,917)	$182,350	$204,545	$316,496	$228,185	$245,416	$250,657	$241,388	$ 271,740	$ 281,672	$ 291,166	326,640	363,204	$5,517,704								
15 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$328,185	$245,418	$250,657	$181,388	$ 171,740	$ 181,673	$ 291,166	326,640	363,204	400,858	$6,304,433							
16 YEAR	($3,675,078)	$0	$0	($67,917)	$182,350	$204,545	$316,496	$128,185	$245,414	$250,657	$261,388	$ 271,740	$ 181,672	$ 291,166	326,640	363,204	400,858	438,646	$7,120,481						
17 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$204,545	$316,496	$228,185	$245,418	$250,657	$281,388	$ 171,740	$ 381,672	$ 291,166	326,640	363,204	400,858	439,640	479,602	$7,966,894					
18 YEAR	($3,675,078)	$0	$0	($63,917)	$191,150	$204,545	$116,496	$128,185	$245,418	$250,657	$161,388	$ 171,740	$ 281,673	$ 291,166	326,640	363,204	400,858	439,640	479,602	520,765	$8,845,212				
19 YEAR	($3,675,078)	$0	$0	($63,917)	$191,150	$204,545	$216,496	$128,185	$245,418	$150,657	$261,398	$ 371,740	$ 381,672	$ 191,166	326,640	363,204	400,858	439,640	479,602	520,765	563,160	$9,756,401			
20 YEAR	($3,675,078)	$0	$0	($63,917)	$192,350	$204,545	$116,496	$328,185	$245,418	$250,657	$341,388	$ 371,740	$ 381,672	$ 291,166	326,640	363,204	400,858	439,646	479,602	520,765	563,160	606,847	$10,702,807		
21 YEAR	($3,675,078)	$0	$0	($61,917)	$192,350	$204,545	$316,496	$328,185	$245,418	$250,657	$261,388	$ 171,740	$ 221,672	$ 291,166	326,640	363,204	400,858	439,646	479,602	520,765	563,160	606,847	651,337	$11,683,384	
22 YEAR	($3,675,078)	$0	$0	($63,911)	$192,350	$204,545	$116,496	$228,185	$245,413	$150,657	$261,388	$ 171,740	$ 381,672	$ 291,186	326,640	363,204	400,858	439,646	479,602	520,765	563,160	606,847	651,337	698,167	

Appendix B 2.4
"What-If" Returns II achieving 10% Cash on Cash
Bridging Equity Gap through Subsidies based on Permanent Loan DSCR 1.25x NOI

4410 Frankford Ave

Return Analysis

Cost Basis (refer to budget)	$26,753,341
Terminal Cap Rate for Reversion Yrs 2-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 11-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	135,048 sf
Number of Units	132

LEVERAGED ANALYSIS

Goal Seek to MAX Amount of Equity for investors to achieve a 10% Cash on Cash return. Equity Balance must be made up with Alternative Economic Development Incentives

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,213,767	$ 1,131,000	$ 1,136,239	$ 1,246,970	$ 1,157,322	$ 1,167,254	$ 1,176,748	$ 1,222,232	$ 1,248,786	$ 1,286,440	$ 1,325,226	$ 1,365,184	$ 1,406,347	$ 1,448,782	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,511
Annual Payment	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582	885,582
Cash Flow After Debt	$ (63,927)	$ 192,350	$ 204,545	$ 216,496	$ 226,185	$ 245,418	$ 250,657	$ 261,388	$ 271,740	$ 281,672	$ 291,266	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$ 479,602	$ 520,765	$ 563,160	$ 606,847	$ 651,837	$ 698,187	$ 745,930
Cash on Cash Return on Investment	NA	9.99%	10.62%	12.24%	11.85%	12.74%	13.02%	13.57%	14.12%	14.63%	15.32%	16.96%	18.86%	20.82%	12.83%	24.90%	27.04%	29.24%	31.52%	33.85%	38.25%	38.73%
LEVERAGED IRR	Can't Sell This Yr.	#NUM!	-39.53%	-8.49%	-1.44%	1.95%	4.62%	6.46%	7.76%	8.71%	8.72%	8.71%	8.71%	8.71%	8.71%	8.71%	8.71%	8.71%	8.71%	8.71%	8.71%	8.71%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($1,925,788)	$0	$0	[illegible]																					
2 YEAR	($1,925,788)	$0	$0	$ (63,917)	$244,413																				
3 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$536,291																			
4 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$831,289																		
5 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$1,204,088																	
6 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$1,436,377																
7 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$1,734,849															
8 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$2,042,277														
9 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$2,352,732													
10 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$2,666,349												
11 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$3,321,961											
12 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,266	$4,027,548										
13 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$4,759,112									
14 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$ 363,204	$5,527,794								
15 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$ 363,204	$ 400,858	$6,304,433							
16 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,266	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$7,120,482						
17 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,266	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$ 479,602	$7,966,894					
18 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$ 479,602	$ 520,765	$8,843,212				
19 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$ 479,602	$ 520,765	$ 563,160	$9,754,483			
20 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$ 479,602	$ 520,765	$ 563,160	$ 606,847	$10,702,097		
21 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$228,185	$245,418	$250,657	$261,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$ 479,602	$ 520,765	$ 563,160	$ 606,847	$ 651,837	$11,683,384	
22 YEAR	($1,925,788)	$0	$0	($63,917)	$192,350	$204,545	$216,496	$218,185	$245,418	$250,657	$291,388	$ 271,740	$ 281,672	$ 291,166	$ 326,649	$ 363,204	$ 400,858	$ 439,646	$ 479,602	$ 520,765	$ 563,160	$ 606,847	$ 651,837	$ 698,187	

Appendix B 3.1
10 and 20 Year DCF results based on Permanent Loan @ LTC of 68.49%

Appendix B 3.1 DCF

4410 Frankford Ave
DISCOUNTED CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Net Operating Income	$850,025	$1,107,001	$1,119,923	$1,132,619	$1,145,071	$1,163,087	$1,169,128	$1,180,681	$1,191,876	$1,202,672	$1,213,051	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$16,174,013	Reversion
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$0	
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$646,961	Sale Cost
CASH FLOW	$821,665	$1,077,932	$1,090,127	$1,102,078	$1,113,767	$1,131,000	$1,136,239	$1,146,970	$1,157,322	$16,694,307	$15,527,053	Net Reversion

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Net Operating Income	$850,025	$1,107,001	$1,119,924	$1,132,619	$1,145,071	$1,163,087	$1,169,128	$1,180,681	$1,191,876	$1,202,672	$1,213,051
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
CASH FLOW	$821,665	$1,077,932	$1,090,127	$1,102,078	$1,113,767	$1,131,000	$1,136,239	$1,146,970	$1,157,322	$1,167,254	$1,176,748

	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	
Net Operating Income	$1,249,442	$1,286,927	$1,325,535	$1,365,300	$1,406,258	$1,448,448	$1,491,895	$1,536,661	$1,582,757	$1,630,240	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$21,736,533	Reversion
Less Reserves	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$0	
Sub total	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$869,461	Sale Cost
CASH FLOW	$1,212,231	$1,248,786	$1,286,440	$1,325,228	$1,365,184	$1,406,347	$1,448,742	$1,492,429	$22,404,491	$20,867,072	Net Reversion

VALUATION MATRIX - DCF 10 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$14,425,425	$108,461.84	$17,958,741	($3,533,317)	NO
8.25%	$14,176,770	$106,592.25	$17,958,741	($3,781,972)	NO
8.50%	$13,933,704	$104,764.69	$17,958,741	($4,025,037)	NO
8.75%	$13,696,084	$102,978.07	$17,958,741	($4,262,658)	NO
9.00%	$13,463,769	$101,231.35	$17,958,741	($4,494,972)	NO
9.25%	$13,236,624	$99,523.49	$17,958,741	($4,722,118)	NO
9.50%	$13,014,516	$97,853.50	$17,958,741	($4,944,226)	NO

VALUATION MATRIX - DCF 20 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$15,828,181	$119,008.88	$17,958,741	($2,130,560)	NO
8.25%	$15,400,288	$115,791.64	$17,958,741	($2,558,453)	NO
8.50%	$14,988,764	$112,697.48	$17,958,741	($2,969,977)	NO
8.75%	$14,592,886	$109,720.95	$17,958,741	($3,365,853)	NO
9.00%	$14,211,965	$106,856.88	$17,958,741	($3,746,776)	NO
9.25%	$13,845,346	$104,100.35	$17,958,741	($4,113,395)	NO
9.50%	$13,492,405	$101,446.65	$17,958,741	($4,466,337)	NO

4410 Frankford Ave
VALUATION MATRIX - DIRECT CAP

Cap Rate	Projected NOI	Value	Value/Unit	Development Costs	NPV	Value Creation
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,958,741	($1,558,727)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,958,741	($1,558,727)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,958,741	($1,558,727)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,958,741	($1,558,727)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,958,741	($1,558,727)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,958,741	($1,558,727)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,958,741	($1,558,727)	NO

4410 Frankford Ave

Sources & Uses, Financing, Budget

Apartment SF	135,048 gross sf
Other	0 sf
Other	0 sf
Square Foot Area	135,048 gross sf
Number of Units	133

Sources & Uses

Sources		Uses			
1st Position Debt	$ 12,300,000	Acquisition Price of Property	$ 2,800,000	$20.73 per sf	$21,053 per unit
Equity Contribution	5,658,742	Development Costs	15,158,741	$112.25 per sf	$113,975 per unit
Deferred Developer Fee	-	Deferred Developer Fee	-		
Sub-Total	$ 17,958,741	Sub-Total	$ 17,958,741	$132.98 per sf	$135,028 per unit
Balance	$ -				

Construction Loan

Stabilized Net Operating Income	$1,107,001	2nd year			
Stabilized Cap Rate	6.75%				
Concluded Value "At Stabilization"	$ 16,400,015				
Proposed Acquisition/Construction Loan Amount	$ 12,300,000				
Proposed Acquisition/Construction Loan Term	24 Months	2.00 Years			
Financial Institution Maximum Loan to Value	70.0%	Actual Loan to Value	75.00%	-5.00% variance	$ 11,480,010.37
Financial Institution Maximum Loan to Cost	75.0%	Actual Loan to Cost	68.49%	6.51% variance	
Contributed Equity to Cost			31.51%		
Underwritten Construction Rate - Interest Only Rate (locked)	7.00%	30 DAY LIBOR 0.25%	SPREAD OF 3.00% 3.25%		7.0% floor

Permanent Loan - Takeout

Stabilized Net Operating Income	$ 1,107,001	2nd year based on but funded the 1st year			
Permanent Loan Amount	$ 12,300,000		Valuation Analysis		
Maximum Loan to Value	75.00%		Stabilized NOI	$ 1,107,001	
Actual Loan to Value	75.00%		Stabilized Value	$ 16,400,015	$121.44 per sf · $123,308 per unit
Actual DSC	1.47 x		Stabilized Cap Rate	6.75%	from above
Required Minimum DSC for Takeout Loan	1.25x		Value/SFNRA	$ 111.44	
Interest Rate (locked) for Takeout Loan	5.40%		Loan/SFNRA	$ 91.08	
Amortization for Takeout Loan	480 Months	40 Years	Value/UNIT	$ 123,308.38	
Debt Service	$751,260		Loan/UNIT	$ 92,481.20	

Loan Gap Analysis for Takeout by Permanent Lender

Loan Constant	6.11%
Equity Payback at Refinance	$ 0
Balance of Equity in Deal after Perm Takeout	$ 5,658,741
GAP	None

Construction Budget

Category		Per Unit (Uses)	Project Costs (Uses)	Sources Loan Funding	Sources Equity Funding	Deferred Fees
Land Purchase Price		$ 21,053	$ 2,800,000	$ -	$ 2,800,000	
Site Costs		$ 1,278	170,011	0	170,011	
Subtotal		$ 22,331	$ 2,970,011	$ -	$ 2,970,011	$0
Cost to Construct		$ 85,286	$ 11,343,044	$ 8,654,313	$ 2,688,731	
Tenant Improvements		$ 2,582	343,374	343,374	0	
Other		$ -	0	0	0	
Hard Cost Contingency		$ 4,388	583,555	583,555	0	
Subtotal Hard Costs		$ 92,255	$ 12,269,973	$ 9,581,242	$ 2,688,731	$0
Architecture Engineering		$ 4,411	$ 586,710	$ 586,710	$ -	
Other		$ -	0	0	0	
User Fees		$ 1,853	246,483	246,483	0	
GC & OHD		$ 4,201	558,764	558,764	0	
Zoning & Legal		$ 376	50,000	50,000	0	
Soft Cost Contingency		$ 537	71,400	71,400	0	
Other		$ -	0	0	0	
Subtotal Soft Costs		$ 11,379	$ 1,513,358	$ 1,513,358	$ -	$0
Loan Interest Carry		$ -		$ -	$ -	
Loan Fees/Closing Costs	3.4%	$ 4,532	602,700	602,700	0	
Interest Carry until 1st year		$ 4,532	602,700	602,700		
Other		$ -		0		
Subtotal Financing/Carry		$ 9,063	$ 1,205,400	$ 1,205,400	$ -	$0
Developers Fee	0.00%	$ -	$ -	$ -	$ -	$ -
Leasing Commissions foApartment Space		$ -	0	0	0	
Marketing		$ -	0	0	0	
Operating Deficit		$ -	0	0		
Contingency	0.00%	$ -	0	0	0	
Subtotal Miscellaneous		$ -	$ -	$ -	$ -	$ -
TOTALS		$ 135,028	$ 17,958,741	$ 12,300,000	$ 5,658,742	$0

Appendix B 3.3

Non-Subsidized Returns based on Permanent Loan @ LTC of 68.49%

4410 Frankford Ave

Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 12-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	135,048 sf
Number of Units	133

