Mixed-Finance Rental Term Sheet

The term sheet consists of four sections that are to be filled out by the PHA as part of the Mixed-Finance Proposal and submitted to the HUD Grant Manager for presentation to the Project Review Panel:

- **Specific Phase Project Summary:** A one-paragraph narrative description of the specific phase for posting on the HUD web site.
- **Program Overview:** A description of the overall development program, financing, and schedule.
- **Specific Phase Overview:** A description of the program details for the specific phase under review.
- **Statement of Business Terms:** A description of the deal terms between the PHA and other parties for the specific phase under review.

A. Specific Phase Project Summary

Purpose*:* To provide a short summary description of the specific phase under review for posting on HUD's web site. Other PHAs can then review the summary of closed phases to find PHAs with similar deals and can contact those authorities for information, sample documents, etc.

Instructions: Provide a brief narrative that describes the specific phase to be reviewed. Include the following information:

- The overall unit count broken down by unit type (i.e., ACC, LIHTC, ACC/LIHTC, market, etc.);
- Sources of funding;
- The names of the major partners;
- The building type(s) being constructed (e.g., row, detached/semi-detached, walk-up, etc.);
- Any non-residential or mixed uses;
- Any elderly designated units in the phase;
- Any unusual features of the phase (e.g., a land swap, commercial facilities, operating subsidy only units, scattered site acquisition and development, etc.).

Name of PHA:
Name of Development:
HOPE VI Grant No/Dev Project No.:
Contact Name:
Contact Phone No,:
Narrative:

B. Program Overview

- *Purpose of this section:* To provide a context for reviewing the overall project.

I. Proposed Unit Mix

*Purpose: T*o provide the unit mix for the overall project so that HUD can evaluate the current phase in context.

Instructions: Complete the Excel spreadsheet **Unit Mix Entire Project** to describe the proposed unit mix for the entire project.

II. Non-Residential Uses

Purpose: To describe the types of non-residential uses for the overall project so that HUD can evaluate the current phase in context.

Instructions: For each **non-residential** building planned, complete the following table for the overall project.

Bldg Name Use(s)	Gross Sq Feet	Developer	Owner	Phase

B. Program Overview

III. Key Milestones for the Project

Purpose: To ascertain where the PHA is in the development process with regard to its program schedule and the schedule requirements of the Grant Agreement.

Instructions: Complete the following table by listing the dates (actual or anticipated, as appropriate) for the listed project milestones.

Milestone	Date
Effective Date of Grant Agreement	
Date of HUD Approval of the Revitalization Plan or Supplemental Submissions	
Residential Construction Start (First Phase)	
Residential Construction Completion (Final Phase)	
Lease-Up (Final Phase)	

IV. Project Sources and Uses

Purpose: To provide an overview of the permanent sources and uses for the entire project.

Instructions: Complete the Excel spreadsheet **Exhibit F Entire Project Budget** to describe the projected sources and uses for the entire project, including all rental, homeownership, and nonresidential phases.

C. Specific Phase Overview

I. Proposed Unit Mix

Purpose: To describe the housing number, type, and bedroom count as required by 24 CFR 941.606(d).

Instructions: Complete the Excel spreadsheet **Unit Mix Phase** to describe the unit mix for the specific phase under review.

II. Non-Residential Uses

Purpose: To describe the types and amounts of non-dwelling space as required by 24 CFR 941.606(d).

Instructions: Complete the following table for the specific phase under review>

Bldg Name/Use(s)	Gross Sq Feet	Developer	Owner

III. Key Milestones

- *Purpose:* To provide HUD with the status of the phase, to establish the timeline for phase completion, and to identify which party is responsible for each activity for the phase under review.
- *Instructions:* Complete the chart below for the specific phase under review. Indicate whether the activity listed is appropriate for the phase, provide a date for actual or anticipated dates of completion, and check the party responsible for the implementation of the activity. If a box is shaded, it is not applicable and does not need to be completed. Provide any comments in the Activity column.

