

**SPECIAL MEETING NOTICE
OF THE
COMMUNITY, HOUSING AND HUMAN SERVICES BOARD**

A special meeting of the Community, Housing and Human Services Board (CHHS Board) will be held remotely on August 31, 2022, at 4:00 P.M.

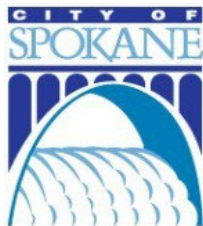
The City of Spokane's CHHS Board meeting held virtually via Microsoft Teams at **4:00 P.M. on Wednesday, August 31, 2022.** The public is encouraged to tune into the meeting using the Teams meeting information below and in the attached agenda.

The CHHS Board meeting is regularly held on the 1st Wednesday of each month at 4:00 P.M.

**Wednesday, August 31, 2022, 4:00 P.M.
Microsoft Teams Meeting**

**Join by phone: 1-323-618-1887
Phone Conference ID: 751 708 067#**

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6237, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or mpiccolo@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.



Community, Housing, & Human Services Board

August 31, 2022, 4:00 p.m.

Microsoft Teams

Vision: To provide opportunities that enhance the quality of life for Spokane's extremely low to moderate income population.

TIMES GIVEN ARE AN ESTIMATE AND ARE SUBJECT TO CHANGE	
4:00 – 4:05	Call to Order – Board Chair
	1. Approval of Agenda: ACTION 2. Public Comment – Please restrict comments to items relevant to the CHHS Board
4:05 – 4:30	Discussion
	1. Spokane Housing Authority's Hifumi-En Project Funding Alternatives
4:30	Adjournment – Board Chair

2022 Board Meeting Schedule

All Board meetings are held via Microsoft Teams and in person from 4:00 p.m. to 6:00 p.m. unless otherwise posted.

Join by phone: 1-323-618-1887 Access Code: 751 708 067#

January 5	July 6
February 2	August 3
March 2	(Retreat) September 7 September 15
April 6	October 5
May 4	November 2
June 1	December 7

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Board Members	Jan. 5	Feb. 2	Mar. 2	Apr. 6	May 4	Jun. 1	Jul. 6	Aug. 3	Sep. 7	Oct. 5	Nov. 2	Dec. 7
Adriane Leithauser	X		X	X	X	X	X	X				
Barb Lee					X	X	X	X				
Barry Barfield	X	X	X	X	X	X						
Betsy Wilkerson – Council Member	X	X	X	X	X	X	X	X				
Bob Hutchison		X	X	X	X		X	X				
Gordon Graves	X	X	X	X	X	X	X	X				
Jeri Rathbun	X	X	X	X	X	X						
Jonathan Bingle – Council Member			X	X	X		X	X				
Karen Ssebanakitta					X	X	X	X				
Kathleen Torella – County Rep	X	X	X	X	X	X	X	X				
Kathryn Alexander	X	X	X	X	X	X	X	X				

STANDING COMMITTEE MEETING INFORMATION

Affordable Housing Committee: Second Tuesday of each month, 11:30 a.m. to 1:00 p.m.

Arlene Patton, Adriane Leithauser, Phil Altmeyer, Andy Hoyer, Mark Muszynski, Patricia Kienholz, Gordon Graves, Diane Zemke, Barry Barfield, Michone Preston

Evaluation & Review Committee: Schedule TBD

Anne Stuyvesant-Whigam, Jeri Rathbun (Chair), Kim Taylor, Diane Zemke, Arlene Patton, Sara Clements-Sampson, Rowena Pineda, Fran Papenleur, Karen Ssebanakitta, Barb Lee

Executive Committee: Third Wednesday of each month, 4:00 p.m. to 5:30 p.m.

Jeri Rathbun, Adriane Leithauser, Barry Barfield, Bob Hutchinson, Kathryn Alexander

CA/CD: First Tuesday of each month, 5:30 p.m. to 7:00 p.m.

Refer to <https://my.spokanecity.org/chhs/> for more information on Board-related meetings and events.

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~ APPLICATION ~

Housing and Housing-Related Supportive Services

Application **Due**: Friday, June 10, 2022, at 5:00pm



APPLICANT INFORMATION

- **Agency Name:** Spokane Housing Authority
- **Proposal Name:** Hifumi-En Apartments
- **Date:** 06/07/2022

Funds Requested	\$9,707,768
Funds Leveraged	\$19,711,127
Total Project budget	\$29,418,895

- **Organization Leadership Contact Information:** _____
- **Contact Person:** Pamela Parr
- **Mailing Address:** 25 W. Nora Avenue, Spokane, WA 99205
- **Telephone:** 509-252-7105
- **Email:** pparr@spokanehousing.org

- **Organization Program Contact Information:** _____
- **Contact Person:** Brian Jennings
- **Mailing Address:** 25 W. Nora Avenue, Spokane, WA 99205
- **Telephone:** 509-252-7105
- **Email:** bjennings@spokanehousing.org

- Experience managing projects that include procurement and prevailing wage requirements: ☒ **Yes** ☐ **No**

Explain: _____

As a federally-funded entity, the Spokane Housing Authority's staff has decades of experience designing, bidding and constructing projects utilizing HUD-conformed procurement regulations. Our work over the past decade has allowed us to develop management of prevailing wage work into a core competency of the organization. In addition, our staff performs the wage interviews with contractors on any multifamily projects in the community that are receiving HUD assistance of any kind. The construction work we perform regardless of funding source must conform to HUD procurement regulations. We use these regulations to ensure our use and allocation of public funds is done so fairly and with transparency, ultimately providing clarity for our clients and customers

with whom we work. Our operations are audited annually by the State Auditor and over the past decade we have not had a single accountability audit finding. We believe this is due to our rigorous and consistently high-quality approach to accounting and finance controls, procurement, and contract management.

With respect to wages and projects that are required to meet Davis-Bacon or Washington State Prevailing Wages, our staff is currently managing two concurrent construction projects whose funding required these wages. Our work over the past six years to re-capitalize our multifamily portfolio of over 800 units also provided current staff with a substantial amount of experience working with multiple sources of financing. The scope and scale of financing included sources like Low Income Housing Tax Credits, HOME Funds, Housing Trust Funds, Brownfields grants, construction loans, permanent loans, and the issuing of tax-exempt bonds. In addition, we have consulted for local non-profits to deliver project management of construction funded with CDBG dollars.

PROPOSAL SCOPE

➤ **Problem Statement:**

The Hifumi-en apartments consists of forty-one (41) units constructed in 1972 by the Hifumi-en Society for Spokane's Elderly Japanese American Population. The Housing Authority purchased the property in 1992 and since then it has housed a population of elderly and disabled households. The property sits on 2.54 acres including two adjacent vacant parcels the Authority has recently acquired for this project, and an unimproved right-of-way that the Authority plans to seek vacation.

In 2020, a capital needs assessment for the property was completed by a third-party firm (Bureau Veritas) to determine the near-term and longer-term issues confronting the property and their associated costs. The assessment identified a capital need of \$3.8 Million over the 20-year period of the study to maintain the current level of service at that facility. Aside from the high cost of the capital needs, the work would do little to upgrade the facility and position it for the next fifty years of service.

In keeping with SHA's strategy of upgrading and repositioning our portfolio, Hifumi-en remains the last property of ours to need such work. Given the documented capital needs, the overall increasing costs noted above and the need to uproot 41 units of elderly and disabled households for an extended period, perhaps permanently, another alternative was sought. Our approach to maintain and expand this facility in its current location addresses multiple impediments, funding priorities and target populations identified in the NOFA. Particularly the following:

- Impediment 2 and Impediment 3 – Retains and expands a property specifically for people with disabilities
- Impediment 4- Provides units for those with vouchers and will deliver project-based vouchers
- Impediment 7 – will emphasize design for a population with mobility issues and elderly.
- Funding Priorities – Serves households below 60% AMI
- Funding Priorities-Designed with design standards specific to senior and/or disabled populations
- Target Populations-Senior Citizens
- Target Populations-Persons with disabilities

In Summer of 2021, SHA began work to acquire adjacent vacant land, begin conceptual design of a replacement community, and attend a pre-development meeting with the City. As a result of this work, SHA has acquired the adjacent property and determined a path forward to a new expanded facility with 86 one-bedroom units. The project would not require any temporary or permanent relocation of existing households, would maintain the tight community that exists, would add 45 units of new housing for the same population, and replace an aging and increasingly expensive asset in the Authority's portfolio.