	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Net Operating Income	$ -		$ 850,025	$ 1,107,001	$ 1,119,923	$ 1,132,619	$ 1,145,072	$ 1,163,087	$ 1,169,128	$ 1,180,681	$ 1,191,676	$ 1,202,672	$ 1,213,852	$ 1,249,442	$ 1,286,927	$ 1,325,535	$ 1,365,300	$ 1,406,258	$ 1,448,448	$ 1,491,899	$ 1,536,661	$ 1,582,757	$ 1,630,240	$ 1,679,145
% Growth				30.23%	1.17%	1.13%	1.10%	1.57%	0.52%	0.99%	0.95%	0.91%	0.86%	2.00%	1.00%	3.00%	3.00%	3.00%	3.00%	3.00%	1.00%	3.00%	3.00%	3.00%
Property Cash Flow Before Debt	$ -		$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,288,440	$ 1,325,218	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,512
$CF / SF	$ -		$ 6.08	$ 7.98	$ 8.07	$ 8.18	$ 8.25	$ 8.37	$ 8.41	$ 8.49	$ 8.57	$ 8.64	$ 8.71	$ 8.98	$ 9.25	$ 9.53	$ 9.81	$ 10.11	$ 10.41	$ 10.73	$ 11.05	$ 11.38	$ 11.73	$ 12.08
$CF/Unit			$ 6,178	$ 8,105	$ 8,196	$ 8,286	$ 8,374	$ 8,504	$ 8,541	$ 8,624	$ 8,702	$ 8,776	$ 8,848	$ 9,115	$ 9,389	$ 9,672	$ 9,964	$ 10,265	$ 10,574	$ 10,893	$ 11,321	$ 11,560	$ 11,908	$ 12,167
Monthly Net Rent			$ 315	$ 675	$ 683	$ 691	$ 698	$ 709	$ 712	$ 713	$ 725	$ 731	$ 737	$ 760	$ 782	$ 806	$ 830	$ 855	$ 881	$ 908	$ 935	$ 963	$ 992	$ 1,022
% Growth				81.19%	1.13%	1.10%	1.06%	1.55%	0.46%	0.94%	0.90%	0.86%	0.81%	3.02%	3.02%	3.02%	3.02%	1.02%	3.02%	3.01%	3.02%	3.01%	3.01%	1.01%
UNLEVERAGED ANALYSIS																								
Unleveraged NOI Return on Investment			5.07%	6.61%	6.68%	6.78%	6.83%	6.94%	6.98%	7.05%	7.11%	7.18%	7.24%	7.46%	7.68%	7.91%	8.15%	8.39%	8.65%	8.91%	9.17%	9.45%	9.73%	10.02%
Cash on Cash Return on Investment			4.90%	6.43%	6.51%	6.58%	6.65%	6.75%	6.78%	6.85%	6.91%	6.97%	7.02%	7.24%	7.45%	7.68%	7.91%	8.15%	8.39%	8.65%	8.91%	9.18%	9.45%	9.74%
UNLEVERAGED IRR			-3.64%	-0.79%	0.89%	2.00%	2.84%	3.36%	3.81%	4.16%	4.44%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($16,753,341)	$0	$0	14,991,278																					
2 YEARS	($16,753,341)	$0	$0	821,665	15,412,946																				
3 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	15,587,650																			
4 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	15,750,987																		
5 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	16,081,280																	
6 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	16,095,439																
7 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,111,000	16,240,956															
8 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	16,402,983														
9 YEARS	($16,753,341)	$0	$0	821,665	1,077,931	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	16,591,524													
10 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	16,694,307												
11 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	1,167,254	17,169,603											
12 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,321	1,167,254	1,176,748	17,684,897										
13 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	1,167,254	1,176,748	1,212,231	18,215,634									
14 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	1,167,254	1,176,748	1,212,231	1,248,786	18,762,280								
15 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,321	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	19,325,330							
16 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	1,325,218	19,905,318						
17 YEARS	($16,753,341)	$0	$0	811,665	1,077,931	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,321	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	1,325,218	1,365,184	20,502,603					
18 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	1,325,218	1,365,184	1,406,347	21,118,083				
19 YEARS	($16,753,341)	$0	$0	811,665	1,077,932	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	1,325,218	1,365,184	1,406,347	1,448,742	21,751,718			
20 YEARS	($16,753,341)	$0	$0	821,665	1,077,931	1,090,127	1,102,078	1,113,767	1,131,000	1,136,239	1,146,970	1,157,322	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	1,325,218	1,365,184	1,406,347	1,448,742	1,492,429	22,404,491		
21 YEARS	($16,753,341)	$0	$0	821,665	1,077,933	1,090,127	1,102,078	1,113,767	1,111,000	1,136,239	1,146,970	1,157,332	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	1,325,218	1,365,184	1,406,347	1,448,742	1,492,429	1,537,419	23,076,625	
22 YEARS	($16,753,341)	$0	$0	821,665	1,077,932	1,090,117	1,102,078	1,113,767	1,111,000	1,136,239	1,146,970	1,157,922	1,167,254	1,176,748	1,212,231	1,248,786	1,288,440	1,325,218	1,365,184	1,406,347	1,448,742	1,492,429	1,537,411	1,583,769	

LEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748	$ 1,212,231	$ 1,248,786	$ 1,288,440	$ 1,325,218	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,512
Annual Payment	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260
Cash Flow After Debt	$ 70,405	$ 326,672	$ 338,867	$ 350,818	$ 362,507	$ 379,740	$ 384,979	$ 395,710	$ 406,062	$ 415,994	$ 425,488	$ 460,971	$ 497,526	$ 335,180	$ 573,968	$ 613,914	$ 655,087	$ 697,482	$ 741,169	$ 786,159	$ 832,509	$ 880,252
Cash on Cash Return on Investment	NA	5.77%	5.99%	6.20%	6.41%	6.71%	6.80%	6.99%	7.18%	7.35%	7.52%	8.15%	8.79%	9.46%	10.14%	10.85%	11.58%	12.33%	13.10%	13.89%	14.71%	15.56%
LEVERAGED IRR	Can't Sell This Yr	-17.64%	-10.97%	-6.61%	-3.34%	-1.39%	0.23%	1.48%	2.45%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($5,658,741)	$0	$0	$2,829,263																					
2 YEAR	($5,658,741)	$0	$0	70,405	$2,545,122																				
3 YEAR	($5,658,741)	$0	$0	$70,405	$326,672	$2,818,227																			
4 YEAR	($5,658,741)	$0	$0	$70,405	$316,672	$338,867	$3,095,468																		
5 YEAR	($5,658,741)	$0	$0	$70,405	$326,672	$338,867	$350,818	$3,448,473																	
6 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$3,659,871																
7 YEAR	($5,658,741)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$3,934,296															
8 YEAR	($5,658,741)	$0	$0	$70,405	$326,672	$338,867	$350,813	$362,507	$379,740	$384,979	$4,220,457														
9 YEAR	($5,658,741)	$0	$0	$70,405	$326,672	$338,867	$350,811	$362,507	$379,740	$384,979	$395,710	$4,506,356													
10 YEAR	($5,658,741)	$0	$0	$70,405	$316,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	$4,794,059												
11 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	$5,422,322											
12 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	$6,099,044										
13 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	$6,800,149									
14 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	$7,526,594								
15 YEAR	($5,658,742)	$0	$0	$70,405	$316,672	$338,867	$350,811	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	$8,279,393							
16 YEAR	($5,658,742)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	573,968	$9,059,639						
17 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$376,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	573,968	613,924	$9,868,263					
18 YEAR	($5,658,742)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	573,968	613,924	655,087	$10,706,705				
19 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	573,968	613,924	655,087	697,482	$11,573,808			
20 YEAR	($5,658,742)	$0	$0	$70,405	$316,672	$338,867	$350,811	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	573,968	613,924	655,087	697,482	741,169	$12,476,998		
21 YEAR	($5,658,742)	$0	$0	$70,405	$316,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	573,968	612,924	655,087	697,482	741,169	786,159	$13,411,500	
22 YEAR	($5,658,742)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	406,062	415,994	425,488	460,971	497,526	535,180	573,968	612,924	655,087	697,482	741,169	786,159	832,509	

Appendix B 3.4
"What-If" Returns II achieving 10% Cash on Cash
Bridging Equity Gap through Subsidies based on Permanent Loan @ LTC of 68.49%

4410 Frankford Ave

Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 11-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	115,048 sf
Number of Units	111

LEVERAGED ANALYSIS

Goal Seek to MAX Amount of Equity for investors to achieve a 10% Cash on Cash return. Equity Balance must be made up with Alternative Economic Development Incentives

	1	2	3	4	5	6	7	8	9	10	11
Property Cash Flow Before Debt	$ 811,665	$ 1,077,911	$ 1,090,127	$ 1,102,078	$ 1,113,747	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,311	$ 1,167,254	$ 1,176,748
Annual Payment	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260
Cash Flow After Debt	$ 70,405	$ 326,872	$ 338,867	$ 350,818	$ 362,507	$ 379,740	$ 384,979	$ 395,710	$ 406,061	$ 415,994	$ 425,488
Cash on Cash Return on Investment	NA	10.04%	10.42%	10.78%	11.14%	11.67%	11.83%	12.16%	12.48%	12.79%	13.08%
LEVERAGED IRR	Can't Sell This Yr.	-5.34%	-0.24%	2.92%	5.27%	6.46%	7.48%	8.23%	8.74%	9.20%	9.20%

	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,211	$ 1,365,184	$ 1,406,347	$ 1,448,741	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,511
Annual Payment	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260	751,260
Cash Flow After Debt	$ 460,971	$ 497,518	$ 535,180	$ 573,968	$ 613,924	$ 655,087	$ 697,481	$ 741,168	$ 786,159	$ 832,509	$ 880,251
Cash on Cash Return on Investment	14.17%	15.29%	16.45%	17.64%	18.87%	20.14%	21.44%	22.78%	24.17%	25.59%	27.06%
LEVERAGED IRR	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11
1 YEAR	($3,253,274)	$0	$0	$2,029,265										
2 YEAR	($3,253,274)	$0	$0	$ 70,405	$2,545,111									
3 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$2,819,227								
4 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$3,095,468							
5 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$3,448,473						
6 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$3,659,871					
7 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$3,936,296				
8 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$4,220,457			
9 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$4,506,336		
10 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$4,794,059	
11 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$5,422,321
12 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
13 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
14 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
15 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
16 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
17 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
18 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
19 YEAR	($3,253,274)	$0	$0	$70,405	$326,672	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
20 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
21 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488
22 YEAR	($3,253,274)	$0	$0	$70,405	$326,671	$338,867	$350,818	$362,507	$379,740	$384,979	$395,710	$ 406,062	$ 415,994	$ 425,488

Holding Period	12	13	14	15	16	17	18	19	20	21	22
12 YEAR	$6,099,044										
13 YEAR	$ 460,971	$6,800,149									
14 YEAR	$ 460,971	$ 497,526	$7,526,594								
15 YEAR	$ 460,971	$ 497,526	$ 535,180	$8,279,395							
16 YEAR	$ 460,971	$ 497,526	$ 535,180	$ 573,968	$9,059,639						
17 YEAR	$ 460,971	$ 497,526	$ 535,180	$ 573,968	$ 613,924	$9,868,265					
18 YEAR	$ 460,971	$ 497,526	$ 535,180	$ 573,968	$ 613,924	$ 655,087	$10,706,705				
19 YEAR	$ 460,971	$ 497,526	$ 535,180	$ 573,968	$ 613,924	$ 655,087	$ 697,482	$11,575,808			
20 YEAR	$ 460,971	$ 497,526	$ 535,180	$ 573,968	$ 613,924	$ 655,087	$ 697,482	$ 741,169	$12,476,998		
21 YEAR	$ 460,971	$ 497,526	$ 535,180	$ 573,968	$ 613,924	$ 655,087	$ 697,482	$ 741,169	$ 786,159	$13,411,500	
22 YEAR	$ 460,971	$ 497,526	$ 535,180	$ 573,968	$ 613,924	$ 655,087	$ 697,482	$ 741,169	$ 786,159	$ 832,509	

Appendix B 4.1
10 and 20 Year DCF results based on Permanent Loan @ LTV of 70%

4410 Frankford Ave
DISCOUNTED CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Net Operating Income	$850,025	$1,107,001	$1,119,923	$1,132,619	$1,145,071	$1,163,087	$1,169,128	$1,180,681	$1,191,876	$1,202,672	$1,215,051	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$16,174,014	Reversion
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$0	
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$646,961	Sale Cost
CASH FLOW	$821,665	$1,077,932	$1,090,127	$1,102,078	$1,113,767	$1,131,000	$1,136,239	$1,146,970	$1,157,322	$16,694,307	$15,527,053	Net Reversion

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Net Operating Income	$850,025	$1,107,001	$1,119,923	$1,132,619	$1,145,071	$1,163,087	$1,169,128	$1,180,681	$1,191,826	$1,202,672	$1,213,051
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	35,418	36,303
CASH FLOW	$821,665	$1,077,932	$1,090,127	$1,102,078	$1,113,767	$1,131,000	$1,136,239	$1,146,970	$1,157,322	$1,167,254	$1,176,748

	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	
Net Operating Income	$1,249,442	$1,286,927	$1,325,535	$1,365,300	$1,406,258	$1,448,448	$1,491,895	$1,536,661	$1,582,757	$1,630,240	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$21,736,533	Reversion
Less Reserves	$37,213	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$0	
Sub total	$37,213	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$869,467	Sale Cost
CASH FLOW	$1,212,231	$1,248,786	$1,286,440	$1,325,228	$1,365,184	$1,406,347	$1,448,742	$1,492,429	$22,404,491	$20,867,072	Net Reversion

VALUATION MATRIX - DCF 10 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$14,425,425	$108,461.84	$17,878,381	($3,452,957)	NO
8.25%	$14,176,770	$106,592.25	$17,878,381	($3,701,612)	NO
8.50%	$13,933,704	$104,764.69	$17,878,381	($3,944,677)	NO
8.75%	$13,696,084	$102,978.07	$17,878,381	($4,182,298)	NO
9.00%	$13,463,769	$101,231.35	$17,878,381	($4,414,612)	NO
9.25%	$13,236,624	$99,523.49	$17,878,381	($4,641,758)	NO
9.50%	$13,014,516	$97,853.50	$17,878,381	($4,863,866)	NO

VALUATION MATRIX - DCF 20 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$15,828,181	$119,008.88	$17,878,381	($2,050,200)	NO
8.25%	$15,400,288	$115,791.64	$17,878,381	($2,478,093)	NO
8.50%	$14,988,764	$112,697.48	$17,878,381	($2,889,617)	NO
8.75%	$14,592,886	$109,720.95	$17,878,381	($3,285,495)	NO
9.00%	$14,211,965	$106,856.88	$17,878,381	($3,666,416)	NO
9.25%	$13,845,346	$104,100.25	$17,878,381	($4,033,035)	NO
9.50%	$13,492,405	$101,446.65	$17,878,381	($4,385,977)	NO

4410 Frankford Ave
VALUATION MATRIX - DIRECT CAP

Cap Rate	Projected NOI	Value	Value/Unit	Development Costs	NPV	Value Creation
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,878,381	($1,478,367)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,878,381	($1,478,367)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,878,381	($1,478,367)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,878,381	($1,478,367)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,878,381	($1,478,367)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,878,381	($1,478,367)	NO
6.75%	$1,107,001	$16,400,015	$123,308.38	$17,878,381	($1,478,367)	NO

Appendix B 4.2 Financing Source

4410 Frankford Ave

Sources & Uses, Financing, Budget

Apartment SF	135,048 gross sf
Other	0 sf
Other	0 sf
Square Foot Area	135,048 gross sf
Number of Units	133

Sources & Uses

Sources		Uses			
1st Position Debt	$ 11,480,000	Acquisition Price of Property	$ 2,800,000	$20.73 per sf	$21,053 per unit
Equity Contribution	6,398,382	Development Costs	15,078,381	$111.65 per sf	$113,371 per unit
Deferred Developer Fee	-	Deferred Developer Fee	-		
Sub-Total	$ 17,878,381	Sub-Total	$ 17,878,381	$132.39 per sf	$134,414 per unit
Balance	$ -				

Construction Loan

Stabilized Net Operating Income	$1,107,001	2nd year				
Stabilized Cap Rate	6.75%					
Concluded Value "At Stabilization"	$ 16,400,015					
Proposed Acquisition/Construction Loan Amount	$ 11,480,000					
Proposed Acquisition/Construction Loan Term	24 Months	2.00 Years				
Financial Institution Maximum Loan to Value	70.0%		Actual Loan to Value	70.00%	0.00% variance	$ 11,480,010.37
Financial Institution Maximum Loan to Cost	75.0%		Actual Loan to Cost	64.21%	10.79% variance	
Contributed Equity to Cost				35.79%		
Underwritten Construction Rate - Interest Only Rate (locked)	7.00%	30 DAY LIBOR 0.25%	SPREAD OF 3.00%	3.25%		7.0% floor