III. Key Milestones

Activity	Date	Responsible Party
Program Manager under Contract		XXXXXXX
Predevelopment Agreement Signed		XXXXXXX
Development Agreement Signed		XXXXXXX
Community and Supportive Services Oversight		PHA Staff or Consultants Developer Other
Site Acquisition Proposal Approval from HUD		“ “
Acquisition/Site Control		“ “
Demolition Approval from HUD		“ “
Disposition Approval from HUD		“ “
Relocation Plan Approval from HUD		“ “
Relocation Completion		“ “

III. Key Milestones (continued)

Activity	Date	Responsible Party
Abatement and Demolition Completion		PHA Staff or Consultants Developer Other
LIHTC Application Submission		“ “
Award of LIHTC Allocation		“ “
Environmental Review Approval from HUD and ROF Statement		“ “
Closing		“ “
Infrastructure Construction Start		“ “
Residential Construction Start		“ “
Residential Construction Completion		“ “
Lease-Up		“ “

IV. Ownership

- *Purpose:* To provide HUD with a list of the partners of the ownership entity (i.e., general partner, limited partner, special limited partner, etc.) and a description of each role as required by 24 CFR 941.606(a).
- *Instructions:* Complete the following table to list the proposed partners of the ownership entity and to describe their ownership interest and function for the specific phase under review.

Proposed Partner 1:		**% Interest**
Function(s) Exercised:		

Proposed Partner 2:		**% Interest**
Function(s) Exercised:		

Proposed Partner 3:		**% Interest**
Function(s) Exercised:		

V. Sources and Uses

- *Purpose:* To provide an understanding of the sources and uses as required by 24 CFR 941.606(b) for the specific phase under review. HUD will be evaluating: whether the sources listed are sufficient to build the project, considering timing of sources; which sources are construction (temporary) vs. permanent; the terms of loans; the terms of grants; whether the public housing funds are bearing the appropriate pro rata share; and whether the uses appear reasonable.
- *Instructions:* Complete the Excel spreadsheet **Exhibit F-1 Phase Budget** to describe the sources and uses for the specific phase under review. Complete both permanent and construction sources and uses.

VI. TDC Calculation

- *Purpose:* To determine whether the proposed activities for the phase under review are within HUD's Total Development Cost Limits. For information on TDC, see Notice PIH 2001-22 and refer to 24 CFR 941.606(g).
- *Instructions:* Complete the Excel spreadsheet **TDC & Instructions** to calculate the TDC for the specific phase under review.

D. Business Terms

- *Purpose of this section:* To evaluate whether the business terms proposed constitute an appropriate use of public funds. HUD will evaluate the costs of the project against its Cost Control and Safe Harbor standards in light of the risks taken by the developer and PHA. To determine whether the phase meets HUD's cost guidelines and to evaluate the risks associated with the phase, PHAs should refer to the February 23, 2000 Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development. These guidelines are available on the HUD web page at: http://www.hud.gov/pih/programs/ph/hope6/control.pdf.

D. Business Terms

I. Developer Compensation

Instructions: Provide the following information for the net developer fee as defined in the Cost Control and Safe Harbor Standards for the specific phase under review. Express all fee amounts as a percentage of the overall project costs. HUD will verify the stated percentages against the provided sources and uses. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

- Net developer fee for the specific phase under review: ________%

- Is the developer receiving any compensation negotiated separately from the developer fee?
  Yes No
- If so, in the following table, list any other tasks for which the Developer is being compensated (e.g., master planning, relocation, CSS, etc.) and the amount of compensation.

Task	Compensation
	$
	$

Justification for Developer Fees above Safe Harbor Standards:

D. Business Terms

II. Pay-Out Schedule for Developer Fee/Overhead

Instructions: For the specific phase under review, provide the milestone at which the developer receives compensation (e.g., closing, 50% construction completion, stabilized occupancy) and the percentage of the total developer fee that is to be paid (percentages should total 100%) as defined in the Cost Control and Safe Harbor Standards. If the Developer is being reimbursed for overhead prior to closing, provide a justification in the space below the table and confirm that the compensation is structured as a loan.

