

Crown's Corner

*975 Nostrand Avenue, . Crown Heights, NY
Mixed-Use Mixed-Income Development*

Crown 975 & The Mont 420

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 JDJ Development LLC

 COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

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Executive Summary

Crown's Corner Development - Mixed-Use Mixed-Income Development

From its location in a family favored neighborhood, to its adjacency to numerous secondary educational institutions and public transport, the site of 975 Nostrand Avenue presents an opportunity to provide to a growing Crown Heights neighborhood.

Having been designated a brownfield site, as well as being the subject of a long ensuing legal dispute between the previous owner and tenant, the site has been left barren of development while the neighbors, community, and city at large are all awaiting its eminent and needed development.

Back in 2021, JDJ Development acquired the site through its subsidiary Crown's Corner LLC, and is now in the process of acquiring the corner lot just north of the site to create a single assemblage for the planned development.

The site's proximity to not only Prospect Park, but also to a high density of schools in Community District 9, sets the foundations for a successful mixed-income development with commercial tenants driving the pedestrian experience on the ground floor below.

The project aims to utilize a myriad of incentive structures available to the site, of which are many, as to offset the rising development costs and to maintain healthy investor returns.

- **Fresh Bonus:** the already existing contract with future tenants, Associated Supermarkets, allows the development to secure a large grocery tenant in a location considered a 'food desert', and by doing so, allows the added 20,000sf to the maximum allowable ZFA.
- **Brownfield Cleanup Program BCPTC:** As a subject of the brownfield designation, the site allows the use of Brownfield Cleanup Program in which tax credits are exchanged for 50% of qualified costs to clean the property, and 24% of qualified costs incurred to develop the property there onwards.
- **LIHTC:** With the aim of providing housing for families at all income levels, the development is in the process of application for the Low Income Housing Tax Credits at a fixed 4% rate.
- It is vital for JDJ developments that two bottom lines exist for all its projects, one to that of investors, and the other to that of the community. As such, we aim to provide the community a building that poses the minimal carbon footprint achievable while housing an expanded list of passive design features. Hence, the Crown's Corner development will pursue the Zone Green incentive which requires buildings to go beyond current city's measures for sustainable building standards in return of added total floor area and units.

The following text presents the quantitative and qualitative analysis of development variables and its constituents.



Investment Summary

\$254 M Total Development Cost	\$165 M Total Loan Funding	5.1% All-in-Rate (Floating)
\$612 cost psf	65% LTC	4 Year Hold Period
4.50% Exit Cap Rate	4.2% Untrended YoC	4.9% Stabilized YoC

Address: 975 Nostrand Avenue & 420 Montgomery Street
Submarket: Crown Heights, Brooklyn
Type: Mixed-Use & Mixed-Income Multifamily

Total Units: 332
Market Rate: 245
Affordable: 87
The Mont 420: 206
Crown 975: 126

Area Summary

Total Assemblage Area: 75,367 SF
Gross Buildable Floor Area: 415,413 SF *(incl. of 61,090 SF basement floor)*
Zoning Floor Area: 343,693 SF
Leasable Floor Area: 321,221 SF

Leasable Area Program Breakdown

Residential: 226,661 SF
Community: 23,507 SF
Retail: 22,883 SF
Parking: 48,171 SF

Massing

Building Height: 90'-0" measured from datum
QGF Height: 17'-0" measured from datum
Lot Coverage: 65%
Typ. Floor Plate Depth: 67'-0"

Investment Summary Cont'd

Unlevered Project	IRR 11.2%	Multiple 1.3x
Levered Project	IRR 16.0%	Multiple 1.6x

LP	GP
LP EQUITY 90%	GP EQUITY 10%
LP EQUITY \$53,300,000	GP EQUITY \$5,900,000
LP IRR 15.1%	GP IRR (incl promote) 23.4%
LP MULTIPLE 1.5x	GP MULTIPLE 1.9x
LP PROFIT \$28,600,000	GP PROFIT \$5,500,000 GP PROJECT PROFIT \$3,200,000 PROMOTE \$2,300,000

Neighborhood Analysis

Brooklyn Crown Heights / Adjacencies

History

Supported with the central scenic landmark that is the tree-lined Eastern Parkway, Crown Heights, originally called “Crow Hill”, sits comfortably adjacent to the east of Brooklyn’s premier greenery, Prospect Park. The area originally began as a desired residential neighborhood for a secondary home for Manhattan’s growing bourgeois class, and as such, Crown Heights was one of the wealthiest neighborhoods in Brooklyn and its streets today continue to presents a myriad of prewar brownstone buildings and row houses.

Having originally been home to a majority white population until the mid 20th Century, the 1950s and 1960s saw a large movement of the original Irish and Italian residents east-bound to Long Island, while a large portion of Lubavitch Hasidic Jewish population in the area remained. Parallel to the movement away was also heightened migration into Crown Heights from the West Indies and the American South, and having seen that trend continue for decades onwards, Crown Heights has today become a unique mix of cultural concentrations by both the Hasidic Jewish and the Caribbean community of New York. Appropriately, while being the home of the world wide Lubavitch movement, beginning 1964, Crown Heights also became the annual and continuing host for the Labor Day Carnival celebrating Caribbean culture; an event that attracts over 3.5 million people each year.

Although there was previous cultural dichotomy with the two large groups residing in one neighborhood, with the turn of the century, after much of the crime and violence of the past dissipated through the 90s, Crown Heights began to gain further attraction from NYC residents and in turn started to experience gentrification, with the greatest pick up in pace occurring in the 2010s. With an increased level of development occurring, there was growing discontent from the existing community that felt they were being pushed out of their neighborhood by incoming developers, often through unethical tactics, a sentiment that continues to this day. However still, Crown Heights continues to be a desired location of residence thanks to its the natural amenities that comes with its adjacency to a large park, convenience/abundance of public transport supporting the movement of its residents, and large number of schools in the area supporting families -and more.



Figure: Crown Heights Neighborhood



Figure: Mayor David Dinkins looks on while a Hasidic Jew and a black man argue during riots in Crown Heights in 1991.

Figure: Siegel. "Reflections on Crown Heights, 30 Years Later."

Figure: Coleman. "The Alliance Between America's Black and Jewish Activists Has Long Been Troubled."

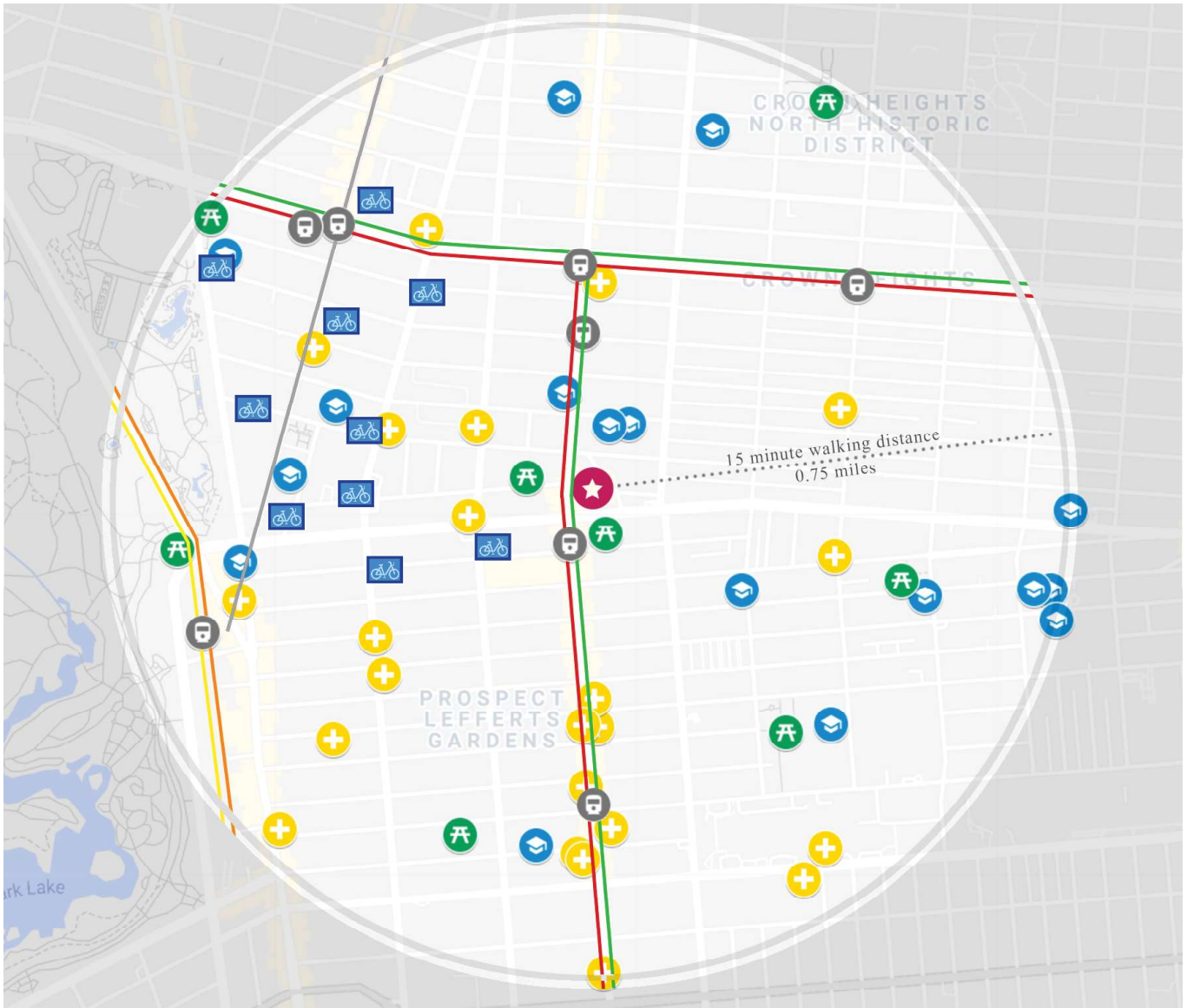







Figure: Neighborhood Analysis Map
 Transport, Schools, Parks & Hospitals

-  Subway Station
-  Education
-  Parks
-  Medical
-  2
-  3
-  4
-  5
-  Q
-  Q
-  S

Map Source: Google My Map

The neighborhood analysis concentrates on a fifteen minute walking catchment area beginning from the site, 975 Nostrand Avenue, Brooklyn. The qualitative and quantitative analysis aims to identify the advantages the site and the greater neighborhood of Crown Heights, the drivers of growth already existing in the area, and most important to the philosophy of our team and partners, the current and future needs of the community.

Transport

Subways

One of the main advantages of the site is its proximity to an abundance of public transport. As such, the 15 minute catchment area showcases a total of seven subway lines. Just off the site and across the street is the *Sterling Street* station that services the 2 and 5 lines. Additionally, just a few minutes walk north from the site gains you access to the 3 and 4 subway lines. Finally, with a fifteen minute walk to *Prospect Park*, west of the site, a further three lines will be available, the B, Q and S line.

The abundance of subway lines available, with six of the seven lines accessing Manhattan in half an hour or less, greatly increases the possible market demographic for the site just on the matter of transport alone.

Note, the Sterling Street station and the pedestrian traffic it entails will be a driver in the design phase of the development in that it will assist in addressing the location of the lobby(ies), entrance(s), loading dock(s) etc.

Bus

Several bus lanes are also available directly in front of the site as well as more options just a block further out.

B44

B43-SBS

B43



Citi Bike

In addition to traditional forms of public transport, the Citi Bike has seen a continual growth in usage over 8 years since its inception. These publicly serving bikes provide an alternate and healthier option for residents in the neighborhood. With the rise in the number of bikes that are electrically powered, the usage is expected to go up in parallel. Given these facts, although there are Citi Bike docking stations closer to *Prospect Park* and west of the site, there are no stations in direct vicinity or any east of the site, ultimately creating a large void in an increasing popular form of public transport as presented by the map (with the pandemic acting as a catalyst for healthier life choices).

With this void is an opportunity for the 975 Nostrand Avenue site to provide the missing access to the community in large and expand Citi Bike's footprint further.

Amenities

975 Nostrastrand Avenue along with the rest of Crown Heights and Prospect Lefferts Gardens south of the site sit comfortably adjacent to one of the largest and sought after parks in Brooklyn, Prospect Park. Having this 586 acre open greenery within walking distance from the site adds great value, especially following the pandemic which brought about a heightened desire for open green spaces, especially in a city like New York. With this sentiment only forecasted to grow, the site's proximity to the park will add to the development's potential for growth.

In addition to Prospect Park, the site's fifteen minute walking catchment area includes various other open greenery and playgrounds open to public access, many of which can be attributed to the numerous educational institutions that exist within the site's vicinity.

Note, this recognition of the abundance of schools in the area is one of the drivers that begin to shape and define this project and development purpose.



Figure: Prospect Park from above looking east



Figure: Dodger Playground



Figure: Dodger Playground Artwork

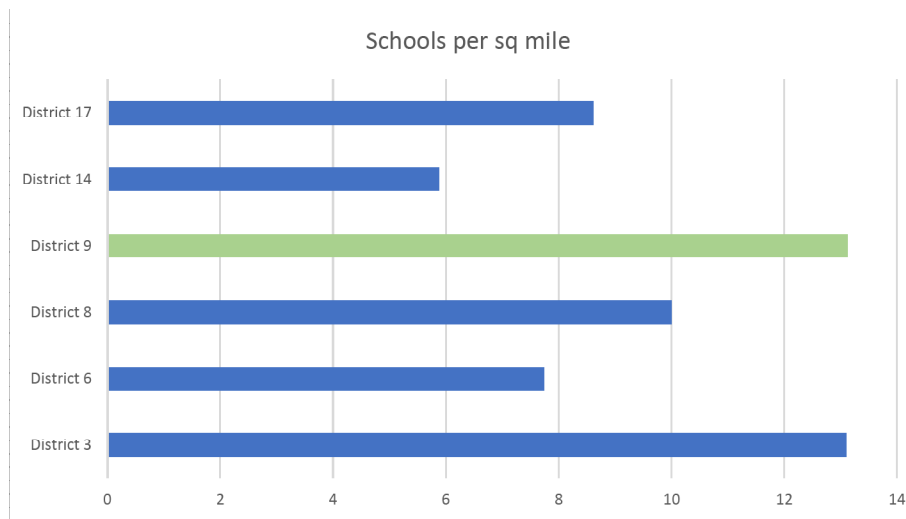
Trends and Patterns: *Educational Services*

As is apparent in the Neighborhood Analysis Map, there is an abundance of educational institutions within walking distance from the site. Not only relative to the site itself, the entire Community District 9, the district in which the site is designated, has one of the highest density of schools per square mile compared to its adjacent districts. In addition, the collection of schools provide education at all secondary year levels -as well as one CUNY college, *Medgar Evers College*- and at different proficiency levels -high schools & preparatory schools- and with varying types of specialty education, such as *Workshop Middle School*.

The diversity of educational options within District 9 provide a greatly attractive feature for **families with children still in school**, while also having the advantage of proximity to greater business districts in Manhattan and Downtown Brooklyn through its adjacency to many subway lines.

As a potential target demographic, families with children in schools presents a promising feature of long term stay connected with the term of secondary education, a feature that may not be as apparent in other demographic groups. As such, the plentitude of educational services presents a potential driver for long term stable growth with occupancies that may be less volatile to market changes as families will be further discouraged to move away due to their children’s enrollment status in a nearby school. Hence, **multifamily** developments with family sized units will be able to benefit most from this feature comparative to other asset types for the site of 975 Nostrand Avenue.

However still, its proximity to Manhattan will always be a foundational feature of attraction and will continue to drive occupancy in a multifamily development and this gives reason to maintain a unit mix that still includes numerous studios and 1 bedrooms, while the overall mix still may be more favorable towards 2 and potentially 3 bedroom units compared to other multifamily developments outside of a concentrated school district.



Graph: “Schools per sq mile”, sourced through NYC PLANNING Community District Profiles.

A secondary feature derived from the concentration of educational services is its role in determining potential tenants in the commercial/retail/community portion of the building -1st and 2nd floors-. While recognizing the existing agreement with *Associated Supermarkets* -previous tenants- for 16,000sf of ground floor space plus 5,000sf of cellar space in the new building, the second level of the development, as well as possibly the lot north of the site currently up for sale -955-967 Nostrand Avenue, 15,735sf (lot)-, provides potential for an added element of community engagement through a commercial tenant catering student needs.

A community program identified in being a potential beneficiary of this concentration is an **after school learning program** in which classes and tuitions exist for all levels of study with the ultimate goal of encouraging advanced learning and exposure to STEM subjects. Such programs are largely provided by institutions, most well known, *Kumon*, a privately held company that provides educational services outside of the traditional school system for reading and mathematics proficiency on top of preparation for college entrance exams.

Referencing the map that highlights *Kumon* locations throughout NYC, an even distribution of its facilities can be seen spread throughout the entirety of Manhattan and western and southern portions of Brooklyn. However, towards Crown Heights, and the general Brooklyn east of Prospect Park, is absent of any of its facilities and seems they and any other organizations of its kind are yet to progressively expanded into this portion of the market, despite districts such as District 9 having one of the highest concentrations of educational institutions.