Permanent Loan - Takeout

Stabilized Net Operating Income	$ 1,107,001	2nd year based on but funded the 1st year				
Permanent Loan Amount	$ 11,480,000		Valuation Analysis			
Maximum Loan to Value	70.00%		Stabilized NOI	$ 1,107,001		
Actual Loan to Value	70.00%		Stabilized Value	$ 16,400,015	$121.44 per sf	$123,308 per unit
Actual DSC	1.58 x		Stabilized Cap Rate	6.75%	from above	
Required Minimum DSC for Takeout Loan	1.25x		Value/SFNRA	$ 121.44		
Interest Rate (locked) for Takeout Loan	5.40%		Loan/SFNRA	$ 85.01		
Amortization for Takeout Loan	480 Months	40 Years	Value/UNIT	$ 123,308.38		
Debt Service	$701,176		Loan/UNIT	$ 86,315.79		

Loan Gap Analysis for Takeout by Permanent Lender

Loan Constant	6.11%
Equity Payback at Refinance	$ 0
Balance of Equity in Deal after Perm Takeout	$ 6,398,381
GAP	None

Construction Budget

Category		Per Unit	Uses Project Costs	Sources Loan Funding	Sources Equity Funding	Deferred Fees
Land Purchase Price		$ 11,053	2,800,000	$ -	$ 2,800,000	
Site Costs		$ 1,278	170,011	0	170,011	
	Subtotal	$ 22,331	2,970,011	$ -	$ 2,970,011	$0
Cost to Construct		$ 85,286	11,343,044	$ 7,914,673	$ 3,428,371	
Tenant Improvements		$ 2,582	343,374	343,374	0	
Other		$ -	0	0	0	
Hard Cost Contingency		$ 4,388	583,555	583,555	0	
	Subtotal Hard Costs	$ 92,255	12,269,973	$ 8,841,602	$ 3,428,371	$0
Architecture Engineering		$ 4,411	586,710	$ 586,710	$	
Other		$ -	0	0	0	
User Fees		$ 1,853	246,483	246,483	0	
GC & DHD		$ 4,201	558,764	558,764	0	
Zoning & Legal		$ 376	50,000	50,000	0	
Soft Cost Contingency		$ 537	71,400	71,400	0	
Other		$ -	0	0	0	
	Subtotal Soft Costs	$ 11,379	1,513,358	$ 1,513,358	$	$0
Loan Interest Carry		$ -		$ -	$	
Loan Fees/Closing Costs	3.1%	$ 4,229	562,520	562,520	0	
Interest Carry until 1st year		$ 4,229	562,520	562,520		
Other		$ -		0		
	Subtotal Financing/Carry	$ 8,459	1,125,040	$ 1,125,040	$	$0
Developers Fee	0.00%	$ -		$ -	$	$
Leasing Commissions foApartment Space		$ -	0	0	0	
Marketing		$ -	0	0	0	
Operating Deficit		$ -	0	0		
Contingency	0.00%	$ -	0	0	0	
	Subtotal Miscellaneous	$ -		$ -	$	$ -
TOTALS		$ 134,424	17,878,381	$ 11,480,000	$ 6,398,382	$0

Appendix B 4.3
Non-Subsidized Returns based on Permanent Loan @ LTV of 70%

4410 Frankford Ave
Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 2-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 11-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	195,048 sf
Number of Units	132

	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11
Net Operating Income	$ -		$ 850,025	$ 1,187,001	$ 1,119,923	$ 1,132,619	$ 1,145,071	$ 1,163,087	$ 1,169,128	$ 1,180,681	$ 1,191,876	$ 1,202,672	$ 1,213,051
% Growth				30.23%	3.17%	1.13%	1.10%	1.57%	0.52%	0.99%	0.95%	0.91%	0.86%
Property Cash Flow Before Debt	$ -		$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,071	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748
SCF / SF	$ -		$ 6.08	$ 7.98	$ 6.07	$ 6.16	$ 6.25	$ 8.37	$ 6.41	$ 8.49	$ 8.57	$ 6.64	$ 6.71
SCF/Unit			$ 6,178	$ 8,105	$ 8,196	$ 8,286	$ 8,374	$ 8,504	$ 8,543	$ 6,624	$ 8,702	$ 8,776	$ 8,848
Monthly Net Rent			$ 515	$ 675	$ 683	$ 691	$ 698	$ 709	$ 711	$ 719	$ 725	$ 731	$ 737
% Growth				71.19%	2.12%	1.10%	1.06%	1.55%	0.46%	0.94%	0.90%	0.86%	0.81%

	12	13	14	15	16	17	18	19	20	21	22
Net Operating Income	$ 1,249,442	$ 1,286,927	$ 1,325,535	$ 1,365,300	$ 1,406,258	$ 1,448,448	$ 1,491,895	$ 1,536,651	$ 1,582,757	$ 1,630,240	$ 1,679,145
% Growth	1.00%	3.00%	1.00%	3.00%	3.00%	2.00%	1.00%	3.00%	1.00%	3.00%	3.00%
Property Cash Flow Before Debt	$ 1,212,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,406,347	$ 1,448,742	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,512
SCF / SF	$ 8.98	$ 9.25	$ 9.51	$ 9.81	$ 10.11	$ 20.41	$ 10.73	$ 11.05	$ 11.38	$ 12.73	$ 12.08
SCF/Unit	$ 9,115	$ 9,389	$ 9,672	$ 9,964	$ 10,165	$ 10,574	$ 10,893	$ 11,221	$ 11,560	$ 11,908	$ 12,267
Monthly Net Rent	$ 760	$ 732	$ 808	$ 830	$ 855	$ 881	$ 908	$ 935	$ 963	$ 992	$ 1,021
% Growth	2.02%	1.02%	3.02%	3.02%	3.02%	1.02%	3.01%	3.02%	1.01%	3.01%	3.01%

UNLEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Unleveraged NOI Return on Investment	5.07%	6.61%	6.68%	8.76%	6.83%	6.94%	6.98%	7.05%	7.11%	7.18%	7.24%
Cash on Cash Return on Investment	4.90%	6.43%	6.51%	6.58%	6.65%	6.75%	6.78%	6.85%	8.91%	6.97%	7.02%
UNLEVERAGED IRR	-3.64%	-0.79%	0.89%	2.00%	2.84%	3.36%	3.81%	4.16%	6.44%	4.67%	4.67%

	12	13	14	15	16	17	18	19	20	21	22
Unleveraged NOI Return on Investment	7.46%	7.68%	7.91%	8.15%	8.19%	8.65%	6.91%	9.17%	9.45%	9.73%	10.02%
Cash on Cash Return on Investment	7.24%	7.45%	7.68%	7.91%	4.15%	8.39%	6.65%	6.91%	9.18%	9.45%	9.74%
UNLEVERAGED IRR	6.67%	4.67%	6.67%	4.67%	4.67%	6.67%	4.67%	4.67%	4.67%	4.67%	6.67%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11
1 YEAR	($16,753,341)	$0	$0	$ 14,992,278										
2 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 15,412,946									
3 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 1,077,931	$ 15,587,650								
4 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 15,758,887							
5 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 16,001,280						
6 YEARS	($16,753,341)	$0	$0	$ 411,665	$ 1,077,932	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 16,095,439					
7 YEARS	($16,753,341)	$0	$0	$ 421,665	$ 1,077,931	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,151,000	$ 16,248,956				
8 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 16,402,983			
9 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 16,551,524		
10 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 16,694,907	
11 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 1,077,931	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,121,000	$ 1,136,239	$ 1,146,970	$ 1,137,322	$ 1,167,254	$ 17,168,605
12 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,931	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,311	$ 1,167,254	$ 1,176,748
13 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748
14 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,276,748
15 YEARS	($16,753,341)	$0	$0	$ 421,665	$ 1,077,932	$ 1,090,117	$ 1,102,076	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,178,748
16 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,213,767	$ 1,121,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748
17 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,931	$ 1,090,127	$ 1,102,078	$ 1,111,767	$ 1,121,000	$ 1,136,239	$ 1,146,970	$ 1,137,322	$ 1,167,254	$ 1,176,748
18 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,146,970	$ 1,137,322	$ 1,267,254	$ 1,178,748
19 YEARS	($16,753,341)	$0	$0	$ 621,665	$ 1,077,931	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,239	$ 1,246,970	$ 1,157,322	$ 1,167,254	$ 1,176,748
20 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 1,077,932	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,131,000	$ 1,136,238	$ 1,146,970	$ 1,197,322	$ 1,167,254	$ 1,176,748
21 YEARS	($16,753,341)	$0	$0	$ 821,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748
22 YEARS	($16,753,341)	$0	$0	$ 811,665	$ 1,077,932	$ 1,090,127	$ 1,102,078	$ 1,113,767	$ 1,121,000	$ 1,116,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,176,748

Holding Period	12	13	14	15	16	17	18	19	20	21	22
12 YEARS	$ 17,684,897										
13 YEARS	1,212,231	$ 18,215,634									
14 YEARS	1,212,231	1,248,786	$ 18,762,280								
15 YEARS	1,212,231	1,248,786	1,286,440	$ 19,325,330							
16 YEARS	1,212,231	1,248,786	1,286,440	1,325,228	$ 19,905,318						
17 YEARS	1,212,231	1,248,786	1,286,440	1,325,228	1,365,184	$ 20,502,603					
18 YEARS	1,212,231	1,248,786	2,286,440	1,325,228	1,365,184	1,406,347	$ 21,118,609				
19 YEARS	1,212,231	1,248,786	1,286,440	1,325,228	1,365,184	1,406,347	1,448,742	$ 21,751,718			
20 YEARS	1,212,231	1,248,786	1,286,440	1,325,228	1,365,184	1,406,347	1,448,742	1,492,429	$ 22,404,491		
21 YEARS	1,212,231	2,248,786	1,286,440	1,325,228	1,365,184	1,406,347	1,448,742	1,492,429	1,537,416	$ 23,076,825	
22 YEARS	1,212,231	1,248,786	1,286,440	1,325,228	1,365,184	1,406,347	1,448,742	1,492,429	1,537,419	1,583,769	

LEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Property Cash Flow Before Debt	$ 821,665	$ 1,077,911	$ 1,090,117	$ 1,102,078	$ 1,113,767	$ 1,111,000	$ 1,136,239	$ 1,146,970	$ 1,157,322	$ 1,167,254	$ 1,276,748
Annual Payment	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176
Cash Flow After Debt	$ 120,489	$ 276,756	$ 388,951	$ 400,902	$ 412,591	$ 429,824	$ 435,083	$ 445,794	$ 456,146	$ 466,078	$ 475,572
Cash on Cash Return on Investment	NA	5.89%	6.08%	6.27%	6.45%	6.72%	6.80%	6.97%	7.13%	7.28%	7.43%
LEVERAGED IRR	Can't Sell This Yr.	-13.98%	-8.44%	-4.83%	-2.10%	-0.46%	0.92%	1.98%	2.82%	1.48%	3.48%

	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 1,212,231	$ 1,248,788	$ 1,286,440	$ 1,125,229	$ 1,365,184	$ 1,406,347	$ 1,448,781	$ 1,492,429	$ 1,537,419	$ 1,583,769	$ 1,631,511
Annual Payment	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176
Cash Flow After Debt	$ 511,055	$ 547,610	$ 585,264	$ 624,051	$ 664,008	$ 705,172	$ 747,566	$ 791,253	$ 836,243	$ 882,593	$ 930,334
Cash on Cash Return on Investment	7.99%	8.56%	9.15%	9.75%	10.38%	11.02%	11.68%	12.37%	13.07%	12.79%	14.54%
LEVERAGED IRR	3.48%	1.48%	2.48%	3.48%	3.48%	9.48%	3.48%	1.48%	2.48%	9.48%	1.48%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11
1 YEAR	($6,398,382)	$0	$0	$2,893,480										
2 YEAR	($6,398,382)	$0	$0	120,489	$3,401,976									
3 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$3,670,455								
4 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$3,939,703							
5 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$4,185,317						
6 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,592	$4,488,936					
7 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$439,824	$4,757,140				
8 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$5,032,625			
9 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	$5,309,348		
10 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	$5,587,409	
11 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	$6,205,474
12 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,572
13 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,572
14 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,572
15 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,572
16 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,571
17 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,571
18 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,571
19 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,571
20 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,572
21 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,571
22 YEAR	($6,398,382)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,083	$445,794	456,146	466,078	475,571

Holding Period	12	13	14	15	16	17	18	19	20	21	22
12 YEAR	$6,871,434										
13 YEAR	511,055	$7,561,181									
14 YEAR	511,055	547,611	$8,275,640								
15 YEAR	511,055	547,610	585,264	$9,015,791							
16 YEAR	511,055	547,610	585,264	624,052	$9,762,685						
17 YEAR	511,055	547,610	585,264	624,052	664,008	$10,577,221					
18 YEAR	511,055	547,610	585,264	624,052	664,008	705,171	$11,400,791				
19 YEAR	511,055	547,610	585,264	624,052	664,008	705,171	747,566	$12,254,202			
20 YEAR	511,055	547,610	585,264	624,052	664,008	705,171	747,566	791,253	$13,136,831		
21 YEAR	511,055	547,610	585,264	624,052	664,008	705,171	747,566	791,253	836,343	$14,055,835	
22 YEAR	511,055	547,610	585,264	624,052	664,008	705,171	747,566	791,253	836,343	882,593	

Appendix B 4.4
"What-If" Returns II achieving 10% Cash on Cash
Bridging Equity Gap through Subsidies based on Permanent Loan @ LTV of 70%

4410 Frankford Ave
Return Analysis

ost Basis (refer to budget)	$16,753,341
erminal Cap Rate for Reversion Yrs 1-3	7.50%
erminal Cap Rate for Reversion Yrs 4-7	7.50%
erminal Cap Rate for Reversion Yrs 8-11	7.50%
erminal Cap Rate for Reversion Yrs 13-14	7.50%
erminal Cap Rate for Reversion Yrs 15-20	7.50%
lling Costs for Reversion	4.00%
uilding Size:	115,048 sf
umber of Units	133

LEVERAGED ANALYSIS

Goal Seek to MAX Amount of Equity for Investors to achieve a 10% Cash on Cash return. Equity Balance must be made up with Alternative Economic Development Incentives