➤ **The objectives of this proposal are:**

- Address the property's physical and financial concerns to minimize disruption to the existing community of seniors and disabled households.

- Replace and expand the existing facility with a new structure that better meets the needs of this population
- Reduce the Authority's long term capital needs liability

➤ **Successful execution of this proposal will be measured by:**

The proposal will be successful as a 4% LIHTC project using the general timeframes and achieving the funding milestones for a project with similar complexities and challenges. The main measure for success will be how well we manage variability once the deal has closed. We are confident the funding issues can be addressed like any other new LIHTC development. However, the issues associated with post-closing budget and schedule are of more concern in the current economic environment. This includes managing the construction budget and the contingency line item to keep the project achievable and within an acceptable range. Secondary measures include meeting the construction schedule during a time confronted by supply chain issues frequently out of our control.

Performance Measures	Target/Goal
1. Time Growth -Percentage change in time between the final contract time and original contract time (percentage)	< 7.5%
2. Cost Growth-Percentage change in cost between final contract cost and original contract cost (percentage)	< 10%

➤ **The scope of this proposal will include:**

As mentioned above, this project is a new construction of a three story, 86-unit multifamily project. All units are planned to be 1 bedroom, with common area and landscaped outdoor spaces for resident enjoyment. The project proposes 100% of the units will be set-aside for those incomes who do not exceed 60% of the area median income. However, pursuant to existing regulatory agreements with Commerce and City HOME 21 of the units will still need to be set-aside to households not making more than 30% of area median income. Of the 86 units we are anticipating that 60 will have project-based vouchers in place. Following construction of the new facility, current Hifumi-en Tenants would be relocated from the old building to the new. Once relocated, demolition of the existing facility will begin, followed by completion of the site landscape improvements.

The anticipated construction work is expected to take 15 months from start to finish.

➤ **The scope of this proposal will not include:**

This project will not require any occupied renovation of existing units. We have specifically designed our approach to construct a new facility onsite and adjacent to the existing Hifumi-en. When complete, tenants would take up residence in their new units in the new building. The idea is that this will minimize the disruption in their lives. Following construction and relocation, the old Hifumi-en would be demolished and landscaped as a garden and common space for the new community. The project will continue to serve elderly and disabled households in the community.

Included in Project Scope	<u>Not</u> Included in Project Scope
1. 86 One bedroom units	1. Renovation of existing Hifumi-en Apartments
2. New Construction	2. Relocation of current Hifumi-en Residents
3. 100% Affordable Housing	3. Change in the population the project serves.
4. Will utilize project-based vouchers	
5. No temporary or permanent relocation of existing tenants	
6. Vacation of existing Conklin Street right-of-way	
7. Post-construction demolition of current Hifumi-en	

➤ **Key milestones for this proposal include:**

The project's key milestones are primarily centered around the financing of the project. The first-in financing source is the HHRSS Funding which will set the strategic direction of the project (4% or 9%). In this proposal we are assuming a 4% project is the outcome. Following that, work on floorplans, elevations, renderings, and the ESDS Checklist will advance to prepare for the 4% LIHTC application. Working internally with our Development Committee, SHA will continue to refine it's proforma and project cost estimates, while creating the legal framework for the Limited Liability Limited Partnership to be formed. We anticipate we would have bond cap reserved in Q1 2023 and an allocation, followed by project bidding in Q2, and deal closing and construction starting in Q3 2023. Construction would last approximately 15 months and be complete by December of 2024. Project closeout would occur by Q2 of 2025.

Proposal Milestones	Target/Goal
H and HRSS Funding under Contract	Q3 2022
Bond Cap Allocated	Q1 2023
Project Bidding	Q2 2023
Contractor Selection	Q2 2023
Begin Construction	Q3 2023
End Construction	Q4 2024
Project Closeout	Q2 2025

➤ **Current assumptions for this proposal include:**

- Vacation of the Conklin Street right-of way is granted by the City Council
- The Authority will be able to access Bond Capacity from the State's set aside for public housing authorities
- HTF, WSHFC, and City (HOME) Approve of the request to revise existing regulatory agreements
- Equity pricing remains consistent at \$.92 per credit and doesn't degrade over the coming months.
- Changes to the permanent loan interest rate are not greater than what has been forecast as planned to date.

➤ **Known constraints for this proposal include:**

- **GAP Funding**-As structured, a 4% Low Income Housing Tax Credit project creates a substantial funding gap given the smaller number of units. If project is not awarded the amount identified in the

application, SHA would seek to pursue 9% Low Income Housing Tax Credits and would be the only project to move forward from our region in the next 9% tax credit round (1 award per region per HFC Policy). SHA understands that more units are capable of being developed more quickly if we opt out of the 9% LIHTC structure and allow others to deliver needed units under that funding tool. SHA would then seek a 4% LIHTC with support from the SLIHC, City, County, and others if the substantial funding gap (~\$9,700,00) could be filled.

- **Vacation of existing Conklin St. Right-Of-Way**-This is necessary for the project to achieve the number of units anticipated. Our pre-development meeting with the city in Fall of 2021 identified this as a strong candidate for vacation since the right-of-way was never developed and is bordered by only two property owners. Vacation of the adjacent right-of-way will begin this summer and should take approximately 6 months to complete.

Current Assumptions	Known Constraints
1. GAP Funding is provided	1. City must approve of GAP funding of approximately \$9.7 Million
2. Vacation of Conklin is approved	2. Vacation of Existing Conklin St. is a Lengthy process- City Council Approval required.
3. Operating Expenses are limited to 3.5% increase from 2022 actual expenses	
4. HTF, WSHF, and City (HOME) approve of request to revise existing regulatory agreements	
5. Credit pricing is assumed at \$0.92 at closing.	

- List all stakeholders involved in the creation of this proposal:

Stakeholder Name	Stakeholder Title	Date of Approval
1. Pamela Parr	Spokane Housing Authority Executive Director	05/23/2022
2. Spokane Housing Board	SHA Commissioners	05/23/2022
3. Ben Stuckart-Director	SLIHC	5/31/22
4. Fawn Schott	VOA	5/31/22
5. Jonathan Mallahan	Catholic Charities	5/31/22
6. Paul Trautman	Community Frameworks	5/31/22
7. Julie Honekamp	SNAP	5/31/22

- **Describe how this proposal will track and record basic demographic and income reporting requirements:**
As a LIHTC project every tenant has this information maintained and reported on an annual basis. For project-based units and Housing Choice Vouchers, SHA manages income and program verification across six counties who have these in place. This includes extensive information and data related to demographics. For LIHTC purposes, SHA manages over 800 units in our current portfolio that require annual certifications by a variety of funders from Washington State Department of Commerce, various tax credit investors, HOME funds and others. All files are managed and maintained by the competent and well trained staff of SHA.

BUDGET NARRATIVE

➤ **Describe how the funds requested will be utilized and leveraged with other fund sources (*this narrative should correlate with the detailed budget*):**

Under this plan, it is anticipated that the tax credit partnership would lease the project from SHA at the fair market value of approximately \$3,763,000. SHA would have a seller financing note in the amount of \$3,763,000.

Tax Credit Equity-Based on utilizing 4% credits on the construction of the new facility, tax credit contributions are estimated at approximately \$9,022,000. This assumes credit price at \$0.92 per credit. Approximately 3% of the equity would be paid in at closing, 73% at construction completion and the balance at the permanent loan conversion date (18 months).

Bond Financing- The plan assumes that approximately \$20,050,000 million in private activity bonds will be used by the Authority and purchased by a lender under a private placement. The lender would then loan proceeds of the bond funds to the tax credit partnership to fund acquisition, general development, and construction costs.

The \$20 million would be loaned to the partnership as a construction loan with an anticipated fixed interest rate for a period of 18 months. The plan assumes that \$5,375,000 of the construction loan would be converted to a permanent loan at the loan conversion date (18 months). Investor tax credit equity would repay the remaining balance of the construction loan balance at loan conversion. The interest rate on the permanent loan would be fixed at the time of the transaction closing and would include a 35-year amortization with a 16-year term. The debt was sized such that projected debt coverage ratio was not less than 1.30.