Figure: Kumon

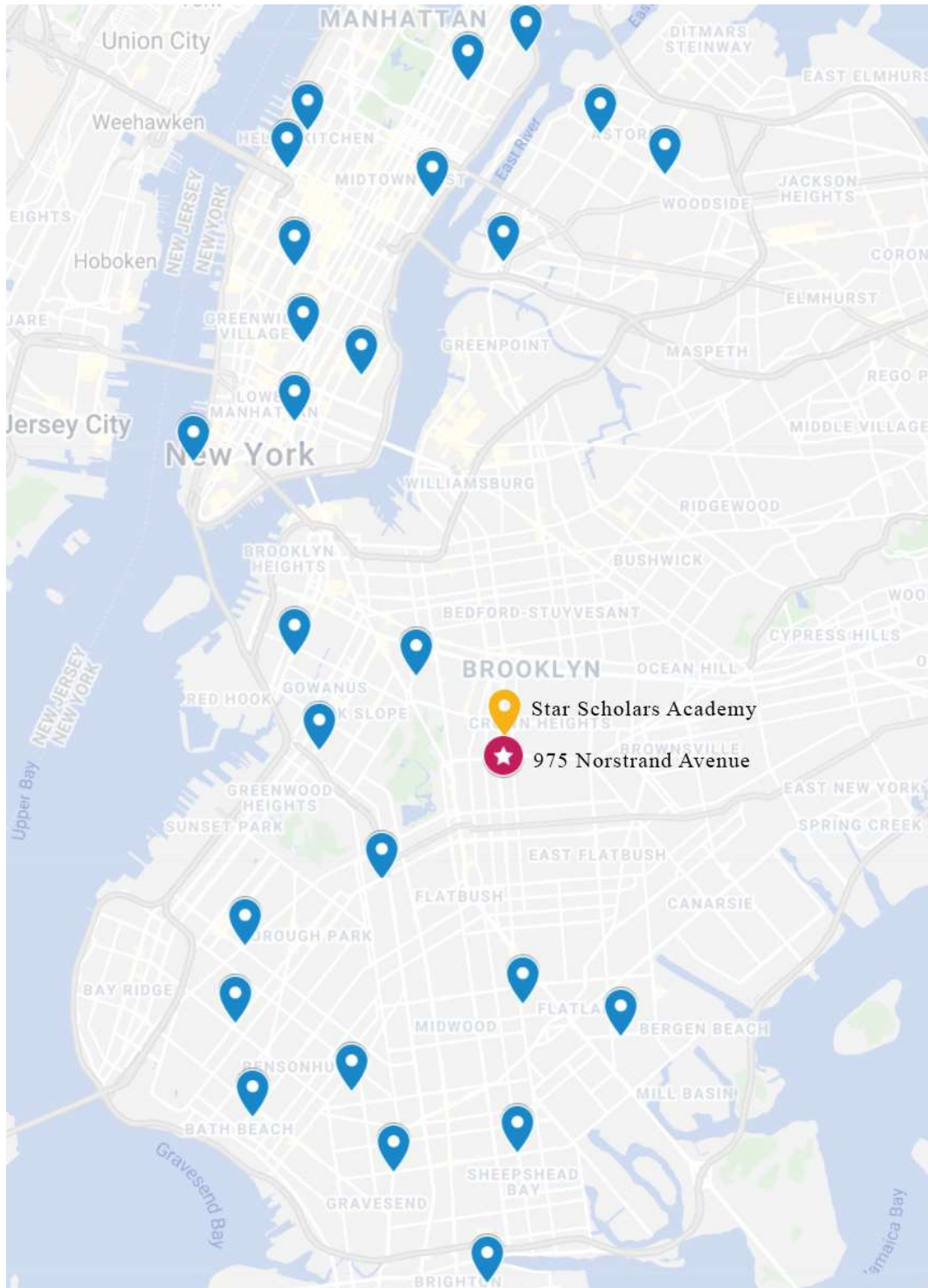


Figure: Kumon Locations (NYC)

Map Source: Google My Map



Star Scholars Academy

Although *Kumon* is yet to expand into District 9, just a block away from 975 Nostrand Avenue sits *Star Scholars Academy* (SSA) on 903 Nostrand Avenue.

SSA is an after school program that currently serves student groups aged 4 to 11 with an additional section of the academy providing one on one tutorial programs for those aged 4-55. The after school program aims to improve Math and English fluency and assist with ongoing school work while also promoting social and recreational goals through periodically held summer camps. The one on one tutoring program caters for a broader age range and provides personalized teaching and assistance by specialized tutors.

Having initially been founded by a long time resident of Crown Heights that sought to have a business in the community that helped nurture him -*Kofi Jackson*, CEO & Director of SSA-, the SSA organization holds a lot of promise in appealing to the community at large in two main aspects.

1. Driving off of SSA and *Kofi Jackson's* ambitions, the relationship and ties the organization has to the neighborhood and its community, especially the younger generation, and a track record of dedication to stand firmly behind it, is an invaluable trait of any potential tenant that can only come from locals that have resided in the area for some years. In an environment like today where the residents of the board have been expressing discontent with new development and their continued high vacancies, SSA can bring to the table a level of trust and a potential bridge between the two occasionally contradictory parties.

2. The second aspect of appeal in fact comes from a current void in SSA and District 9's services in that in comparison to *Kumon* which typically provides learning for student groups of all ages, SSA's after school program is currently missing services dedicated for those 12 and up and until college preparations, which is a potentially large demographic, especially in District 9. This uncaptured demographic can itself be a selling point in promising that greater access to higher level of education, added sources of academic support, and exposure to a myriad of experiences -STEM- will be provided to the community through SSA's move or expansion onto 975 Nostrand Avenue as a designated community facility.

Jackson, "Star Scholars Academy: About Us."

Kofi Jackson

Meet the CEO/Director

Kofi Jackson started Star Scholars Academy in Spring of 2013 with the purpose to serve the Crown Heights community. He has a wealth of experience with an Undergraduate degree in Mathematics from CUNY Medgar Evers. As a CUNY Alumni, he sought to have a business in the community that helped nurture him. Through ongoing mentoring, he has undertaken multiple teaching opportunities from CUNY Hostos, Medgar Evers and many more. His vision is reach out to neighboring communities and improve Math and English fluency through tutoring and mentoring. As he continues to thrive in this environment, his down to earth nature proves to be his biggest asset.



Figure: Star Scholars Academy Class 1

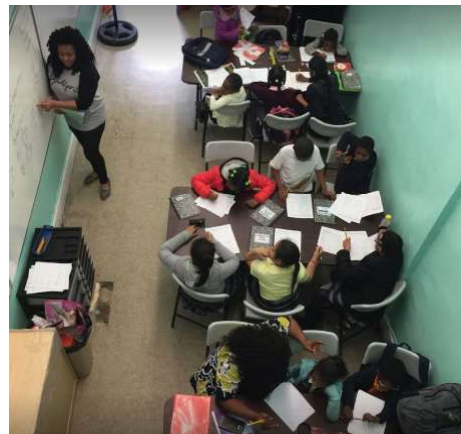


Figure: Star Scholars Academy Class 2

Jackson, "Star Scholars Academy: About Us."

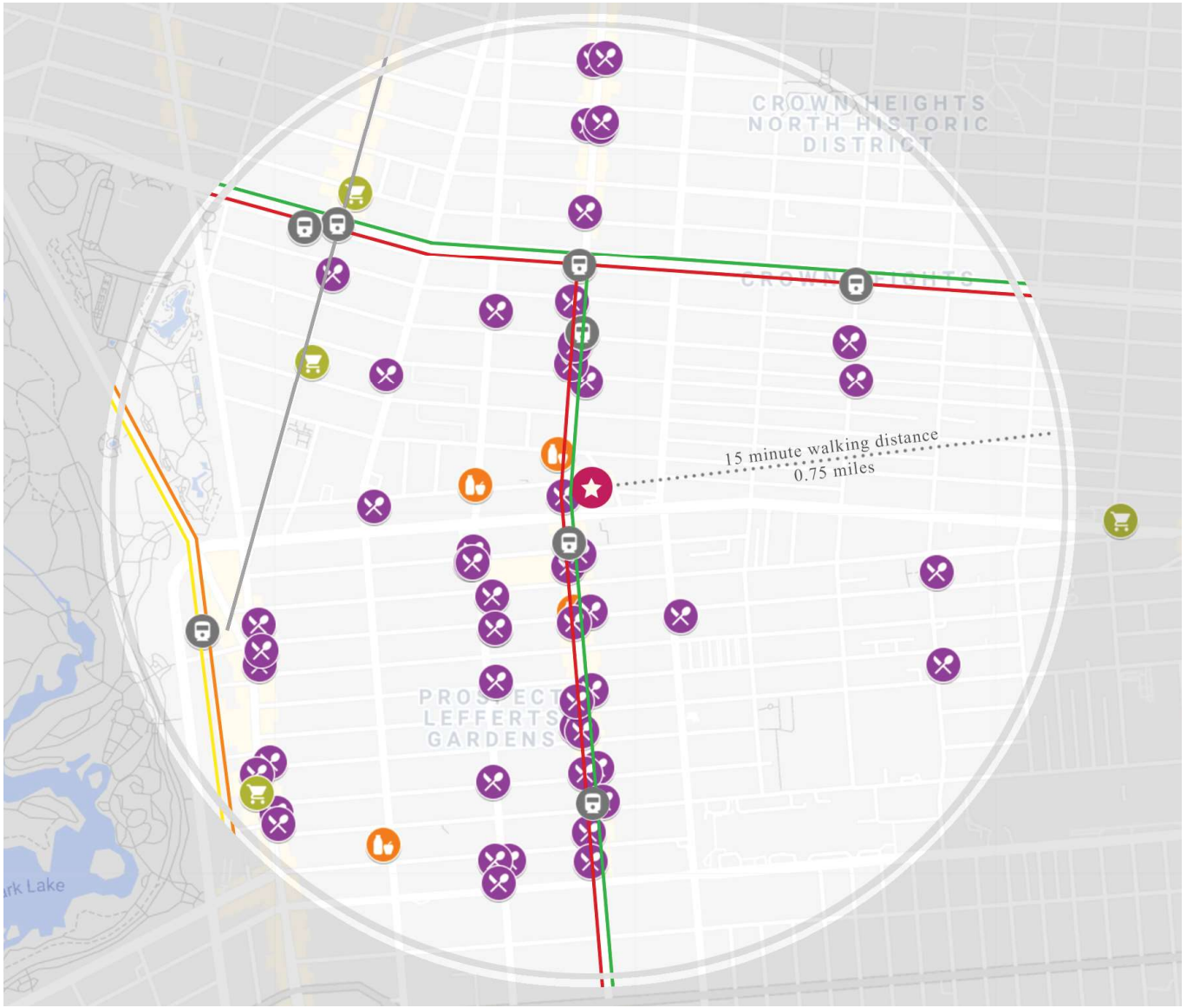


Figure: Neighborhood Analysis Map
Food & Beverage & Groceries/Supermarkets

Trends and Patterns: *Groceries*

As visible in the Neighborhood Analysis Map, there is a large area within Crown Heights and Prospect Lefferts Gardens, which is void of any supermarkets or large grocery chains, whether at a franchise level or at a more community scale. This lack of concentration creates a food desert for thousands of residents, especially families that may be more inclined to cook at home rather than to purchase out. The crux of this solution lays with this development, in that 975 Nostrand Avenue sits comfortably in the center of this void.



Associated Supermarkets

As previously mentioned, there is an existing agreement with *Associated Supermarkets* for a 16,000sf of ground floor space plus 5,000sf of cellar space in the new building. This agreement in itself is less of a limiting factor but a great value in securing a tenant that provides greatly needed services to its neighborhood.

Keeping in line with the project's aim in being a contextual, reactionary development to the needs of the community, the contractual agreement that already exists between *JDJ Development LLC* and *Associated Supermarkets* for a ground floor lease, at the minimum, ensures that the new building will bring about a vital amenity for any healthy community.

Secured Tenancy Contract with Associated Supermarkets

Total 21,000 sf

(16,000 sf of Ground Floor + 5,000sf of Cellar)

FRESH Program

Due to the availability of the *Fresh Program*, the existing agreement with *Associated Supermarkets* allows the development to add **20,000sf** of additional floor area for having provided the neighborhood with a necessary program; a mutually beneficial opportunity.

Trends and Patterns: *Food & Beverage*

The Neighborhood Analysis Map highlights the concentration of food & beverage around the site where a clear north-south pattern can be visible going down Nostrand Avenue. The site, being relatively large, has the opportunity to cater for food & beverage programs on the ground floor. The development would benefit from food & beverage tenants geared towards profiles of students and families and, with the lingering effects of the pandemic in mind, tenants with large portions of their revenue coming from deliveries and takeouts. Preference would be given to those with low levels of operational requirements i.e. no wood fire oven pizza shops and bakeries etc.

Low Operations F&B

Continuing with the theme of ‘low operations’, potential food & beverage tenant base considerations will be made for those that are already common or have proven success with low operations in the form of food trucks, such as coffee, tacos, “*Caribbean King Mobile Food Truck*” etc.

These spaces could be made to open to the public through window openings, benefiting as well as encouraging a takeaway culture. This aspect would be ideal for students and parents commuting through Nostrand Avenue.

Sample Images



Figure: Built in window cafe



Figure: Built in Salad takeaway window shop

Charles[®] PAN-FRIED CHICKEN

Charles Pan-Fried Chicken

An additional F&B component will be located in the most north-western corner of the development where it is exposed to the most foot traffic and adjacent to Star Scholar's Academy entrance on the ground floor. A Harlem and Upper West Side popular franchise named "Charles Pan-Fried Chicken", will tenant this space. The selection of this specific F&B tenant was made with our confidence in their successful track record, and its popularity amongst both children and adults, two target demographics that will frequent the building.

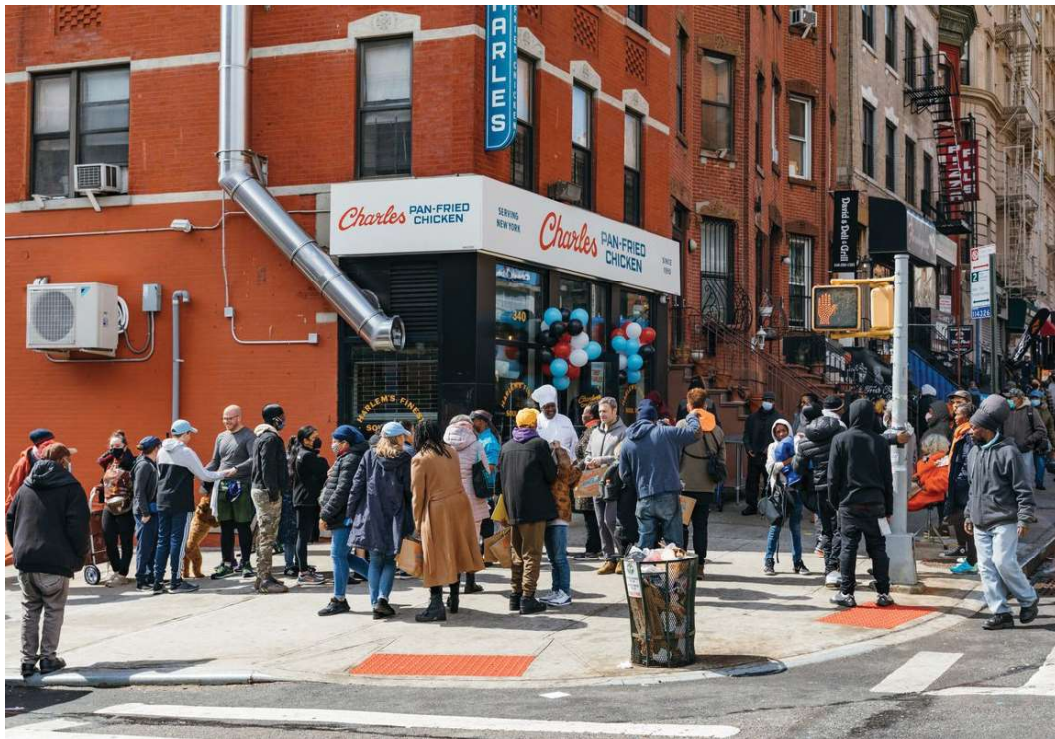


Figure: Charles Pan-Fried Chicken, Harlem; Opening day popularity

Housing Committee Meeting: *January 2022*

The first Housing Committee Meeting of 2022 was very informative as to the current community sentiment towards housing as well as its desires for future developments and below are few highlighted relevant topics.

Bronx Fire

From the get go, residents expressed concerns regarding safety following the Bronx disaster, and the need to ensure preventative measures are taken regarding fire safety. These measures would ideally look into the existing fire safety system in buildings as well as the responsiveness and approachability to buildings by the fire department.

Housing

Regarding housing, given the number of families financially burdened by the pandemic, there was discontent at the level of vacancies in new developments that had occurred in the neighborhood in the last several years and questions as to whether future development pipelines should be supported when the current supply is not fully being occupied.

District Board 9 Chair, *Fred Baptiste*, expressed that much of these vacancies were due to aggressive speculations that have failed to materialize in occupancies. As to the type of new buildings he would like to see, he showed a gravitas towards rental products in line with the demographic of Crown Heights, and ones that potentially lead to home ownership, in which provides greater sense of ownership and participation with the greater neighborhood.

Additionally, in the face of Crown Heights trending a loss in its historical character, there was expressed desires for more contextual zoning in which new developments would adhere, respect, and pay homage to the existing urban fabric of the neighborhood.

These comments show an awareness of heightened intentional vacancies by landlords leading to frustration and discontent by the residents that the neighborhood's housing supply is not fully being utilized to help those in need. Having witnessed many developments in their neighborhood that have taken this route, just waiting for rental rates to rise back up before listing those units back on the market again, there is definitely a desire for heightened level of communication from the developers and landlords in the neighborhood as well as their involvement in providing what is best for the community.



Figure: Bronx Fire Tragedy, January 9, 2022; highlighting the importance of fire safety.

CITYLIMITS

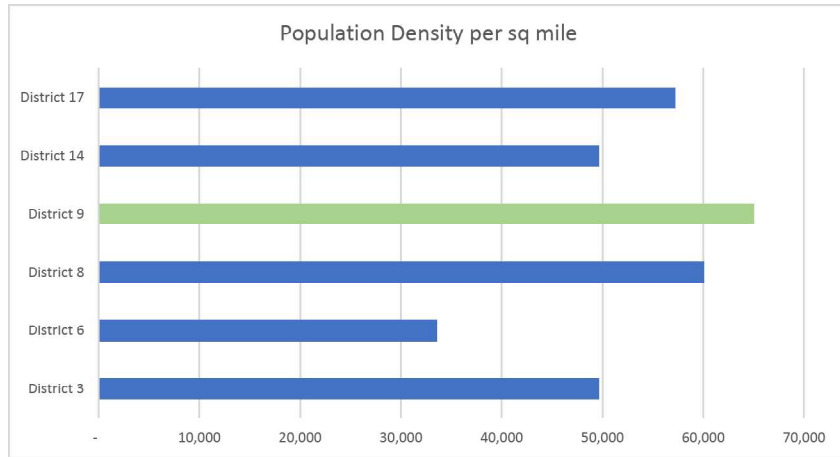
Opinion: NY Must Act to Stop 'Warehousing' of Vacant Affordable Apartments

Figure: CITYLIMITS October 15, 2020 headline regarding Warehousing of Vacant Affordable Apartments

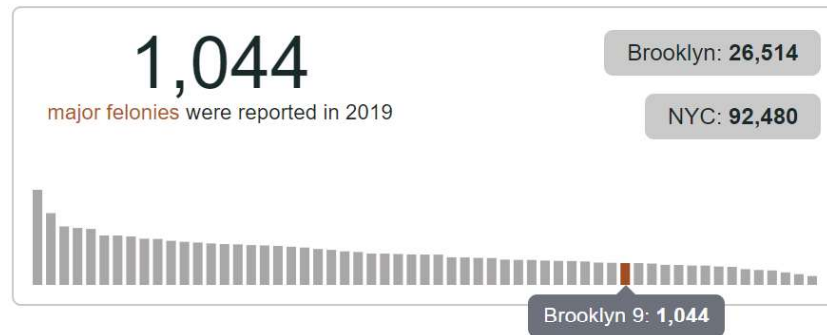
Demographic

There are few demographic trends that stand out and provide further substance to the development at hand.

