

QUESTIONS FOR THE DEVELOPER PRESENTATION

- **Section #1: Ownership.**

1. Expand on the statement of BCHA having the option to purchase the property after fifteen years. What method would be utilized to establish a fair price for the development and how would the remaining debt be allocated?
2. The RFP disclosed the fact that the Housing Authority wanted majority ownership and control of the development, explain how equal ownership would work in decisions related to the development and management of the project.
3. Please explain how the property will be managed and the monitoring of compliance will be shared with the Housing Authority? The Housing Authority wants to be involved in both aspects of property management which will enhance our ability to manage tax credit developments in the future.

- **Section #2: Financing Proforma.**

1. On page two under the line item "On Site Work," discuss the details of what types of construction expenses are included in this number?
2. "Construction Contingency" seems a little low as compared to the overall hard construction costs, can you discuss how you feel that this number is adequate and how will you handle change orders?
3. Under Reserves, how did you arrive at the "Operating Reserve" number of three (3) months and is this number a requirement of the lender and/or equity investor?
4. On page eight, please address the lack of no cash flow after debt and soft funding source repayments. How do you plan to account for the need of operating cash flow on an annual basis?
5. Also, please provide a detailed proforma that discloses the loan balances of each funding source which includes all soft funding and deferred developer fee on an annual basis up to and through final maturity. Final maturity could and may be forty years plus.

- **Section #4: LOI's/Funding Sources.**

1. The RFP requested that the applicant provide Letters of Interest on all funding sources; please address those funding sources that were not provided in the application as to any discussions or meetings with those providers and the outcome if any.
2. Please note that the BCHA would not be a source of providing Project Based Vouchers (PBV) for this development. The reason for this decision is that the Housing Authority is limited in the number of PVB that we can issue. This is not a readily available resource for us to consider for this development.

3. The subordinate B-Bond LOI was not submitted in the original application for review. We would like to have you explain what the terms and conditions would be if cash flow were insufficient to payout as projected?
 4. The deferred developer fee of \$930,000.00 and the payment of a portion of that fee over a fifteen-year period of time, what is the comfort level of the lender and equity provider on those conditions?
 5. What is your plan in year fifteen to address the remaining balance of the deferred developer fee of \$297,551.00?
 6. The bond documents will require that the bond debt will need to be refinance in year fifteen, provide us with what the bond balance will be at that time and what the balance will be on all remaining debt and deferred developer fees? Explain what the possibilities may be and what a typical lender may require to qualify for a refinance in year fifteen.
 7. All of the soft funding resources are represented with a payment deferral for fifteen years. Have you had any discussions with those sources as to their acceptability to those terms and what the possibilities may be for them to offer such terms?
 8. The soft funding sources have been assumed at a 1.00% interest rate. Based on deferred payments until year fifteen, will the interest on each funding source accrue or are you assuming forgiveness of interest during that period of deferral?
- **Section #6: Time Line.**
 1. Lease up is projected to be from October 2021 – December 2022. Do you anticipate a fifteen-month lease up period? Stabilization in February 2023?