Seller Financing- The Authority anticipates loaning approximately \$3,763,000 in a single note to the tax credit partnership. This would be funded at transaction closing.

Cash Flow from Operations-Current cash flow from the old Hifumi-en will be utilized as a development source and is estimated to be \$450,000.

Deferred Developer Fee-The plan also assumes that SHA will defer approximately \$1,100,000 of the estimated \$3,200,000 developer fee. These deferred fees will be paid to SHA from available annual operating cash flow.

➤ **Describe how this proposal meets the minimum gap financing requirement of 50%:**

- As described above, the project is using 4% LIHTC to develop the 86 new one-bedroom units. The use of 4% tax credits as a strategy creates a substantial gap (~\$9.7 million) that will need some source of funds to fill. This proposal as described above has identified five different sources that will account for 67% (~\$19.7 million) of the overall funding.

This includes the following source:

- Permanent Loan
- Seller Financing
- Deferred Developer Fee
- LIHTC Equity
- Sponsor Capital

The balance of the funds would come from the funding available via this application. As a housing authority, SHA has access to bond capacity at the state level set aside for public projects such as this. SHA currently is in the queue to access a portion of this bond capacity in early 2023 which aligns well with this project's timeline.

The stakeholders listed above have assembled and collaborated on the development approach that includes this funding proposal. Essentially, by accessing the bond capacity available to the Housing Authority (via 4% LIHTC and tax-exempt bonds) and not pursuing the 9% LIHTC funding this round, the development community can access the 9% LIHTC funding for a much more substantial project in terms of unit count. The net result of the 4% channel combined with the 9% channel combined, bring a larger number of affordable units to our community over the same time.

ATTACHMENTS

- ☒ **Completed Pre-award Applicant Risk Assessment**
- ☒ **Articles of Incorporation/Bylaws**
- ☒ **Federal Tax Form 990**
- ☒ **Evidence of Site Control**
- ☒ **Current Board of Directors listing (include affiliations with other agencies or organizations)**
- ☒ **Organization Policies and Procedures**
- ☒ **Leverage Letter(s)**
- ☒ **Housing and Housing-Related Supportive Services Budget Application**
- ☒ **Pre-Development Conference Comments**
- ☒ **Conceptual Plans**

Validations Checklist

This page is intended as a check that particular elements of the application have been completed or responses have been provided. If any of the elements displays as "Concern," please provide a reasoning for why, in your opinion, this element is not a concern.

Validations

Form	Issue	OK /	
		Concern	Rationale for Concern
3	Populations to be served must be ID'd	OK	
	Entry Status must be ID'd for all Populations	OK	
	Residency Type must be ID'd for all Populations	OK	
	All Records must be flagged as Unit or Bed	OK	
	A unit count must be provided for all ID'd populations	OK	
5	Begin Construction task cannot be deleted	OK	
	Schedule Tasks cannot be deleted	OK	
6A	Total Sources (cell j119) must at least equal Total Uses (cell j118)	OK	
7A	All Sources must have a Source Type selected	OK	
	All Sources must be identified as Grant or Loan	OK	
	All Loans must have terms	Concern	
	All Sources must have an Award Date listed	OK	
	Total Capital Sources (cell F48) must match Total Sources on Form 6A (cell 118)	OK	

Project Summary

Project Name: Hifumi-En Apartments

Project Sponsor: Spokane Housing Authority

Sponsor Address: 25 W Nora Spokane, WA 99205

Project Contact Person: Brian Jennings

Phone: 509-252-7105 Email: bjennings@spokanehousing.org

Development Consultant (if applicable):

Firm: N/A

Consultant Name: _____

Phone: _____ Email: _____

Will the Development Consultant serve as the primary contact for the project? Select...

Name of Ownership Entity: Future Limited Liability Limited Partnership

Project Location

Primary Street Address: 928 E 8th Avenue

City: Spokane County: Spokane Zip: 99202

Tax Parcel ID# 35204.0825, 35204.0816, 35204.0823

Project Activity (check all that apply)

Acquisition	<input checked="" type="checkbox"/>	Demolition/Redevelopment	<input checked="" type="checkbox"/>	Mixed Use	<input type="checkbox"/>
Rehab	<input type="checkbox"/>	Mixed Use	<input type="checkbox"/>	Other	<input type="checkbox"/>
New Construction	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>		

If Mixed Use or Other, please explain:

Total Sites in project 1

Total Units in Project 86

Square Footage Details

62979

Project Name: Hifumi-En Apartments

Building #	RESIDENTIAL SQUARE FOOTAGE								NON-RESIDENTIAL		TOTAL
	# of Floors	Square Footage of HOME Units	Sq. Footage of Affordable but Non-HOME units	Square Footage of Market Rate Units	Square Footage of Manager Unit(s)	Square Footage of Common Area(s)	Structured Residential Parking	Total Residential Gross Square Footage	# of floors	Gross Square Footage	Total Gross Square Footage
1	3	47,300	0	0	0		0	47,300			47,300
#REF!								0			0
#REF!								0			0
#REF!								0			0
#REF!								0			0
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#REF!								0			0
Total:		47,300	0	0	0	0	0	47,300		0	47,300

Proposed Rents and AMIs Served

Project Name: Hifumi-En Apartments

% of Median Income Served	Qty.	Unit Type	# Type A ADA Accessible	Avg Unit Square Footage	Tenant Paid Monthly Rent	Tenant Paid Utilities (Utility Allowance)	Sum of Tenant Paid Rent and Utilities	Project Based Rent Subsidy	Gross Monthly Rent	Annual Gross Tenant Paid Rental Income	Annual Gross Rental Subsidy Income	Annual Gross Rental Income
30%	21	1 BR	1	550	\$ 505	\$ (68)	\$ 437	\$ 437	\$ 874	\$ 127,260	\$ 110,124	\$ 237,384
60%	20	1 BR	1	550	\$ 1,009	\$ (68)	\$ 941	\$ 43	\$ 984	\$ 242,160	\$ 10,320	\$ 252,480
60%	26	1 BR	1	550	\$ 1,009	\$ (68)	\$ 941	\$ 43	\$ 984	\$ 314,808	\$ 13,416	\$ 328,224
60%	19	1 BR	1	550	\$ 1,009	\$ (68)	\$ 941	\$ 43	\$ 984	\$ 230,052	\$ 9,804	\$ 239,856
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CAUs / Managers	0											
Market Rate	0				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	86									\$ 914,280	\$ 143,664	\$ 1,057,944

Summary of Units

AMI Targets	Beds	SRO	Studio	1 BR	2 BR	3 BR	4 BR	5+ BR	Total Units
25%	-	-	-	-	-	-	-	-	0
30%	-	-	-	21	-	-	-	-	21
35%	-	-	-	-	-	-	-	-	0
40%	-	-	-	-	-	-	-	-	0
45%	-	-	-	-	-	-	-	-	0
50%	-	-	-	-	-	-	-	-	0
55%	-	-	-	-	-	-	-	-	0

60%	-	-	-	65	-	-	-	-	65
65%	-	-	-	-	-	-	-	-	0
80%	-	-	-	-	-	-	-	-	0
Total Low-Income Units	0	0	0	86	0	0	0	0	86
Market Rate	-	-	-	-	-	-	-	-	0
CAUs / Managers	-	-	-	-	-	-	-	-	0
TOTAL UNITS	0	0	0	86	0	0	0	0	86
# of ADA Compliant Units	0	0	0	4	0	0	0	0	4.3
Avg Sq Ft	0	0	0	550	0	0	0	0	