- District 9's population density is comparatively higher than its immediate peers. The density, coupled with the increased number of secondary level schools in the district, provide a target demographic of families with children.
- Crime rates have risen in the last couple of years and potential crime is prevalent in the back of every New Yorker's mind. This has not only elevated car ownership in the city, but also made the metric of neighborhood crime rates a much more important one when people, especially families with children, choose their next home. Having said that, District 9, has one of the lowest crime rates in New York City, providing a healthy pedestrian environment for all ages.
- Unemployment rate in District 9 is considerably higher than both the New York City and Brooklyn Average of 4.4%. This may indicate a heightened resident desire for learning certain skills to break back into the workforce. The partnership and tenancy with Star Scholars Academy could provide this service periodically to the greater community.
- District 9's average percentage of rent burden is relatively high, even compared to that of Brooklyn. This indicates the district's need for more affordable homes. As a result, the forthcoming development will develop the residential portion with a mixed-income demographic, setting aside a percentage of units for low-income households. The development will proceed with the Low Income Housing Tax Credit application and adhere all unit and tenant income requirements as per guidelines.



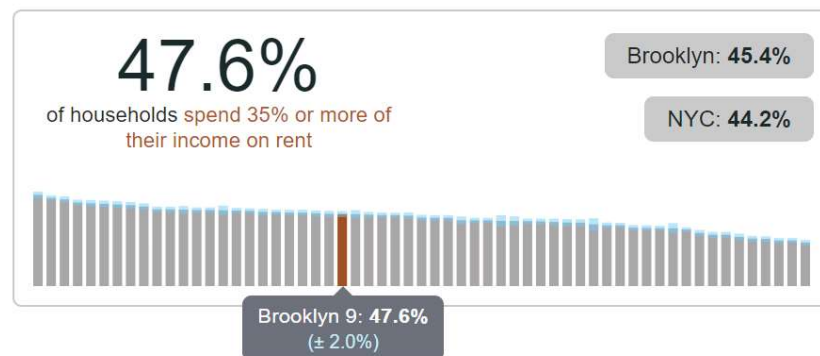
Crime



Unemployment



Rent Burden



Site Analysis

Crown's Corner - Lot 6 & Lot 17

As already alluded by the prominence of food & beverage stores running along Nostrand Avenue, the site's western portion remains the section of the site with the most foot traffic throughout the day. This foot traffic is only intensified -at varying levels throughout the day, work/school commute- by the Sterling Subway Station for the lines 2 and 5 that sits just a block south of the site.

Clove Road to the east of the site is comparatively much quieter than its opposite Nostrand Avenue and across Clove Road from the site currently sits three to four floor residential buildings. The street itself is currently being used as parking as a temporary use. Not a lot of activity on this street can be assumed unless new development address otherwise.

South of the site, the lots of which directly touch the southern side of lot 6, currently houses a prewar residential building with retail on the ground floor, and to the right is *Gethsemane, Church Aventiste*.

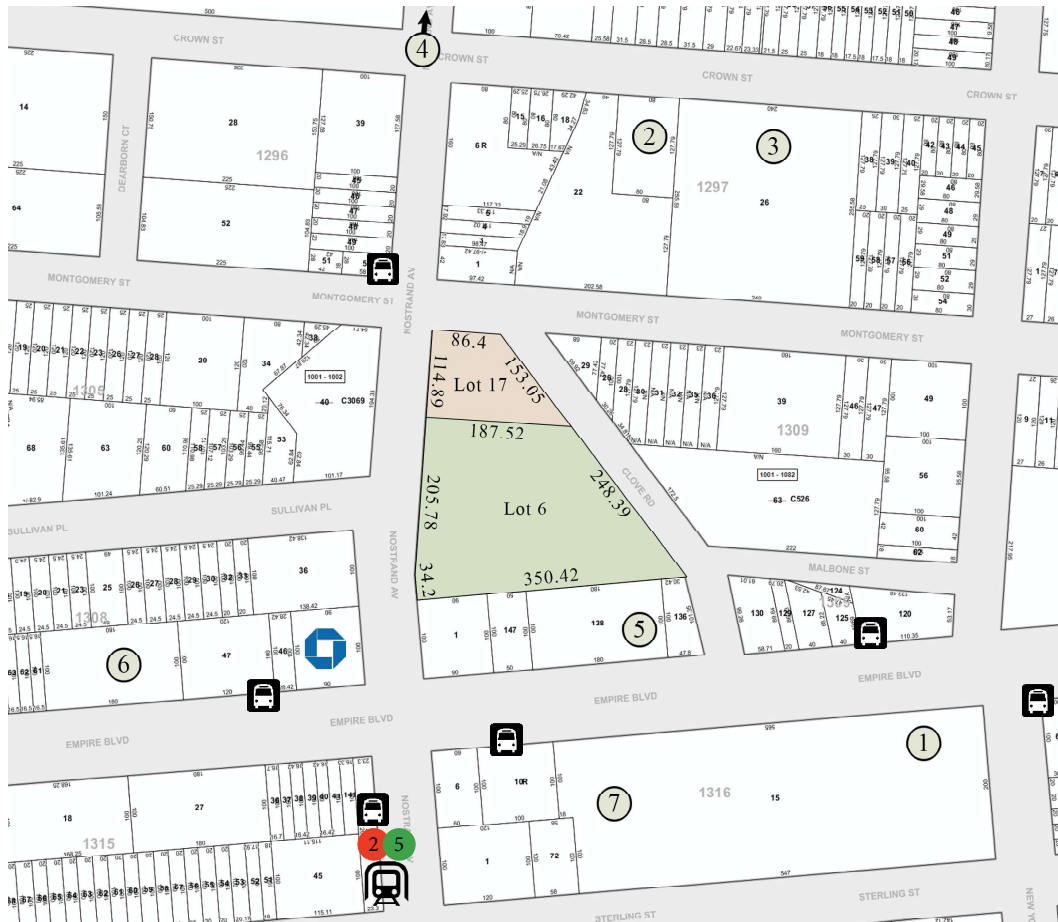
An additional note is given to the new development directly across the road on Nostrand Avenue, named 'The Plex Brooklyn' that provides comparative market features valuable for market assumptions.

Proximity to Subway Lines: 1 minute

Schools and Work commutes driving healthy foot traffic

Associated Supermarkets attracts foot traffic directly to site

Potential to acquire Lot 17 and obtain corner lot features

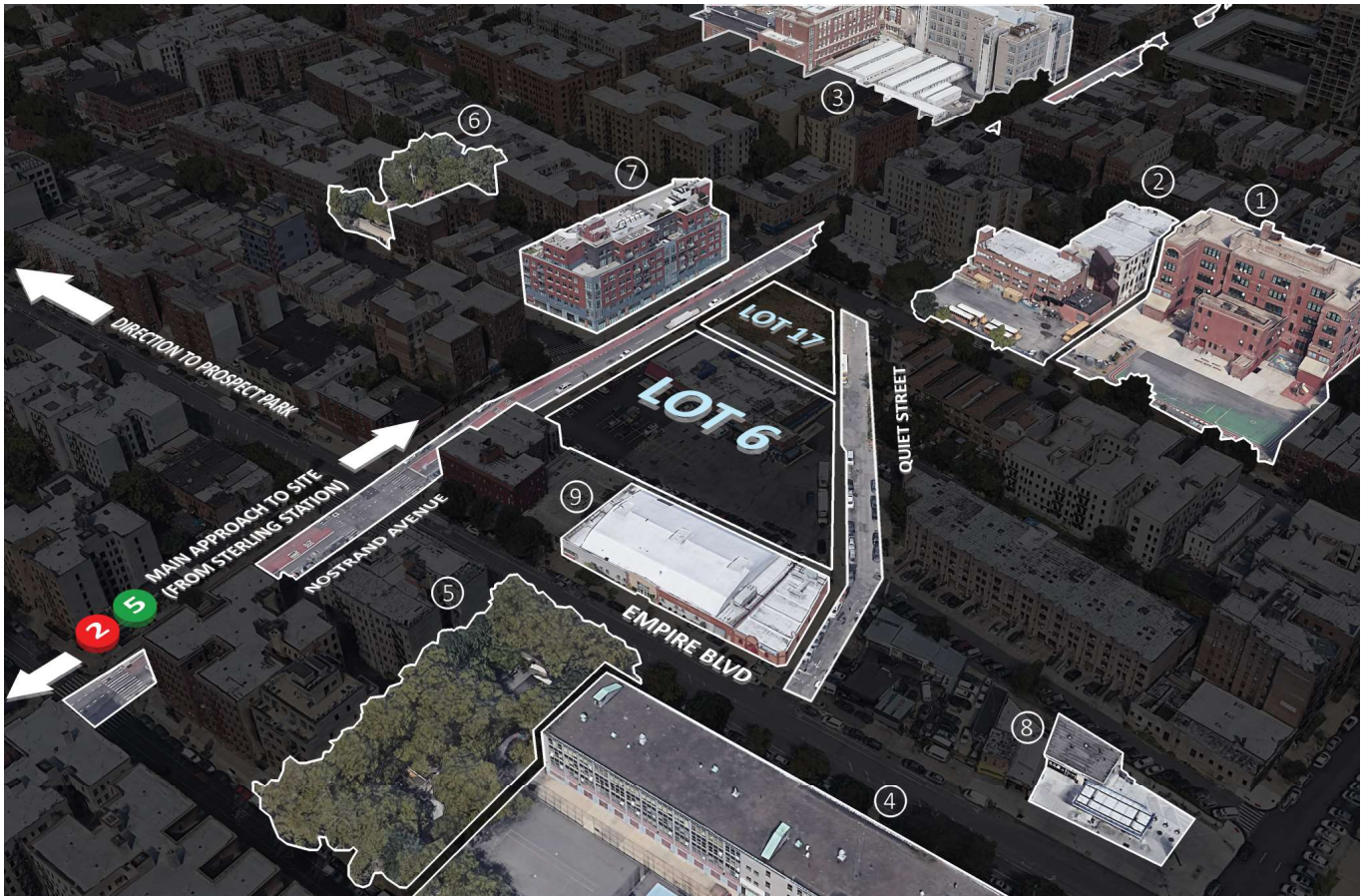


Lot 6 & Lot 17 Digital Tax Map

Key

- 1. Middle School 61 Dr. Gladstone H. Atwell
- 2. Associated Beth Rivkah Schools
- 3. Public School 161
- 4. Medgar Evers College Preparatory School
- 5. Gethsemane, Church Adventiste
- 6. Doger Playground
- 7. Marc And Jason's Playground

Source: maps.NYC.gov



Direct Adjacencies

- Key
- 1. Public School 161
 - 2. Associated Beth Rivkah Schools
 - 3. Medgar Evers College & Preparatory School
 - 4. Middle School 61 Dr. Gladstone H. Atwell
 - 5. Marc And Jason's Playground
 - 6. Dodger Playground
 - 7. The Plex Brooklyn (comparable development)
 - 8. Gas Station
 - 9. Church

Source: Google Earth

Direct Adjacencies

Site Approach

Given the position of Sterling Subway Station (2 and 5 lines) being a block away south of the site, it can be expected that a large portion of the foot traffic to and from this direction. This main approach direction should be taken into consideration when determining lobby locations for the multifamily portion.

Nostrand Avenue

In addition to the subway station, the urban footprint of food & beverage programs on Nostrand Avenue will make the western streetface of the development to remain the busiest throughout the day and night. With *Associated Supermarkets* planned to move into the ground floor, their location and entrance will be strategically placed to benefit its foot traffic exposure.

Schools

One element clearly displayed on the *Direct Adjacencies* map is the site's proximity to schools; four within a two block radius. This shows the attraction value of the development to potential family households with children already attending, and looking to attend these schools. Additionally, a tenant base tied to a duration of a child's stay in a school, will be relatively longer, translating to longer lease periods and likeliness of renewal.

Quiet Street

Clove Road, east of the site, currently exhibits the least activity of all the surrounding streets and this level of activity could be ideal in maintaining with the new development for two reasons.

1. Minimize noise levels in consideration for residential buildings across the road.
2. Ideal location for loading dock; away from main foot traffic.

The Plex Brooklyn

The Plex Brooklyn is a relatively new multifamily building, built in 2009. It has 98 units housed within seven floors of operation. This building along with a few other newer projects in the neighborhood will provide comparable metrics for projections of this development.

Need for Parking

Drivers for an underground parking facility.

1. Currently, a large portion of the site behind the church as well as Clove Road, is being used as a temporary parking facility proving the neighborhood's immediate need for more parking. Additionally, the presence of too many parked cars on the streets may not be favorable to tenants and other residents in the neighborhood, especially during times of worship when the areas around the church will be more densely populated.
2. Covid 19 and the pandemic brought about great value in car ownership and this is evident by the common headlines over the last two years (2020-2021) and said articles reporting a 40% increase in car ownership in New York City.
 - Although a city known for its public transport system, concerns regarding health on congested subways as well as increasing levels of violence in and around the stations has caused enough concern for the general public to cash out the extra premium for car ownership and related carry costs such as parking and insurance.
 - The two consecutive years having been confined to the home has drastically increased people's desires to move around freely which has in turn fueled the uptick in car ownership.

As such the provision of parking to both the residents/users of the building and the immediate community at large will not only be a viable economic investment with great drivers of stable growth, but also through discounts to immediate neighbors, be satisfying a need and desire that is projected to be permanent following the pandemic.



Operations

Operations of the ground and cellar floor car park will take in the form of in house building management team and be given preferential lease rights to residential, community and commercial tenants proportionately with a portion set aside for public visitors and a final portion set aside for preferential lease rights to residents in homes within two blocks from the development site.

"A lot of New Yorkers got cars because of not wanting to be in public transportation and also to have that freedom to get up and go."

Figure: Caranddriver.com Headline. August 15, 2021

NYC's Car Explosion Has Caused A Pricing Surge At Its Garages

Figure: Bisnow.com Headline. September 23, 2021

The Great Gotham Vroom Boom of 2020

New Yorkers have historically been lukewarm on car ownership. Then came the you-know-what.

Figure: Thenewyorktimes.com Headline. August 12, 2020.

Owning a car made me feel more like a New Yorker, not less

Figure: Fortune.com Headline. May 8, 2021.

Brownfield Cleanup Program

Although not to the severity of an 'e' designation by the city, Crown's Corner's soil is subject to a long history of fill that has lead to measurable contamination levels fit to qualify for the New York State Brownfield Cleanup Program (DCP).

On November 3rd, 2021, JDJ developments filed for an application for the Brownfield Cleanup Program with the state of New York and with doing so, we believe the benefits that follow in the form of a contaminate-free foundations, as well as tax credits, will provide investor confidence in the construction and overall development moving forward.

Estimated remediation costs:	\$15,000,000
	\$199 per assemblage square foot
Brownfield Cleanup Program Tax Credits to be funded:	\$15,000,000

The BCP allows participants to remediate a contaminated piece of real property in exchange for tax credits that can total up to 50% of the qualified remediation costs incurred to clean the property, and 24% of the qualified construction costs incurred to develop the property after it has been remediated

Hodgson Russ ATTORNEYS LLP



Brownfields Cleanup

EPA provides **competitive grants** for activities that address brownfields site contamination:

- **Cleanup grants** – clean up planning and remediating contaminants of concern at one or more sites owned by the grant recipient.
- **Revolving Loan Fund (RLF) grants** – grant recipient makes loans or subgrants to other organizations who remediate the contaminants of concern at a brownfield site.



Brownfields cleanup funding helps communities remediate sites and prepare them for reuse.



The scope of cleanup activities will depend on site size, complexity and planned reuse.

