

Fruitdale Lofts - Hartman Ely Investments
Sources and Uses, Income Tax Credit Calculations

Gross Building	16,000 sf
Net Rentable	11,684 sf

Uses

<u>Item</u>	<u>Budget</u>	<u>% Total</u>	<u>Cost/GSF</u>	<u>Cost/NSF</u>
Site acquisition & closing costs	\$ 10	0.0%	\$ 0.00	\$ 0.00
Design & support professionals	\$ 504,100	8.6%	\$ 31.51	\$ 43.14
Permits & Fees	\$ 288,500	4.9%	\$ 18.03	\$ 24.69
Developer expenses & fee	\$ 506,000	8.6%	\$ 31.63	\$ 43.31
Soft cost contingency	\$ -	0.0%	\$ -	\$ -
Hard costs	\$ 4,437,500	75.7%	\$ 277.34	\$ 379.79
Hard cost contingency	\$ 34,868	0.6%	\$ 2.18	\$ 2.98
Financing Costs - Commercial Loan	\$ 91,944	1.6%	\$ 5.75	\$ 7.87
Total Development Budget	\$ 5,862,922	100.0%	\$ 366.43	\$ 501.79
Total Development Budget excluding deferred development fee	\$ 5,662,922	96.6%		initial capital requirements for development

Sources - initial sources used to fund construction & development

<u>Item</u>	<u>Future amounts</u>	<u>Initial Funding Amount</u>	<u>% Total</u>	<u>Notes</u>
Subsidies				
City of Wheat Ridge - long term loan	\$ 470,000		8.0%	
Wheat Ridge Housing Authority - long term loan	\$ 170,000		2.9%	
HOME Funds - Jefferson County - long term loan via public member	\$ 680,000		11.6%	
State Historical Fund grant	\$ 224,662		3.8%	
RAQC EV Charging Grant	\$ 6,260		0.1%	

<u>Tax Credit Amounts</u>	<u>Total Project Funding</u>	<u>Short term funding available to payback City Patient Capital</u>
Tax Credit Investor funding - Federal Solar	\$ 85,200	\$ 85,200
Tax Credit Investor funding - Federal Historic	\$ 781,645	\$ 781,645
Tax Credit Investor funding - State Historic	\$ 900,000	\$ 600,000
Enterprise Zone Equipment Tax Credit - Jefferson County	\$ -	\$ -
Tax Credit project funding amounts	\$ 1,766,845	\$ 1,466,845

80.0% benefit for both tax credits. 100% of the benefit is included now per committed federal tax credit investors, providing \$866,845 short term net to the City.

90.0% benefit, with \$300,000 (1/3) reserved for income tax payment required by FSP to IRS, \$600,000 short term net to repay City not awarded
Tax Credit funds benefit project after construction

Patient Capital Loans

City of Wheat Ridge - patient capital	\$ 2,115,000	36.1%
Wheat Ridge Housing Authority - patient capital	\$ 400,000	6.8%
Subtotal Subsidies & Patient Capital	\$ 4,065,922	

Debt & Equity

Citywide Loan for Development	\$ 1,450,000	24.7%
Equity - Fruitdale School Partners	\$ 147,000	2.5%
Total Funding Sources	\$ 5,662,922	96.6%

Income Tax Credits - Historic (HITC), Solar (SITC), and Enterprise Zone (EZEITC)

	<u>Qualifying Costs</u>	<u>Tax Credits</u>	<u>Notes</u>
Federal Solar Income Tax Credit			
Qualifying Costs	\$ 355,000		includes \$50k of soft costs
SITC value (30% of qualifying costs)		\$ 106,500	
Federal Historic Income Tax Credit			
Qualifying Costs	\$ 5,231,468		
HITC value (18.7% of qualifying costs)		\$ 977,056	
State Historic Income Tax Credit (cap of \$1,000,000 applies)			
Qualifying Costs	\$ 5,231,468		
HITC value (30% of qualifying costs with \$2M cap)		\$ 600,000	
Qualifying Costs	\$ 3,231,468		
HITC value (20% of remaining qualifying costs with \$2M cap)		\$ 400,000	
Subtotal Federal Solar & Historic and State Historic Income Tax Credits		\$ 2,083,556	
State Enterprise Zone Equipment Income Tax Credit via Jefferson County			
Qualifying Costs - apt. cabinets & appliances and solar system	\$ 281,500		reduced by SITC amounts above
EZEITC value (3% of qualifying costs)		\$ -	not awarded
Total Federal and State Income Tax Credit Gross Amounts		\$ 2,083,556	