

Roberto Clemente Homes
Budget Narrative
OHCD and PHA/ACC RFP

BUDGET NARRATIVE

Roberto Clemente Homes is a mixed-use project. The total project budget for the 54,000 square feet of residential space is \$13,896,937. **We are requesting \$1.5 million in HOME/HTF funds for these 38 units.**

A 5,500 square foot commercial space will be located on the 5th Street Commercial Corridor and has a total development cost of \$925,165. The project has secured a debt commitment of \$250,000 from LISC for the commercial portion of the project. Please see attached commitment letter. We also submitted an application to the Commerce Department for a \$500,000 neighborhood economic development (NED) grant for the commercial space and request that same amount in CDBG funds through OHCD's RFP in the event we do not receive an award through Commerce's process. **Thus, our total ask is \$2 million, with \$1.5 million for housing and \$500,000 for the commercial space should we not receive NED funding.**

For the residential units, Roberto Clemente Homes has secured several funding sources to date. In January, the project was awarded a \$760,000 grant from the Federal Home Loan Bank of New York. We have also been awarded \$100,000 in pre-development funds from the Reinvestment Fund (TRF) and the Local Initiative Support Corporation (LISC). Please see the attached commitment letters.

For the LIHTC equity, the project has attracted two interested investors, the National Equity Fund (NEF) and PNC Bank. Both have provided Letters of Intent that are attached here. NEF and PNC have priced the deal at \$1.02, which will generate \$10,936,254 in equity for the project.

To complete the sources, Esperanza intends to reinvest a portion of its developer fee as reflected in the attached development budget.

Because the project is over the 221d3 limits, we will competitively bid the work to PRA's list of pre-qualified general contractors.

On the operating side, **we are requesting unit-based operating subsidy from PHA under its Annual Contribution Contract for all 28 two-bedroom units in the amount of \$500 per unit per month.** We have also requested project based Section 8 vouchers for the 10 three-bedroom units in an application submitted to PHA in the round that closed on September 30th.

Please find the following documents attached at the end of this section:

1. Exhibit B LIHTC 2015 Development Budgets
2. Commercial condo development and operating budgets
3. FHLB AHP award letter – \$760,000
4. NEF letter of intent for tax credit equity – \$1.02 credit price
5. PNC letter of intent for tax credit equity – \$1.02 credit price
6. Esperanza reinvested/deferred fee commitment letter
7. LISC recoverable grant commitment - \$50,000
8. TRF grant commitment - \$50,000
9. LISC permanent debt commitment for commercial space - \$250,000
10. FAMECO/CBRE letter regarding commercial rent per square foot

Budget Summary	Housing	Commercial	Total
Sources			
HTF/HOME – Applied 11/21/2014	\$1,500,000	\$500,000	\$2,000,000
LIHTC Equity – Apply: 1/30/2015, Award: 5/2015	\$10,936,254	-	\$10,936,254
Deferred Developer's Fee - Committed	\$425,031	\$175,165	\$600,196
Reinvested Fee per PRA Requirements – Committed	\$275,652	-	\$275,652
FHLB NY – Committed	\$760,000	-	\$760,000
Debt – LISC – Committed	-	\$250,000	\$250,000
<i>total sources</i>	<i>\$13,896,937</i>	<i>\$925,165</i>	<i>\$14,822,102</i>
Uses			
Construction costs	\$9,590,815	\$853,592	\$10,444,407
Soft costs	\$2,754,643	\$71,573	\$2,826,216
Acquisition costs	\$126,479	-	\$126,479
Developer's Fee	\$1,425,000	-	\$1,425,000
<i>total uses</i>	<i>\$13,896,937</i>	<i>\$925,165</i>	<i>\$14,822,102</i>