Source: US Environmental Protection Agency

Zoning

975 Nostrand Avenue & 967 Nostrand Avenue

Address	975 Nostrand Avenue, 11225	967 Nostrand Avenue, 11225
Lot	6	17
Street	Wide	Wide
Total Area (sf)	59,633	15,734
Zoning Designation	R7-1 C2-3	R7-1 C2-3
Community District	9	9
Transit Zone	Yes	Yes
Fresh Zone	Yes	Yes
Inclusionary Housing	No	No
MIH	No	No

Residential FAR

3.44

Narrow Street

Residential FAR

4.00

Wide Street

Community FAR

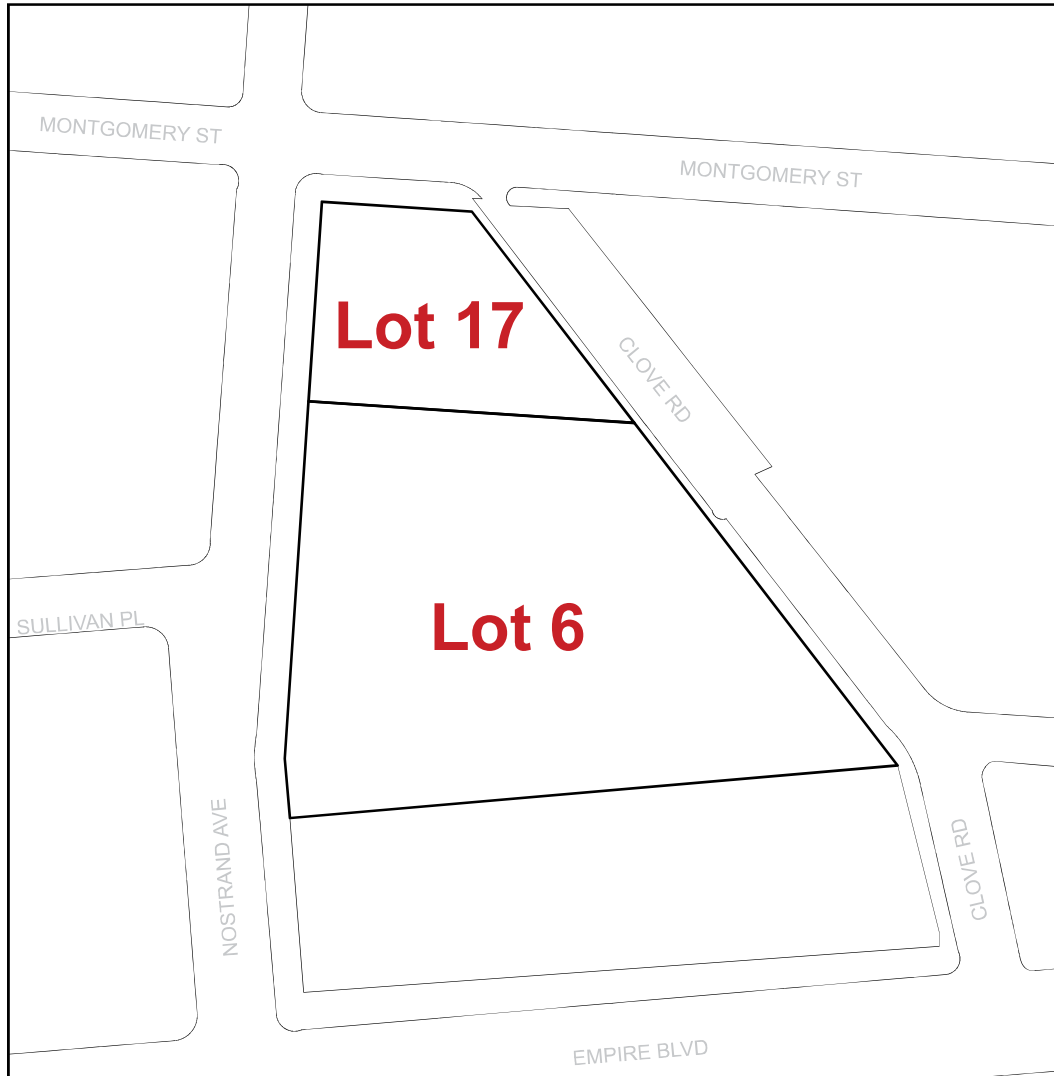
4.80

Commercial FAR

2.0

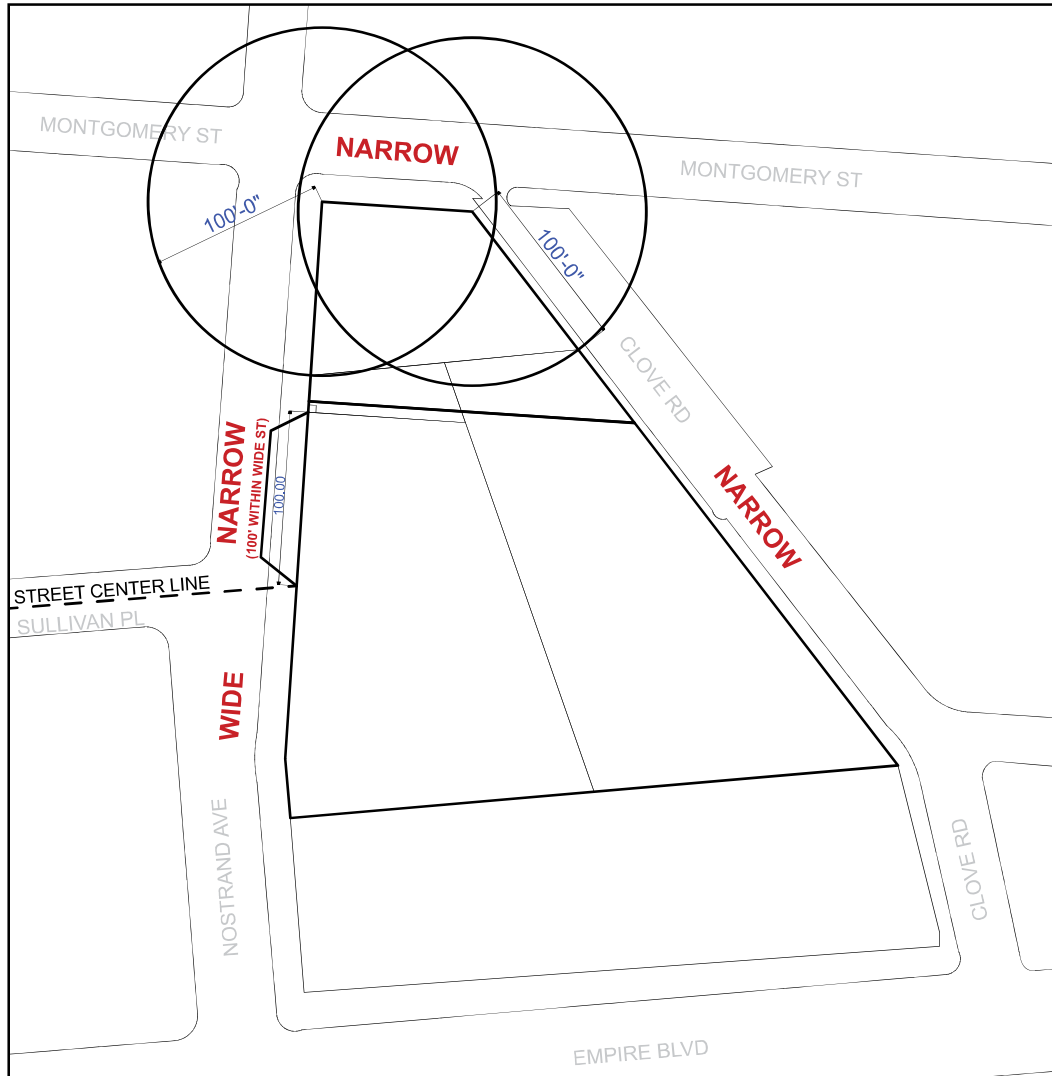
Zoning FAR Calculation Methodology

Base Map



- Base Map with existing Lot 6 and Lot 17 boundaries

Lot Types and Street Width Identification

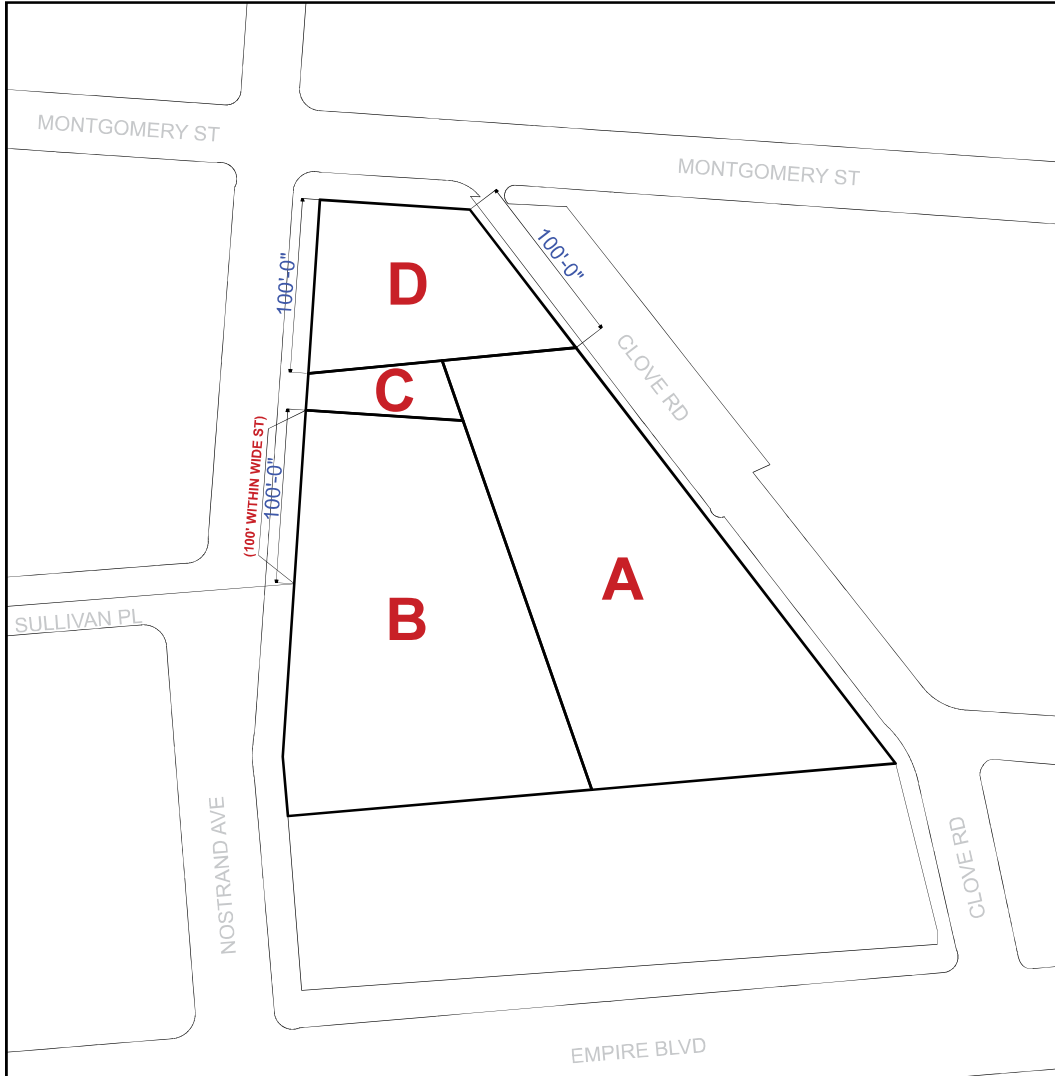


- As FAR differs dependant on its adjacent street width, WIDE and NARROW streets are identified
- Nostrand Avenue is subject to both WIDE and NARROW streets. As a result, a center line of Sullivan Place has been extended to identify specifically wheres this change occurs
- Lot 6 divided based on corner lot (100 feet) requirements

Wide Street*: A wide street is a street that is 75 feet or more in width. Most bulk regulations applicable to wide streets are also applicable to buildings on intersecting streets within 100 feet of a wide street

*Source: <https://www1.nyc.gov/site/planning/zoning/glossary.page>

Lot Types and Street Width Identification



- Total Assemblage subdivision based on street width & corner lot requirements
- Subdivision A: Interior Lot & Narrow Street 32,028 sf
- Subdivision B: Interior Lot & Wide Street 30,144 sf
- Subdivision C: Interior Lot & Narrow Street 2,330 sf
- Subdivision D: Corner lot & Narrow Street 10,865 sf

FAR Calculation based on Assemblage Subdivisions (A+B+C+D)

	Lot 6			Lot 17	Total Assemblage
	A	B	C	D	
Lot Type	Interior	Interior	Interior	Corner	
Street Type	Narrow	Wide	Narrow	Narrow	
Base Height	40-65	40-75	40-65	40-65	
Building Height	75	80	75	75	
QGF Bonus	0	5	0	0	
FRESH Height Bonus	15	15	15	15	
Maximum Height	90	95	90	90	
Rear Yard Requirement					
Area	32,028	30,144	2,330	10,865	75,367
Residential (max)	110,176	120,576	8,015	37,376	276,143
Commercial (max)	64,056	60,288	4,660	21,730	150,734
Community (max)	153,734	144,691	11,184	52,152	361,762
Theoretical Max ZFA					
ZFA (max w/out bonus)	153,734	144,691	11,184	52,152	361,762
Fresh Bonus					16,000
Zone Green Bonus					5,719
ZFA (including bonus)					383,481
<i>Assumes maximum community use</i>					
Real Scenario ZFA					
Community Space Planned					29,413
Ground Fl Accessory Parking					18,567
Residential max including Fresh & Zone Green Bonus					297,862
Real Scenario ZFA (including bonus)					345,842
<i>Only accounting for actualy community space built</i>					
Planned GF Coverage	23,740	17,659	2,177	5,508	49,084
Lot Coverage %	74%	59%	93%	51%	65%

- Although maximum ZFA based on community based FAR is equal to 361,762 sf, plus bonus(es), this development project has a maximum 29,413 sf of community space planned, thereby making the total ZFA for this project: *greater of residential max or commercial max (276,143 sf), plus planned community space (29,413 sf), plus any relevant bonus structures such as the FRESH Program, Zone Green incentive and bonus as a result of qualifying accessory parking on the ground floor.*

ZFA Calculation Summary

Floor	Building Total	Total Residential		Total Community		Total Retail		Total Carpark		BOH
		Leasable	Total	Leasable	Total	Leasable	Total	Leasable	Total	
8	21,909	19,141	21,909	0	0	0	0	0	0	0
7	34,028	29,839	34,028	0	0	0	0	0	0	0
6	35,172	30,912	35,172	0	0	0	0	0	0	0
5	50,531	45,531	50,531	0	0	0	0	0	0	0
4	50,531	45,531	50,531	0	0	0	0	0	0	0
3	50,531	45,531	50,531	0	0	0	0	0	0	0
2	50,531	10,176	23,932	22,609	26,599	0	0	0	0	0
Ground	61,090	0	14,328	898	1,056	17,427	17,427	16,643	18,492	9,787
Basement Lvl 1	61,090	0	0	0	0	5,456	5,456	31,528	35,031	20,603
Total above grade	354,373	226,661	280,962	23,507	27,655	17,427	17,427	16,643	18,492	9,787
Total below grade	61,090	0	0	0	0	5,456	5,456	31,528	35,031	20,603
Total Buildable	415,413		280,962		27,655		22,883		53,523	30,390
% of Total	1		68%		7%		6%		13%	7%
Total Leasable	321,221	226,661		23,507		22,883		48,171		
Efficiency Ratio		81%		85%		100%		90%		
Zoning Floor Area Calculation										
ZFA Total	354,373		280,962		27,655		17,427		18,492	9,787
Mechanical Load Factor (3%)	10,630		8,429		830		523		555	294
ZFA Total	343,693		272,533		26,825		16,904		17,937	9,493
Maximum FAR	344,084		297,862							
Difference	-391		-25,329							

ZFA

TOTAL RESIDENTIAL A + B

272,533

Leasable

TOTAL RESIDENTIAL A + B

226,661

Buildable

TOTAL RESIDENTIAL A + B

280,962

TOTAL COMMUNITY

26,825

TOTAL COMMUNITY

23,507

TOTAL COMMUNITY

27,655

TOTAL RETAIL

16,904

TOTAL RETAIL

22,883

TOTAL RETAIL

22,883

5,456 SF Below Grade

TOTAL CARPARK

17,937

TOTAL CARPARK

48,171

TOTAL CARPARK

53,523

35,031 SF Below Grade

TOTAL ZFA

343,693

TOTAL LEASABLE

321,221

TOTAL BUILDABLE

415,413

Building

Crown's Corner - 975 Nostrand Ave & The Mont 420

Building Profile

Address: 975 Nostrand Avenue & 420 Montgomery Street
Type: Mixed-Use & Mixed-Income Multifamily
Units: 332
Affordable: 26% @ 60% AMI

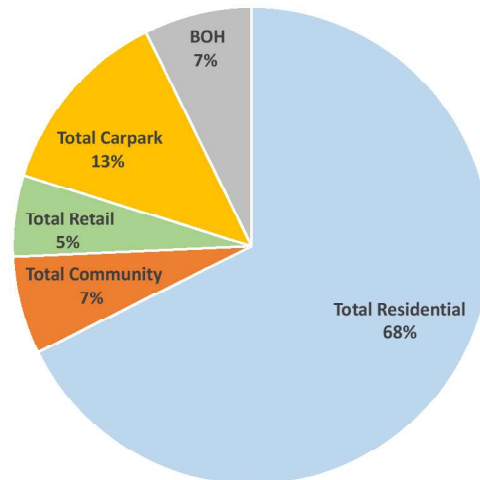
Area Summary

Total Assemblage Area: 75,367 SF
Gross Buildable Floor Area: 415,413 SF (*incl. of 61,090 SF basement floor*)
Zoning Floor Area: 343,693 SF
Leasable Floor Area: 321,221 SF

Leasable Area Program Breakdown

Residential: 226,661 SF
Community: 23,507 SF
Retail: 22,883 SF
Parking: 48,171 SF

Percentage Share of Buildable SF by Program



Massing

Building Height: 90'-0" measured from datum
QGF Height: 17'-0" measured from datum
Lot Coverage: 65%
Typ. Floor Plate Depth: 67'-0"



Massing & Design/Planning Features

The overall massing of Crown's Corner is conceived by the existing lot formations that form the assemblage. As such, the building takes on a natural triangular shape with two extended legs, forming an extrusion of the letter 'A'.

Building Height

Achieving a <0.6% margin within maximum FAR, Crown's Corner (Crown 975 & The Mont 420) consists of an overall 8 floors. At its highest, the building sits at an elevation of 90' to the top of finished roof slab (not accounting parapet and additional bulkhead).

Building Base

The base of the building encompasses majority of the assemblage with the exception of the northern and south-western public plaza. However, because the maximum height of the base (measured as an average between the highest elevation of the assemblage and the lowest elevation of the assemblage) does not exceed 23', any portion that does not have additional floor plates/massing above, is deemed open space and does not contribute towards the overall lot coverage.

Typ. Floorplates

The floorplates measuring an average 67' allows for ample depth and flexibility in the design of the residential units as well as accounts for the additional thickness required thickness required in the makeup of the facade in order to satisfy the Zone Green required energy standards.

Inner Courts

The provision of two inner courts allows greatly increased facade surface area to accommodate the maximum number of units allowable on the assemblage.

Street Wall & Scale

The varying street wall heights and the use of numerous building materials allows the relatively large development to take on multiple architectural themes and conceives a perceived scale smaller than its actual size. In the advanced developments of the design, this idea of scale and plurality must constantly be emphasized as to respect and maintain the scale of the existing urban footprint as much as possible.





Carpark & Loading Dock Access

Carpark vehicle entrance, pedestrian entrance as well as the building loading dock will be located along the center and southern end of Clove Road. This location is ideal for this vehicular use as Clove Road is subject to the least pedestrian foot traffic.

The Mont 420 Entrance

The Mont 420 residential lobby and entrance located on the North East corner of the development. This allows the entrance to be in close proximity towards the carpark entrance that exists down Clove Road. Direct access to the carpark from the interiors of the building will also be provided.

Public Plaza

Public Plaza provided on the most northern corner of the development; servicing the public, The Mont 420, and Star Scholars Academy

SSA & Charle's Chicken Entrance

SSA Ground Floor lobby and Charle's Chicken entrance located on the far north-western corner of the development facing the public plaza.

North of the Development looking south at Star Scholars Academy entrance

Massing & Design Features cont'd





Associated Supermarkets Entrance

Associated Supermarket entrance located on the street with most foot traffic and in close proximity to the subway entrance to the south.

CROWN 975 Residential Entrance

CROWN 975 Residential lobby and entrance located in close proximity to subway entrance to the south and conveniently positioned in between the carpark and Associated Supermarkets.

Public Plaza

Public Plaza provided in between the residential lobby and carpark.

