

RFP 2022-4005;
TAX CREDIT SYNDICATOR
ATTACHMENT A: SCOPE OF WORK



The Cincinnati Metropolitan Housing Authority and its instrumentalities are seeking a financial services firm to provide tax credit syndication for the Beechwood development project as described below and in the attachments.

1.0 Beechwood General Information and Requirements

1.1 CMHA is looking to the equity investor to suggest the best pay-in schedule for the project. The project includes an FHA 221(d)(4) loan, so familiarity with HUD MAP Guide is required so that timing and percentage of Equity payments are made correctly at closing, etc. This is a HUD RAD Conversion Substantial Rehab project, so it will remain in operation throughout the development/construction period.

1.2 Assumptions include:

1.2.1 Operating expenses \$6,185/PUPY + Replacement Reserve \$400/PUPY

1.2.2 Escalation Factors:

- 2% Income
- 3% Expense
- 3% Replacement Reserve

1.2.3 Vacancy Rate at Stabilized Operations:

- Year 1: 5%
- Year 2: 3%
- Years 3+: 3%

1.2.4 Perm Loan: FHA 221(d)(4) with 40-year term; rate is not locked at this time, but modeled at 5.05%. Mortgage Insurance Protection (MIP) of 0.25% is also added to rate, rather than included in the Operating Expenses

1.2.5 We cannot provide a Flow of Funds at this time. The project will use approximately \$20,000,000 in bond funding to be collateralized with Seller Notes, FHA loan proceeds and the remaining amount as a bridge loan provided by the investor.

1.2.6 Contract term will be for the compliance period.

1.2.7 Relocation will be a rolling rehab with the top 2-3 floors emptied prior to financial closing so that the construction can commence within 2 weeks of financial closing. As units are completed, tenants will move from lower level units to the newly remodeled units. Because this is a HUD RAD Conversion, current tenants have the right to return to the property, but not necessarily to the same unit.

1.2.8 We cannot provide an Occupancy Schedule, but note that the Construction Schedule is forecasted for 14 months with a financial closing in the first quarter of 2023.

1.2.9 The Schedule of Values has not been completed at this time, as costs are evaluated and alternate deductions are identified.

1.3 Attachments:

1.3.1 Attachment A.1 - Project Outline for the Beechwood

1.3.2 Attachment A.2 - Preliminary Project Overview



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- 1.3.3** Attachment A.3 - Development Team Experience
- 1.3.4** Attachment A.4 - Development Budget with Eligible Basis
- 1.3.5** Attachment A.5 - Rents and Unit Count
- 1.3.6** Attachment A.6 - 15-year Proforma
- 1.3.7** Attachment A.7 - Sources & Uses
- 1.3.8** Attachment B - Syndicator Evaluation Form

2.0 The Authority’s Motto and Gold Performance Standards

In 2012, the Authority implemented its motto “Being an Asset to Hamilton County” in addition to establishing Gold Performance Standards which consist of the principles and values by which the Agency performs and how our partners, vendors, contractors and consultants are measured. The Gold Performance Standards are:

<i>Respect</i>	<i>Timely</i>	<i>Exceptional</i>	<i>Initiative</i>
<i>Excellent</i>	<i>Quality</i>	<i>Accurate</i>	<i>Integrity</i>
<i>Value</i>	<i>Creativity</i>	<i>Accountability</i>	<i>Professionalism</i>

It is the Authority’s intent that the contractor will also adhere to these standards.

3.0 Contract Term

The Authority intends to enter into a contract for the life of the tax credits and compliance period with the successful offeror selected to provide the services. Upon the financing closing, any resulting contracts shall be assigned to the Beechwood RAD Development Corp.