

Jersey Street RFP: Financial Assumptions

TERM SHEETS

Proposed project financing should adhere to all HPD/HDC term sheet requirements as applicable.

INTEREST RATES

Assume the following interest rates in the financing proposal. Deferred interest should be shown as both a use and a source in the Development Budget.

| Construction Loan | |
|---|--------------------------------|
| Private Lender | 7.25% |
| HDC Short-term Bonds | 4.15% |
| HDC Long-term Bonds | 5.55% |
| HDC Subsidy | 1.25% paid + 2.96% deferred |
| HPD Subsidy (rental) | 0.25% paid + 3.96% deferred |
| Reso A (rental) | 0.25% paid + 1.00% deferred |
| HPD Subsidy and Reso A (homeownership) | 0.25% paid + 0% deferred |

| Permanent Loan | |
|---|--------------------------------|
| Private Lender | 6.75% |
| HDC Long-term Bonds | 6.25%* |
| HDC Subsidy | 1.00% paid + 2.96% deferred |
| HPD Subsidy (rental) | 0% paid + 3.96% deferred |
| Reso A (rental) | 0% paid + 1.00% deferred |
| HPD Subsidy and Reso A (homeownership) | 0% paid + 0% deferred |

*6.25% all-in: 5.55% base rate + 0.50% MIP + 0.20% Servicing

LOW-INCOME HOUSING TAX CREDITS (LIHTC)

Recommended credit type If proposing Low-income Housing Tax Credits (LIHTC):

| | |
|--|--|
| For a project (an individual financing closing) with ≤ 105 units | 9% LIHTC If proposing HPD 9% LIHTC, annual credit amount recommended to be no more than \$23,000 per LIHTC unit |
| For a project (an individual financing closing) with > 105 units | 4% LIHTC with bond financing |

PROJECT-BASED VOUCHERS

For proposed units supported by Section 8 Project-Based Vouchers (PBV), assume rental assistance at 100% of the 2023 Fair Market Rent (FMR). Utility allowances should be subtracted from gross rents.

ESSHI

If proposing ESSHI, the rental assistance should correspond to maximum 60% of AMI rents.

15/15

If proposing NYC 15/15, use the following payment standards. Utility allowances should be subtracted from these rents.

| | |
|--------|---------|
| Studio | \$1,553 |
| 1 BR | \$1,630 |
| 2 BR | \$1,880 |
| 3 BR | \$2,415 |
| 4 BR | \$2,604 |

MAINTENANCE AND OPERATING EXPENSES

Submissions should use the latest version of [HDC's Maintenance and Operating Expenses Standards](#) and [HDC's Electric Maintenance and Operating Expenses Term Sheet template](#). Respondents should assume prevailing wages for building service workers in the project budget.