Carpark Nostrand Ave Entrance (pedestrian only)

The carpark will have two pedestrian entrances; one here on the Nostrand Avenue side, as well as one on Clove Road where the vehicle entrance is also located.



Building Material & Plurality

Various material used throughout the exterior of the building to give the effect of appearing like multiple buildings

Rooftop Amenity Space

Extensive rooftop amenity space is provided for the multifamily residents of both building A and B

Base Height & Open Space

1st floor base is below 23' in height and thus any area with no extra floor plates above is able to be considered 'open space', making it possible to satisfy the 65% maximum lot coverage.

Leasable Billboards

Two building billboards facing south available for lease. This revenue stream should be available as long as the buildings south of the development do not increase significantly in height. Currently, the adjacent buildings sit at a height similar to the base height of 23'.

2nd Floor Outdoor Court for Star Scholar's Academy use

Massing & Design Features cont'd



2nd Floor Outdoor Court for Residential Use

Massing & Design Features cont'd

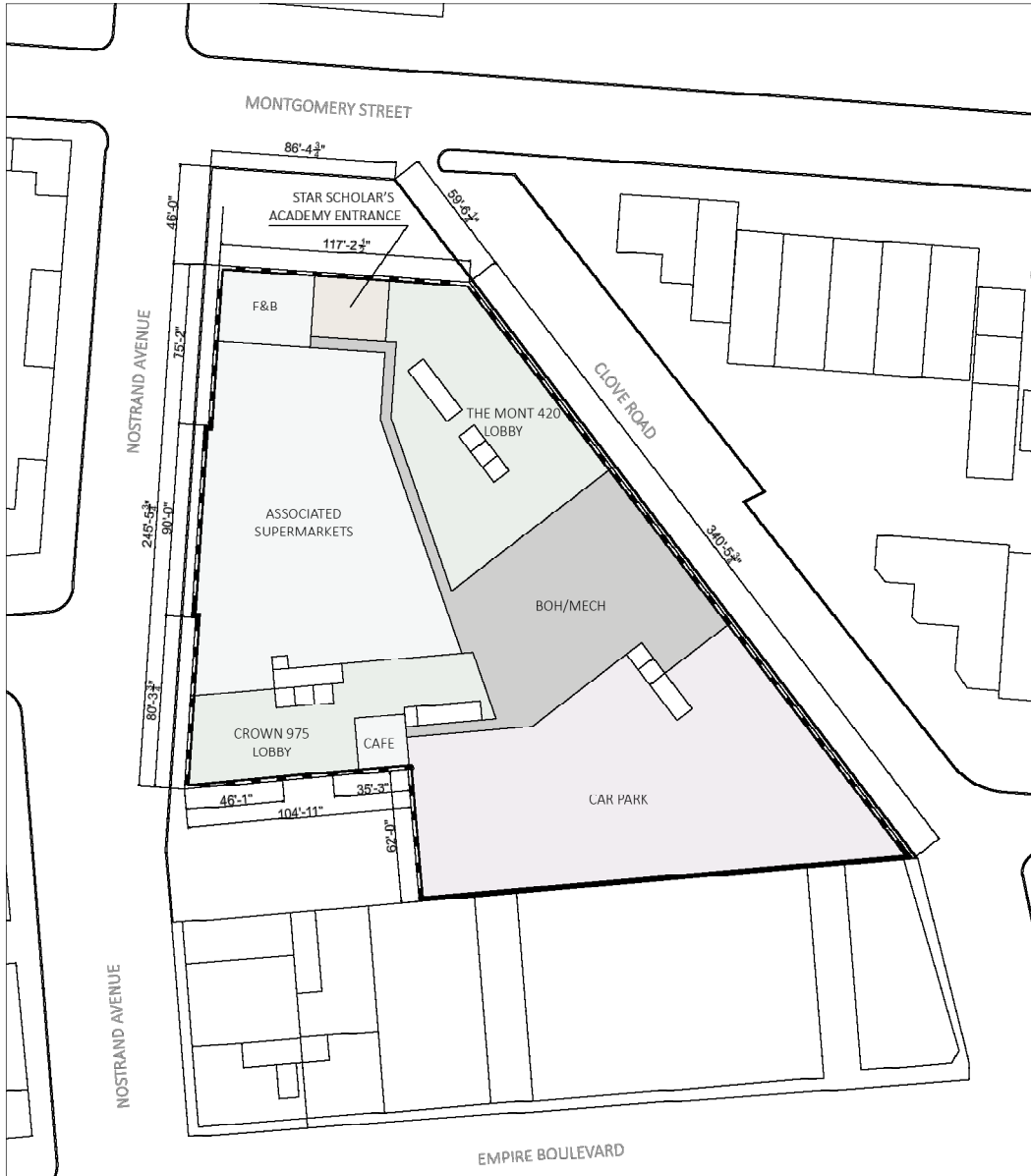






Floor Plans

Ground Floor



Residential:	14,328 SF
Retail:	17,427 SF
Community:	1,056 SF
Car Park:	18,492 SF
BOH:	9,787 SF
Total:	61,090 SF

Residential Lobbies - Crown 975 & The Mont 420

Crown 975 and The Mont 420 have their separate lobbies as it was determined that the development spans too far horizontally to justify a single residential lobby. In each of their respective lobbies, there will be a reception, mail room, package room with Amazon Hubs, leasing offices, and other required miscellaneous spaces.

Associated Supermarkets

Associated Supermarket entrance is located on the street with most foot traffic, Nostrand Avenue, and in close proximity to the subway entrance to the south. Its orientation on the ground floor allows it to have great window exposure.

F&B

The F&B component has been located in the most north-western corner of the development where it is exposed to the most foot traffic. A Harlem and Upper West Side popular franchise named “Charles Pan-Fried Chicken”, will tenant this space. The selection of this specific F&B tenant was made with its popularity to both children and adults, two target demographics that will frequent the building.

Car Park

The ground floor car park component is located on the southern edge of the development facing directly existing buildings on the adjacent lot. This lack of window exposure in this area thus makes it ideal to house the car park. This floor will house the administrative spaces required for the car park services. The rest of the space designated to parking, including that in the basement level, will accommodate double stacker car parks with a total of 267 spaces.

It should be noted that all the retail tenants in the development, highly benefit from the development having this parking program as it naturally brings an increased amount of patrons directly to their building.

Cafe

The position of the cafe was determined as to benefit off the foot traffic coming in and out of both the Crown 975’s lobby as well as daily commuters using the car park. as it is here where the main pedestrian entrance for the car park is located. Given the extended 62’ width of the outwards facing court, the Cafe will be visible on Nostrand Avenue also.

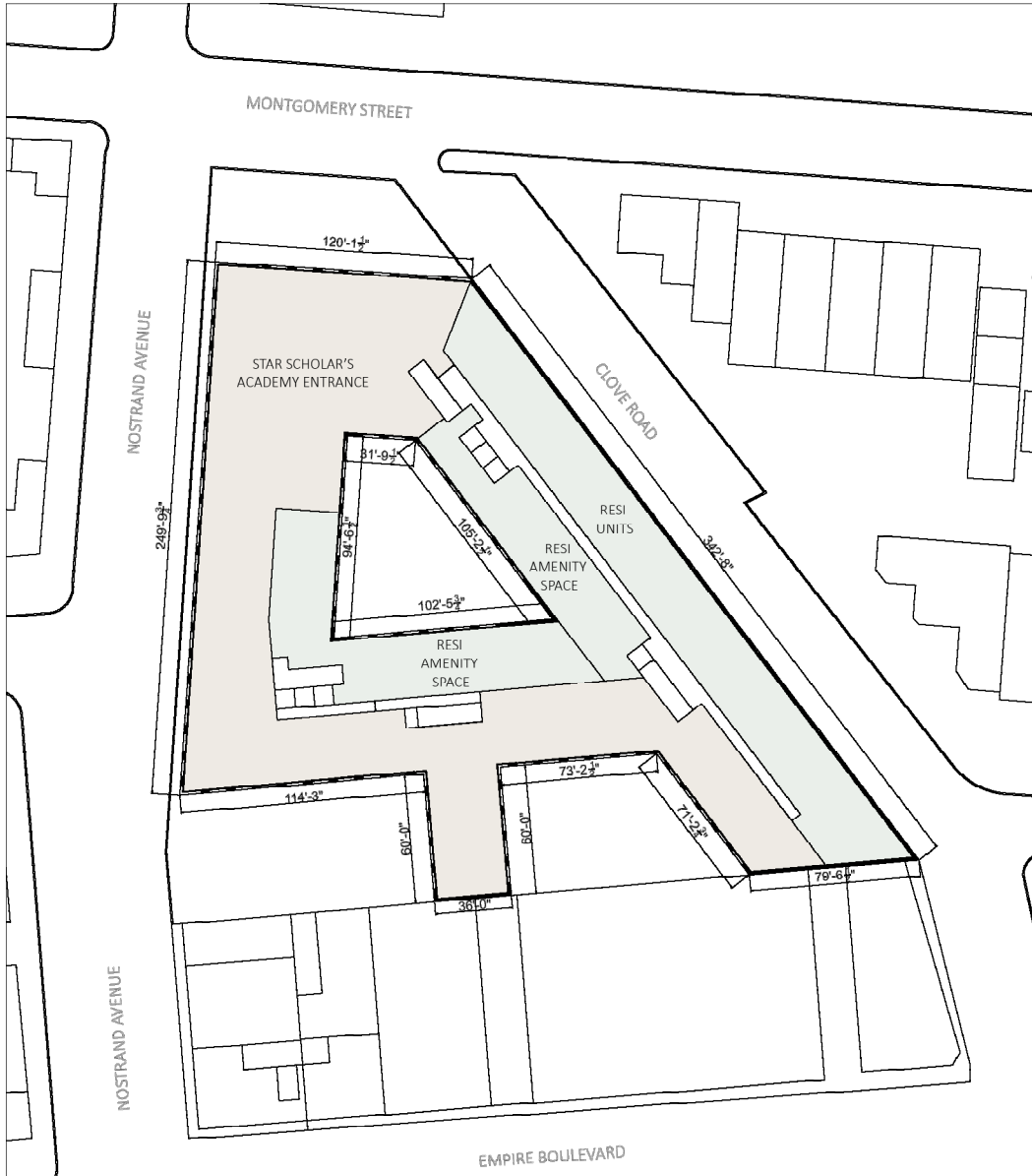
BOH

The BOH/Mech space listed is inclusive of the loading dock and includes a 5’ wide corridor that spans throughout the development as to give all the tenants access to the single, shared dock.

Variance at northern corner

The project will seek zoning variance regarding the open plaza in the northern corner of the development. As the design stands, it would require exception to corner lot coverage, and street wall requirements. The case in favor of the variance is that the public plaza provides a safe and controlled space in front of a student and children orientated program (Star Scholar’s Academy). Additionally, it also greatly increases visibility at the intersection at which the corner faces -compared to a scenario in which the corner was fully built out.

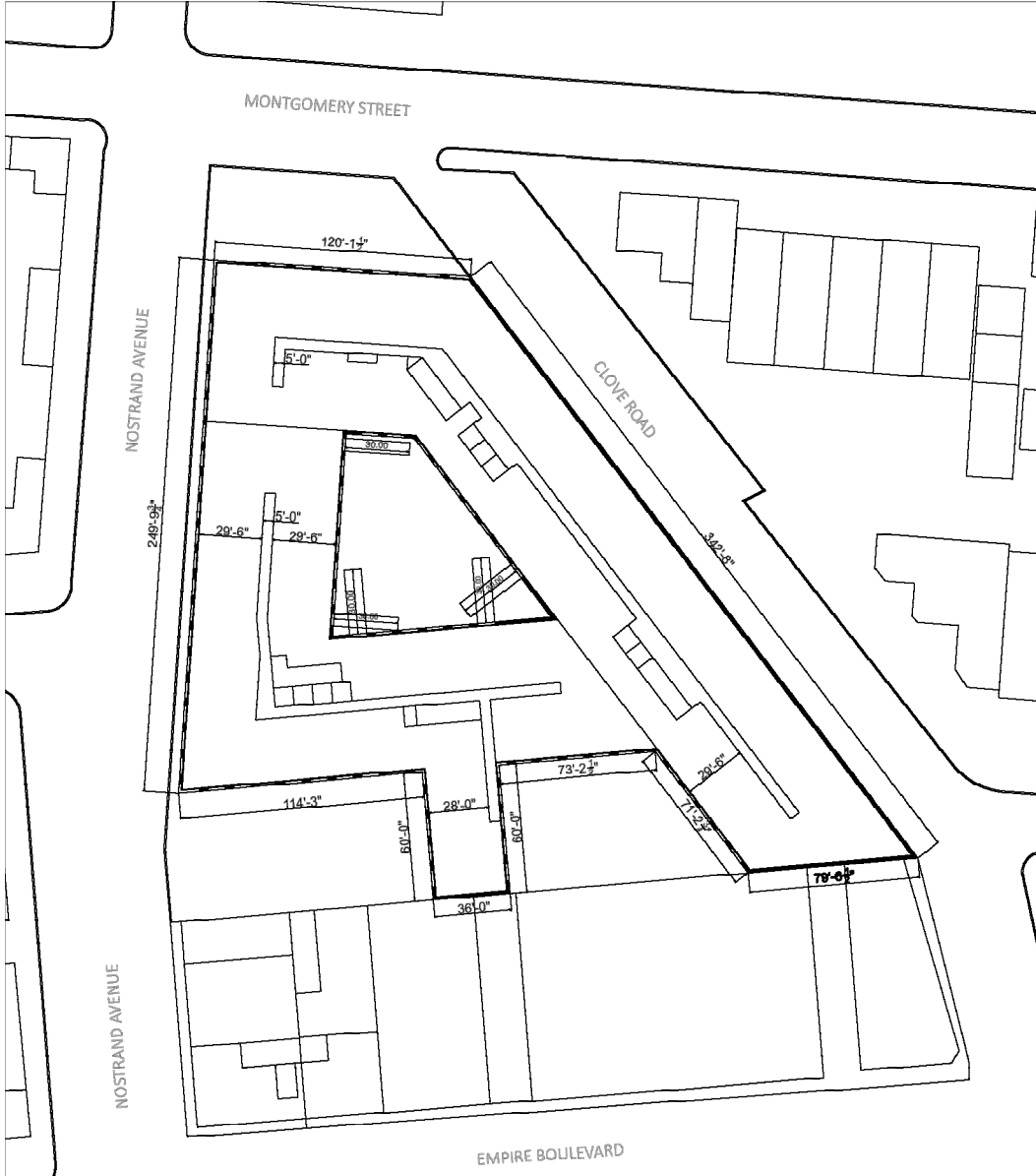
2nd Floor



Residential:	23,932 SF
Community:	26,599 SF
Total:	50,531 SF

The second floor houses the main spaces for Star Scholar's Academy. Due to its orientation, Star Scholar's Academy receives a great amount of window exposure as well as a private inner court for their own use. The rest of the floor is dedicated to residential use, mainly amenities, as well as the first floor of units to the side facing east.

3rd-5th Floor



Residential: 50,531 SF
 Total: 50,531 SF

The 3rd to 5th Typ. floors are the largest floor plates of the residential program. Take note of the inner court dimensions that satisfy the zoning requirement of a minimum 30' of no obstruction from the face of window.

23-852 Inner Court Recesses

“the width of an inner court recess shall be at least equal to the depth of the inner court recess, except that such width need not exceed 30 feet.”

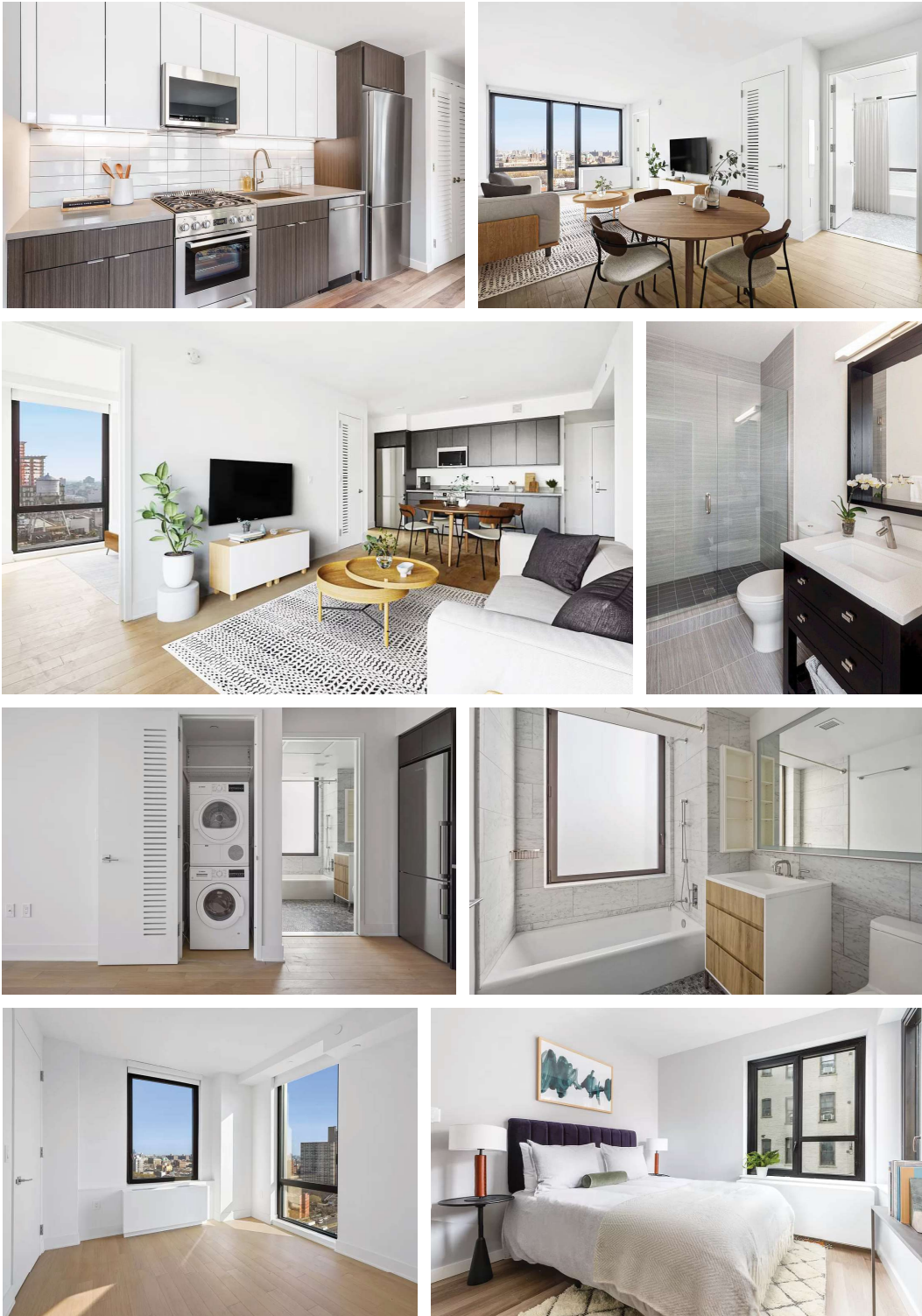
6th Floor - Residential Floor Typ. Demising Layout