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
operty Cash Flow Before Debt	$ 831,665	$ 1,077,932	$ 1,090,117	$ 1,102,074	$ 1,113,767	$ 1,131,000	$ 1,134,239	$ 1,148,970	$ 1,157,322	$ 1,167,254	$ 1,176,748	$ 1,112,231	$ 1,248,786	$ 1,286,440	$ 1,325,228	$ 1,365,184	$ 1,408,347	$ 1,448,742	$ 1,492,429	$ 1,517,419	$ 1,583,769	$ 1,631,512
nnual Payment	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176	701,176
ash Flow After Debt	$ 120,489	$ 376,756	$ 388,951	$ 400,902	$ 412,591	$ 429,824	$ 435,063	$ 445,794	$ 458,146	$ 466,078	$ 475,571	$ 511,055	$ 547,610	$ 585,264	$ 624,052	$ 664,008	$ 705,171	$ 747,566	$ 791,253	$ 836,243	$ 882,593	$ 930,336
Cash on Cash Return on Investment	NA	10.05%	10.38%	10.70%	11.01%	11.47%	11.61%	11.90%	12.17%	11.44%	11.69%	15.64%	14.41%	15.62%	16.65%	17.72%	18.82%	18.95%	11.11%	13.11%	23.55%	24.83%
LEVERAGED IRR	Can't Sell This Yr.	-1.54%	2.22%	4.56%	6.33%	7.21%	7.88%	8.55%	8.97%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%	9.29%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($3,747,557)	$0	$0	$2,893,408																					
2 YEAR	($3,747,557)	$0	$0	$ 120,489	$3,402,976																				
3 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$3,670,455																			
4 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$3,939,703																		
5 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$4,285,327																	
6 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$4,488,938																
7 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$419,814	$4,757,140															
8 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$5,032,625														
9 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,901	$412,591	$429,824	$435,063	$445,794	$5,309,348													
10 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,874	$435,063	$445,794	$ 456,146	$5,587,409												
11 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$445,794	$ 456,148	$ 466,078	$6,205,474											
12 YEAR	($3,743,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$445,794	$ 456,148	$ 466,078	$ 475,572	$6,871,434										
13 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$428,824	$435,063	$445,794	$ 456,148	$ 466,078	$ 475,571	$ 511,055	$7,561,181									
14 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$384,951	$400,902	$412,591	$429,824	$415,063	$445,794	$ 456,146	$ 466,078	$ 475,572	$ 511,055	$ 547,110	$8,275,640								
15 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$411,591	$429,824	$435,063	$445,794	$ 456,146	$ 468,078	$ 475,571	$ 511,055	$ 547,110	$ 585,264	$9,015,791							
16 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$445,794	$ 456,146	$ 466,078	$ 475,572	$ 511,055	$ 547,110	$ 585,264	$ 624,052	$9,782,683						
17 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$445,794	$ 456,146	$ 466,078	$ 475,572	$ 511,055	$ 547,110	$ 585,264	$ 624,052	$ 664,008	$10,577,221					
18 YEAR	($7,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$445,794	$ 456,146	$ 466,078	$ 475,572	$ 511,055	$ 547,110	$ 585,264	$ 624,052	$ 664,008	$ 705,171	$12,400,791				
19 YEAR	($1,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$445,794	$ 456,146	$ 466,078	$ 475,572	$ 511,055	$ 547,410	$ 585,264	$ 624,052	$ 664,008	$ 705,171	$ 747,566	$12,254,202			
20 YEAR	($1,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,901	$412,591	$429,824	$415,063	$445,794	$ 456,148	$ 466,078	$ 475,571	$ 511,055	$ 547,110	$ 585,264	$ 624,052	$ 664,008	$ 705,171	$ 747,566	$ 791,253	$13,138,031		
21 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,824	$435,063	$445,794	$ 456,146	$ 466,078	$ 475,572	$ 511,055	$ 547,610	$ 585,264	$ 624,052	$ 664,008	$ 705,171	$ 747,566	$ 791,253	$ 836,243	$14,055,855	
22 YEAR	($3,747,557)	$0	$0	$120,489	$376,756	$388,951	$400,902	$412,591	$429,814	$435,063	$445,794	$ 456,146	$ 466,078	$ 475,572	$ 511,055	$ 547,810	$ 585,264	$ 624,052	$ 664,008	$ 705,171	$ 747,566	$ 791,253	$ 836,243	$ 882,593	

Appendix B 5
Proforma 7.75% Market Rent Escalations

4410 Frankford Ave
Forecast

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Potential Gross Revenue											
Base Rental Revenue	$1,899,622	$2,038,980	$2,188,903	$2,350,201	$2,523,751	$2,710,492	$2,911,440	$3,127,688	$3,360,415	$3,610,886	$3,880,471
Absorption & Turnover Vacancy	358,229	105,617	113,801	122,620	132,125	142,362	153,395	165,287	178,098	191,900	206,772
Scheduled Base Rental Revenue	$1,541,393	$1,933,363	$2,075,102	$2,227,581	$2,391,626	$2,568,130	$2,758,045	$2,962,401	$3,182,317	$3,418,986	$3,673,699
Expense Reimbursement Revenue											
Taxes (state, county and municipality, fire, education)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property and liability)	0	0	0	0	0	0	0	0	0	0	0
CAM (site utilities, sweeping, landscaping, repairs)	0	0	0	0	0	0	0	0	0	0	0
Total Reimbursement Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Potential Gross Revenue	$2,541,393	$1,933,363	$2,075,102	$2,227,581	$2,391,626	$2,568,130	$2,758,045	$2,962,401	$3,182,317	$3,418,986	$3,673,699
General Vacancy - static	$77,070	$96,668	$103,755	$111,379	$119,581	$128,406	$137,902	$148,120	$159,116	$170,949	$183,685
Collection Loss - based on tenants history	33,021	42,309	45,588	49,121	52,928	57,030	61,449	66,212	71,343	76,872	87,830
Total Vacancy & Collection Loss	$110,091	$138,977	$149,343	$160,500	$172,509	$185,436	$199,351	$214,332	$230,459	$247,821	$266,515
Effective Gross Revenue	$1,431,302	$1,794,386	$1,925,759	$2,067,081	$2,219,117	$2,382,694	$2,558,694	$2,748,069	$2,951,858	$3,171,165	$3,407,184
Operating Expenses											
Taxes (state, county and municipality, fire, education)	$191,762	$216,700	$243,491	$271,696	$301,373	$326,750	$365,402	$399,887	$436,117	$474,151	$514,080
Insurance (property and liability)	23,647	24,356	25,087	25,840	26,615	27,413	28,236	29,083	29,955	30,854	31,779
CAM (site utilities, sweeping, landscaping, repairs)	158,588	163,503	168,407	173,460	178,664	184,024	189,546	195,230	201,086	207,121	213,335
Property Management (on site salary, acctg., fees)	20,865	21,491	22,136	22,800	23,484	24,188	24,914	25,661	26,431	27,224	28,041
Misc Legal	130,754	134,561	138,598	142,757	147,038	151,449	155,994	160,672	165,493	170,459	175,571
Total Operating Expenses	$525,116	$560,611	$597,719	$636,553	$677,174	$713,824	$764,092	$810,533	$859,077	$909,809	$962,806
Net Operating Income - THE MORE LUMPY THE MORE REALISTI	$906,186	$1,233,775	$1,328,040	$1,430,528	$1,541,943	$1,668,870	$1,794,602	$1,937,536	$2,092,781	$2,261,356	$2,444,378
Leasing & Capital Costs											
Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Leasing Commissions	0	0	0	0	0	0	0	0	0	0	0
Bank Required Reserves	28,360	29,069	29,796	30,541	31,304	32,087	32,889	33,711	34,554	35,418	36,303
Total Leasing & Capital Costs	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
Cash Flow Before Debt Service aka THE STRIP!	$877,826	$1,204,706	$1,298,244	$1,399,987	$1,510,639	$1,636,783	$1,761,713	$1,903,825	$2,058,227	$2,225,938	$2,408,075

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
Potential Gross Revenue											
Base Rental Revenue	$4,170,641	$4,482,982	$4,819,203	$5,181,144	$5,570,790	$5,990,277	$6,441,906	$6,928,158	$7,451,705	$8,015,425	$8,622,419
Absorption & Turnover Vacancy	222,794	240,062	258,665	278,709	300,314	323,587	348,665	375,688	404,804	436,176	469,977
Scheduled Base Rental Revenue	$3,947,847	$4,242,920	$4,560,538	$4,902,435	$5,270,476	$5,666,690	$6,093,241	$6,552,470	$7,046,901	$7,579,249	$8,152,442
Expense Reimbursement Revenue											
Taxes (state, county and municipality, fire, education)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance (property and liability)	0	0	0	0	0	0	0	0	0	0	0
CAM (site utilities, sweeping, landscaping, repairs)	0	0	0	0	0	0	0	0	0	0	0
Total Reimbursement Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Potential Gross Revenue	$3,947,847	$4,242,920	$4,560,538	$4,902,435	$5,270,476	$5,666,690	$6,093,241	$6,552,470	$7,046,901	$7,579,249	$8,152,442
General Vacancy - static	$197,392	$212,146	$228,027	$245,122	$263,524	$283,334	$304,662	$327,624	$352,345	$378,962	$407,622
Collection Loss - based on tenants history	89,249	96,166	103,619	111,649	120,302	129,626	139,672	150,496	162,160	174,727	188,268
Total Vacancy & Collection Loss	$286,641	$308,312	$331,646	$356,771	$383,826	$412,960	$444,334	$478,120	$514,505	$553,689	$595,890
Effective Gross Revenue	$3,661,206	$3,934,608	$4,228,892	$4,545,664	$4,886,650	$5,253,730	$5,648,907	$6,074,350	$6,532,396	$7,025,560	$7,556,552
Operating Expenses											
Taxes (state, county and municipality, fire, education)	$529,502	$545,387	$561,749	$578,601	$595,959	$613,838	$632,253	$651,221	$670,757	$690,880	$711,606
Insurance (property and liability)	32,733	33,715	34,726	35,768	36,841	37,946	39,085	40,257	41,465	42,709	43,990
CAM (site utilities, sweeping, landscaping, repairs)	219,733	226,327	233,115	240,108	247,311	254,731	262,373	270,243	278,350	286,702	295,305
Property Management (on site salary, acctg., fees)	28,882	29,748	30,641	31,560	32,507	33,482	34,487	35,521	36,587	37,684	38,815
Misc Legal	180,840	186,263	191,850	197,608	203,537	209,642	215,933	222,408	229,082	235,955	243,033
Total Operating Expenses	$991,690	$1,021,440	$1,052,081	$1,083,645	$1,116,155	$1,149,639	$1,184,131	$1,219,650	$1,256,241	$1,293,930	$1,332,749
Net Operating Income - THE MORE LUMPY THE MORE REALISTI	$2,669,516	$2,913,168	$3,176,811	$3,462,019	$3,770,495	$4,104,091	$4,464,776	$4,854,700	$5,276,155	$5,731,630	$6,223,803
Leasing & Capital Costs											
Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Leasing Commissions	0	0	0	0	0	0	0	0	0	0	0
Bank Required Reserves	37,211	38,141	39,095	40,072	41,074	42,101	43,153	44,232	45,338	46,471	47,633
Total Leasing & Capital Costs	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$46,471	$47,633
Cash Flow Before Debt Service aka THE STRIP!	$2,632,305	$2,875,027	$3,137,716	$3,421,947	$3,729,421	$4,061,990	$4,421,623	$4,810,468	$5,230,817	$5,685,159	$6,176,170

Appendix B 6.1

10 and 20 Year DCF results based on Permanent Loan DSCR 1.25x NOI

4410 Frankford Ave
DISCOUNTED CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Net Operating Income	$906,186	$1,233,775	$1,328,040	$1,430,528	$1,541,943	$1,668,870	$1,794,602	$1,937,536	$2,092,781	$2,261,356	$2,444,378	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$32,591,707	Reversion
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$0	
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$1,303,668	Sale Cost
CASH FLOW	$877,826	$1,204,706	$1,298,244	$1,399,987	$1,510,639	$1,636,783	$1,761,713	$1,903,825	$2,058,227	$33,513,976	$31,288,038	Net Reversion

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	
Net Operating Income	$906,186	$1,233,775	$1,328,040	$1,430,528	$1,541,943	$1,668,870	$1,794,602	$1,937,539	$2,092,781	$2,261,356	$2,444,378	$2,669,516	$2,913,168	$3,176,811	$3,462,019	$3,770,495	$4,104,091	$4,464,776	$4,854,700	$5,276,155	$5,731,630	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$76,421,733	Reversion
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$0	
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$3,056,869	Sale Cost
CASH FLOW	$877,826	$1,204,706	$1,298,244	$1,399,987	$1,510,639	$1,636,783	$1,761,713	$1,903,825	$2,058,227	$2,225,938	$2,408,075	$2,632,305	$2,875,027	$3,137,716	$3,421,947	$3,729,421	$4,061,990	$4,421,623	$4,810,468	$78,595,681	$73,364,864	Net Reversion

VALUATION MATRIX - DCF 10 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$24,574,431	$184,770.16	$18,337,019	$6,237,412	Yes
8.25%	$24,113,799	$181,306.76	$18,337,019	$5,776,780	Yes
8.50%	$23,663,848	$177,923.67	$18,337,019	$5,326,828	Yes
8.75%	$23,224,297	$174,618.78	$18,337,019	$4,887,278	Yes
9.00%	$22,794,876	$171,390.04	$18,337,019	$4,457,857	Yes
9.25%	$22,375,320	$168,235.49	$18,337,019	$4,038,301	Yes
9.50%	$21,965,374	$165,153.19	$18,337,019	$3,628,355	Yes

VALUATION MATRIX - DCF 20 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$36,634,399	$275,446.61	$18,337,019	$18,297,379	Yes
8.25%	$35,411,486	$266,251.78	$18,337,019	$17,071,467	Yes
8.50%	$34,239,408	$257,439.16	$18,337,019	$15,902,389	Yes
8.75%	$33,115,826	$248,991.17	$18,337,019	$14,778,807	Yes
9.00%	$32,038,517	$240,891.10	$18,337,019	$13,701,498	Yes
9.25%	$31,005,367	$233,123.06	$18,337,019	$12,668,348	Yes
9.50%	$30,014,366	$225,671.92	$18,337,019	$11,677,347	Yes

4410 Frankford Ave
VALUATION MATRIX - DIRECT CAP

Cap Rate	Projected NOI	Value	Value/Unit	Development Costs	NPV	Value Creation
6.75%	$1,233,775	$18,278,148	$177,429.69	$18,337,019	($58,871)	NO
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,337,019	($58,871)	NO
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,327,019	($58,871)	NO
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,337,019	($58,871)	NO
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,337,019	($58,871)	NO
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,337,019	($58,871)	NO
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,337,019	($58,871)	NO

4410 Frankford Ave

Sources & Uses, Financing, Budget

Apartment SF	135,048 gross sf
Other	0 sf
Other	0 sf
Square Foot Area	135,048 gross sf
Number of Units	133

Sources & Uses

Sources			Uses				
1st Position Debt	$	16,159,978	Acquisition Price of Property	$	2,800,000	$20.73 per sf	$21,053 per unit
Equity Contribution		2,177,041	Development Costs		15,537,019	$115.05 per sf	$116,820 per unit
Deferred Developer Fee		-	Deferred Developer Fee		-		
Sub-Total	$	18,337,019	Sub-Total	$	18,337,019	$135.78 per sf	$137,872 per unit
Balance	$	-					

Construction Loan

Stabilized Net Operating Income		$1,233,775	2nd year				
Stabilized Cap Rate		6.75%					
Concluded Value "At Stabilization"	$	18,278,148					
Proposed Acquisition/Construction Loan Amount	$	16,159,978					
Proposed Acquisition/Construction Loan Term		24 Months	2.00 Years				
Financial Institution Maximum Loan to Value		70.0%	Actual Loan to Value	88.41%	-18.41% variance		$ 12,794,703.70
Financial Institution Maximum Loan to Cost		75.0%	Actual Loan to Cost	88.13%	-13.13% varience		
Contributed Equity to Cost				11.87%			
Underwritten Construction Rate - Interest Only Rate (locked)		7.00%	30 DAY LIBOR 0.25%	SPREAD OF 3.00%	3.25%		7.0% floor