Milestones	% of Total Developer Fee

- Justification for deviating from the Safe Harbor Standard (if applicable):
- Justification for providing a loan to the developer prior to closing (if applicable):

D. Business Terms

III. Sharing of Third-Party Predevelopment Costs and Reimbursement Schedule

Instructions: Complete the following table for the specific phase under review. For each of the primary predevelopment costs indicate the percentages to be borne by the PHA and the developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Estimated Amt of Pre-Development Costs	$
Length of Predevelopment Period	months
Percentage Borne by PHA	%
Percentage Borne by Developer	%

- Justification for PHA bearing greater than 75% of the predevelopment costs (if applicable):

D. Business Terms

IV. Identity of Interest Parties

Instructions: In the table below, disclose whether the Developer has an identity of interest with any party. For each identity of interest party, indicate what steps have been or will be taken to ensure cost competitiveness.

Party	Related Entity?	Cost Control Measures Planned/Completed
Builder/Contractor (waiver req from HUD)	Y/N	
Property Manager	Y/N	
Construction Manager	Y/N	
Investor*	Y/N	
Other (Specify)	Y/N	

D. Business Terms

V. Construction Fees

Instructions: Fill in the following blanks to indicate the amount and percentage for contractor profit, overhead, and general conditions for the specific phase under review. In the space below, describe how any construction savings will be allocated between the PHA and Developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Amt/% for Contractor's Profit:	**$______=______%**
Amt/% for Contractor's Overhead	$______=______%
Amt/% for Contractor's General conditions:	$______=______%

Justification for fees in excess of HUD Safe Harbor Standards (if applicable):

Methodology for allocating construction savings :

D. Business Terms

VI. **Property Management Fees**

Instructions: Indicate whether the PHA or an outside firm will manage the development. In the table below, check the applicable methodology for determining property management fees and indicate the amount of the proposed fee. Describe the amount of any incentive management fee(s) and the conditions under which they are paid. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Who is managing the mixed-finance development?

PHA /Private firm/ Joint Venture ((PHA/private)

Method and Amount of Property Management Compensation

___% of effective gross income

___$ PUM (all units)

___$ PUM (occupied units) and

___$ PUM (vacant units)

___ Other (specify):

Justification for property management fees in excess of HUD's Safe Harbor Standards, if applicable, supported by a regional market analysis:

Are there any incentive property management fees? Y/N

If Yes, describe:

D. Business Terms

VII. LIHTC Equity

Instructions: If LIHTC are a funding source for this phase, provide the following information.

What is the amount of the equity raise (cents on the dollar for 10-year allocation):

- *Describe the pay-in schedule for the equity:*

MILESTONE/ANTICIPATED DATE	AMOUNT
	$
	$
	$
	$

D. Business Terms

VIII. Allocation of Operating Subsidy

Instructions: Indicate which of the following methodologies for allocating operating subsidy from the PHA to the owner entity will be used, and the estimated amount of operating subsidy to be provided on a per-unit per month basis. (For more information on these methodologies, refer to the Mixed-Finance Guidebook, Chapter 5.) In the space below, provide a narrative that describes the methodology for allocating operating subsidy, as required by 24 CFR 941.606(c).

- Prorata-share (based on number of units and bedroom sizes in phase compared to PHA portfolio overall) $ PUM
- Budget Based (based on actual gap between operating costs and rental income) $ PUM
- Negotiated (flat negotiated fee) $ PUM
- Separate ACC $ PUM
- Other (describe): $ PUM

Description of Operating Subsidy Methodology:

D. Business Terms

IX. Size and Use of Reserves

Instructions: In the following table, for each of the project reserves indicate its size (as a dollar amount or as a number of months or years of ACC), how the reserve is replenished, the conditions under which it can be accessed, and ownership of the reserve.

- NOTE: Public housing funds can not be used for the initial funding of reserves. Submission of the Rental Term Sheet constitutes certification that the reserves are not funded with public housing funds. In addition, HUD expects all reserves that are replenished by public housing funds to remain with the project at the end of the tax-credit compliance period. If this is not the case for any of the reserves (with the exception of the exit tax reserve, which cannot be established <u>or</u> replenished with public housing funds), provide a justification for the alternate reserve ownership where indicated.