Residential: 35,172 SF
 Total: 35,172 SF

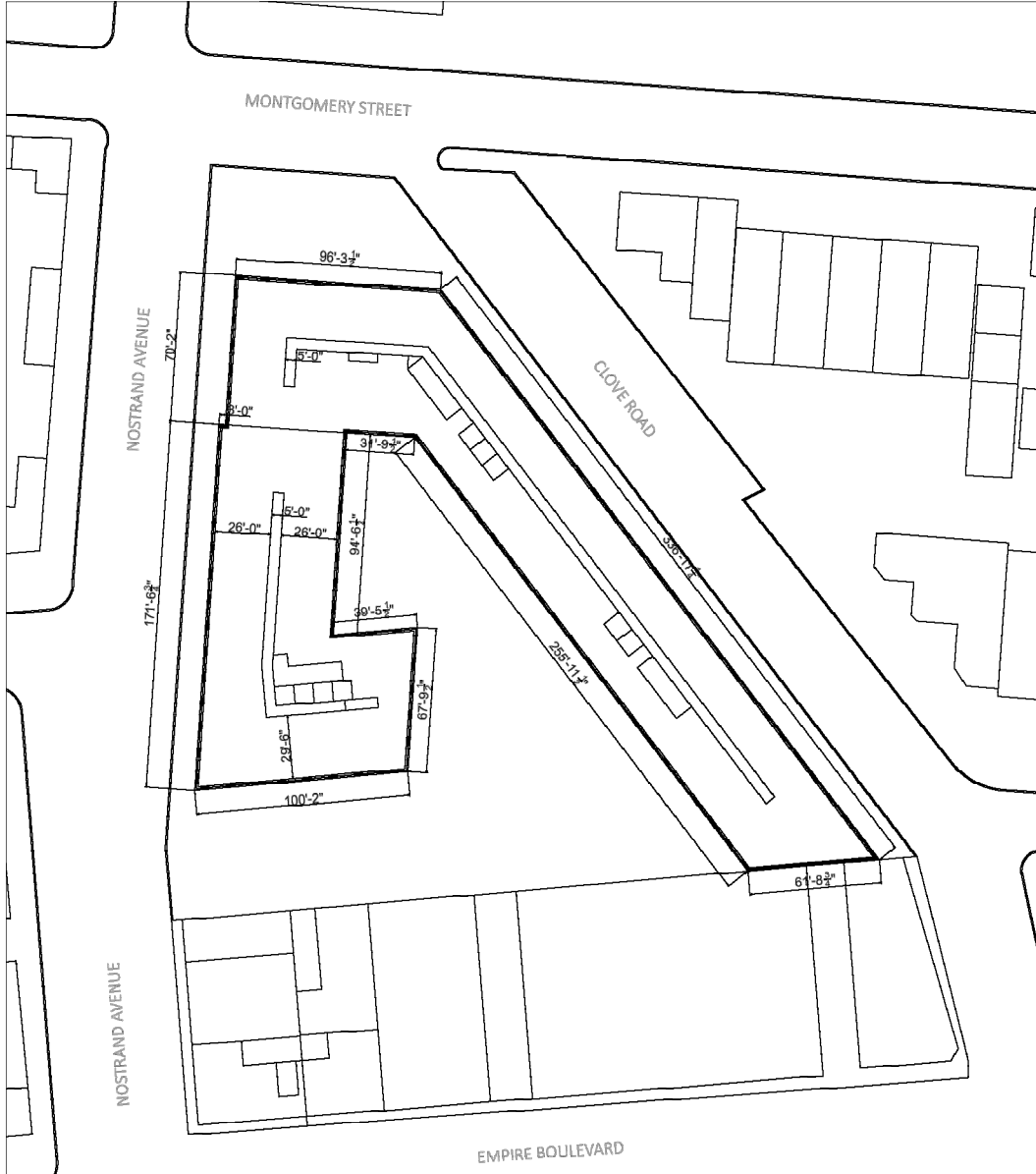
Average Unit Size
 Studio: 400 SF
 1 Bed: 700 SF
 2 Bed: 1,004 SF

Typical Residential Unit Finish/Fixtures Board



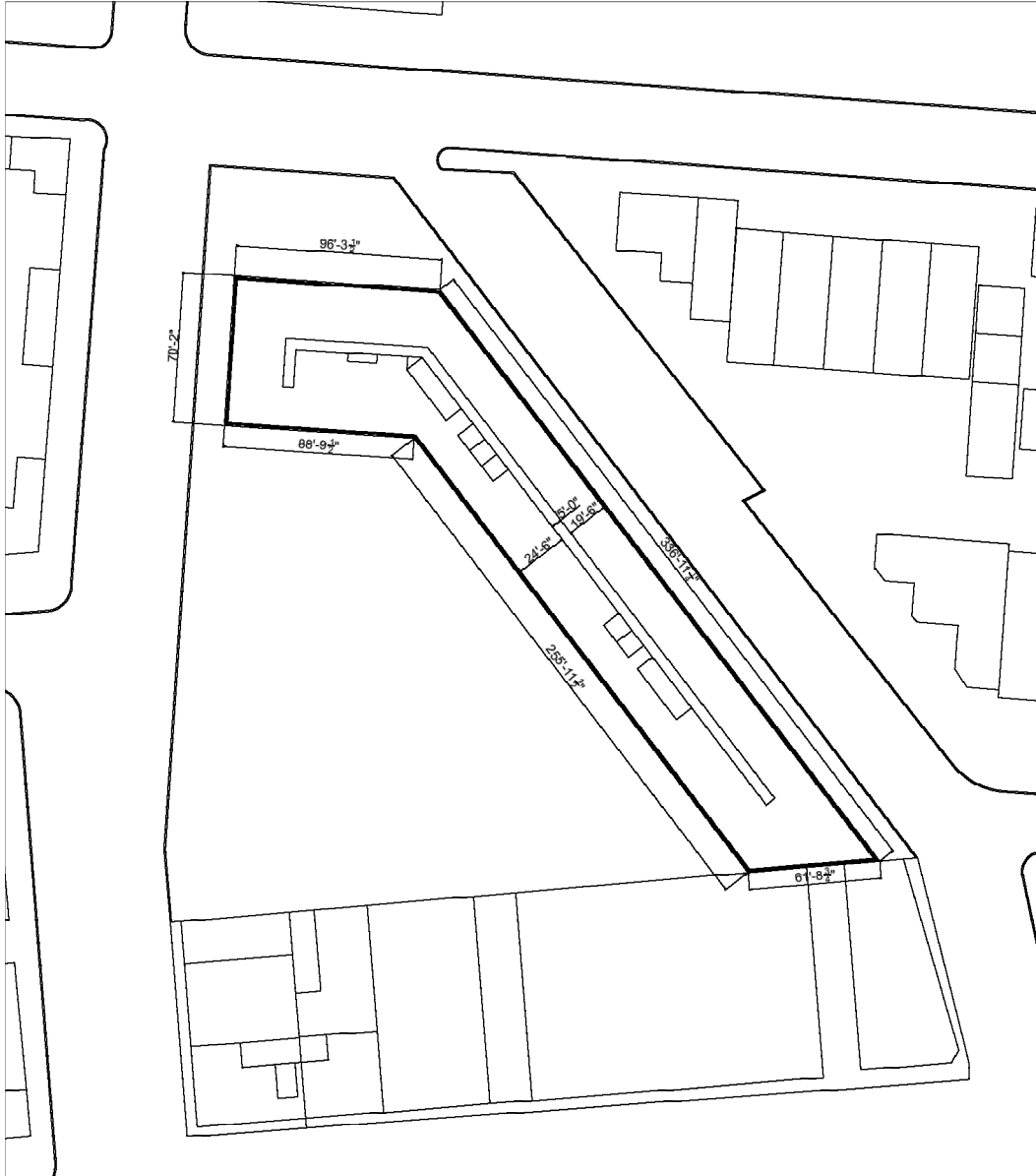
Source: Streeteasy.com - 662 Pacific Street & 250 Gold Street

7th Floor



Residential: 34,028 SF
 Total: 34,028 SF

8th Floor



Residential: 21,909 SF
Total: 21,909 SF

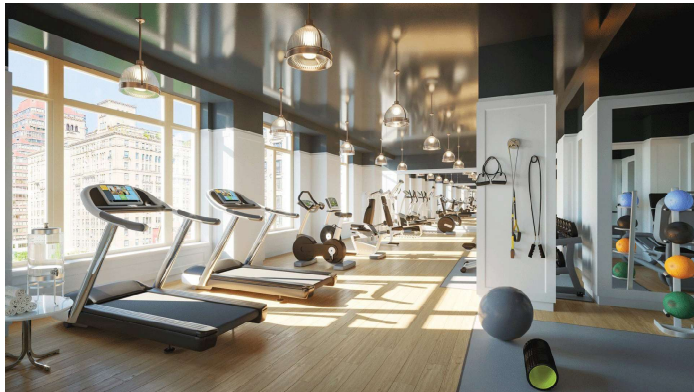
Amenities

A myriad of amenities will be provided across the two buildings. More often than not, the residents of each building will have access to all the amenities across the entire development.

Coming off of the pandemic, the premium to the amenities within residential apartment buildings has definitely gone up in value as people search for more activities and leisure within footsteps of their doors. As such, the selection of the amenities are centered around leisure and lifestyle that provide residents with plenty of activities within the building itself.

Amenities List

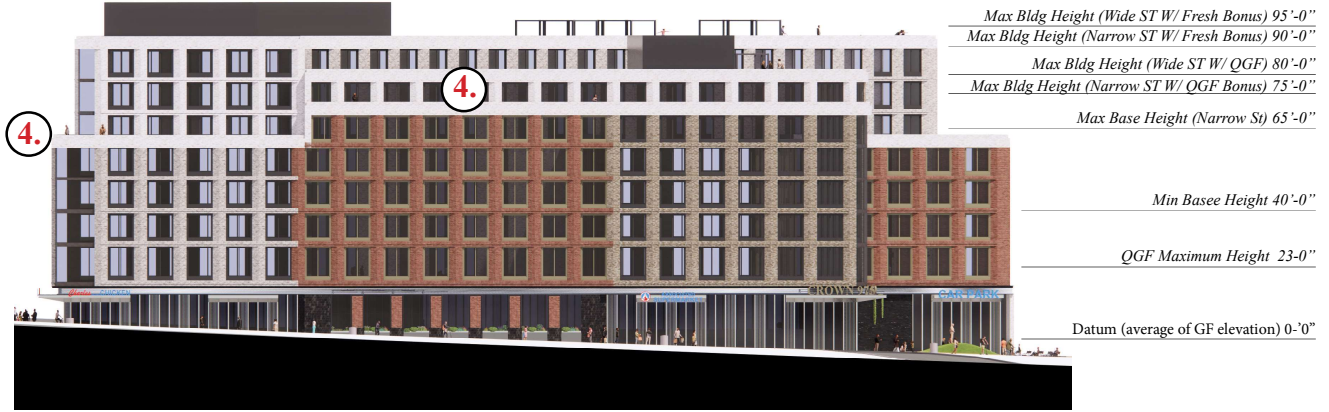
- | | |
|-------------------|--|
| 01) Bike Storage | 07) Package Rooms w/ Amazon Hub |
| 02) Fitness Room | 08) Chilled Storage |
| 03) Lounge | 09) Laundry Services (units also have w/d) |
| 04) Study Lounge | 10) Kid's Room |
| 05) Gaming Lounge | 11) Private Inside Facing Courtyard |
| 06) Mailroom | 12) Rooftop Deck |



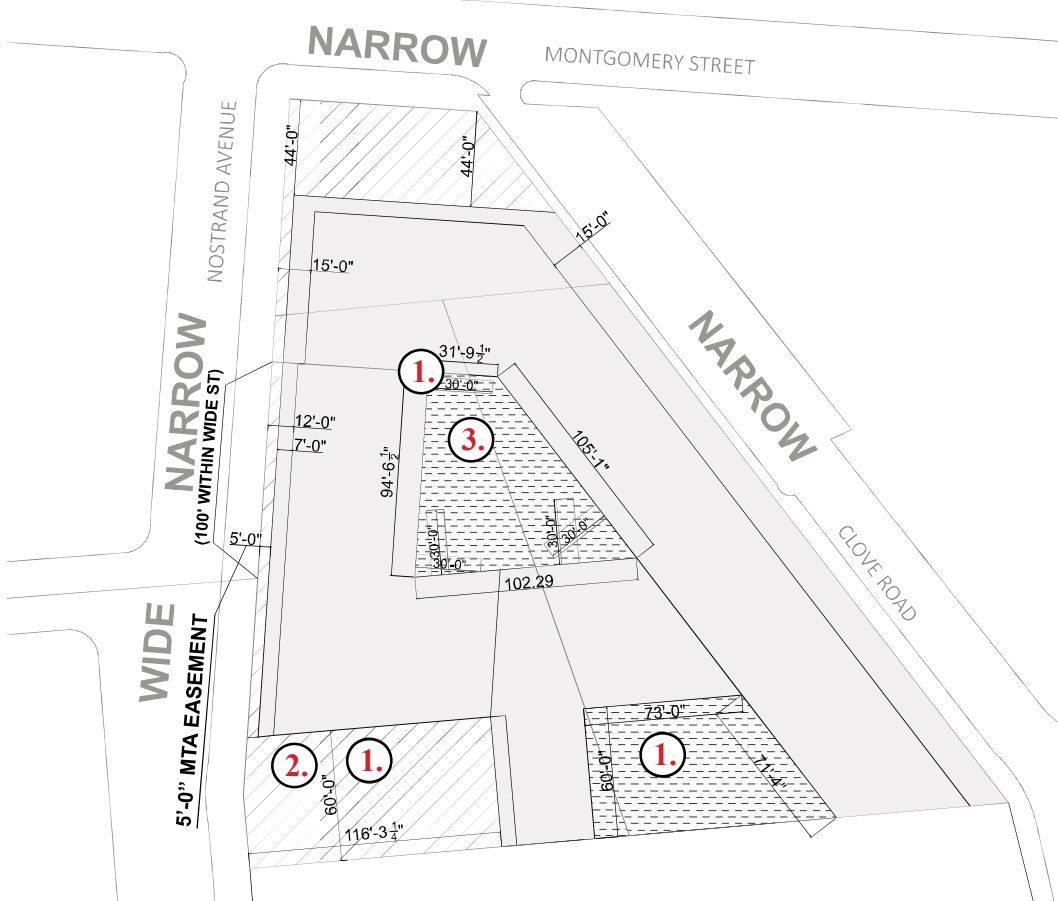


Highlighted Zoning Requirements

Building Height Guidelines



Related Zoning Regulations - number coded to relevant areas



1.

23-86 Minimum Distance Between Legally Required Windows and Walls or Lot Lines

- “the minimum distance between a legally required window and:

(a) any wall;

(b) a rear lot line, or vertical projection thereof; or

(c) a side lot line, or vertical projection thereof;

shall be 30 feet, measured in a horizontal plane at the sill level of, and perpendicular to, such window for the full width of the rough window opening; provided, however, that a legally required window may open on any outer court meeting the requirements of Section 23-84 (Outer Court Regulations)

23-863 Minimum Distance Between Legally Required Windows and Any Wall in an Inner Court

- “the minimum horizontal distance between a legally required window opening on an inner court and any wall opposite such window on the same zoning lot shall not be less than 30 feet.”

2.

23-842 Wide Outer Courts

R7 - “if an outer court is 30 feet or more in width, an outer court may extend to any depth.”

3.

23-85 Inner Court Regulations

23-851 Minimum Dimensions of Inner Courts

- “the area of an inner court shall not be less than 1,200 square feet, and the minimum dimension of such inner court shall not be less than 30 feet.”

- “where the perimeter walls of such small inner court exceed a height of 75 feet, as measured from the lowest level of such inner court, at least 50 percent of such perimeter walls above a height of 75 feet shall set back 10 feet from the court opening. However, the depth of such required setback may be reduced one foot for every foot the minimum dimension of such court exceeds a width of 10 feet.”

23-852 Inner Court Recesses

- “the width of an inner court recess shall be at least equal to the depth of the inner court recess, except that such width need not exceed 30 feet.”

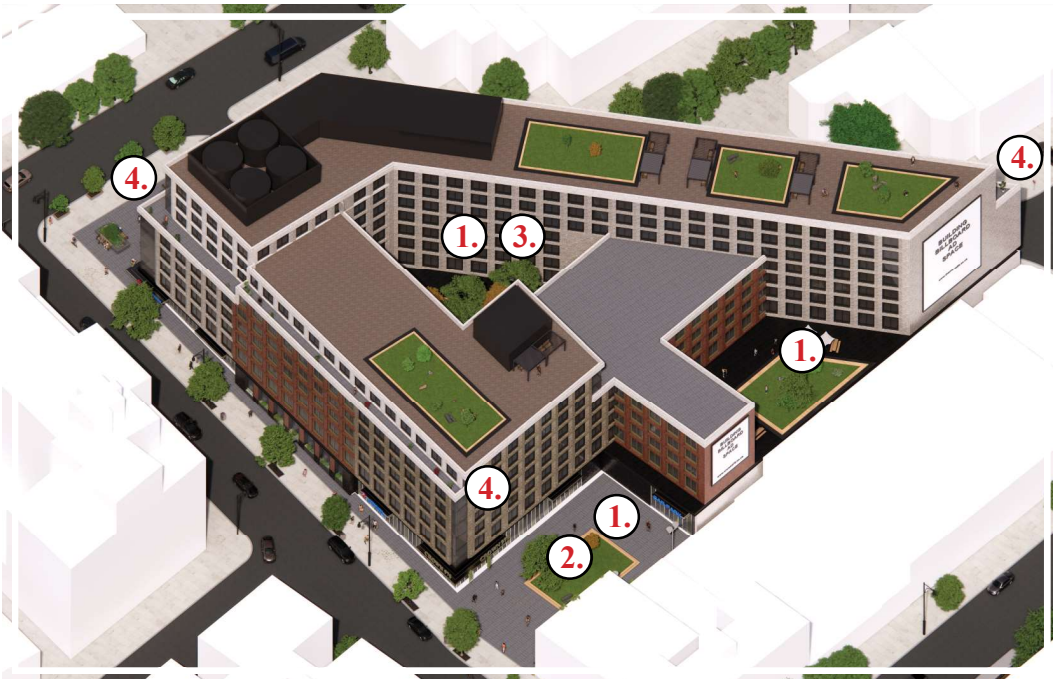
4.