Project Schedule

Project Name: Hifumi-En Apartments

Category	Tasks	Date Completed or Expected Complete	Status/Notes
Site Control	Purchase and Sale Agreement / Option	7/21/2021	(e.g., Executed PSA/ Option)
Site Control	Maximum Extensions		N/A
Site Control	Closing	4/25/2022	(e.g., Must Close on December 31, 2008)
Feasibility/Due Diligence	Site survey	9/1/2021	(e.g., Completed on schedule)
Feasibility/Due Diligence	Market study		
Feasibility/Due Diligence	Phase I Environmental Assessment	10/1/2021	
Feasibility/Due Diligence	NEPA Clearance	11/1/2022	
Feasibility/Due Diligence	Capital Needs Assessment		N/A
Relocation	URA Notices delivered to tenants	9/1/2022	
Relocation	Tenant move out	1/1/2025	
Financing	BONDS		
Financing	Bond Application Submitted	2/1/2023	
Financing	Payment of WSHFC Deposit	3/1/2023	
Financing	Scoping Meeting		TBD
Financing	Commission Hearing		TBD
Financing	Finance Resolution	4/1/2023	
Financing	Bond Closing	5/1/2023	
Financing	Tax Credits		
Financing	LOI Executed	2/1/2023	
Financing	Credit Committee Approval	4/1/2023	
Financing	Construction Loan		
Financing	Executed Term Sheet	3/1/2023	
Financing	Appraisal Ordered	3/1/2023	
Financing	Appraisal Review Complete	4/1/2023	
Financing	Final Approval	5/1/2023	
Financing	Permanent Loan		
Financing	Executed Term Sheet	3/1/2023	
Financing	Appraisal Ordered	3/1/2023	
Financing	Appraisal Review Complete	4/1/2023	
Financing	Final Approval	5/1/2023	
Financing	Other Sources of Funds		
Financing	Application Date	N/A	
Financing	Award Date	N/A	

Relocation Budget

Project Name: Hifumi-En Apartments

Activities	Cost per Household/Business	Number to be Assisted	Budget	Notes
Relocation rental/purchase assistance by size of unit to be replaced				
1 BR	\$ 1,200.00	41	\$ 49,200.00	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
Temporary Moving Expenses			\$ -	
Permanent Moving Expenses			\$ -	
Replacement cost for business			\$ -	
Advisory services			\$ -	
Other Activities			\$ -	
Total		41	\$ 49,200.00	

In the space below, provide detail if you indicated "Other Activities".

Development Budget

Project Name: Hifumi-En Apartments

Date of Budget 6/8/2022

% Total Project Cost	Total Project Cost	Residential total	RESIDENTIAL							NON-RESIDENTIAL		
			Source:	Source:	Source:	Source:	Source:	Source:	Source:	non-residential total	Source:	Source:
			City	Tax Exempt Bond, Permanent Loan	Seller Financing	Deferred Dev Fee	LIHTC	Cash Flow From Operations				

Acquisition Costs:

Land	2%	\$ 564,450	\$ 564,450			\$ 564,450				\$ -		
Existing Structures	11%	\$ 3,198,550	\$ 3,198,550			\$ 3,198,550				\$ -		
Liens	0%		\$ -							\$ -		
Closing, Title & Recording Costs	0%	\$ 21,165	\$ 21,165					\$ 21,165		\$ -		
Extension payment	0%		\$ -							\$ -		
Other:	0%		\$ -							\$ -		
SUBTOTAL	13%	\$ 3,784,165	\$ 3,784,165	\$ -	\$ -	\$ 3,763,000	\$ -	\$ 21,165	\$ -	\$ -	\$ -	\$ -

Construction:

Demolition	0%	\$ -	\$ -							\$ -		
New Building	47%	\$ 13,855,380	\$ 13,855,380	\$ 3,234,217	\$ 5,375,218		\$ 865,299	\$ 3,994,851	\$ 385,795	\$ -		
Rehabilitation	0%		\$ -							\$ -		
Contractor Profit	2%	\$ 473,839	\$ 473,839	\$ 473,839						\$ -		
Contractor Overhead	2%	\$ 694,269	\$ 694,269	\$ 694,269						\$ -		
New Construction Contingency	15%	8%	\$ 2,273,633	\$ 2,273,633	\$ 1,607,380			\$ 666,253		\$ -		
Rehab Contingency	0%		\$ -							\$ -		
Accessory Building	0%		\$ -							\$ -		
Site Work / Infrastructure	0%	\$ 30,000	\$ 30,000	\$ 30,000						\$ -		
Off site Infrastructure	0%		\$ -							\$ -		
Environmental Abatement - Building	0%		\$ -							\$ -		
Environmental Abatement - Land	0%		\$ -							\$ -		
Sales Tax	5%	\$ 1,587,032	\$ 1,587,032	\$ 1,587,032						\$ -		
Bond Premium	0%	\$ 129,270	\$ 129,270	\$ 129,270						\$ -		
Equipment and Furnishings	1%	\$ 225,000	\$ 225,000	\$ 225,000						\$ -		
Other: Liability Insurance	1%	\$ 154,795	\$ 154,795	\$ 154,795						\$ -		
SUBTOTAL	66%	\$ 19,423,218	\$ 19,423,218	\$ 8,135,802	\$ 5,375,218	\$ -	\$ 865,299	\$ 4,661,104	\$ 385,795	\$ -	\$ -	\$ -

Soft Costs:

Buyer's Appraisal	0%		\$ -							\$ -		
Market Study	0%	\$ 8,000	\$ 8,000	\$ 8,000						\$ -		
Architect	3%	\$ 917,604.00	\$ 917,604.00	\$ 550,562.00				\$ 367,042.00		\$ -		
Engineering	0%		\$ -							\$ -		
Environmental Assessment	0%	\$ 5,000	\$ 5,000	\$ 5,000						\$ -		
Geotechnical Study	0%	\$ 15,000	\$ 15,000	\$ 15,000						\$ -		
Boundary & Topographic Survey	0%	\$ 15,000	\$ 15,000	\$ 15,000						\$ -		
Legal - Real Estate	0%		\$ -							\$ -		
Developer Fee	11%	\$ 3,198,761	\$ 3,198,761					\$ 3,198,761.00		\$ -		
Project Management / Dev. Consultant Fees	0%		\$ -							\$ -		

Development Budget

Project Name: Hifumi-En Apartments

Date of Budget	6/8/2022	% Total Project Cost	Total Project Cost	Residential total	RESIDENTIAL						NON-RESIDENTIAL		
					Source:	Source:	Source:	Source:	Source:	Source:	non-residential total	Source:	Source:
					City	Tax Exempt Bond, Permanent Loan	Seller Financing	Deferred Dev Fee	LIHTC	Cash Flow From Operations			
Other Consultants		0%		\$ -							\$ -		
Soft Cost Contingency		0%	\$ 35,000	\$ 35,000	\$ 35,000						\$ -		
Other:		0%	\$ 65,000	\$ 65,000	\$ 65,000						\$ -		
SUBTOTAL		14%	\$ 4,259,365	\$ 4,259,365	\$ 693,562	\$ -	\$ -	\$ -	\$ 3,565,803	\$ -	\$ -	\$ -	\$ -
Pre-Development / Bridge Financing													
Bridge Loan Fees		0%	\$ -	\$ -							\$ -		
Bridge Loan Interest		0%	\$ -	\$ -							\$ -		
SUBTOTAL		0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Financing													
Construction Loan Fees		1%	\$ 195,000	\$ 195,000	\$ 195,000						\$ -		
Construction Loan Expenses		0%		\$ -							\$ -		
Construction Loan Legal		0%	\$ 49,000	\$ 49,000	\$ 49,000						\$ -		
Construction Period Interest		3%	\$ 774,042	\$ 774,042					\$ 774,042.000		\$ -		
Lease-up Period Interest		0%		\$ -							\$ -		
SUBTOTAL		3%	\$ 1,018,042	\$ 1,018,042	\$ 244,000	\$ -	\$ -	\$ -	\$ 774,042	\$ -	\$ -	\$ -	\$ -
Permanent Financing													
Permanent Loan Fees		0%		\$ -							\$ -		
Permanent Loan Expenses		0%		\$ -							\$ -		
Permanent Loan Legal		0%		\$ -							\$ -		
LIHTC Fees		1%	\$ 202,000	\$ 202,000	\$ 202,000						\$ -		
LIHTC Legal		0%		\$ -							\$ -		
LIHTC Owners Title Policy		0%		\$ -							\$ -		
State HTF Fees		0%		\$ -							\$ -		
Other: Bonds Legal+Cost of Issuance		0%	\$ 135,500	\$ 135,500	\$ 135,500						\$ -		
SUBTOTAL		1%	\$ 337,500	\$ 337,500	\$ 337,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capitalized Reserves													
Operating Reserves		1%	\$ 219,701	\$ 219,701				\$ 219,701			\$ -		
Replacement Reserves		0%		\$ -							\$ -		
Other:		0%	\$ -	\$ -							\$ -		
SUBTOTAL		1%	\$ 219,701	\$ 219,701	\$ -	\$ -	\$ -	\$ 219,701	\$ -	\$ -	\$ -	\$ -	\$ -
Other Development Costs													
Real Estate Tax		0%		\$ -							\$ -		
Insurance		1%	\$ 169,178	\$ 169,178	\$ 169,178						\$ -		
Relocation		0%	\$ 50,000	\$ 50,000						\$ 50,000	\$ -		
Bidding Costs		0%		\$ -							\$ -		
Permits, Fees & Hookups		0%	\$ 34,127	\$ 34,127	\$ 34,127						\$ -		