Permanent Loan - Takeout

Stabilized Net Operating Income	$	1,233,775	2nd year based on but funded the 1st year				
Permanant Loan Amount	$	16,159,979		Valuation Analysis			
Maximum Loan to Value		70.00%		Stablized NOI	$	1,233,775	
Actual Loan to Value		88.41%		Stablized Value	$	18,278,148	$135.35 per sf / $137,430 per unit
Actual DSC		1.25 x		Stablized Cap Rate		6.75%	from above
Required Minimum DSC for Takeout Loan		1.25x		Value/SFNRA	$	135.35	
Interest Rate (locked) for Takeout Loan		5.40%		Loan/SFNRA	$	119.66	
Amortization for Takeout Loan		480 Months	40 Years	Value/UNIT	$	137,429.69	
Debt Service		$987,020		Loan/UNIT	$	121,503.60	

Loan Gap Analysis for Takeout by Permanent Lender

Loan Constant		6.11%
Equity Payback at Refinance	$	0
Balance of Equity in Deal after Perm Takeout	$	2,177,041
GAP		None

Construction Budget

Category			Per Unit (Uses)	Project Costs (Uses)	Sources: Loan Funding	Sources: Equity Funding	Deferred Fees
Land Purchase Price			$ 21,053	2,800,000	$ 622,959	$ 2,177,041	
Site Costs			$ 1,278	170,011	170,011	0	
	Subtotal		$ 22,331	2,970,011	$ 792,970	$ 2,177,041	$0
Cost to Construct			$ 85,286	11,343,044	$ 11,343,044	$	
Tenant Improvements			$ 2,582	343,374	343,374	0	
Other			$ -	0	0	0	
Hard Cost Contingency			$ 4,388	583,555	583,555	0	
	Subtotal Hard Costs		$ 92,255	12,269,973	$ 12,269,973	$	$0
Architecture Engineering			$ 4,411	586,710	$ 586,710	$	
Other			$ -	0	0	0	
User Fees			$ 1,853	246,483	246,483	0	
GC & OHD			$ 4,201	558,764	558,764	0	
Zoning & Legal			$ 376	50,000	50,000	0	
Soft Cost Contingency			$ 537	71,400	71,400	0	
Other			$ -	0	0	0	
	Subtotal Soft Costs		$ 11,379	1,513,358	$ 1,513,358	$	$0
Loan Interest Carry			$ -		$ -	$	
Loan Fees/Closing Costs		4.3%	$ 5,954	791,839	791,839	0	
Interest Carry until 1st year			$ 5,954	791,839	791,839		
Other			$ -		0		
	Subtotal Financing/Carry		$ 11,907	1,583,678	$ 1,583,678	$	$0
Developers Fee		0.00%	$ -		$ -	$	$
Leasing Commissions foApartment Space			$ -	0	0	0	
Marketing			$ -	0	0	0	
Operating Deficit			$ -	0	0		
Contingency		0.00%	$ -	0	0	0	
	Subtotal Miscellaneous		$ -		$ -	$	$ -
TOTALS			$ 137,872	18,337,019	$ 16,159,978	$ 2,177,041	$0

Appendix B 6.3

Non-Subsidized Returns based on Permanent Loan DSCR 1.25x NOI

Appendix B 6.3 Returns

4410 Frankford Ave

Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 12-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	115,048 sf
Number of Units	131

	Development: Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Net Operating Income	$		$ 906,186	$ 1,239,775	$ 1,328,040	$ 1,430,528	$ 1,541,943	$ 1,664,870	$ 1,794,602	$ 1,937,536	$ 2,092,761	$ 2,261,356	$ 2,444,373	$ 2,669,516	$ 2,913,168	$ 3,174,611	$ 3,462,019	$ 3,770,495	$ 4,104,091	$ 4,464,776	$ 4,854,700	$ 5,276,155	$ 5,731,630	$ 6,223,803
% Growth				36.15%	7.64%	7.72%	7.79%	8.23%	7.53%	7.96%	8.01%	8.06%	8.09%	9.21%	9.11%	9.05%	8.98%	8.91%	8.85%	8.79%	8.73%	8.68%	8.63%	8.59%
Property Cash Flow Before Debt	$		$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	$ 2,632,305	$ 2,875,027	$ 3,137,716	$ 3,421,947	$ 3,729,421	$ 4,061,990	$ 4,421,623	$ 4,810,468	$ 5,230,817	$ 5,685,159	$ 6,176,170
SCF / SF	$		$ 6.50	$ 8.91	$ 9.61	$ 10.17	$ 11.19	$ 12.11	$ 11.05	$ 14.10	$ 15.24	$ 16.48	$ 17.83	$ 19.49	$ 21.29	$ 23.23	$ 25.34	$ 27.62	$ 30.08	$ 31.14	$ 35.62	$ 38.73	$ 62.10	$ 45.73
SCF/Unit			$ 6,600	$ 9,058	$ 9,761	$ 10,516	$ 11,358	$ 12,307	$ 13,246	$ 14,314	$ 15,475	$ 16,736	$ 18,108	$ 19,791	$ 21,817	$ 23,591	$ 25,729	$ 28,041	$ 30,541	$ 33,245	$ 36,169	$ 39,329	$ 42,746	$ 46,437
Monthly Net Rent			$ 550	$ 755	$ 813	$ 877	$ 947	$ 1,026	$ 1,104	$ 1,193	$ 1,290	$ 1,395	$ 1,509	$ 1,649	$ 1,801	$ 1,966	$ 2,144	$ 2,331	$ 2,545	$ 2,770	$ 3,014	$ 3,177	$ 3,562	$ 3,870
% Growth				37.14%	7.76%	7.84%	7.90%	8.35%	7.63%	8.07%	8.11%	8.15%	8.18%	9.31%	9.22%	9.14%	9.06%	8.99%	8.92%	8.85%	8.79%	8.74%	8.69%	8.64%

UNLEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Unleveraged NOI Return on Investment	5.41%	7.16%	7.93%	8.54%	9.20%	9.96%	10.71%	11.57%	12.49%	13.50%	14.59%	15.93%	17.39%	18.96%	20.66%	12.51%	24.50%	16.65%	18.98%	11.49%	34.11%	17.15%
Cash on Cash Return on Investment	5.14%	7.19%	7.75%	8.36%	9.02%	9.17%	10.52%	11.16%	11.29%	13.29%	14.37%	15.71%	17.16%	18.73%	20.41%	22.16%	24.25%	16.39%	28.71%	11.12%	33.93%	16.87%
UNLEVERAGED IRR	-0.17%	3.35%	9.46%	6.88%	7.94%	8.67%	9.27%	9.75%	10.13%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%

Holding Period	Investment	Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($16,753,341)	$0	$0	$ 16,670,148																					
2 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 18,203,618																				
3 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 19,609,003																			
4 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 11,136,658																		
5 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 22,872,175																	
6 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 14,607,689																
7 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,981	$ 1,510,639	$ 1,636,783	$ 26,562,274															
8 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 28,691,422														
9 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 11,003,584													
10 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,217	$ 33,513,976												
11 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,313	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 36,377,879											
12 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,782,313	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	$ 39,920,855										
13 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	$ 43,538,208									
14 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	$ 47,431,559								
15 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,127	$ 2,125,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	$ 51,684,263							
16 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,125,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	$ 56,262,786						
17 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,981	$ 1,510,639	$ 1,636,783	$ 1,781,713	$ 1,903,825	$ 2,058,217	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	$ 61,211,123					
18 YEARS	($16,753,341)	$0	$0	$ 677,816	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,217	$ 2,125,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	$ 66,561,783				
19 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,781,713	$ 1,903,825	$ 2,058,117	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	$ 72,345,252			
20 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,781,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	$ 78,595,681		
21 YEARS	($16,753,341)	$0	$0	$ 677,816	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,161,713	$ 1,903,825	$ 2,058,217	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	5,230,917	$ 85,349,837	
23 YEARS	($16,753,341)	$0	$0	$ 677,816	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,763	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	5,230,913	1,695,150	

LEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,981	$ 1,510,639	$ 1,636,763	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	$ 2,632,305	$ 2,875,027	$ 1,137,716	$ 1,411,947	$ 3,729,421	$ 4,061,990	$ 4,411,623	$ 4,810,468	$ 5,130,817	$ 5,685,159	$ 6,176,170
Annual Payment	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020
Cash Flow After Debt	$ (109,194)	$ 113,686	$ 311,224	$ 412,967	$ 523,819	$ 649,763	$ 774,693	$ 916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 2,434,911	$ 2,742,401	$ 1,074,970	$ 3,434,603	$ 3,823,448	$ 4,243,797	$ 4,698,138	$ 5,189,150
Cash on Cash Return on Investment	N/A	10.00%	14.30%	18.97%	24.05%	29.85%	35.58%	42.11%	49.20%	56.91%	65.17%	75.57%	86.72%	98.79%	111.85%	125.97%	141.25%	157.76%	175.63%	194.93%	215.80%	238.16%
LEVERAGED IRR	Can't Sell This Yr.	-18.77%	6.20%	14.78%	19.24%	21.38%	22.65%	23.35%	23.72%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%	23.90%

Holding Period	Investment	Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($2,177,041)	$0	$0	($399,987)																					
2 YEAR	($2,177,041)	$0	$0	$ (109,194)	$1,297,620																				
3 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$2,633,600																			
4 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$4,499,281																		
5 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$6,380,053																	
6 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,124	$412,967	$523,619	$8,269,073																
7 YEAR	($2,177,041)	$0	$0	($109,194)	$217,686	$311,224	$411,967	$523,619	$649,763	$10,385,563															
8 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$12,685,783														
9 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$15,178,182													
10 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,691	$916,805	$ 1,071,207	$17,679,200												
11 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$21,144,670											
12 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,138,918	$ 1,411,055	$24,699,131										
13 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	1,645,285	$28,540,322									
14 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,338,918	$ 1,411,055	1,645,285	1,888,007	$32,689,896								
15 YEAR	($2,177,041)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,138,918	$ 1,421,055	1,645,285	1,888,007	2,150,696	$37,171,919							
16 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$714,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	1,645,285	1,888,007	2,150,696	2,434,927	$42,012,522						
17 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	1,645,285	1,888,007	2,150,696	2,434,927	2,742,401	$47,239,523					
18 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	1,645,285	1,888,007	2,150,696	2,434,927	2,742,401	3,074,970	$52,883,218				
19 YEAR	($2,177,041)	$0	$0	($109,194)	$117,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	1,645,285	1,888,007	2,150,696	2,434,927	2,742,401	3,074,970	3,434,603	$58,975,943			
20 YEAR	($2,177,041)	$0	$0	($109,194)	$113,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	1,645,285	1,888,007	2,150,696	2,434,927	2,742,401	3,074,970	3,434,603	3,823,448	$65,552,748		
21 YEAR	($2,177,041)	$0	$0	($109,194)	$113,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,916	$ 1,411,055	1,645,285	1,888,007	2,150,696	2,434,927	2,742,401	3,074,970	3,434,603	3,823,448	4,243,797	$72,631,346	
23 YEAR	($2,177,041)	$0	$0	($109,194)	$111,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	1,645,285	1,888,007	2,150,696	2,434,927	2,742,401	3,074,970	3,434,603	3,823,448	4,243,797	4,698,139	

Appendix B 6.4 Returns II

4410 Frankford Ave

Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 11-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	135,048 sf
Number of Units	133

LEVERAGED ANALYSIS

Goal Seek to MAX Amount of Equity for Investors to achieve a 10% Cash on Cash return. Equity Balance must be made up with Alternative Economic Development Incentives

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,782	$ 1,711,712	$ 1,903,825	$ 2,058,227	$ 2,215,938	$ 2,408,075	$ 2,632,305	$ 2,875,027	$ 3,137,714	$ 3,421,947	$ 3,729,421	$ 4,061,990	$ 4,421,623	$ 4,810,468	$ 5,230,817	$ 5,685,159	$ 6,176,170
Annual Payment	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020	987,020
Cash Flow After Debt	$ (109,194)	$ 217,686	$ 311,124	$ 412,967	$ 522,819	$ 645,763	$ 774,693	$ 916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 1,434,927	$ 1,742,401	$ 1,074,970	$ 3,434,603	$ 2,822,448	$ 4,243,797	$ 4,698,139	$ 5,189,150
Cash on Cash Return on Investment	N/A	3.19%	11.71%	15.54%	19.70%	24.45%	29.15%	34.50%	40.31%	46.62%	53.47%	61.91%	71.05%	80.93%	91.63%	103.20%	115.71%	129.25%	143.88%	159.70%	176.79%	195.27%
LEVERAGED IRR	Can't Sell This Yr.	-17.89%	2.06%	10.97%	15.79%	18.24%	19.77%	20.69%	21.24%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%	21.57%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($7,657,419)	$0	$0	($959,597)																					
2 YEAR	($2,657,419)	$0	$0	$ (109,194)	$1,297,620																				
3 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$2,833,600																			
4 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$4,499,281																		
5 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$6,380,053																	
6 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$8,269,073																
7 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$10,385,563															
8 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$12,645,783														
9 YEAR	($7,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$15,178,382													
10 YEAR	($7,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$17,879,200												
11 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$21,144,070											
12 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$24,699,132										
13 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,124	$412,967	$523,619	$649,763	$774,692	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$28,540,322									
14 YEAR	($7,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$ 1,888,007	$32,689,896								
15 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$411,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$ 1,888,007	2,150,696	$37,176,629							
16 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	2,434,927	$42,012,522						
17 YEAR	($7,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,616	$649,763	$774,692	$916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 2,434,927	2,742,401	$47,239,523					
18 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$411,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 2,434,927	$ 2,742,401	3,074,970	$52,883,218				
19 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$523,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,916	$ 1,421,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 2,434,927	$ 2,742,401	$ 3,074,970	3,434,603	$58,975,943			
20 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$211,224	$412,967	$513,819	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,411,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 2,434,927	$ 2,742,401	$ 3,074,970	$ 3,434,603	3,822,448	$65,552,746		
21 YEAR	($2,657,419)	$0	$0	($109,194)	$217,686	$312,224	$412,967	$523,819	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 2,434,927	$ 2,742,401	$ 3,074,970	$ 3,434,603	$ 3,822,448	4,243,797	$72,651,346	
22 YEAR	($7,657,419)	$0	$0	($109,194)	$217,686	$311,224	$412,967	$573,619	$649,763	$774,693	$916,805	$ 1,071,207	$ 1,238,918	$ 1,421,055	$ 1,645,285	$ 1,888,007	$ 2,150,696	$ 1,434,927	$ 2,742,401	$ 3,074,970	$ 3,434,603	$ 3,822,448	$ 4,243,797	$ 4,698,139	

Appendix B 7.1

10 and 20 Year DCF results based on Permanent Loan @ LTC of 75.75%

Appendix B 7.1 DCF

4410 Frankford Ave
DISCOUNTED CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Net Operating Income	$906,186	$1,233,775	$1,328,040	$1,430,528	$1,541,943	$1,663,870	$1,794,602	$1,937,536	$2,092,781	$2,261,356	$2,444,378	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$32,591,707	Reversion
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$0	
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$1,303,668	Sale Cost
CASH FLOW	$877,826	$1,204,706	$1,298,244	$1,399,987	$1,510,639	$1,636,783	$1,761,713	$1,903,825	$2,058,227	$33,513,976	$31,288,038	Net Reversion