Size and Use of Reserves Tables

Type of Reserve: Operating Subsidy/ACC/Public Housing	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Type of Reserve: Operating Deficit	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Type of Reserve: Replacement	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Size and Use of Reserves Tables

Type of Reserve: Exit Tax	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Type of Reserve: Other	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Provide a justification for any unusual reserve structures, including ownership of the reserves:	

D. Business Terms

X. Cash Flow, Program Income, and Fees to the PHA

Instructions: Answer the following questions in narrative form for the specific phase under review, as appropriate.

- After payment of all expenses, how is cash flow distributed?

- What are the expected sources of program income (e.g., repayments of loans, PHA development fees, etc.) and what is the PHA's planned use for this program income?

- Complete the following table to indicate what fees (e.g., developer fee, asset management fee, property management fee, etc.) are to be paid to the PHA/PHA Affiliate.

Type of Fee/Description	Amount
	$
	$
	$

D. Business Terms

XI. Additional Information on the Project

Instructions: In narrative form, provide any additional information on the project and business terms of which HUD should be aware when reviewing the terms for this phase. Such issues might include:

- unusual programs or fee structures HUD will need to evaluate;
- justifications for any fees or structures proposed outside of HUD's Safe Harbor or Cost Control limitations;
- effect of a consent decree on the mixed-finance project;
- market concerns;
- use of Capital Funds as bridge loan; and/or
- other circumstances that will result in unusual terms or the need for a delayed or accelerated closing.

Narrative on additional project/phase information:

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Activities		
a) Identification of Participating Parties	a) Term Sheet	a) 24 CFR 941.606(a)
b) Description of Activities	b) Term Sheet	b) 24 CFR 941.606(a)
c) Legal and Business Relationships	c) Term Sheet	c) 24 CFR 941.606(a)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Financing		
a) Sources and Uses	a) Term Sheet	a) 24 CFR 941.606(b)
b) Ten Year Operating Pro Forma	b) Additional Submissions	b) 24 CFR 941.606(b)
c) Documents Relating to Financing	c) Additional Submissions	c) 24 CFR 941.606(b)
d) Draw Schedule	d) Additional Submissions	d) 24 CFR 941.606(b)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Operating Subsidy Methodology	Term Sheet	24 CFR 941.606(c)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Development Description		
a) Number & Type of Public Hsg Units w/Bedroom Count	a) Term Sheet	a) 24 CFR 941.606(d)
b) Number & Type of Non-Public Hsg Units w/Bedroom Count	b) Term Sheet	b) 24 CFR 941.606(d)
c) Schematic Drawings	c) Additional Submissions	c) 24 CFR 941.606(d)
d) Building Designs	d) Additional Submissions	d) 24 CFR 941.606(d)
e) Outline Specs	e) Additional Submissions	e) 24 CFR 941.606(d)
f) Plans for Non-Dwelling Space	f) Additional Submissions	f) 24 CFR 941.606(d)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Site Information	Additional Submissions	24 CFR 941.606(e)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Market Study	Additional Submissions	24 CFR 941.606(f)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Development Construction Cost Estimate and Development Schedule	Additional Submissions	24 CFR 941.606(g)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Adequate Facilities a) Statement Addressing Adequacy of Existing Facilities and Services	a) Additional Submissions	a) 24 CFR 941.606(h))

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Relocation Plan (or copy of HUD Approval Letter) or Relocation Plan Certification for FY02 HOPE VI Grantees		
a) List of Those to be Displaced	a) Additional Submissions	a) 24 CFR 941.606(i)
b) Plan for Distribution of Notices	b) Additional Submissions	b) 24 CFR 941.606(i)
c) Sources and Uses of Relocation Benefits	c) Additional Submissions	c) 24 CFR 941.606(i)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Operating Feasibility	Ten Year Operating Pro Forma	a) 24 CFR 941.606(j)

XII. Mixed-Finance Proposal Components

The following chart summarizes the components of the mixed-finance proposal and indicates in what form the component should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Cost Comparison of New Construction	Additional Submissions	24 CFR 941.606(m)