Development Budget

Project Name: Hifumi-En Apartments

Date of Budget 6/8/2022

	% Total Project Cost	Total Project Cost	Residential total	RESIDENTIAL						NON-RESIDENTIAL		
				Source: City	Source: Tax Exempt Bond, Permanent Loan	Source: Seller Financing	Source: Deferred Dev Fee	Source: LIHTC	Source: Cash Flow From Operations	non-residential total	Source:	Source:
Impact/Mitigation Fees	0%	\$ 38,599	\$ 38,599	\$ 38,599						\$ -		
Development Period Utilities	0%		\$ -							\$ -		
Nonprofit Donation	0%		\$ -							\$ -		
Accounting/Audit	0%	\$ 15,000	\$ 15,000				\$ 15,000			\$ -		
Marketing/Leasing Expenses	0%	\$ 15,000	\$ 15,000						\$ 15,000	\$ -		
Carrying Costs at Rent up/Lease Up Reserve	0%		\$ -							\$ -		
SUBTOTAL	1%	\$ 321,904	\$ 321,904	\$ 241,904	\$ -	\$ -	\$ 15,000	\$ -	\$ 65,000	\$ -	\$ -	\$ -

Bond Related Costs of Issuance (4% Tax Credit/Bond Projects Only)

Issuer Fees & Related Expenses	0%	\$ -	\$ -							\$ -		
Bond Counsel	0%	\$ 55,000	\$ 55,000	\$ 55,000						\$ -		
Trustee Fees & Expenses	0%	\$ -	\$ -							\$ -		
Underwriter Fees & Counsel	0%	\$ -	\$ -							\$ -		
Placement Agent Fees & Counsel	0%	\$ -	\$ -							\$ -		
Borrower's Counsel - Bond Related	0%	\$ -	\$ -							\$ -		
Rating Agency	0%	\$ -	\$ -							\$ -		
SUBTOTAL	0%	\$ 55,000	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Development Cost:

	\$ 29,418,895	\$ 29,418,895								\$ -		
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Total Sources:

	\$ 29,418,895	\$ 29,418,895	\$ 9,707,768	\$ 5,375,218	\$ 3,763,000	\$ 1,100,000	\$ 9,022,114	\$ 450,795	\$ -	\$ -	\$ -
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Development Budget Details

Project Name: Hifumi-En Apartments

R E S I D E N T I A L	
Residential Total	Explanation (Be as specific as possible and include any deviations from the cost estimate)

Acquisition Costs:

Land	\$ 564,450.00	15% of overall cost
Existing Structures	\$ 3,198,550.00	Estimate based on similar property sales
Liens	\$ -	
Closing, Title & Recording Costs	\$ 21,165.00	
Extension payment	\$ -	
Other	\$ -	

Construction:

Demolition	\$ -	
New Building	\$ 13,855,380.00	Based on similar projects recently built in Spokane
Rehabilitation	\$ -	
Contractor Profit	\$ 473,839.00	Based on similar projects recently built in Spokane
Contractor Overhead	\$ 694,269.00	Based on similar projects recently built in Spokane
New Construction Contingency	\$ 2,273,633.00	15% to manage price variability
Rehab Contingency	\$ -	
Accessory Building	\$ -	
Site Work / Infrastructure	\$ 30,000.00	
Off site Infrastructure	\$ -	
Environmental Abatement - Building	\$ -	
Environmental Abatement - Land	\$ -	
Sales Tax	\$ 1,587,032.00	9% Sales Tax
Bond Premium	\$ 129,270.00	
Equipment and Furnishings	\$ 225,000.00	Based on similar projects and furnishing needs
Other Construction Costs	\$ 154,795.00	

Soft Costs:

Buyer's Appraisal	\$ -	
Market Study	\$ 8,000.00	Based on projects of similar size
Architect	\$ 917,604.00	Based on projects of similar size
Engineering	\$ -	
Environmental Assessment	\$ 5,000.00	Base on work already done
Geotechnical Study	\$ 15,000.00	Based on estimates received
Boundary & Topographic Survey	\$ 15,000.00	Based on work already done
Legal - Real Estate	\$ -	
Developer Fee	\$ 3,198,761.00	Less than 15%
Project Management / Dev. Consultant Fees	\$ -	
Other Consultants	\$ -	
Soft Cost Contingency	\$ 35,000.00	
Other	\$ 65,000.00	

Pre-Development / Bridge Financing

Bridge Loan Fees	\$ -	
Bridge Loan Interest	\$ -	

Construction Financing

Construction Loan Fees	\$ 195,000.00	Estimate based on previous work
Construction Loan Expenses	\$ -	
Construction Loan Legal	\$ 49,000.00	Estimate based on previous work

Development Budget Details

Project Name: Hifumi-En Apartments

R E S I D E N T I A L		
Residential Total	Explanation (Be as specific as possible and include any deviations from the cost estimate)	
Construction Period Interest	\$ 774,042.00	15 Months of interest and another 7 months for Lease-up Interest
Lease-up Period Interest	\$ -	

Permanent Financing

Permanent Loan Fees	\$ -	
Permanent Loan Expenses	\$ -	
Permanent Loan Legal	\$ -	
LIHTC Fees	\$ 202,000.00	Estimate based on similar projects
LIHTC Legal	\$ -	
LIHTC Owners Title Policy	\$ -	
State HTF Fees	\$ -	
Other	\$ 135,500.00	Bonds legal and cost of issuance

Capitalized Reserves

Operating Reserves	\$ 219,701.00	6 months of reserves
Replacement Reserves	\$ -	
Other Reserves	\$ -	

Other Development Costs

Real Estate Tax	\$ -	
Insurance	\$ 169,178.00	Estimate based on similar projects
Relocation	\$ 50,000.00	Estimate based on recent projects
Bidding Costs	\$ -	
Permits, Fees & Hookups	\$ 34,127.00	
Impact/Mitigation Fees	\$ 38,599.00	Estimate from city
Development Period Utilities	\$ -	
Nonprofit Donation	\$ -	
Accounting/Audit	\$ 15,000.00	Estimate based on SHA Costs
Marketing/Leasing Expenses	\$ 15,000.00	
Carrying Costs at Rent up/ Lease Up Reserve	\$ -	

Bond Related Costs of Issuance (4% Tax Credit/Bond Projects Only)

Issuer Fees & Related Expenses	\$ -	
Bond Counsel	\$ 55,000.00	
Trustee Fees & Expenses	\$ -	
Underwriter Fees & Counsel	\$ -	
Placement Agent Fees & Counsel	\$ -	
Borrower's Counsel - Bond Related	\$ -	
Rating Agency	\$ -	

Financing Sources

Project Name: Hifumi-En Apartments

Bridge Financing

Bridge Source Name	Bridge Source Type	Proposed Amount	Committed Amount	Interest Rate	Loan Term	Amortization Period	Source of Repayment
Construction Loan	Bank	\$ 20,050.00	\$ -	3.550	18 Months	n/a	LIHTC Equity, Sponsor Loan, City ARPA
		\$ -	\$ -				
		\$ -	\$ -				
Subtotals		\$ 20,050.00	\$ -				
Total Bridge Financing			\$ 20,050.00				