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	
Net Operating Income	$906,186	$1,233,775	$1,328,040	$1,430,528	$1,541,943	$1,668,870	$1,794,602	$1,937,536	$2,092,781	$2,261,356	$2,444,378	$2,669,516	$2,913,168	$3,176,811	$3,462,019	$3,770,495	$4,104,091	$4,464,776	$4,854,700	$5,276,155	$5,731,630	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$76,421,733	Reversion
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,132	$45,338	$0	
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	35,418	36,303	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$3,056,869	Sale Cost
CASH FLOW	$877,826	$1,204,706	$1,298,244	$1,399,987	$1,510,639	$1,636,783	$1,761,713	$1,903,825	$2,058,227	$2,225,938	$2,408,075	$2,632,305	$2,875,027	$3,137,716	$3,421,947	$3,729,421	$4,061,990	$4,421,623	$4,810,468	$78,595,081	$73,364,864	Net Reversion

VALUATION MATRIX - DCF 10 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$24,574,431	$184,770.16	$18,096,774	$6,477,657	Yes
8.25%	$24,113,799	$181,306.76	$18,096,774	$6,017,025	Yes
8.50%	$23,663,848	$177,923.67	$18,096,774	$5,567,073	Yes
8.75%	$23,224,297	$174,618.78	$18,096,774	$5,127,523	Yes
9.00%	$22,794,876	$171,390.04	$18,096,774	$4,698,101	Yes
9.25%	$22,375,320	$168,235.49	$18,096,774	$4,278,546	Yes
9.50%	$21,965,374	$165,153.19	$18,096,774	$3,868,599	Yes

VALUATION MATRIX - DCF 20 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$36,634,399	$275,446.61	$18,096,774	$18,537,624	Yes
8.25%	$35,411,486	$266,251.78	$18,096,774	$17,314,712	Yes
8.50%	$34,239,408	$257,439.16	$18,096,774	$16,142,634	Yes
8.75%	$33,115,826	$248,991.17	$18,096,774	$15,019,052	Yes
9.00%	$32,038,517	$240,891.10	$18,096,774	$13,941,743	Yes
9.25%	$31,005,367	$233,123.06	$18,096,774	$12,908,591	Yes
9.50%	$30,014,366	$225,671.92	$18,096,774	$11,917,592	Yes

4410 Frankford Ave
VALUATION MATRIX - DIRECT CAP

Cap Rate	Projected NOI	Value	Value/Unit	Development Costs	NPV	Value Creation
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,096,774	$181,374	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,096,774	$181,374	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,096,774	$181,374	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,096,774	$181,374	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,096,774	$181,374	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,096,774	$181,374	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,096,774	$181,374	Yes

Appendix B 7.2 Financial Source

4410 Frankford Ave

Sources & Uses, Financing, Budget

Apartment SF	135,048 gross sf
Other	0 sf
Other	0 sf
Square Foot Area	135,048 gross sf
Number of Units	133

Sources & Uses

Sources			Uses				
1st Position Debt	$	13,708,500	Acquisition Price of Property	$	2,800,000	$20.73 per sf	$21,053 per unit
Equity Contribution		4,388,275	Development Costs		15,296,774	$113.27 per sf	$115,013 per unit
Deferred Developer Fee		-	Deferred Developer Fee		-		
Sub-Total	$	18,096,774	Sub-Total	$	18,096,774	$134.00 per sf	$136,066 per unit
Balance	$	-					

Construction Loan

Stabilized Net Operating Income		$2,233,775	2nd year			
Stabilized Cap Rate		6.75%				
Concluded Value "At Stabilization"	$	28,278,148				
Proposed Acquisition/Construction Loan Amount	$	23,708,500				
Proposed Acquisition/Construction Loan Term		24 Months	2.00 Years			
Financial Institution Maximum Loan to Value		70.0%	Actual Loan to Value	75.00%	-5.00% variance	$ 12,794,703.70
Financial Institution Maximum Loan to Cost		75.0%	Actual Loan to Cost	75.75%	-0.75% variance	
Contributed Equity to Cost				24.25%		
Underwritten Construction Rate - Interest Only Rate (locked)		7.00%	30 DAY LIBOR 0.25%	SPREAD OF 3.00% 3.25%		7.0% floor

Permanent Loan - Takeout

Stabilized Net Operating Income	$	1,233,775	2nd year based on but funded the 1st year				
Permanent Loan Amount	$	13,708,500		Valuation Analysis			
Maximum Loan to Value		75.00%		Stabilized NOI	$	1,133,775	
Actual Loan to Value		75.00%		Stabilized Value	$	18,278,248	$135.35 per sf $137,430 per unit
Actual DSC		1.47 x		Stabilized Cap Rate		6.75%	from above
Required Minimum DSC for Takeout Loan		1.25x		Value/SFNRA	$	135.35	
Interest Rate (locked) for Takeout Loan		5.40%		Loan/SFNRA	$	101.52	
Amortization for Takeout Loan		480 Months	40 Years	Value/UNIT	$	137,429.69	
Debt Service		$837,288		Loan/UNIT	$	103,07L43	

Loan Gap Analysis for Takeout by Permanent Lender

Loan Constant		6.12%
Equity Payback at Refinance	$	0
Balance of Equity in Deal after Perm Takeout	$	4,388,274
GAP		None

Construction Budget

Category			Per Unit (Uses)	Project Costs (Uses)	Sources: Loan Funding	Sources: Equity Funding	Deferred Fees
Land Purchase Price			$ 21,053	2,800,000	$ -	$ 2,800,000	
Site Costs			$ 1,278	170,011	0	170,011	
	Subtotal		$ 22,332	2,970,011	$ -	$ 2,970,011	$0
Cost to Construct			$ 85,286	11,348,044	$ 9,924,780	$ 1,418,264	
Tenant Improvements			$ 2,582	343,374	343,374	0	
Other			$ -	0	0	0	
Hard Cost Contingency			$ 4,388	583,555	583,555	0	
	Subtotal Hard Costs		$ 92,255	12,269,973	$ 10,852,709	$ 1,418,264	$0
Architecture Engineering			$ 4,421	586,710	$ 586,710	$	
Other			$ -	0	0	0	
User Fees			$ 1,853	246,483	246,483	0	
GC & OHD			$ 4,201	558,764	558,764	0	
Zoning & Legal			$ 376	50,000	50,000	0	
Soft Cost Contingency			$ 537	71,400	71,400	0	
Other			$ -	0	0	0	
	Subtotal Soft Costs		$ 11,379	1,513,358	$ 1,513,358	$	$0
Loan Interest Carry			$ -		$ -	$	
Loan Fees/Closing Costs		3.7%	$ 5,051	671,717	671,717	0	
Interest Carry until 1st year			$ 5,051	671,717	671,717		
Other			$ -		0		
	Subtotal Financing/Carry		$ 10,101	1,343,433	$ 1,343,433	$	$0
Developers Fee		0.00%	$ -		$ -	$	$
Leasing Commissions foApartment Space			$ -	0	0	0	
Marketing			$ -	0	0	0	
Operating Deficit			$ -	0	0		
Contingency		0.00%	$ -	0	0	0	
	Subtotal Miscellaneous		$ -		$ -	$ -	$ -
TOTALS			$ 136,066	18,096,774	$ 13,708,500	$ 4,388,275	$0

Appendix B 7.3
Non-Subsidized Returns based on Permanent Loan @ LTC of 75.75%

4410 Frankford Ave
Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 12-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size:	135,048 sf
Number of Units	111

	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11
Net Operating Income	$ -		$ 906,186	$ 1,233,775	$ 1,328,040	$ 1,430,528	$ 1,541,943	$ 1,668,870	$ 1,794,602	$ 1,937,536	$ 2,092,781	$ 2,261,356	$ 2,444,378
% Growth				38.15%	7.64%	7.72%	7.79%	8.23%	7.51%	7.96%	8.01%	8.06%	8.09%
Property Cash Flow Before Debt	$ -		$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
SCF / SF	$ -		$ 6.50	$ 8.91	$ 9.61	$ 10.17	$ 11.19	$ 12.11	$ 13.05	$ 14.10	$ 15.24	$ 16.48	$ 17.83
SCF/Unit			$ 6,600	$ 9,058	$ 9,781	$ 10,526	$ 11,358	$ 12,307	$ 13,246	$ 14,314	$ 15,475	$ 16,736	$ 18,106
Monthly Net Rent			$ 550	$ 755	$ 813	$ 877	$ 947	$ 1,026	$ 1,104	$ 1,193	$ 1,290	$ 1,395	$ 1,509
% Growth				37.24%	7.76%	7.84%	7.90%	8.35%	7.83%	8.07%	8.11%	8.15%	8.18%

	12	13	14	15	16	17	18	19	20	21	22
Net Operating Income	$ 2,669,518	$ 2,913,168	$ 3,176,811	$ 3,462,019	$ 3,770,495	$ 4,104,091	$ 4,464,776	$ 4,854,700	$ 5,276,155	$ 5,731,630	$ 6,223,803
% Growth	9.21%	9.11%	9.05%	8.98%	8.91%	8.85%	8.79%	8.73%	8.68%	8.63%	8.59%
Property Cash Flow Before Debt	$ 2,632,305	$ 2,875,027	$ 3,137,716	$ 3,421,947	$ 3,729,421	$ 4,061,990	$ 4,421,623	$ 4,810,468	$ 5,230,817	$ 5,685,151	$ 6,176,170
SCF / SF	$ 19.49	$ 21.29	$ 23.23	$ 25.34	$ 27.62	$ 30.08	$ 32.74	$ 35.62	$ 38.73	$ 42.10	$ 45.73
SCF/Unit	$ 19,791	$ 21,617	$ 23,591	$ 25,729	$ 28,041	$ 30,541	$ 33,245	$ 36,169	$ 39,329	$ 42,746	$ 46,437
Monthly Net Rent	$ 1,649	$ 1,801	$ 1,966	$ 2,144	$ 2,337	$ 2,545	$ 2,770	$ 3,018	$ 3,277	$ 3,562	$ 3,870
% Growth	9.31%	9.12%	9.14%	9.06%	8.99%	8.92%	8.85%	8.79%	8.74%	8.69%	8.64%

UNLEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Unleveraged NOI Return on Investment	5.41%	7.36%	7.93%	8.54%	9.20%	9.96%	10.71%	11.57%	12.49%	13.50%	14.59%
Cash on Cash Return on Investment	5.14%	7.19%	7.75%	8.36%	9.02%	9.77%	10.52%	11.36%	12.29%	13.29%	14.37%
UNLEVERAGED IRR	-0.27%	3.35%	6.46%	6.88%	7.94%	8.67%	9.27%	9.75%	10.15%	10.48%	10.48%

	12	13	14	15	16	17	18	19	20	21	22
Unleveraged NOI Return on Investment	15.91%	17.39%	18.96%	20.66%	22.51%	24.50%	26.65%	28.98%	31.49%	34.21%	37.15%
Cash on Cash Return on Investment	15.71%	17.16%	18.73%	20.43%	22.26%	24.25%	26.39%	28.71%	31.12%	33.93%	36.87%
UNLEVERAGED IRR	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%

Holding Period	Investment	Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11
1 YEAR	($16,753,341)	$0	$0	$ 18,670,146										
2 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 18,203,618									
3 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 19,609,003								
4 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 21,136,858							
5 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 22,872,175						
6 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 24,607,689					
7 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,634,783	$ 26,562,174				
8 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 28,691,422			
9 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 31,003,584		
10 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 33,513,976	
11 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,127	$ 2,225,938	$ 36,577,879
12 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
13 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,217	$ 2,225,938	$ 2,408,075
14 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
15 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,711	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
16 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
17 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,711	$ 1,903,825	$ 2,058,217	$ 2,225,938	$ 2,408,075
18 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
19 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
20 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,217	$ 2,225,938	$ 2,408,075
21 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
22 YEARS	($16,753,341)	$0	$0	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075

Holding Period	12	13	14	15	16	17	18	19	20	21	22
1 YEAR											
2 YEARS											
3 YEARS											
4 YEARS											
5 YEARS											
6 YEARS											
7 YEARS											
8 YEARS											
9 YEARS											
10 YEARS											
11 YEARS											
12 YEARS	$ 39,929,853										
13 YEARS	2,632,305	$ 43,538,206									
14 YEARS	2,632,305	2,875,027	$ 47,451,559								
15 YEARS	2,632,305	2,875,027	3,137,716	$ 51,684,283							
16 YEARS	2,632,305	2,875,027	3,137,716	3,421,947	$ 56,261,786						
17 YEARS	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	$ 61,211,123					
18 YEARS	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	$ 66,561,783				
19 YEARS	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	$ 72,345,252			
20 YEARS	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	$ 78,595,681		
21 YEARS	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	5,230,811	$ 85,349,837	
22 YEARS	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	5,230,817	5,685,159	

LEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
Property Cash Flow Before Debt	$ 877,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075
Annual Payment	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288
Cash Flow After Debt	$ 40,537	$ 367,417	$ 460,956	$ 562,699	$ 673,350	$ 799,495	$ 924,425	$ 1,066,516	$ 1,220,939	$ 1,388,650	$ 1,570,786
Cash on Cash Return on Investment	NA	8.37%	10.50%	12.82%	15.34%	18.12%	21.07%	24.30%	27.82%	31.64%	35.80%
LEVERAGED IRR	Can't Sell This Yr.	-2.90%	5.78%	10.61%	13.61%	15.30%	16.47%	17.25%	17.77%	18.13%	18.13%

	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 2,632,305	$ 2,875,027	$ 3,137,718	$ 3,421,947	$ 3,729,411	$ 4,061,990	$ 4,411,623	$ 4,810,464	$ 5,230,817	$ 5,685,159	$ 6,176,170
Annual Payment	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288
Cash Flow After Debt	$ 1,795,017	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$ 3,224,702	$ 3,584,314	$ 3,973,179	$ 4,393,529	$ 4,847,870	$ 5,338,881
Cash on Cash Return on Investment	40.90%	46.44%	52.42%	58.90%	65.91%	73.48%	81.68%	90.54%	100.12%	110.67%	121.66%
LEVERAGED IRR	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%	18.13%

Holding Period	Investment	Entitlement	Construction	1	2	3	4	5	6	7	8	9	10	11
1 YEAR	($4,388,275)	$0	$0	$2,223,825										
2 YEAR	($4,388,275)	$0	$0	40,538	$3,862,370									
3 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$5,378,439								
4 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$7,023,212							
5 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$8,841,918						
6 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$10,747,652					
7 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$12,839,565				
8 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$15,113,848			
9 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$17,579,075		
10 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$20,251,006	
11 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$23,485,383
12 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
13 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
14 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
15 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
16 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
17 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
18 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
19 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
20 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
21 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786
22 YEAR	($4,388,275)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786

Holding Period	12	13	14	15	16	17	18	19	20	21	22
1 YEAR											
2 YEAR											
3 YEAR											
4 YEAR											
5 YEAR											
6 YEAR											
7 YEAR											
8 YEAR											
9 YEAR											
10 YEAR											
11 YEAR											
12 YEAR	$27,006,281										
13 YEAR	1,795,017	$30,815,513									
14 YEAR	1,795,017	2,037,738	$34,929,250								
15 YEAR	1,795,017	2,037,738	2,300,428	$39,373,454							
16 YEAR	1,795,017	2,037,738	2,300,428	2,584,658	$44,174,144						
17 YEAR	1,795,017	2,037,738	2,300,428	2,584,658	2,892,133	$49,359,024					
18 YEAR	1,795,017	2,037,738	2,300,428	2,584,658	2,892,133	3,224,702	$54,956,264				
19 YEAR	1,795,017	2,037,738	2,300,428	2,584,658	2,892,133	3,224,702	3,584,314	$61,004,075			
20 YEAR	1,795,017	2,037,738	2,300,428	2,584,658	2,892,133	3,224,702	3,584,314	3,973,179	$67,531,369		
21 YEAR	1,795,017	2,037,738	2,300,428	2,584,658	2,892,133	3,224,702	3,584,314	3,973,179	4,393,529	$74,577,719	
22 YEAR	1,795,017	2,037,738	2,300,428	2,584,658	2,892,133	3,224,702	3,584,314	3,973,179	4,393,529	4,847,870	

