

Financing Structure

Dougherty & Company LLC will underwrite the bond financing and Kennedy & Graven is the bond counsel. The Bonds will be publicly offered with an initial tax-exempt fixed rate, as follows:

- \$4,740,000- Series 2017A
 - Final Maturity: February 1, 2020
 - Mandatory tender date: May 1, 2018 (subject to change)
 - Estimated Average Interest Rate: 1.25%
 - Semi-annual interest payments are based on the estimated interest rate (with all principal due at maturity)
 - August 1, 2017: \$22,383.33
 - February 1, 2018: \$29,625.00
 - May 1, 2018: \$14,812.50
 - Principal repaid with proceeds from FHA insured mortgage loan
 - AA+ Standard & Poor's bond rating (expected)
 - \$5,000 minimum denominations
- \$2,585,000- Series 2017B
 - Final Maturity: February 1, 2020

- Mandatory tender date: May 1, 2018 (subject to change)
- Estimated Average Interest Rate: 3.0%
- Semi-annual interest payments are based on the estimated interest rate (with all principal due at maturity)
 - August 1, 2017: \$29,296.67
 - February 1, 2018: \$38,775.00
 - May 1, 2018: \$19,387,50
- Principal repaid with proceeds from tax credit investor
- Non rated
- \$100,000 minimum denominations with an Investor Letter

CHDC will purchase the apartment complex for \$7,955,000. Estimated Total Development Cost is \$13,380,359 (See Table 1: Construction Sources and Uses)

Table 1: Construction Sources and Uses

Uses		Sources	
Items	Amount	Items	Amount
Acquisition	\$ 7,955,000	Series 2017A Bonds	\$ 4,740,000
Rehabilitation	\$ 2,860,000	Series 2017B Bonds	\$ 2,585,000
Contingency	\$ 286,000	Seller Note	\$ 3,691,200
professional fees	\$ 985,605	Syndication Proceeds	\$ 2,364,159
Developer fee	\$ 572,960		
Financing Cost	\$ 720,794		
Reserves	\$ -		\$ -
Total Uses	\$ 13,380,359	Total Sources	\$ 13,380,359

CHDC will obtain a HUD 221(D) 4 loan for \$4,997,900 from Dougherty Mortgage. CHDC will use Saint Paul-allocated 4% LIHTC in the amount of \$408,862. Syndication proceeds will be \$4,261,372, at \$1.04 per credit dollar, purchased by US Bank.

General Partner will extend their FHLB loan (\$500,000) for 40 Years at 4.9% to mature after the first mortgage.

Other funding sources include General Partner cash (\$100), Interim Income (\$276,651), Sales Tax Rebate (\$75,646) and Developer Fee (\$294,039), while HRA loans will be paid off at closing. (See Table 2: Permanent Financing)

Table 2: Permanent Financing

Current				
Position	Lender (source)	Original \$	Balance	Terms
	Bonds	\$ 3,335,698	\$ 2,235,000	5.625% to 6% payable semi-annually. Final payment is due July 1, 2031
	HRA	\$ 415,000	\$ 415,000	Deferred 3% interest due February 26, 2039
	FHF	\$ 200,000	\$ 200,000	Deferred 1% interest due February 26, 2039
	HRA	\$ 162,000	\$ 162,000	Deferred 1% interest due February 26, 2039
	CHDC	\$ 500,000	\$ 500,000	Deferred no interest due February 26, 2039
	MHFA	\$ 500,000	\$ 500,000	Deferred no interest due February 26, 2039
Proposed				
Position	Lender (source)	Amount	Terms	
1	Dougherty Mortgage (HUD 221 (D) 4 insured)	\$ 4,997,900	40 year amortized at 4.25% plus .35% MIP	
	Syndication proceeds	\$ 4,261,372		
2	Seller Note	\$ 3,691,200	40 years at 4.9% interest. Cash flow payment	
	General partner cash	\$ 100		
3	Existing debt	\$ 500,000	40 year deferred 4.9% interest	
	Interim income	\$ 276,651		
	Sale tax rebate	\$ 75,646		
	Developer fee	\$ 294,039		