Permanent Financing - Residential

Residential Source Name	Residential Source Type	Proposed Amount	Committed Amount	Public / Private	Application Date	(Projected) Award Date	Grant/ Loan	Funding Type	Debt Type	Interest Rate	Loan Term	Amortization Period	Repayment Structure
City of Spokane	City	\$ 9,707,768.00	\$ -	Public			Loan	Deferred	Soft			40	
Permanent Loan	Bank	\$ 5,375,218.00	\$ -	Private			Loan	Amortizing	Soft	5.910	16	35	
Seller Financing	Sponsor	\$ 3,763,000.00	\$ -	Public			Loan	Amortizing	Soft	4.500		40	cash flow
Deferred Developer Fee	Sponsor	\$ 1,100,000.00	\$ -	Public			Loan	Amortizing	Soft	0.000			cash flow
LIHTC	Private	\$ 9,022,114.00	\$ -	Private	Q1 2023								
Sponsor Capital	Sponsor	\$ 450,795.00	\$ -	Public									
Subtotal		\$ 29,418,895.00	\$ -										
Residential Sources (excluding LIHTC Equity)			\$ 29,418,895.00										
Enter Any Expected LIHTC Equity													
Total Residential Sources			\$ 29,418,895.00										

Permanent Financing - Non-Residential

Non Residential Source Name	Non Residential Source Type	Proposed Amount	Committed Amount	Public / Private	Application Date	(Projected) Award Date	Grant/ Loan	Funding Type	Debt Type	Interest Rate	Loan Term	Amortization Period	Repayment Structure
	Select...			Select...			Select...		Select...				
Subtotal		\$ -	\$ -										
Total Non Residential Sources			\$ -										
Total Capital Sources			\$ 29,418,895.00										

Operating, Service and Rent Subsidy Sources

Project Name: Hifumi-En Apartments

ANNUAL PROJECT-BASED RENT SUBSIDY SOURCES. (Do Not Include Operating or Service Funding Sources Here.)

Source	Proposed Funding	Committed/ Conditional Funding	Total Funding	Length of Commitment
		\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Gross Annual Rent Subsidy	\$ -	\$ -	\$ -	

ANNUAL OPERATING SUBSIDY SOURCES (Do Not Include Service or Rent Subsidy Dollars Here)

Source	Proposed Funding	Committed/ Conditional Funding	Total Funding	Length of Commitment
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Gross Annual Operating Subsidy	\$ -	\$ -	\$ -	

ANNUAL SERVICE FUNDING SOURCES (Do Not Include Operating or Rent Subsidy Dollars Here)

Source	Proposed Funding	Committed/ Conditional Funding	Total Funding	Length of Commitment
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Gross Annual Services Funding	\$ -	\$ -	\$ -	

Operating Pro Forma

Project Name: Hifumi-En Apartments

Pro Forma Date 6/7/2022

REVENUES

		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
Residential Income	Escalator															
Gross Tenant Paid Rental Income	2.5%	\$ 914,280.00	\$ 937,137.00	\$ 960,565.43	\$ 984,579.56	\$ 1,009,194.05	\$ 1,034,423.90	\$ 1,060,284.50	\$ 1,086,791.61	\$ 1,113,961.40	\$ 1,141,810.44	\$ 1,170,355.70	\$ 1,199,614.59	\$ 1,229,604.95	\$ 1,260,345.08	\$ 1,291,853.71
Gross Rental PHA/HUD/USDA Subsidy	2.5%	\$ 143,664.00	\$ 147,255.60	\$ 150,936.99	\$ 154,710.41	\$ 158,578.18	\$ 162,542.63	\$ 166,606.20	\$ 170,771.35	\$ 175,040.63	\$ 179,416.65	\$ 183,902.07	\$ 188,499.62	\$ 193,212.11	\$ 198,042.41	\$ 202,993.47
Gross Rental Subsidy Income	2.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Annual Operating Subsidy Sources		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Sources:																
Carport/Storage Income	0.0%	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Laundry and Misc Tenant Charges	0.0%	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00	\$ 23,850.00
Total Residential Income	=	\$ 1,099,794.00	\$ 1,126,242.60	\$ 1,153,352.42	\$ 1,181,139.98	\$ 1,209,622.22	\$ 1,238,816.53	\$ 1,268,740.69	\$ 1,299,412.96	\$ 1,330,852.04	\$ 1,363,077.09	\$ 1,396,107.76	\$ 1,429,964.21	\$ 1,464,667.06	\$ 1,500,237.49	\$ 1,536,697.18
Total Non-Residential Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	=	\$ 1,099,794.00	\$ 1,126,242.60	\$ 1,153,352.42	\$ 1,181,139.98	\$ 1,209,622.22	\$ 1,238,816.53	\$ 1,268,740.69	\$ 1,299,412.96	\$ 1,330,852.04	\$ 1,363,077.09	\$ 1,396,107.76	\$ 1,429,964.21	\$ 1,464,667.06	\$ 1,500,237.49	\$ 1,536,697.18
Less Annual Residential Vacancy	Annual % 5.0%	\$ (54,989.70)	\$ (56,312.13)	\$ (57,667.62)	\$ (59,057.00)	\$ (60,481.11)	\$ (61,940.83)	\$ (63,437.03)	\$ (64,970.65)	\$ (66,542.60)	\$ (68,153.85)	\$ (69,805.39)	\$ (71,498.21)	\$ (73,233.35)	\$ (75,011.87)	\$ (76,834.86)
Less Annual Non-Residential Vacancy	10.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=	\$ 1,044,804.30	\$ 1,069,930.47	\$ 1,095,684.79	\$ 1,122,082.98	\$ 1,149,141.11	\$ 1,176,875.70	\$ 1,205,303.66	\$ 1,234,442.31	\$ 1,264,309.43	\$ 1,294,923.23	\$ 1,326,302.37	\$ 1,358,466.00	\$ 1,391,433.71	\$ 1,425,225.61	\$ 1,459,862.32
Total Annual Service Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EXPENSES (enter on Page 2)

NET OPERATING INCOME	=	\$ 609,940.60	\$ 619,846.54	\$ 629,847.93	\$ 639,941.82	\$ 650,125.02	\$ 660,394.04	\$ 670,745.14	\$ 681,174.25	\$ 691,676.98	\$ 702,248.65	\$ 712,884.18	\$ 723,578.16	\$ 734,324.80	\$ 745,117.90	\$ 755,950.83
((EGI+Services Funding) - Total Expenses)																

DEBT SERVICE

Hard Debt	Loan Amount	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
Permanent Loan	\$ 5,375,218.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00	\$ 366,844.00
SHA Deferred Dev Fee	\$ 1,100,000.00	\$ 243,096.60	\$ 253,002.54	\$ 263,003.93	\$ 273,097.82	\$ 67,799.11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SHA Seller Financing	\$ 37,630,000.00	\$ -	\$ -	\$ -	\$ -	\$ 215,481.91	\$ 293,550.04	\$ 303,901.14	\$ 314,330.25	\$ 324,832.98	\$ 335,404.65	\$ 346,040.18	\$ 356,734.16	\$ 367,480.80	\$ 378,273.90	\$ 389,106.83
Total Hard Debt Service		\$ 609,940.60	\$ 619,846.54	\$ 629,847.93	\$ 639,941.82	\$ 650,125.02	\$ 660,394.04	\$ 670,745.14	\$ 681,174.25	\$ 691,676.98	\$ 702,248.65	\$ 712,884.18	\$ 723,578.16	\$ 734,324.80	\$ 745,117.90	\$ 755,950.83
Debt Coverage Ratio (Hard Debt)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cash Flow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Debt	Loan Amount	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
Lender 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Soft Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overall Debt Coverage Ratio		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Overall Cash Flow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Form 8D: Operating Pro Forma (Page 2)