Appendix B 7.4
"What-If" Returns II achieving 10% Cash on Cash
Bridging Equity Gap through Subsidies based on Permanent Loan @ LTC of 75.75%

4410 Frankford Ave

Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-3	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 12-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	4.00%
Building Size	135,048 sf
Number of Units	133

LEVERAGED ANALYSIS

Goal Seek to MAX Amount of Equity for investors to achieve a 10% Cash on Cash return. Equity Balance must be made up with Alternative Economic Development Incentives

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 877,828	$ 1,204,706	$ 1,298,144	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	$ 2,632,305	$ 2,875,027	$ 3,137,716	$ 3,421,946	$ 3,729,421	$ 4,061,990	$ 4,421,622	$ 4,810,468	$ 5,230,817	$ 5,685,159	$ 6,176,170
Annual Payment	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288	837,288
Cash Flow After Debt	$ 40,537	$ 367,417	$ 460,956	$ 562,699	$ 673,350	$ 799,495	$ 924,425	$ 1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,017	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$ 3,224,702	$ 3,584,334	$ 3,973,179	$ 4,393,529	$ 4,847,870	$ 5,338,881
Cash on Cash Return on Investment	NA	10.01%	12.56%	15.34%	18.35%	21.79%	25.19%	29.07%	33.27%	37.85%	42.81%	48.92%	55.54%	62.69%	70.44%	78.82%	87.88%	97.69%	108.28%	119.74%	132.12%	145.50%
LEVERAGED IRR	Can't Sell This Yr.	1.56%	8.70%	14.08%	16.72%	18.11%	19.04%	19.62%	19.99%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%	20.21%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($3,669,245)	$0	$0	$2,223,825																					
2 YEAR	($3,669,245)	$0	$0	$ 40,538	$3,882,270																				
3 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$5,374,439																			
4 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$7,023,212																		
5 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$8,881,918																	
6 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$10,747,632																
7 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$12,839,563															
8 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$15,113,848														
9 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$17,579,075													
10 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$20,251,006												
11 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$23,485,388											
12 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$27,008,281										
13 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,015	$30,815,510									
14 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,015	$ 2,037,738	$34,929,250								
15 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,017	$ 2,037,738	$ 2,300,428	$39,373,454							
16 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,017	$ 2,037,738	$ 2,300,428	$ 2,584,658	$44,174,144						
17 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,015	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$49,359,826					
18 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,015	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$ 3,224,702	$54,958,264				
19 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,015	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$ 3,224,702	$ 3,584,334	$61,004,075			
20 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,015	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$ 3,224,702	$ 3,584,334	$ 3,973,179	$67,531,369		
21 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,017	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$ 3,224,702	$ 3,584,334	$ 3,973,179	$ 4,393,529	$74,577,715	
22 YEAR	($3,669,245)	$0	$0	$40,538	$367,417	$460,956	$562,699	$673,350	$799,495	$924,425	$1,066,536	$ 1,220,939	$ 1,388,650	$ 1,570,786	$ 1,795,017	$ 2,037,738	$ 2,300,428	$ 2,584,658	$ 2,892,133	$ 3,224,702	$ 3,584,334	$ 3,973,179	$ 4,393,529	$ 4,847,870	

Appendix B 8.1
10 and 20 Year DCF results based on Permanent Loan @ LTV of 70%

4410 Frankford Ave
DISCOUNTED CASH FLOW ANALYSIS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
Net Operating Income	$906,186	$1,233,775	$1,328,040	$1,430,528	$1,541,943	$1,668,870	$1,794,602	$1,937,536	$2,092,781	$2,261,356	$2,444,378	
											7.50%	Terminal Cap Rate
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$32,591,707	Reversion
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,552	$35,418	$1,303,668	Sale Cost
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$31,288,038	Net Reversion
CASH FLOW	$877,826	$1,204,706	$1,298,244	$1,399,987	$1,510,639	$1,636,783	$1,761,713	$1,903,825	$2,058,227	$33,513,976		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Net Operating Income	$906,186	$1,233,775	$1,328,040	$1,430,528	$1,541,943	$1,668,870	$1,794,602	$1,937,536	$2,092,781	$2,261,356	$2,444,378
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Reserves	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
Sub total	$28,360	$29,069	$29,796	$30,541	$31,304	$32,087	$32,889	$33,711	$34,554	$35,418	$36,303
CASH FLOW	$877,826	$1,204,706	$1,298,244	$1,399,987	$1,510,639	$1,636,783	$1,761,713	$1,903,825	$2,058,227	$2,225,938	$2,408,075

	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	
Net Operating Income	$2,669,516	$2,913,168	$3,176,811	$3,462,019	$3,770,495	$4,104,091	$4,464,776	$4,854,700	$5,276,155	$5,731,630	
Less Tenant Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	7.50%	Terminal Cap Rate
Less Leasing Commissions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$76,421,733	Reversion
Less Reserves	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$0	
Sub total	$37,211	$38,141	$39,095	$40,072	$41,074	$42,101	$43,153	$44,232	$45,338	$3,056,869	Sale Cost
CASH FLOW	$2,632,305	$2,875,027	$3,137,716	$3,421,947	$3,729,421	$4,061,990	$4,421,623	$4,810,468	$78,595,681	$73,364,864	Net Reversion

VALUATION MATRIX - DCF 10 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$24,574,431	$184,770.16	$18,007,212	$6,567,219	Yes
8.25%	$24,113,799	$181,306.76	$18,007,212	$6,106,587	Yes
8.50%	$23,663,848	$177,923.67	$18,007,212	$5,656,636	Yes
8.75%	$23,224,297	$174,618.78	$18,007,212	$5,217,085	Yes
9.00%	$22,794,876	$171,390.04	$18,007,212	$4,787,664	Yes
9.25%	$22,375,320	$168,235.49	$18,007,212	$4,368,108	Yes
9.50%	$21,965,374	$165,153.19	$18,007,212	$3,958,162	Yes

VALUATION MATRIX - DCF 20 YR

Discount Rate	Value	Value/Unit	Development Costs	NPV	Value Creation
8.00%	$36,634,399	$275,446.61	$18,007,212	$18,627,187	Yes
8.25%	$35,411,486	$266,251.78	$18,007,212	$17,404,274	Yes
8.50%	$34,239,408	$257,439.16	$18,007,212	$16,232,196	Yes
8.75%	$33,115,826	$248,991.17	$18,007,212	$15,108,614	Yes
9.00%	$32,038,517	$240,891.10	$18,007,212	$14,031,305	Yes
9.25%	$31,005,367	$233,123.06	$18,007,212	$12,998,155	Yes
9.50%	$30,014,366	$225,671.92	$18,007,212	$12,007,154	Yes

4410 Frankford Ave
VALUATION MATRIX - DIRECT CAP

Cap Rate	Projected NOI	Value	Value/Unit	Development Costs	NPV	Value Creation
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,007,212	$270,936	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,007,212	$270,936	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,007,212	$270,936	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,007,212	$270,936	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,007,212	$270,936	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,007,212	$270,936	Yes
6.75%	$1,233,775	$18,278,148	$137,429.69	$18,007,212	$270,936	Yes

Appendix B 8.2 Financial Source

4410 Frankford Ave

Sources & Uses, Financing, Budget

Apartment SF	135,048 gross sf
Other	0 sf
Other	0 sf
Square Foot Area	135,048 gross sf
Number of Units	133

Sources & Uses

Sources			Uses				
1st Position Debt	$	12,794,600	Acquisition Price of Property	$	2,800,000	$20.73 per sf	$21,053 per unit
Equity Contribution		5,212,612	Development Costs		15,207,212	$112.61 per sf	$114,340 per unit
Deferred Developer Fee		-	Deferred Developer Fee		-		
Sub-Total	$	18,007,212	Sub-Total	$	18,007,212	$133.34 per sf	$135,393 per unit
Balance	$	-					

Construction Loan

Stabilized Net Operating Income		$1,233,775	2nd year			
Stabilized Cap Rate		6.75%				
Concluded Value "At Stabilization"	$	18,278,148				
Proposed Acquisition/Construction Loan Amount	$	12,794,600				
Proposed Acquisition/Construction Loan Term		24 Months	2.00 Years			
Financial Institution Maximum Loan to Value		70.0%	Actual Loan to Value	70.00%	0.00% variance	$ 12,794,703.70
Financial Institution Maximum Loan to Cost		75.0%	Actual Loan to Cost	71.05%	3.95% variance	
Contributed Equity to Cost				28.95%		
Underwritten Construction Rate - Interest Only Rate (locked)		7.00%	30 DAY LIBOR 0.25%	SPREAD OF 3.00% 3.25%		7.0% floor

Permanent Loan - Takeout

Stabilized Net Operating Income	$	1,233,775	2nd year based on but funded the 1st year					
Permanent Loan Amount	$	12,794,600		Valuation Analysis				
Maximum Loan to Value		70.00%		Stabilized NOI	$	1,233,775		
Actual Loan to Value		70.00%		Stabilized Value	$	18,278,148	$135.35 per sf	$137,430 per unit
Actual DSC		1.58 x		Stabilized Cap Rate		6.75%	from above	
Required Minimum DSC for Takeout Loan		1.25x		Value/SFNRA	$	135.35		
Interest Rate (locked) for Takeout Loan		5.40%		Loan/SFNRA	$	94.74		
Amortization for Takeout Loan		480 Months	40 Years	Value/UNIT	$	137,429.69		
Debt Service		$781,469		Loan/UNIT	$	96,200.00		
Loan Gap Analysis for Takeout by Permanent Lender								
Loan Constant		6.11%						
Equity Payback at Refinance	$	-						
Balance of Equity in Deal after Perm Takeout	$	5,212,612						
GAP		($0)						

Construction Budget

Category			Per Unit	Uses Project Costs	Sources Loan Funding	Sources Equity Funding	Deferred Fees
			$ 21,053	2,800,000	$ -	$ 2,800,000	
Land Purchase Price			$ 1,278	170,011	0	170,011	
Site Costs	Subtotal		$ 22,331	2,970,011	$ -	$ 2,970,011	$0
			$ 85,286	11,343,044	$ 9,100,443	$ 2,242,601	
Cost to Construct			$ 2,582	343,374	343,374	0	
Tenant Improvements			$ -	0	0	0	
Other			$ 4,388	583,555	583,555	0	
Hard Cost Contingency	Subtotal Hard Costs		$ 92,255	12,269,973	$ 10,027,372	$ 2,242,601	$0
			$ 4,411	586,710	$ 586,710	$ -	
Architecture Engineering			$ -	0	0	0	
Other			$ 1,853	246,483	246,483	0	
User Fees			$ 4,201	558,764	558,764	0	
GC & OHD			$ 376	50,000	50,000	0	
Zoning & Legal			$ 537	71,400	71,400	0	
Soft Cost Contingency			$ -	0	0	0	
Other	Subtotal Soft Costs		$ 11,379	1,513,358	$ 1,513,358	$ -	$0
			$ -		$ -	$ -	
Loan Interest Carry		3.5%	$ 4,714	626,935	626,935	0	
Loan Fees/Closing Costs			$ 4,714	626,935	626,935		
Interest Carry until 1st year			$ -		0		
Other	Subtotal Financing/Carry		$ 9,428	1,253,871	$ 1,253,871	$ -	$0
		0.00%	$ -		$ -	$ -	$ -
Developers Fee			$ -	0	0	0	
Leasing Commissions foApartment Space			$ -	0	0	0	
Marketing			$ -	0	0		
Operating Deficit		0.00%	$ -	0	0	0	
Contingency	Subtotal Miscellaneous		$ -		$ -	$ -	$ -
TOTALS			$ 135,393	18,007,212	$ 12,794,600	$ 5,212,612	$0

Appendix B 8.3
Non-Subsidized Returns based on Permanent Loan @ LTV of 70%

4410 Frankford Ave
Return Analysis

Cost Basis (refer to budget)	$16,753,341
Terminal Cap Rate for Reversion Yrs 1-7	7.50%
Terminal Cap Rate for Reversion Yrs 4-7	7.50%
Terminal Cap Rate for Reversion Yrs 8-11	7.50%
Terminal Cap Rate for Reversion Yrs 11-14	7.50%
Terminal Cap Rate for Reversion Yrs 15-20	7.50%
Selling Costs for Reversion	8.00%
Building Size:	175,048 sf
Number of Units	133

	Development Entitlement	Development Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Net Operating Income	$		$ 906,186	$ 1,233,775	$ 1,328,040	$ 1,430,528	$ 1,541,943	$ 1,668,870	$ 1,794,682	$ 1,937,536	$ 2,092,741	$ 2,261,356	$ 2,444,373	$ 2,669,516	$ 2,913,168	$ 3,176,811	$ 3,462,019	$ 3,770,495	$ 6,184,091	$ 6,464,776	$ 4,854,700	$ 5,276,159	$ 5,731,630	$ 6,223,003
% Growth				36.15%	7.64%	7.72%	7.79%	8.23%	7.53%	7.96%	8.01%	8.06%	8.09%	9.21%	9.13%	9.05%	8.98%	8.31%	8.85%	8.79%	8.73%	8.68%	8.63%	8.59%
Property Cash Flow Before Debt	$		$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	$ 2,632,305	$ 2,875,027	$ 3,137,716	$ 3,421,947	$ 3,729,421	$ 4,061,990	$ 4,421,623	$ 4,810,468	$ 5,230,817	$ 5,685,159	$ 6,176,170
SCF / SF	$		$ 8.50	$ 8.92	$ 9.81	$ 10.37	$ 11.19	$ 12.17	$ 13.05	$ 14.10	$ 15.24	$ 16.48	$ 17.83	$ 19.89	$ 21.29	$ 23.23	$ 25.34	$ 27.62	$ 30.08	$ 32.74	$ 35.82	$ 38.73	$ 41.10	$ 45.73
SCF/Unit			$ 6,600	$ 9,058	$ 9,761	$ 10,518	$ 11,858	$ 12,307	$ 13,246	$ 14,314	$ 15,475	$ 16,738	$ 18,106	$ 19,792	$ 21,617	$ 23,592	$ 25,729	$ 28,041	$ 10,541	$ 33,245	$ 76,169	$ 39,329	$ 61,746	$ 66,437
Monthly Net Rent			$ 550	$ 755	$ 813	$ 877	$ 947	$ 1,026	$ 1,104	$ 1,193	$ 1,290	$ 2,395	$ 1,509	$ 1,649	$ 1,801	$ 1,966	$ 2,144	$ 2,337	$ 2,545	$ 2,770	$ 3,018	$ 3,777	$ 3,562	$ 3,870
% Growth				77.24%	7.76%	7.84%	7.90%	8.35%	7.63%	8.07%	8.11%	8.15%	8.18%	9.71%	3.22%	9.14%	8.06%	8.99%	8.92%	8.85%	8.79%	8.74%	8.68%	8.64%

UNLEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Unleveraged NOI Return on Investment	5.41%	7.36%	7.93%	8.54%	9.20%	9.96%	10.71%	11.57%	12.49%	13.50%	14.59%	15.93%	17.79%	18.96%	20.66%	21.51%	24.50%	26.85%	28.98%	31.49%	34.21%	37.15%
Cash on Cash Return on Investment	5.24%	7.19%	7.75%	8.36%	9.02%	9.77%	10.52%	11.36%	12.29%	13.29%	14.52%	15.71%	17.16%	18.73%	20.43%	22.16%	24.25%	26.39%	28.71%	71.22%	33.93%	76.87%
UNLEVERAGED IRR	-0.17%	7.75%	9.46%	8.88%	7.94%	8.67%	9.27%	8.73%	10.13%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	10.48%	16.48%	10.48%	10.48%

Holding Period	Investment	Development Entitlement	Development Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($16,753,341)	$0	$0	$ 16,670,146																					
2 YEARS	($16,757,341)	$0	$0	$ 677,826	$ 18,203,618																				
3 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 19,609,003																			
4 YEARS	($16,757,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 31,136,858																		
5 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 22,472,173																	
6 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 24,607,689																
7 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,744	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 26,562,174															
8 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 28,691,422														
9 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,717	$ 1,903,825	$ 71,003,584													
10 YEARS	($16,253,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,633	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 33,513,976												
11 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 2,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 36,577,879											
12 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 1,225,938	$ 2,408,075	$ 39,920,855										
13 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,217	$ 2,225,938	$ 2,408,075	2,632,305	$ 42,534,208									
14 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,638	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 1,408,075	2,632,305	2,875,027	$ 47,451,559								
15 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 2,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,217	$ 1,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	$ 91,684,283							
16 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 2,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	7,421,947	$ 56,261,786						
17 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	$ 61,211,123					
18 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	$ 66,561,783				
19 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 2,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 1,225,938	$ 7,408,075	2,632,305	2,875,027	3,137,716	2,421,947	3,729,421	4,061,990	4,421,623	$ 72,345,252			
20 YEARS	($16,757,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,217	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,116	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	$ 78,595,681		
12 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	5,230,011	$ 85,349,837	
22 YEARS	($16,753,341)	$0	$0	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	2,632,305	2,875,027	3,137,716	3,421,947	3,729,421	4,061,990	4,421,623	4,810,468	5,230,011	3,083,159	

LEVERAGED ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Property Cash Flow Before Debt	$ 677,826	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,713	$ 1,903,825	$ 2,058,227	$ 2,225,938	$ 2,408,075	$ 2,632,305	$ 2,875,027	$ 3,137,716	$ 3,421,947	$ 7,729,421	$ 8,061,990	$ 4,471,623	$ 4,810,468	$ 5,230,817	$ 5,685,159	$ 6,176,170
Annual Payment	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469
Cash Flow After Debt	$ 96,357	$ 423,237	$ 516,775	$ 618,516	$ 729,170	$ 855,314	$ 980,244	$ 1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	$ 1,850,838	$ 2,093,558	$ 2,356,247	$ 2,640,478	$ 2,947,952	$ 3,280,521	$ 1,640,154	$ 4,026,999	$ 4,449,348	$ 4,903,689	$ 5,394,701
Cash on Cash Return on Investment	NA	8.12%	9.91%	11.97%	13.99%	16.41%	18.81%	21.53%	24.49%	27.71%	31.71%	75.51%	40.16%	45.20%	50.66%	56.55%	62.93%	69.83%	77.29%	85.36%	94.07%	103.49%
LEVERAGED IRR	Can't Sell This Yr	-1.47%	5.71%	9.07%	12.55%	14.11%	15.22%	15.98%	16.51%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%	16.89%

Holding Period	Investment	Development Entitlement	Development Construction	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 YEAR	($5,212,612)	$0	$0	$3,186,913																					
2 YEAR	($5,212,612)	$0	$0	$ 96,357	$4,818,360																				
3 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$6,327,144																			
4 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$7,964,122																		
5 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,516	$9,814,602																	
6 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,516	$729,170	$11,671,654																
7 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,513	$729,270	$855,314	$13,754,405															
8 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,316	$980,244	$16,018,820														
9 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$18,474,042													
10 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,516	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$21,135,294												
11 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,516	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$24,358,221											
12 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,516	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	$27,069,120										
13 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,513	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	$71,663,690									
14 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,516	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	$35,764,071								
15 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$916,775	$618,518	$729,170	$855,314	$980,244	$1,172,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	$40,194,176							
16 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	2,640,478	$44,979,987						
17 YEAR	($5,212,612)	$0	$0	$96,357	$427,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	2,640,478	2,947,952	$50,149,164					
18 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	2,640,478	2,947,952	3,280,521	$51,731,832				
19 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,354	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	2,640,478	2,947,952	3,280,521	3,640,154	$61,790,154			
20 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	2,640,478	2,947,952	3,280,521	3,640,154	4,028,999	$68,268,990		
21 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	2,640,478	2,947,952	3,280,521	3,640,154	4,028,999	4,449,348	$75,295,857	
22 YEAR	($5,212,612)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,172,356	$ 1,276,758	$ 1,444,469	$ 1,626,605	1,850,838	2,093,558	2,356,247	2,640,478	2,947,952	3,280,521	3,640,154	4,028,999	4,449,348	4,903,689	

Appendix B 8.4
"What-If" Returns II achieving 10% Cash on Cash
Bridging Equity Gap through Subsidies based on Permanent Loan @ LTV of 70%

4410 Frankford Ave

...urn Analysis

...Basis (refer to budget)	$16,753,341
...inal Cap Rate for Reversion Yrs 1-3	7.50%
...inal Cap Rate for Reversion Yrs 4-7	7.50%
...inal Cap Rate for Reversion Yrs 8-11	7.50%
...inal Cap Rate for Reversion Yrs 11-14	7.50%
...inal Cap Rate for Reversion Yrs 15-20	7.50%
...ng Costs for Reversion	4.00%
...ding Size:	135,048 sf
...ber of Units	133

...VERAGED ANALYSIS

Goal Seek to MAX Amount of Equity for Investors to achieve a 10% Cash on Cash return. Equity Balance must be made up with Alternative Economic Development Incentives

	1	2	3	4	5	6	7	8	9	10	11
...erty Cash Flow Before Debt	$ 877,829	$ 1,204,706	$ 1,298,244	$ 1,399,987	$ 1,510,639	$ 1,636,783	$ 1,761,712	$ 1,903,825	$ 2,058,127	$ 2,215,938	$ 2,408,075
...ual Payment	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469
...h Flow After Debt	$ 96,357	$ 423,237	$ 516,775	$ 618,518	$ 729,170	$ 855,314	$ 980,244	$ 1,122,356	$ 1,276,758	$ 1,444,469	$ 1,626,605
...h on Cash Return on Investment	NA	10.01%	12.22%	14.63%	17.25%	20.23%	23.19%	26.55%	30.20%	34.17%	38.48%
LEVERAGED IRR	Can't Sell This Yr.	8.86%	10.83%	13.93%	16.17%	17.38%	18.21%	18.75%	19.09%	19.32%	19.32%

	12	13	14	15	16	17	18	19	20	21	22
...erty Cash Flow Before Debt	$ 2,632,305	$ 2,875,027	$ 3,137,716	$ 3,421,947	$ 3,729,421	$ 4,061,990	$ 4,421,623	$ 4,810,468	$ 5,230,817	$ 5,685,158	$ 6,176,170
...ual Payment	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469	781,469
...h Flow After Debt	$ 1,850,836	$ 2,093,558	$ 2,356,247	$ 2,640,478	$ 2,947,952	$ 3,280,521	$ 3,640,154	$ 4,028,999	$ 4,449,348	$ 4,903,689	$ 5,394,701
...h on Cash Return on Investment	43.78%	49.53%	55.74%	62.46%	69.74%	77.60%	86.11%	95.31%	105.25%	116.00%	127.62%
LEVERAGED IRR	19.32%	19.32%	19.32%	19.32%	19.32%	19.32%	19.32%	19.32%	19.32%	19.32%	19.32%

Holding Period	Investment	Development: Entitlement	Development: Construction	1	2	3	4	5	6	7	8	9	10	11
1 YEAR	($4,227,258)	$0	$0	$3,198,923										
2 YEAR	($4,227,258)	$0	$0	$96,357	$4,618,360									
3 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$6,327,144								
4 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$7,964,128							
5 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$9,814,602						
6 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$11,671,654					
7 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$13,754,405				
8 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$16,019,020			
9 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,358	$18,474,042		
10 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$21,135,204	
11 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$24,334,221
12 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
13 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
14 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
15 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
16 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
17 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
18 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
19 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
20 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
21 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605
22 YEAR	($4,227,258)	$0	$0	$96,357	$423,237	$516,775	$618,518	$729,170	$855,314	$980,244	$1,122,356	$1,276,758	$1,444,469	$1,626,605

Holding Period	12	13	14	15	16	17	18	19	20	21	22
12 YEAR	$27,869,120										
13 YEAR	$1,850,836	$31,663,890									
14 YEAR	$1,850,836	$2,093,558	$35,764,871								
15 YEAR	$1,850,836	$2,093,558	$2,356,247	$40,194,176							
16 YEAR	$1,850,836	$2,093,558	$2,356,247	$2,640,478	$44,979,887						
17 YEAR	$1,850,836	$2,093,558	$2,356,247	$2,640,478	$2,947,952	$50,149,244					
18 YEAR	$1,850,836	$2,093,558	$2,356,247	$2,640,478	$2,947,952	$3,280,521	$53,731,832				
19 YEAR	$1,850,836	$2,093,558	$2,356,247	$2,640,478	$2,947,952	$3,280,521	$3,640,154	$61,760,154			
20 YEAR	$1,850,836	$2,093,558	$2,356,247	$2,640,478	$2,947,952	$3,280,521	$3,640,154	$4,028,999	$68,268,990		
21 YEAR	$1,850,836	$2,093,558	$2,356,247	$2,640,478	$2,947,952	$3,280,521	$3,640,154	$4,028,999	$4,449,348	$75,295,853	
22 YEAR	$1,850,836	$2,093,558	$2,356,247	$2,640,478	$2,947,952	$3,280,521	$3,640,154	$4,028,999	$4,449,348	$4,903,689	

Appendix C - Zoning Analysis

Subject Property	**4410 Frankford Avenue** **Baltimore MD 21206**
Block and Lot	Block 5989A, LOT 20
Acres	3.44
square feet in 1 acre	43,560
Total Square Footage of Subject Parcel	149,846

Residential District USES	Lot Coverage Multifamily Minimum Lot Area	# of Developable Dwelling Units	Per Zoning Summary Guidelines	Minimum lot Coverage if Variance is granted	Maximum lot Coverage FAR	Permissable Buildable SF Common Area & Units	# of Developable Dwelling Units w/ Variance	Excess Number of Units with Variance
R-4 Permitted Use	5,000 sq. ft	30	8.7	3750	0.4	59,939	40	-14
R-4 Permitted Use	5,000 sq. ft. per dwelling unit	30	8.7	3750	0.4	59,939	40	-14
R-4 Conditional Uses - Board Approval Required	5,000 sq. ft. per dwelling unit	30	8.7	3750	0.4	59,939	40	-14
City Ordinance and variance required for aditional density								
R-4 Conditional Uses- Ordinance Required	5,000 sq. ft. per dwelling unit	30	8.7	3750	0.4	59,939	40	-14
R-5	2,500 sq. ft. per other dwelling unit	60	17	1875	0.7	104,892	80	-14
R-6	1,500 sq. ft. per other dwelling unit	100	29	1125	1.0	149,846	133	-1
R-7	1,100 sq. ft. per other dwelling unit	136	40	825	1.2	179,816	182	20
R-8	750 sq. ft. per other dwelling unit	200	58	563	2.0	299,693	266	-2
R-9	550 sq. ft. per other dwelling unit	272	79	413	3.0	449,539	363	-40
R-10	200 sq. ft. per other dwelling unit	749	218	150	6.0	899,078	999	193

PRIMARY MARKET AREA ZIP 21206- COMPARABLE PROPERTIES					
Apartment Communities	**Unit Type**	**# of Units by Type**	**Monthly Rent**	**Square Footage**	**Total Square footage**
Windringe 5738 Cedonia Ave Baltimore MD 21206 Continental Realty Corporation	2BR 1.5Ba	22	$932	1,185	26,070
Totals		22	$20,493	26,070	26,070
4409 Moravia Road Baltimore, MD 21206 David S Brown	1BR	88	$710	690	60,720
	2BR	113	$835	793	89,609
Totals		201			150,329
Kenilworth at Hazelwood 5738 Cedonia Ave Baltimore, MD 21206 Continental Realty Corporation	Studio	24	$701	477	11,448
	1BR	105	$737	639	67,095
	2BR	32	$837	785	25,120
	2BR 1.5Ba	101	$831	792	79,992
	2BR Del	55	$841	809	44,495
	3BR 1.5ba	6	$1,081	1,101	6,606
Totals		323			234,756
Hamilton Springs 4808 2D Hamilton Avenue Baltimore, MD 21206 Managed by: Peak Management	1BR	60	$730	818	49,080
	2BR	72	$1,055	845	60,840
Totals		132			109,920
Holly Lane 4908 Crenshaw Ave # C Baltimore, MD 21206-5262	1BR	68	$795	716	48,688
	2BR 1.5Ba	102	$825	836	85,272
Totals		170			133,960
Mannasota Manor 4408 Bowley'S Lane #1a Baltimore, MD 21206 Managed by: Maryland Management Company	1BR	58	$784	760	44,080
	2BR	63	$899	960	60,480
Totals		121			104,560
Hamilton Park Apartments 6136 Fairdel Avenue Baltimore, MD 21206 Managed by: WPM & The Time Group	Studio	4	$570	425	1,700
	1BR	27	$6B5	629	16,983
	2BR	53	$760	679	35,987
	3BR1BA	4	$1,000	952	3,808
Totals		88			58,478

4410 Frankford Ave

Development Schedule

Number of Months	1	2	3	4	5	6	7	8	9	10	12	12	13	14	15	16	17	18	19	20	21	22	12	24	25
Year	2011	2011	2011	2011	2011	2011	2011	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2013	2013	2013	2013	2013	2013
Month	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June
Action Item																									
Site identified	X																								
Project Type Identified / Negotiate																									
Option/Purchase & Sale Contract / REA		X																							
Schematic Design			X																						
Planning Pre-development			X																						
Community Meetings				X																					
City Council / Community Meetings					X																				
Conceptual Design					X																				
City Council						X																			
City Council							X																		
Conceptual Design							X																		
Planning Department Proces								X																	
Construction Drawings									X																
Planning Department Proces									X																
Apply for Building Permits									X																
Close on the Property										X															
Demolition of Existing School											X														
Demolition of Existing School / Civil/Site Work												X													
Civil/Site Work													X												
Foundations														X											
Vertical															X										
Vertical																X									
Vertical																	X								
Vertical																		X							
Top off and Close-In																			X						
Interiors / Marketing																				X					
Interiors / Marketing																					X				
Interiors / Marketing																						X			
Interiors / Marketing																							X		
Interiors / Marketing																								X	
Tenant Occupancy																									X

JOHNS HOPKINS
CAREY
BUSINESS SCHOOL

Real Estate Development Practicum

Multi-Family Housing Development

4410 Frankford Ave.

Baltimore, MD 21206

May 5, 2011

Eric Murray

Advisor: Daniel P. Kelliher

Where business is taught with humanity in mind.