

Salt River Flats

- ▶ 192 units (1-, 2-, 3- and 4-bedroom) under construction in south Phoenix
- ▶ Average AMI set-aside at 59.5%
- ▶ Permanent loan rate of 4.80%
- ▶ \$2 million of State Housing Trust Fund (SHTF)
- ▶ \$3 million Maricopa County ARPA
- ▶ Financial closing in September 2022, first 48 units to be delivered by November 2023 and full completion in April 2024, approximately 6 months ahead of schedule



Salt River Flats

- ▶ Salt River Flats received \$5 million (\$26k/unit) of subordinate financing

| Sources & Uses of Funds | | | | |
|---|----------------------|-------------------|----------------------|-------------------|
| Sources of Funds: | CONSTRUCTION | | PERMANENT | |
| | Total | Per Unit | Total | Per Unit |
| Tax Credit Equity | \$ 2,700,000 | \$ 14,063 | \$ 25,300,000 | \$ 131,771 |
| Senior Debt - Construction First Mortgage | 35,000,000 | 182,292 | - | - |
| ADOH SHTF | 1,800,000 | 9,375 | 2,000,000 | 10,417 |
| Maricopa County ARPA | 2,900,000 | 15,104 | 3,000,000 | 15,625 |
| Taxable Construction Loan | 10,900,000 | 56,771 | - | - |
| Senior Debt - Permanent First Mortgage | - | - | 27,600,000 | 143,750 |
| Deferred Developer Fee | - | - | 4,700,000 | 24,479 |
| Total Sources of Funds | \$ 53,300,000 | \$ 277,604 | \$ 62,600,000 | \$ 326,042 |
| Uses of Funds: | CONSTRUCTION | | PERMANENT | |
| | Total | Per Unit | Total | Per Unit |
| Land Acquisition | \$ 2,920,000 | \$ 15,208 | \$ 2,920,000 | \$ 15,208 |
| Brokerage Fee | 20,000 | 104 | 20,000 | 104 |
| Construction Hard Costs | 40,940,000 | 213,229 | 40,940,000 | 213,229 |
| Impact Fees | 1,320,000 | 6,875 | 1,320,000 | 6,875 |
| Architecture & Engineering Fees | 2,240,000 | 11,667 | 2,240,000 | 11,667 |
| Tax Credit Fees | 380,000 | 1,979 | 730,000 | 3,802 |
| TEB Costs of Issuance | 520,000 | 2,708 | 520,000 | 2,708 |
| Construction Financing Costs | 3,410,000 | 17,760 | 3,410,000 | 17,760 |
| Reserves & Escrows | 240,000 | 1,250 | 1,420,000 | 7,396 |
| Soft Cost Contingency | 150,000 | 781 | 150,000 | 781 |
| Developer Fee | 1,160,000 | 6,042 | 8,930,000 | 46,510 |
| Total Uses of Funds | \$ 53,300,000 | \$ 277,604 | \$ 62,600,000 | \$ 326,042 |
| TOTAL SOFT FINANCING SOURCES | | | \$ 5,000,000 | \$ 26,042 |

Dahlia Village

- ▶ 126 units (1-, 2-, 3- and 4-bedroom) in south Phoenix with a targeted mid-September closing
- ▶ Average AMI set-aside at 59.2%
- ▶ Construction costs are 10% higher than Salt River Flats
- ▶ Permanent loan rate of 10-Yr TSY + 200 bps (6.08% as of August 7, 2023)
- ▶ \$3.0 million of SHTF
- ▶ \$1.2 million of ARPA State Fiscal Recovery Funds
- ▶ \$3.8 million of HOME-ARP
 - ▶ Priority for homeless and at-risk populations suffering domestic violence and human trafficking
 - ▶ Requires HUD EA and URA
 - ▶ Rent is limited to 30% of income regardless of set-aside
- ▶ \$1 million in City of Phoenix ARPP Local Fiscal Recovery Funds



Dahlia Village

- ▶ Dahlia Village is anticipated to receive approximately \$9 million (\$47k/unit) of subordinate financing
- ▶ Additional funding gap vs. Salt River Flats driven by construction costs (+\$20k/unit), less permanent debt proceeds (+\$20k/unit), additional construction interest (+\$4k/unit), additional land basis (+\$2k/unit)

| Sources & Uses of Funds | | | | |
|---|----------------------|-------------------|----------------------|-------------------|
| Sources of Funds: | CONSTRUCTION | | PERMANENT | |
| | Total | Per Unit | Total | Per Unit |
| Tax Credit Equity | \$ 5,500,000 | \$ 43,651 | \$ 18,340,000 | \$ 145,556 |
| Senior Debt - Construction First Mortgage | 26,310,000 | 208,810 | - | - |
| ADOH SHTF, SFRF, HOME-ARP | 7,220,000 | 57,302 | 8,020,000 | 63,651 |
| Phoenix LFRF | 900,000 | 7,143 | 1,000,000 | 7,937 |
| Senior Debt - Permanent First Mortgage | - | - | 15,950,000 | 126,587 |
| Deferred Developer Fee | - | - | 2,470,000 | 19,603 |
| Total Sources of Funds | \$ 39,930,000 | \$ 316,905 | \$ 45,780,000 | \$ 363,333 |
| Uses of Funds: | CONSTRUCTION | | PERMANENT | |
| | Total | Per Unit | Total | Per Unit |
| Land Acquisition | \$ 2,200,000 | \$ 17,460 | \$ 2,200,000 | \$ 17,460 |
| Construction Hard Costs | 29,520,000 | 234,286 | 29,520,000 | 234,286 |
| Impact Fees | 620,000 | 4,921 | 620,000 | 4,921 |
| Architecture & Engineering Fees | 2,450,000 | 19,444 | 2,450,000 | 19,444 |
| Tax Credit Fees | 280,000 | 2,222 | 280,000 | 2,222 |
| TEB Costs of Issuance | 390,000 | 3,095 | 390,000 | 3,095 |
| Construction Financing Costs | 2,770,000 | 21,984 | 2,770,000 | 21,984 |
| Permanent Financing Costs | 280,000 | 2,222 | 280,000 | 2,222 |
| Reserves & Escrows | 310,000 | 2,460 | 1,150,000 | 9,127 |
| Soft Cost Contingency | 150,000 | 1,190 | 150,000 | 1,190 |
| Developer Fee | 960,000 | 7,619 | 5,970,000 | 47,381 |
| Total Uses of Funds | \$ 39,930,000 | \$ 316,905 | \$ 45,780,000 | \$ 363,333 |
| TOTAL SOFT FINANCING SOURCES | | | \$ 9,020,000 | \$ 46,979 |