23-662 Maximum height of buildings and setback regulations

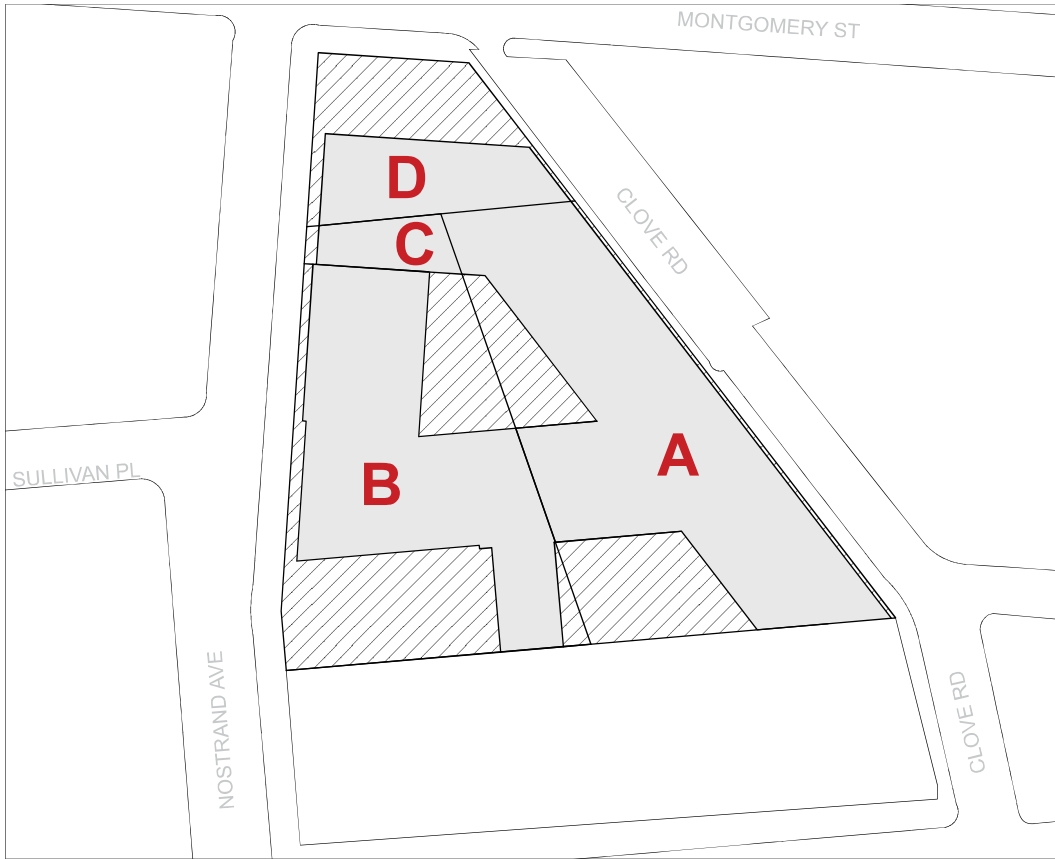
Setback Requirements

For all Quality Housing buildings, a setback shall be provided in accordance with the following regulations...a setback with a depth of at least 10 feet shall be provided from any street wall fronting a wide street, and a setback with a depth of at least 15 feet shall be provided from any street wall fronting on a narrow street...The depth of such required setback may be reduced by one foot for every foot that the street wall is located beyond the street line, but in no event shall a setback of less than seven feet in depth be provided...

Related Zoning Regulations - number coded to relevant areas



Lot Coverage Analysis



Base Height & Open Space

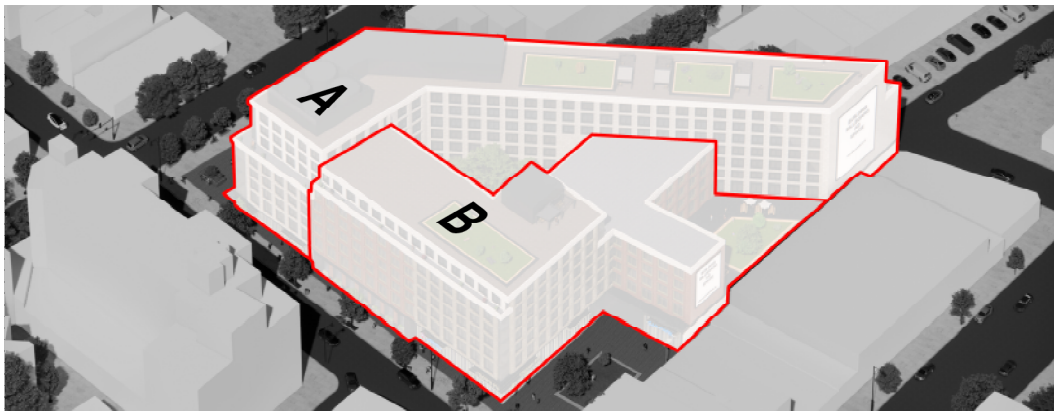
1st floor base is below 23' in height and thus any area with no extra floor plates above is able to be considered 'open space', making it possible to satisfy the 65% maximum lot coverage.

	Lot 6			Lot 17	Total Assemblage
	A	B	C	D	
Lot Type	Interior	Interior	Interior	Corner	
Street Type	Narrow	Wide	Narrow	Narrow	
Base Height	40-65	40-75	40-65	40-65	
Building Height	75	80	75	75	
QGF Bonus	0	5	0	0	
FRESH Height Bonus	15	15	15	15	
Maximum Height	90	95	90	90	
Rear Yard Requirement					
Area	32,028	30,144	2,330	10,865	75,367
Planned GF Coverage	23,740	17,659	2,177	5,508	49,084
Lot Coverage %	74%	59%	93%	51%	65%

Residential Split & Option for Condo Conversion

Floor	Building A			Building B			Total Residential	
	Total Residential	Leaseable	Other	Total Residential	Leaseable	Other	Leaseable	Total
8	21,909	19,141	2,768	0	0	0	19,141	21,909
7	21,367	18,599	2,768	12,661	11,240	1,421	29,839	34,028
6	21,306	18,538	2,768	13,866	12,374	1,492	30,912	35,172
5	27,619	24,826	2,793	22,912	20,705	2,207	45,531	50,531
4	27,619	24,826	2,793	22,912	20,705	2,207	45,531	50,531
3	27,619	24,826	2,793	22,912	20,705	2,207	45,531	50,531
2	16,792	10,176	6,616	7,140	0	7,140	10,176	23,932
Ground	12,850	0	12,850	11,014	0	11,014	0	23,864
Basement Lvl 1	0	0	0	0	0	0	0	0
Total above grade	177,081	140,932	36,149	113,417	85,729	27,688	226,661	290,498
Total below grade	0	0	0				0	0
Total Buildable	177,081			113,417			226,661	290,498
% of Total	43%			27%				70%
Efficiency Ratio							78%	
ZFA Calculation								
ZFA Total	177,081	140,932	36,149	113,417	85,729	27,688		290,498
Mechanical Load Factor (3%)	5,312	4,228	1,084	3,403	2,572	831		8,715
ZFA Total	171,769	136,704	35,065	110,014	83,157	26,857		281,783
Maximum FAR								297,862
Difference								-16,079

- Given the significant size of the Crown's Corner development, there exists possibility for the project to be divided into two buildings within the residential portion, Building A (The Mont 420) and Building B (Crown 975). Strategically, this presents an added option of marketing and turning one of the buildings into a condo sale, which provides the business further flexibility in the sale and disposition of the property to suit business operations going forward.
- In order to support this strategy, the residential portions of the development will be managed by one entity, however managed as two separate multifamily projects.
- In the planning of the development, two residential lobbies, two elevator cores and two mailrooms are provided along with both shared and individual BOH areas.
- Because the massing conceives the building as two separate buildings once above the second floor (although touching), two separate residential corridors will serve each building



Building A and B split



Market Analysis

Brooklyn Crown Heights / Adjacencies

Precedent Developments



The Parkline

Building: The Parkline
Address: 626 Flatbush Avenue
Submarket: Brooklyn - Lefferts Manor Historic District
Year Built: 2015
No. of Units: 254

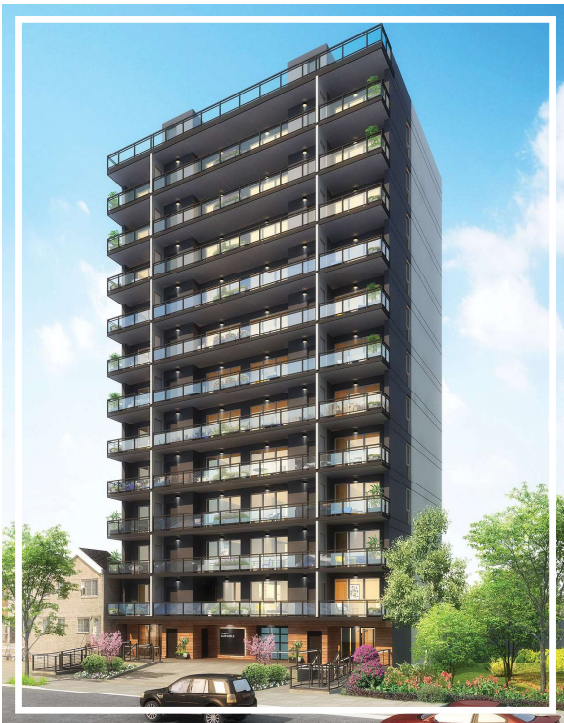
- 24 Story rental development located adjacent and on the east side of Prospect Park.
- Offers units ranging studios to three bedrooms with designer finishes and in-home washer and dryers.
- LEED Gold and ENERGY STAR rated and a benchmark for green buildings in Brooklyn.
- Ammenities - concierge-attended lobby, fireplace penthouse lounge, private chef's kitchen and bar, gaming room, fitness center, screening room, yoga studio, on-site car & bike parking, pet grooming room, children's room, resident storage and vegetable garden.

Source: <https://www.theparkline.com/>



Building: 409 Eastern Parkway
Address: 409 Eastern Parkway
Submarket: Brooklyn - Crown Heights
Year Built: 2018
No. of Units: 186

- Condo and Residential combination building.
- 35 of its residential units are affordable.
- Range of units from studios to two bedrooms.
- Amenities total 17,000 square feet which includes a co-working space, game room, childrens room, screening room, wet room, fitness room, additional laundry room, landscaped central courtyard, library, kitchenette, communal lounge and rooftop lounging areas.
- In house washer and dryers.
- Retail spaces available on ground floor



Building: Hello Albemarle
Address: 2417 Albemarle Road
Submarket: Brooklyn - Little Caribbean
Year Built: 2015
No. of Units: 44

- Within a low-rise apartment neighborhood landscape.
- One and two bedroom residences.
- All units have access to a terrace.
- Private elevators opening directly into the apartment.
- In house washer and dryer.
- Ammenities include, bike storage, private parking, lanscaped courtyard, barbecue, sunbathing area, outdoor lounge, outdoor gaming area, private covered parking, bike storage and rentable individual private storage.

Source: <https://patch.com/new-york/brooklyn/directory/listing/54039/leasing-begins-at-409-eastern-parkway-in-crown-heights>
<https://therealdeal.com/2019/01/28/adam-america-locks-in-refi-of-crown-heights-luxury-building/>
<https://www.helloalbemarle.com/>



Building: 815 Flatbush Avenue
Address: 815 Flatbush Avenue
Submarket: Brooklyn - Little Caribbean
Year Built: 2021
No. of Units: 76

- 8 floor development located between Prospect Lefferts Garden and Flatbush neighborhoods, just a few moments away from Prospect Park.
- Three floors of amenities that include, parking, private gym, screening room, game room, laundry room, tenant storage, roof deck, lounge area and outdoor grilling space.
- In house washer and dryer
- Kept exposed concrete as used material in the unit interiors -sand blasted concrete.
- Currently listed on market for an unknown price.



Building: The Clark
Address: 310 Clarkson Avenue
Submarket: Brooklyn - Prospect Lefferts Gardens
Year Built: 2018
No. of Units: 170

- Units range from studios to 3 bedrooms.
- In house washer and dryers.
- Amenities include, landscaped rooftop terrace with barbecues, fresh delivery services, covered parking, indoor bike parking, storage lockers, resident lounge, dog run and washing station, fitness room, co-working area.
- Sustainable living designed to meet LEED Silver standards.

Source: <https://streeteasy.com/building/815-flatbush-avenue-brooklyn>
<https://www.zillow.com/b/815-flatbush-ave-brooklyn-ny-97d5TS/>

Residential Market Rent Assumptions

- Contextualized and adjusted market rents for The Crown 975 and The Mont 420

Studio	400 sf	\$2,000 per month	\$5.00 per sf
1 Bed	700 sf	\$3,290 per month	\$4.70 per sf
2 Bed	1004 sf	\$4,502 per month	\$4.49 per sf

MULTIFAMILY PRECEDENTS

Source: StreetEasy.com

Building	Address	Submarket	Year	Units
The Parkline	626 Flatbush Ave	Brooklyn-Lefferts Manor Historic District	2015	254
409 Eastern Pkwy	409 Eastern Pkwy	Brooklyn-Crown Heights	2018	186
Hello Albemarle	2417 Albemarle Rd	Brooklyn-Little Caribbean	2015	44
815 Flatbush Ave	815 Flatbush Ave	Brooklyn-Little Caribbean	2021	76
The Clark	310 Clarkson Ave	Brooklyn-Prospect Lefferts Gardens	2018	170

RENTAL COMPS

Unit Breakdown	Avg Size (sf)	Avg Rent (per unit)	Avg Rent (per sf)
<i>The Parkline</i>			
Studio	421	\$2,386	\$5.67
1Bed	714	\$3,023	\$4.23
2Bed	900	\$4,126	\$4.58
<i>409 Eastern Pkwy</i>			
Studio	480	\$2,661	\$5.54
1Bed	605	\$3,488	\$5.77
2Bed	953	\$5,950	\$6.24
<i>Hello Albemarle</i>			
Studio	n/a	n/a	n/a
1Bed	713	\$2,631	\$3.69
2Bed	852	\$3,342	\$3.92
<i>815 Flatbush Ave</i>			
Studio	500	\$1,700	\$3.40
1Bed	680	\$2,860	\$4.21
2Bed	800	\$3,580	\$4.48
<i>The Clark</i>			
Studio	413	\$2,135	\$5.17
1Bed	600	\$2,547	\$4.25
2Bed	820	\$3,365	\$4.10
Overall			
Studio	454	\$2,221	\$4.90
1Bed	650	\$2,980	\$4.59
2Bed	868	\$4,255	\$4.90

Community Lease Rent Assumptions

- Contextualized and adjusted market rents for “Star Scholars Academy

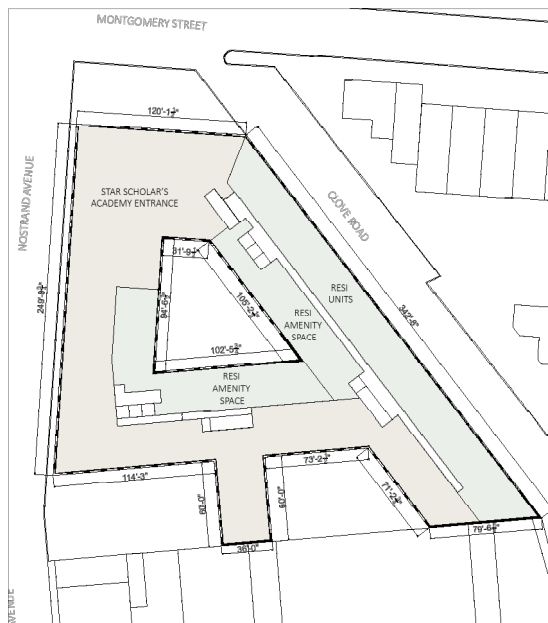
23,507 sf
leaseable area

\$36.94
per sf

COMMUNITY LEASE PRECEDENTS

Source: CompStak.com

Tenants	The Learning Experience	CCMS	Elite Learners	The Co-Up School	Average
Address	333 Greene Avenue	535 Clinton Avenue	96 New Lots Avenue	644 Gates Avenue	
Submarket	Brooklyn - Clinton Hill	Brooklyn - Clinton Hill	Brooklyn - Brownsville	Brooklyn - Stuyvesant Heights	
Tenant Industry	Education	Education	Education	Education	
Rental Comps					
Leased Area (sf)	11,300	6,272	3,600	30,000	
Rent per sf	\$40.00	\$47.00	\$26.00	\$35.00	\$36.94
Rent Step Up per year	0%	3%	3%	0%	
TI Value per sf	n/a	n/a	n/a	n/a	
Term	10 years	13	10	15	
Commencement Date	4/7/2017	4/12/2018	1/18/2022	4/1/2016	
Expiration Date	4/7/2032	4/15/2031	1/31/2032	4/1/2031	



2nd Floor Plan

Stars Scholars Academy main space located on second floor of the building encompassing the entire western and majority of the southern portion of the floorplan with an additional provision of an inside facing outdoor court.

The entrance is located on the ground floor facing the public plaza on the northern corner of the development.

2nd Fl: 22,609 sf
Ground Fl: 898 sf

Commercial/Retail Lease Rent Assumptions

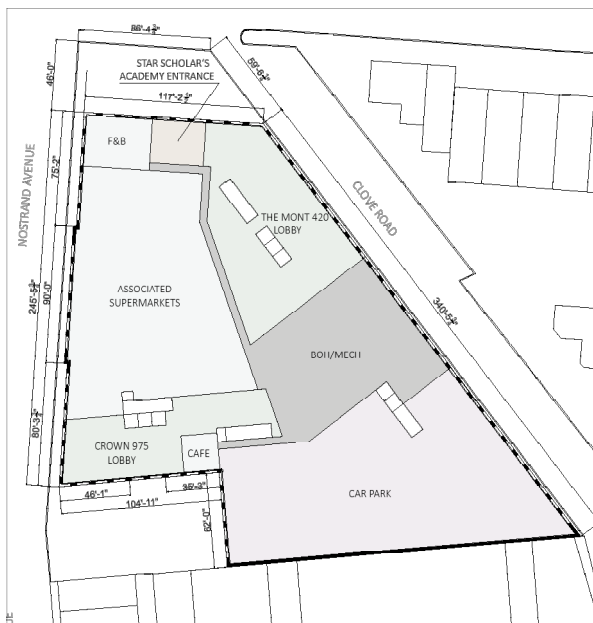
- Commercial/Retail rental rates determined based on existing lease agreements with Star Scholar's Academy

22,883 sf
leaseable area

\$40.00
per sf

Associated Supermarkets Lease Terms

- 16,000sf of ground floor space plus 5,000sf of cellar space
- 15 year term plus two consecutive 5-year renewal options
- \$40/sf (calculated on the ground floor only) annual rent, plus payment of directly metered utilities and assessed real estate taxes
- rent escalates 2% per year starting in year 3
- 6 months of free rent at commencement.