Project Name: Hifumi-En Apartments

Pro Forma Date 6/7/2022

Operating Expenses-		Expenses Per Unit (Y1)	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
	Escalator																
Management - On-site	3.5%	\$ 1,588.10	\$ 136,577.00	\$ 141,357.20	\$ 146,304.70	\$ 151,425.36	\$ 156,725.25	\$ 162,210.63	\$ 167,888.00	\$ 173,764.08	\$ 179,845.83	\$ 186,140.43	\$ 192,655.35	\$ 199,398.28	\$ 206,377.22	\$ 213,600.43	\$ 221,076.44
Management - Off-site	3.5%	\$ 536.48	\$ 46,137.00	\$ 47,751.80	\$ 49,423.11	\$ 51,152.92	\$ 52,943.27	\$ 54,796.28	\$ 56,714.15	\$ 58,699.15	\$ 60,753.62	\$ 62,880.00	\$ 65,080.80	\$ 67,358.62	\$ 69,716.17	\$ 72,156.24	\$ 74,681.71
Accounting	3.5%	\$ 97.67	\$ 8,400.00	\$ 8,694.00	\$ 8,998.29	\$ 9,313.23	\$ 9,639.19	\$ 9,976.56	\$ 10,325.74	\$ 10,687.15	\$ 11,061.20	\$ 11,448.34	\$ 11,849.03	\$ 12,263.75	\$ 12,692.98	\$ 13,137.23	\$ 13,597.03
Legal Services	3.5%	\$ 34.88	\$ 3,000.00	\$ 3,105.00	\$ 3,213.68	\$ 3,326.15	\$ 3,442.57	\$ 3,563.06	\$ 3,687.77	\$ 3,816.84	\$ 3,950.43	\$ 4,088.69	\$ 4,231.80	\$ 4,379.91	\$ 4,533.21	\$ 4,691.87	\$ 4,856.08
Insurance	3.5%	\$ 189.87	\$ 16,329.00	\$ 16,900.52	\$ 17,492.03	\$ 18,104.25	\$ 18,737.90	\$ 19,393.73	\$ 20,072.51	\$ 20,775.05	\$ 21,502.17	\$ 22,254.75	\$ 23,033.67	\$ 23,839.85	\$ 24,674.24	\$ 25,537.84	\$ 26,431.66
Real Estate Taxes	3.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	3.5%	\$ 10.58	\$ 909.70	\$ 941.54	\$ 974.49	\$ 1,008.60	\$ 1,043.90	\$ 1,080.44	\$ 1,118.25	\$ 1,157.39	\$ 1,197.90	\$ 1,239.83	\$ 1,283.22	\$ 1,328.13	\$ 1,374.62	\$ 1,422.73	\$ 1,472.53
Security	3.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance and janitorial	3.5%	\$ 205.91	\$ 17,708.00	\$ 18,327.78	\$ 18,969.25	\$ 19,633.18	\$ 20,320.34	\$ 21,031.55	\$ 21,767.65	\$ 22,529.52	\$ 23,318.05	\$ 24,134.19	\$ 24,978.88	\$ 25,853.14	\$ 26,758.00	\$ 27,694.53	\$ 28,663.84
Decorating/Turnover	3.5%	\$ 22.77	\$ 1,958.00	\$ 2,026.53	\$ 2,097.46	\$ 2,170.87	\$ 2,246.85	\$ 2,325.49	\$ 2,406.88	\$ 2,491.12	\$ 2,578.31	\$ 2,668.55	\$ 2,761.95	\$ 2,858.62	\$ 2,958.67	\$ 3,062.23	\$ 3,169.40
Contract Repairs	3.5%	\$ 20.70	\$ 1,780.00	\$ 1,842.30	\$ 1,906.78	\$ 1,973.52	\$ 2,042.59	\$ 2,114.08	\$ 2,188.07	\$ 2,264.66	\$ 2,343.92	\$ 2,425.96	\$ 2,510.87	\$ 2,598.75	\$ 2,689.70	\$ 2,783.84	\$ 2,881.28
Landscaping	3.5%	\$ 148.84	\$ 12,800.00	\$ 13,248.00	\$ 13,711.68	\$ 14,191.59	\$ 14,688.29	\$ 15,202.38	\$ 15,734.47	\$ 16,285.17	\$ 16,855.16	\$ 17,445.09	\$ 18,055.66	\$ 18,687.61	\$ 19,341.68	\$ 20,018.64	\$ 20,719.29
Pest Control	3.5%	\$ 24.00	\$ 2,064.00	\$ 2,136.24	\$ 2,211.01	\$ 2,288.39	\$ 2,368.49	\$ 2,451.38	\$ 2,537.18	\$ 2,625.98	\$ 2,717.89	\$ 2,813.02	\$ 2,911.48	\$ 3,013.38	\$ 3,118.85	\$ 3,228.01	\$ 3,340.99
Fire Safety	3.5%	\$ 36.00	\$ 3,096.00	\$ 3,204.36	\$ 3,316.51	\$ 3,432.59	\$ 3,552.73	\$ 3,677.08	\$ 3,805.77	\$ 3,938.98	\$ 4,076.84	\$ 4,219.53	\$ 4,367.21	\$ 4,520.07	\$ 4,678.27	\$ 4,842.01	\$ 5,011.48
Elevator	3.5%	\$ 68.00	\$ 5,848.00	\$ 6,052.68	\$ 6,264.52	\$ 6,483.78	\$ 6,710.71	\$ 6,945.59	\$ 7,188.69	\$ 7,440.29	\$ 7,700.70	\$ 7,970.22	\$ 8,249.18	\$ 8,537.90	\$ 8,836.73	\$ 9,146.02	\$ 9,466.13
Water & Sewer	3.5%	\$ 890.76	\$ 76,605.00	\$ 79,286.18	\$ 82,061.19	\$ 84,933.33	\$ 87,906.00	\$ 90,982.71	\$ 94,167.10	\$ 97,462.95	\$ 100,874.16	\$ 104,404.75	\$ 108,058.92	\$ 111,840.98	\$ 115,755.41	\$ 119,806.85	\$ 124,000.09
Garbage Removal	3.5%	\$ 140.00	\$ 12,040.00	\$ 12,461.40	\$ 12,897.55	\$ 13,348.96	\$ 13,816.18	\$ 14,299.74	\$ 14,800.23	\$ 15,318.24	\$ 15,854.38	\$ 16,409.28	\$ 16,983.61	\$ 17,578.04	\$ 18,193.27	\$ 18,830.03	\$ 19,489.08
Electric	3.5%	\$ 510.00	\$ 43,860.00	\$ 45,395.10	\$ 46,983.93	\$ 48,628.37	\$ 50,330.36	\$ 52,091.92	\$ 53,915.14	\$ 55,802.17	\$ 57,755.24	\$ 59,776.68	\$ 61,868.86	\$ 64,034.27	\$ 66,275.47	\$ 68,595.11	\$ 70,995.94
Oil/Gas/Other	3.5%	\$ 125.00	\$ 10,750.00	\$ 11,126.25	\$ 11,515.67	\$ 11,918.72	\$ 12,335.87	\$ 12,767.63	\$ 13,214.49	\$ 13,677.00	\$ 14,155.70	\$ 14,651.15	\$ 15,163.94	\$ 15,694.67	\$ 16,243.99	\$ 16,812.53	\$ 17,400.97
Telephone	3.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	3.5%	\$ 12.00	\$ 1,032.00	\$ 1,068.12	\$ 1,105.50	\$ 1,144.20	\$ 1,184.24	\$ 1,225.69	\$ 1,268.59	\$ 1,312.99	\$ 1,358.95	\$ 1,406.51	\$ 1,455.74	\$ 1,506.69	\$ 1,559.42	\$ 1,614.00	\$ 1,670.49
Total Residential Operating Expenses			\$ 400,893.70	\$ 414,924.98	\$ 429,447.35	\$ 444,478.01	\$ 460,034.74	\$ 476,135.96	\$ 492,800.72	\$ 510,048.74	\$ 527,900.45	\$ 546,376.96	\$ 565,500.16	\$ 585,292.66	\$ 605,777.90	\$ 626,980.13	\$ 648,924.44
	Escalator																
Replacement Reserve	3.5%		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve	3.5%	\$ 395.00	\$ 33,970.00	\$ 35,158.95	\$ 36,389.51	\$ 37,663.15	\$ 38,981.36	\$ 40,345.70	\$ 41,757.80	\$ 43,219.33	\$ 44,732.00	\$ 46,297.62	\$ 47,918.04	\$ 49,595.17	\$ 51,331.00	\$ 53,127.59	\$ 54,987.05
Total Reserves			\$ 33,970.00	\$ 35,158.95	\$ 36,389.51	\$ 37,663.15	\$ 38,981.36	\$ 40,345.70	\$ 41,757.80	\$ 43,219.33	\$ 44,732.00	\$ 46,297.62	\$ 47,918.04	\$ 49,595.17	\$ 51,331.00	\$ 53,127.59	\$ 54,987.05
Service Expenses		3.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses		0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES		=	\$ 434,863.70	\$ 450,083.93	\$ 465,836.87	\$ 482,141.16	\$ 499,016.10	\$ 516,481.66	\$ 534,558.52	\$ 553,268.07	\$ 572,632.45	\$ 592,674.59	\$ 613,418.20	\$ 634,887.83	\$ 657,108.91	\$ 680,107.72	\$ 703,911.49
NET OPERATING INCOME (EGI - Total Expenses)		=	\$ 609,940.60	\$ 619,846.54	\$ 629,847.93	\$ 639,941.82	\$ 650,125.02	\$ 660,394.04	\$ 670,745.14	\$ 681,174.25	\$ 691,676.98	\$ 702,248.65	\$ 712,884.18	\$ 723,578.16	\$ 734,324.80	\$ 745,117.90	\$ 755,950.83