Mixed-Finance Proposal Section/Subsection	Where to Address	Regulatory Citation
Certifications and Assurances a) PHA has Legal Authority to Develop Publig Hsg b) Procurement Done in Open / Competitive Process w/No Conflict of Interest c) Contractors will Comply with Procurement and Conflict of Interest Requirements d) Identity of Interest and Public Request for Bids e) Public Hsg Units will be Operated in Accordance with Public Hsg Req f) Public Hsg Units will Remain Available for Use by Low-Income Families	a) Additional Submissions b) Additional Submissions c) Additional Submissions d) Additional Submissions e) Additional Submissions f) Additional Submissions	a) 24 CFR 941.606(n)(1)(i) b) 24 CFR 941.606(n)(1)(ii) c) 24 CFR 941.606(n)(1)(ii)(A) d) 24 CFR 941.606(n)(1)(ii)(B) e) 24 CFR 941.606(n)(1)(iii) f) 24 CFR 941.606(n)(1)(iii)

Reserve Account Explanations

<u>Operating Subsidy/ACC/Public Housing Reserve</u> (to cover shortfalls in HUD operating subsidy for public the public housing units)

- How is the reserve capitalized:
  1) tell the source of funds
  2) state that this reserve covers only public housing units

- How is the reserve replenished:
  1) tell if the reserve will be replenished
  2) tell source of funds used to replenish, e.g., cash flow, operating subsidy, public housing rents, etc.
  3) if public housing funds will be used, state that these funds will be tracked separately from any non-public housing funds
  4) if public housing funds will be used, state that these funds will only be used to replace funds that have been disbursed for allowable public housing expenses

- When can the reserve be accessed:
  1) give a brief general statement describing at what point these funds can be used to cover a deficit in the provision of operating subsidy from HUD

- Who owns the reserve:
  1) tell what entity owns the reserve
  2) if public housing funds have been used, state that these funds will remain with the project after the compliance period

Reserve Account Explanations

<u>Operating Deficit Reserve</u> (to cover operating expenses when income is insufficient; typically covers both public housing and non-public housing units)

- How is the reserve capitalized:
  1) tell the source of funds
  2) state whether this reserve covers only non-public housing units or whether it covers both non-public housing and public housing units.

- How is the reserve replenished:
  1) tell if the reserve will be replenished
  2) tell source of funds used to replenish, e.g., cash flow, operating subsidy, public housing rents, etc.
  3) if public housing funds will be used, state that these funds will be tracked separately from any non-public housing funds
  4) if public housing funds will be used, state that these funds will only be used to replace funds that have been disbursed for allowable public housing expenses

- When can the reserve be accessed:
  1) give a brief general statement describing at what point these funds can be used to cover a deficit in project income

- Who owns the reserve:
  1) tell what entity owns the reserve
  2) if public housing funds have been used, state that these funds will remain with the project after the compliance period

Reserve Account Explanations

Replacement Reserve (to fund the replacement of long-lived capital items after project completion)

- How is the reserve capitalized:
  1) tell the source of funds, i.e., cash flow
  2) specify if the reserve will be funded from cash flow from both public housing units (operating subsidy & tenant rents) and non-public housing units

- How is the reserve replenished:
  1) tell if the reserve will be replenished (annually from cash flow)
  2) tell source of funds used to replenish, i.e., cash flow – specify if it includes cash flow from both public housing units (operating subsidy & tenant rents) and non-public housing units.
  3) if public housing funds will be used, state that operating subsidy & tenant rents will only be contributed to fund a proportionate share of the annual contributions to the replacement reserve.
  4) if public housing funds will be used, state that these funds will be tracked separately from any non-public housing funds

- When can the reserve be accessed:
  1) give a brief general statement describing at what point these funds can be used to cover a deficit in project income

- Who owns the reserve:
  1) tell what entity owns the reserve
  2) if public housing funds have been used, state that these funds will remain with the project after the compliance period

Reserve Account Explanations

<u>Initial Operating Period Reserve</u> (to cover operating expenses for public housing units before EIOP and the provision of HUD operating subsidy)

- How is the reserve capitalized:
  1) tell the source of funds, i.e., public housing capital funds, tax credits, etc. (Note: public housing funds may be used to capitalize this reserve
  2) state that his account covers only public housing units

- How is the reserve replenished:
  1) tell if the reserve will be replenished
  2) tell source of funds used to replenish
  3) if public housing funds will be used, state that these funds will only be used to replace funds that have been disbursed for allowable public housing expense
  4) if public housing funds will be used, state that these funds must be tracked separately from other non-public housing funds

- When can the reserve be accessed:
  1) give a brief general statement describing at what point these funds can be used to cover a deficit in project income

- Who owns the reserve:
  1) tell what entity owns the reserve
  2) if public housing funds have been used, state that these funds will remain with the project after the compliance period

Reserve Account Explanations

Other Reserve Accounts

Follow the same procedure as above, clearly stating what funds are being used and what units are covered. Note that if cash flow is being used, cash flow from public housing units can only be used to pay for expenses related to the public housing units.

