

**11) Budgets**

Included in this section are the Development Pro forma, Operating Budget and Tax Credit Summary. Total hard costs for the project are estimated to be approximately \$14,111,199, including a 10% contingency as required by the construction lender. Total soft costs and fees are estimated to be approximately \$1,524,201. The budget also includes a PHFA operating reserve of \$258,524, a real estate tax escrow at \$3,200 and an insurance escrow at \$37,576. Additional uses of funds include a developer's fee of \$1,500,000.

Sources of funds include City of Philadelphia funding of \$2,640,000, tax credit equity of \$13,238,276, FHLBank of Boston funding of \$500,000, FHLBank of NY funding of \$1,020,000, TD Bank funding of \$100,000, Neighborworks Capital funding of \$150,000 and deferred developer fee of \$152,931. Thus far, the TD Bank funds have been awarded. The FHLBank and Neighborworks Capital funding apps were submitted in summer and fall of 2014. The application for City funding is being submitted concurrently with this PHA application. The LIHTC application is scheduled for submission in the upcoming PHFA round in January, 2015.

Assuming an award of \$1,298,000 per year in tax credits, it is estimated that the credits will be purchased by an equity investor at \$1.02 per \$1 of credit, resulting in \$13,238,276 in total equity over 10 years after the subtraction of a .01% share for the limited partner.