Additional Comments:

Operating Pro Forma Details

Project Name: Hifumi-En Apartments

Vacancy Rates and Inflation Factors

Please explain how you arrived at the vacancy and inflation factors used in the Operating Pro Forma

Used general rates usually required by the tax credit investor.

Operating Expense Estimates

Operating Expenses-

Management - On-site	Based on 2022 Budget year from SHA's property
Management - Off-site	Based on 2022 Budget year from SHA's property
Accounting	Based on 2022 Budget year from SHA's property
Legal Services	Based on 2022 Budget year from SHA's property
Insurance	Based on 2022 Budget year from SHA's property
Real Estate Taxes	
Marketing	Based on 2022 Budget year from SHA's property
Security	
Maintenance and janitorial	Based on 2022 Budget year from SHA's property
Decorating/Turnover	Based on 2022 Budget year from SHA's property
Contract Repairs	Based on 2022 Budget year from SHA's property
Landscaping	Based on 2022 Budget year from SHA's property
Pest Control	Based on 2022 Budget year from SHA's property
Fire Safety	Based on 2022 Budget year from SHA's property
Elevator	Based on 2022 Budget year from SHA's property
Water & Sewer	based on 2022 Budget year from SHA's property
Garbage Removal	Based on 2022 Budget year from SHA's property
Electric	Based on 2022 Budget year from SHA's property
Oil/Gas/Other	Based on 2022 Budget year from SHA's property
Telephone	
Other (identify and include cost estimate for each)	Based on 2022 Budget year from SHA's property

Reserves-

Replacement Reserve

Operating Reserve

Used similar figure for recent project

Project Team

Project Name: Hifumi-En Apartments

Project Sponsor / Developer

Firm Name:	Spokane Housing Authority		
Address:	25 W. Nora		
City:	Spokane	State: WA	Zip Code: 99205
DUNS Number			
Federal Tax ID #	91-0965156		
Unified Business Identifier			
Executive			
Director/CEO/President	Pamela Parr		
Phone:		Fax:	
Email:	pparr@spokanehousing.org		
Contact Person and Title:	Brian Jennings		
Phone:	509-252-7105	Fax:	
Email:	bjennings@spokanehousing.org		

Development Consultant

Firm Name:	N/A		
Contact Person and Title:	Enter Contact Name on Form 1A		
Address:			
City:		State:	Zip Code:
Phone:	Enter Phone Number on Form 1A	Fax:	
Email:	Enter Email on Form 1A		

Architect

Firm Name:	SMR Architects		
Contact Person and Title:	Dean Kralios		
Phone:	206-623-1104	Email:	dkralios@smrarchitects.com

Project Attorney

Firm Name:	Kantor Taylor Nelson Evatt & Decina PC		
Contact Person and Title:	Mark Kantor		
Phone:	206-625-9898	Email:	mkantor@kantortaylor.com

Market Study Firm

Firm Name:	TBD		
Contact Person and Title:			
Phone:		Email:	

Project Team (Page 2)

Project Name: Hifumi-En Apartments

Property Management Firm

Firm Name: Spokane Housing Authority
Contact Person and Title: Diana Klasen
Address: 25 W Nora
City: Spokane State: WA Zip Code: 99205
Phone: _____ Email: dklasen@spokanehousing.org

General Contractor

Firm Name: TBD
Contact Person and Title: _____
Phone: _____ Email: _____

Property Seller/Lessor

Firm Name: Spokane Housing Authority
Contact Person and Title: Brian Jennings
Address: 25 W. Nora
City: Spokane State: WA Zip Code: 99205
Phone: 509-252-7105 Email: bjennings@spokanehousing.org

Project Sponsor Experience

Project Name: Hifumi-En Apartments

Sponsor 5-Year History

Projects Completed	Project Type	Activity Type	Role (owner, developer, etc.)	City and State	# Units	Date Development Activities Began	On Time, On Budget?	Placed in Service Date	Type of Financing (HTF, HUD, etc.)
Wilbur-Cook	MF	R	Owner/Developer	spokane, wa	379	9/2016	Yes, Yes	12/2018	4% LIHTC/Seller Financing
Hope House	MF	NC	Owner's Rep	spokane, wa	60	7/2018	Yes, Yes	5/2021	9% LIHTC/Private

Sponsor Pipeline

Projects Currently Being Developed	Project Type	Activity Type	Role (owner, developer, etc.)	City and State	# Units	Project Status	On Time, On Budget?	Projected PIS Date	Type of Financing (HTF, HUD, etc.)
Hifumi-en	MF	NC	Owner, Developer	spokane, wa	86	Predevelopment	Select...		4% LIHTC/Seller Financing/ARPA
Crosswalk 2.0	MF	NC	Developer	spokane, wa	36 Beds	Predevelopment			HTF/Private/Building Communities Fund
VOA Young Adult Shelter	mf	r	Project Manager	spokane, wa	100 Beds	Under Construction			CDBG

Development Consultant 5-Year Experience

Project Name: Hifumi-En Apartments

Development Consultant History

Developer Consultant Name: N/A

Projects Completed	Project Type	Activity Type	City and State	# Units	Date Development Activities Began	On Time, On Budget?	Placed in Service Date	Type of Financing (HTF, HUD, etc.)
	Select..	Select...				Select...		

Development Consultant Pipeline

Projects Currently Being Developed	Project Type	Activity Type	City and State	# Units	Project Status	On Time, On Budget?	Projected Placed in Service Date	Type of Financing (HTF, HUD, etc.)
	Select..	Select...			Select...	Select...		

Project Property Management Firm Experience

Project Name: Hifumi-En Apartments

Management Company: Spokane Housing Authority

Projects	City and State	# Units	Population Served	Effective Date of Mangement Contract	End Date	Type of Financing
Agnes-Kehoe Place	Spokane, WA	51	30% AMI; 50% AMI: 60% AMI	9/2010	Current	LIHTC
Cedar West	Spokane, WA	74	60% AMI	12/2016	Current	LIHTC
Cornerstone Courtyard	Spokane, WA	50	40% AMI; 50% AMI; Large familes; disabled	3/2007	Current	LIHTC; HTF; FHLB; CDBG
Hifumi-en	Spokane, WA	41	Elderly Disabled	2004	Current	HTF; HOME
Parsons Hotel	Spokane, WA	50	60% AMI; Disabled	12/2016	Current	LIHTC
Pearl on Adams	Spokane, WA	35	30% AMI; 40% AMI; Homeless; Disabled	11/2008	Current	LIHTC; HTF; HOME; Historic TC
Woodhaven	Spokane, WA	72	60% AMI	12/2016	Current	LIHTC
Heritage Heights	Spokane, WA	62	60% AMI	9/1998	Current	LIHTC
Westfall Village	Spokane, WA	110	60% AMI	9/1998	Current	LIHTC
Valley 206	Spokane Valley, WA	207	60% AMI	9/1998	Current	LIHTC