Developer’s Fee Worksheet

- **The enclosed spreadsheet calculates an estimated 2010 PEL for public housing projects. Disclaimer: This estimator is intended as a planning tool to assist PHAs in estimating PELs for new projects. The estimated PEL is based on user input. The final PEL will be based on actual project characteristics in PIC. The PEL estimator is not available for U.S. territories or NYCHA.**

  For more details on Variables & Coefficients refer to the Coefficients Notice available at:http://edocket.access.gpo.gov/2006/pdf/06-59.pdf

- **SETUP**

How to complete the estimator: All yellow fields in column C are data entry fields where data may either be entered or selected from the dropdown menu. None of the other fields can be altered or edited. · PHA Code: Select from the dropdown menu the PHA code for the project. · PHA Name: PHA name will be populated automatically once you select the PHA code. · Project #: Type the project number. The project number should be 11 characters and the first five characters of the project number should match the PHA code selected. If improperly entered either of the following messages will appear on the line below the project number:

- "Error - Proj # must be 11 Characters"
- "Error - Proj # <>PHA"

Developer’s Fee Worksheet

- **STEP 1**

1. Size – Enter the number of ACC units that belong to the project.

2. Age – The age of the project is determined by the difference between the Date of Full Availability (DOFA) and December 31, 2000. In case of projects coming online after 12/31/2000, select "0-8 years" from the dropdown menu.

3. Building Type – Select the building type associated with the greatest number of units. If 25% or more of the units belong to scattered sites, select “Scattered”.

4. Occupancy Type – Projects are designated as either Senior or Family based on the predominance of 0 and 1 bedroom units. If more than 50% of the units are 0 and 1 bedroom, select "Senior".

5. Central City Location – If the city containing the greatest number of units is a principal city of an MSA then select “Yes.” All others should select “No.” Just because a city belongs to an MSA does not make it a principal city. The list of principal cities may be obtained at: http://www.census.gov/population/estimates/metro-city/cencty.txt

6. Poverty – Select from the dropdown menu the grouping that represents the percentage of households in the census tract that are below the poverty level in **1990.** If the project is in multiple census tracts, use the census tract containing the greatest number of units in the project. The poverty data may be obtained at: http://www.census.gov/geo/www/ezstate/poverty.html

7. Household Assisted - All public housing projects are assumed to be 100% assisted. No data entry by the user is required.

8. Geographic – Select the metropolitan statistical area (MSA) in which the greatest number of units reside. This list is sorted by state and MSA name. If a PHA is rural, select the appropriate state non-metro entry (e.g., CA – Statewide Non-metro areas). Each MSA only appears on the list once in conjunction with the primary state it covers. If your MSA covers multiple states, select your appropriate MSA for the primary state that it covers.

Developer’s Fee Worksheet

- **STEP 2**

9. Sum of Line 1 through Line 8 is automatically calculated.

- **STEP 3**

10. Number of 2 Bedroom Units – Enter the number of 2 bedroom units in the project. The coefficient is calculated by multiplying the bedroom % by 17.61%. The bedroom percentage is calculated by dividing the units entered in Step 3.10 by the total number of ACC units enetered in Step 1.1

11. Number of 3 Bedroom Units – Enter the number of 3 bedroom units in the project. The coefficient is calculated by multiplying the bedroom % by 37.65%. The bedroom percentage is calculated by dividing the units entered in Step 3.11 by the total number of ACC units enetered in Step 1.1.

12. Number of 4+ Bedroom Units – Enter the number of 4 or more bedroom units in the project. The coefficient is calculated by multiplying the bedroom % by 48.73%. The bedroom percentage is calculated by dividing the units entered in Step 3.12 by the total number of ACC units enetered in Step 1.1 **Note**: 0 and 1 bedroom units do not need to be entered because their percentage can be calculated from the above data and does not affect the bedroom size coefficient.

13. Unit size sum is calculated automatically. For more information please review the final rule and coefficient notice. Please note that if the sum of bedroom units in line 10, 11 & 12 exceed the total number of ACC units on Line 1 then the following error message will appear on Line 13:

• "Sum of Lines 10 + 11 + 12 > Step 1, Line 1"

If units are entered on either Lines 10, 11, 12 and no units are entered on Line 1 then the following message will appear on Line 13:

• "Line 1 is blank"

Developer’s Fee Worksheet

- **STEP 4**

14. Lines 14, 15, 16, 17 are calculated automatically.

- **STEP 5**

18. Line 18 is calculated as an exponent of line 17.

- **STEP 6**

19. Line 19 is calculated by multiplying Line 18 by the Ownership Co-efficient i.e. 10%.

- **STEP 7**

20. Line 20 is calculated automatically based on cost adjustments and project characteristics.

- **STEP 8**

21. Line 21 is calculated automatically based on cost adjustments and project characteristics.

- **STEP 9**

22. 2003 Audit Cost (PUM) – Calculated automatically based on the PHA Code selected. Mixed finance projects may claim the amount of the audit cost deducted on estimator line 22 as an add-on, inflated to 2010, on form HUD-52723, Section 3, Part A, line 10.

- **STEP 10**

23. Inflation factors on Lines 23 through 34 are pre-populated from the HUD-52723 forms. Line 28 is calculated by multiplying Line 22 by Line 27 i.e. the cumulative inflation factor from 2001 to 2004. The 2004 PEL is shown because the transition funding was calculated based on the 2004 figures. Thereafter, the PEL is inflated every year by the inflation factor for that year and the estimated PEL for 2010 is calculated on Line 34. **Note:** If a Mixed Finance project's Regulatory & Operating agreement date occurs prior to November 18, 2005, the project is eligible to receive the higher of the former agency-level Allowable Expense Level (AEL) or the PEL. HUD compares the 2006 AEL to the PEL. If the AEL is higher, the AEL will be inserted on Part A Line 1 of the HUD-52723 .

Developer's Fee Worksheet

PHA:
Project Name: **Phase II Renaissance Preserve**

Date: 5/4/2009

Project Costs **Part A Costs**			
Total Project Costs:		$ 19,038,526.00	
minus Developer Fee		$ (1,807,448.00)	**11.12%**
minus PHA developer fee		$ (613,049.00)	**3.77%**
minus program management			
Reserves:			
minus Operating Subsidy Reserve		$ (366,579.00)	
minus Lease-Up Reserve		$ -	
minus Operating deficit Reserve		$ (80,000.00)	
minus Supportive Services Reserve		$ -	
	Part A total	**$ 14,008,465.00**	
Part B Uses:			
PHA improvements		$ -	
Fees and costs		$ 75,000.00	
CSS		$ 200,000.00	
Relocation Activities		$ 500,000.00	
Acquisition		$ -	
Demolition		$ -	
HA Administration		$ 280,000.00	
	Part B Total	**$ 1,055,000.00**	
Basis for Fee:	**Part A total**	**$ 14,008,465.00**	
Developer fee % 11.12%			
PHA Co-developer fee 3.77%			
Hard Construction Costs			
Residential Construction		$ 7,801,745.00	
Community Facility		$ 650,000.00	
Contingency			
Site work & landscaping		$ 3,602,242.00	
Acquisition		$ 10.00	
Basis		**$ 12,053,997.00**	

Overhead 2%		**2%**
Term Sheet	$ 238,175.00	
Calculated	$ 241,080.00	
Difference	(2,904.94)	

Profit 6%		**6%**
Term Sheet	$ 714,522.00	
Calculated	$ 723,239.82	
Difference	$ (8,717.82)	

General Conditions 5.9%		**5.90%**
Term Sheet	$ 707,155.00	
Calculated	$ 711,185.82	
Difference	$ (4,030.82)	