Ground Floor Plan

The retail components of the development are located along Nostrand Avenue and cater to its high foot traffic. Associated Supermarkets takes the majority space along the western edge while Charles Pan-Fried Chicken and Cafe are located next to the northern and southern public plaza

Associated Supermarkets: 15,231 sf
Charles Pan-Fried Chicken: 1583 sf
Cafe: 613 sf

Construction Cost Precedent

Pacific Park Construction Costs

\$682
per Buildable Area

Crown's Corner Estimated Construction Costs

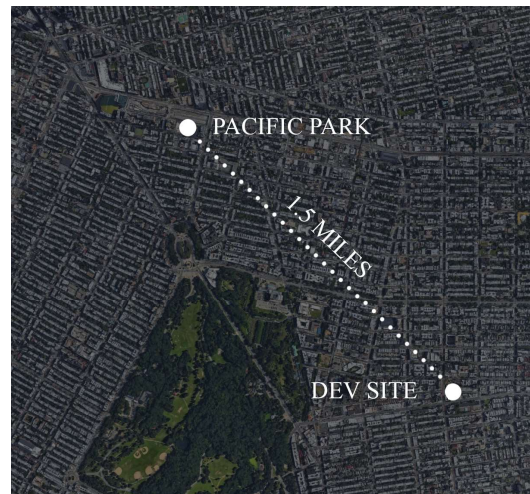
\$612
per Buildable Area

The overall construction cost estimates references the project 'Pacific Park -595 Dean St' that is currently under construction (as of early 2021).

Pacific Park, Brooklyn NYC

Pacific Park, developed by TF Cornerstone and designed by Handel Architects, the same architects under contract for this development, is a mixed-income multifamily project located in Prospect Heights and one block away from Atlantic Avenue. It is of traditional structural concrete construction with an accented brick and window facade. Having had the ground floor and basement floor designed for retail, and 30% of the 800 units given affordable designation, the overall scope of Pacific Park mimics closely the objectives for 'Crown 975' and 'Mont 420'. As such, Pacific Park is split into two separate towers that connect on enlarged floor plates on the ground and basement floor.

In contrast, Pacific Park totals 23 floors and is significantly higher than this development. Therefore, the discount to the lesser 8 floor system will be taken into account in overall hard cost estimates.



Source: <https://www.propertyshark.com/mason/Property/148003/752-754-Pacific-St-Brooklyn-NY-11238/>
<https://therealdeal.com/2019/10/23/tf-cornerstones-prospect-heights-two-tower-project-unveiled/>
<https://therealdeal.com/2019/02/27/tf-cornerstone-paid-143m-for-pacific-park-development-sites/>

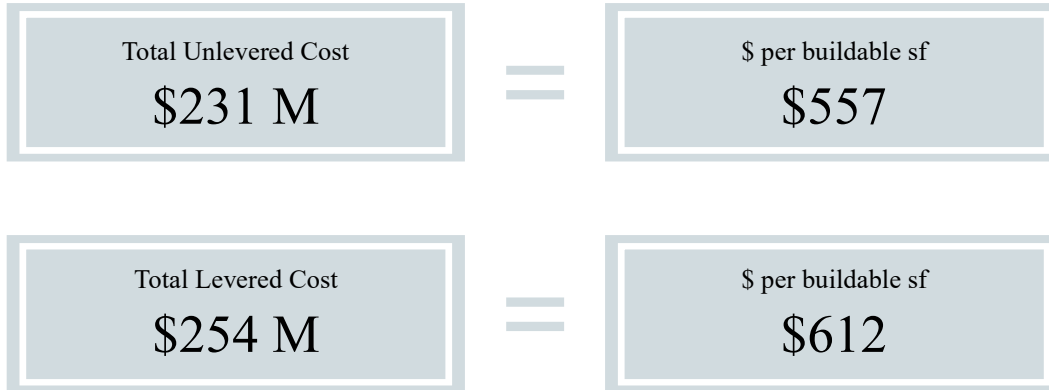
Pacific Park Under Construction, February 6, 2022.



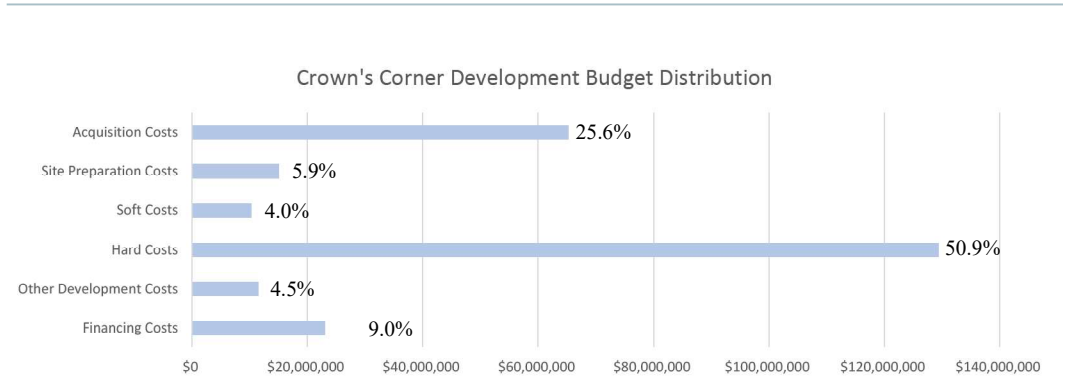
Photo By: Michael Young

Development Budget

Crown's Corner, Brooklyn, NY



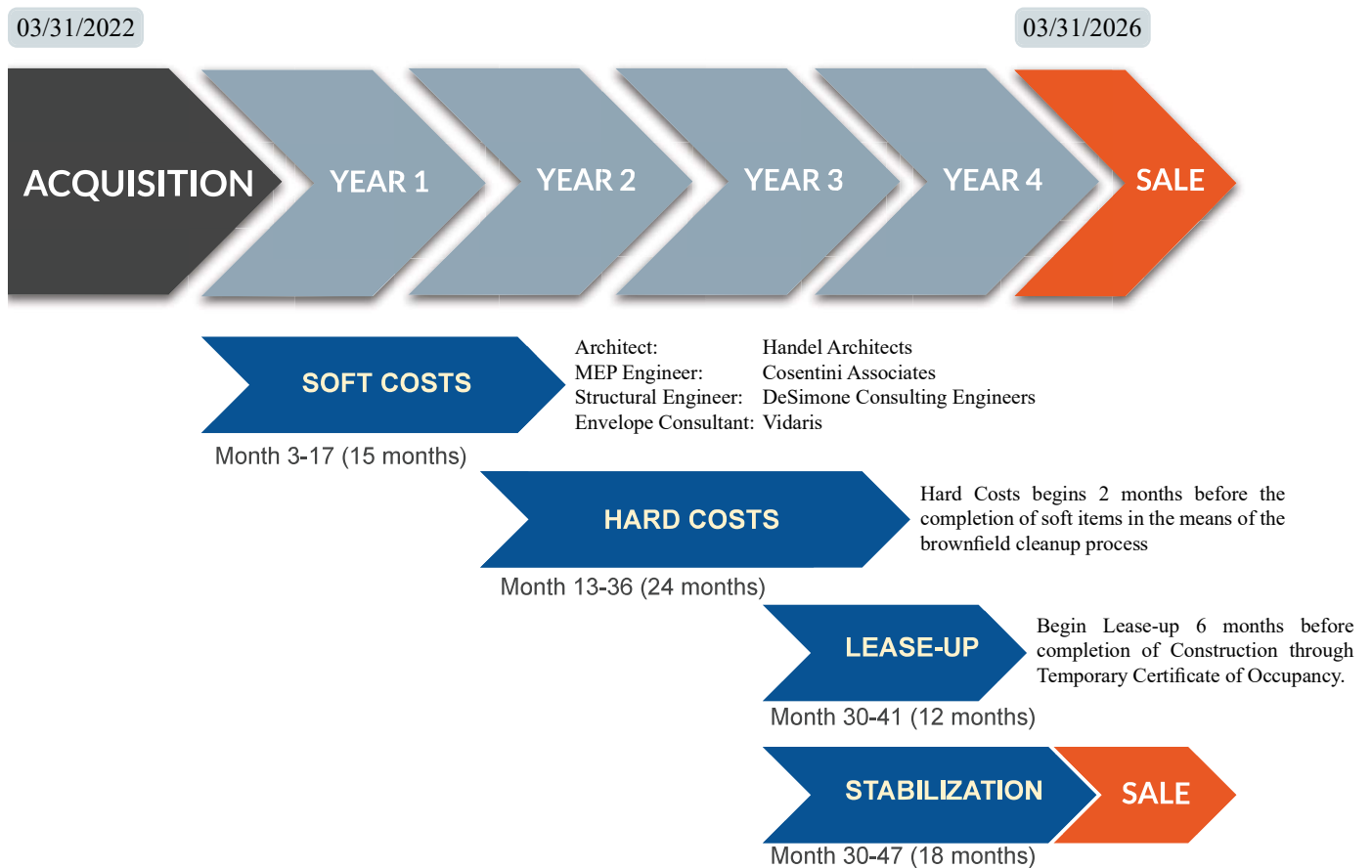
Cost Breakdown	
Site Acquisition Costs:	\$65,145,000
Site Preparation Costs:	\$15,000,000
Soft Costs:	\$10,248,951
Hard Costs:	\$129,330,000
Other Development Costs:	\$11,500,000
Financing Costs:	\$22,981,244
Total Levered Development Budget:	\$254,205,195



Crown's Corner Development Budget

		Cost	\$ per unit	\$ per building sf	\$ per ZFA	% Total
Land Purchase Price	Lot 17	\$41,500,000	\$125,000	\$99.90	\$121	16%
	Lot 6	\$23,000,000	\$69,277	\$55.37	\$67	9%
	Total	\$64,500,000	\$194,277	\$155.27	\$188	25%
Closing Costs	1%	\$645,000	\$1,943	\$1.55	\$2	0%
Acquisition Costs		\$65,145,000	\$196,220	\$156.82	\$190	26%
Site Preparation Costs		\$15,000,000	\$45,181	\$36.11	\$44	6%
Permitting Fees		\$1,048,951	\$3,159	\$2.53	\$3	0%
A&E		\$4,200,000	\$12,651	\$10.11	\$12	2%
Legal		\$800,000	\$2,410	\$1.93	\$2	0%
Contingency		\$4,200,000	\$12,651	\$10.11	\$12	2%
Soft Costs		\$10,248,951	\$30,870	\$24.67	\$30	4%
Site Development		\$630,000	\$1,898	\$1.52	\$2	0%
Shell Construction		\$120,000,000	\$361,446	\$288.87	\$349	47%
FF&E		\$2,500,000	\$7,530	\$6.02	\$7	1%
Contingency		\$6,200,000	\$18,675	\$14.92	\$18	2%
Hard Costs		\$129,330,000	\$389,548	\$311.33	\$376	51%
Development Fee		\$9,500,000	\$28,614	\$22.87	\$28	4%
Additional Contingency		\$2,000,000	\$6,024	\$4.81	\$6	1%
Other Development Costs		\$11,500,000	\$34,639	\$27.68	\$33	5%
TOTAL UNLEVERED COST		\$231,223,951	\$696,458	\$557	\$673	91%
Financing Fees		\$2,844,979	\$8,569	\$7	\$8	1%
Interest Reserve		\$20,136,265	\$60,651	\$48	\$59	8%
Operating Reserve		\$0	\$0	\$0	\$0	0%
Financing Costs		\$22,981,244	\$69,221	\$55	\$67	9%
TOTAL DEVELOPMENT BUDGET		\$254,205,195	\$765,678	\$612	\$740	100%

Investment & Construction Schedule



Monthly Investment Schedule

	Month	Start	Duration	End	(end of) Month
Acquisition	month 0	3/31/2022	month 1	4/30/2022	month 0
Soft Costs	month 3	6/30/2022	month 15	9/30/2023	month 17
Hard Costs	month 13	4/30/2023	month 24	4/30/2025	month 36
Lease-up	month 30	9/30/2024	month 12	9/30/2025	month 41
Stabilization	month 30	9/30/2024	month 18	3/31/2026	month 47
Exit	month 48	3/31/2026	month 1	4/30/2026	month 48

Consultants

HANDEL ARCHITECTS

Architectural Consultants: **Handel Architects**

- Founded in 1984 by Gary Handel and has approximately 180 employees spread across its offices in New York, Boston, San Francisco and Hong Kong.
- Industry leaders in green/passive building and multifamily design.
- Recently designed the 800 unit Pacific Park project located close to this development site.



MEP Consultants: **Cosentini Associates**

- Headquartered in NYC, Cosentini has a 70 year track record with current employee numbers approximately at 300.
- Other offices in Boston, Chicago, Philadelphia and Houston.
- The MEP Consultants for the referenced Pacific Park project.

DESIMONE

Structural Consultants: **DeSimone**

- Founded in 1969 in NYC, the company provides structural engineering services to architects, owners and developers.
- Offices in NYC, Miami, San Francisco, New Haven, Las Vegas, Houston, Abu Dhabi, Boston, Chicago and Medellin.
- Recognized for its work with exoskeleton buildings.
- Track record of completing difficult projects such as ones designed by Zaha Hadid.



Envelope Consultant: **Vidaris**

- 400 Employee company that specializes in building envelopes, energy & sustainability, code & planning etc.
- Has extensive history in working together with Handel Architects on projects in NYC.
- Vital component of design team in order to achieve Zone Green satisfactory requirements.

Financial Analysis

Assumptions

Unit Mix & Rent

	Market Rate	Affordable Rate
Studio	\$2,000	\$1,410
1 Bed	\$3,290	\$1,510
2 Bed	\$4,502	\$1,812

Development Unit Mix

Type	Unit Count	% of Total Development	Total Rentable SF
Studio	102	31%	41,475
1Bed	108	33%	71,100
2Bed	122	37%	114,086
Total	332	100%	226,661

Market Rate Rent

Type	Unit Count	% of Total Development	% of Market Rate Units	Unit Size	Total Market Rate Unit SF	Market Rent per unit	Rent PSF
Studio	75	23%	31%	400	30,000	\$2,000	\$5.00
1Bed	78	23%	32%	700	54,600	\$3,290	\$4.70
2Bed	92	28%	38%	1004	92,336	\$4,502	\$4.49
Total	245	74%	100%		176,936	\$3,339	\$4.64

Affordable Rent

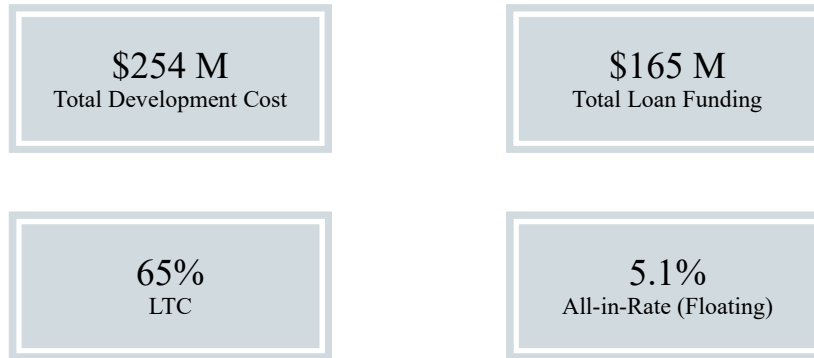
Type	Unit Count	% of Total Development	% of Affordable Units	Unit Size	Total Affordable Unit SF	Affordable Rent per unit	Rent PSF
Studio	27	8%	31%	425	11,475	\$1,410	\$1.47
1Bed	30	9%	34%	550	16,500	\$1,510	\$1.10
2Bed	30	9%	34%	725	21,750	\$1,812	\$1.00
Total	87	26%	100%		49,725	\$1,619	\$1.14

Affordable Unit Rents after Affordability Expiry (Trended from 2022)

Type	Unit Count	% of Total Development	% of Affordable Units	Unit Size	Total Affordable Unit SF	Affordable Rent per unit	Rent PSF
Studio	27	8%	31%	425	11,475	\$2,295	\$5.00
1Bed	30	9%	34%	550	16,500	\$3,511	\$4.70
2Bed	30	9%	34%	725	21,750	\$4,848	\$4.49
Total	87	26%	100%		49,725	\$3,815	\$4.64

Financing Assumptions

- The financing of the acquisition and construction loan will be provided by **Wells Fargo** to the borrower **Crown's Corner LLC** at an overall leverage of 65% inclusive of any required reserves.



Financing Assumptions			
Start Date	Floating	360	3/31/2022
Term			48 months
Maturity Date			3/31/2026
LTC Control			62%
LTC with Interest Reserve			65%
Total Development Cost Pre-Reserves			\$231,223,951
Total Development Costs			\$254,205,195
Loan Amount			\$165,230,219
Equity incl Tax Credit			\$88,974,976
LP Equity			\$53,347,434
GP Equity			\$5,927,493
Interest Rate Spread			450 bps
All-in-Rate			5.1%
Fixed Rate			8.0%
Interest Only Period			48 months
Amortization Period			30 years
Origination Fee			2%
Interest Reserve			\$20,136,265
Operating Reserve			\$0

LIHTC & BCP Funding

\$15 M
LIHTC Funding

\$15 M
BCPTC Funding

LIHTC Calculation - Eligible Basis

Total Development Cost Pre-Reserves		\$231,223,951
Ineligible Items	Land	\$65,145,000
Eligible Basis	Residential % of Total Construction	68%
		\$112,326,466
High-Cost Adjustment	<i>Area code 11225 applies</i>	130%
Adjusted Eligible Basis		\$146,024,406
Applicable Fraction	Affordable Unit % of total Residential Units	26%
Qualified Basis		\$38,265,432
Rate		4% \$1,530,617
Annual Multiple		10 years \$15,306,173
Cost per Dollar of tax credit		\$0.98
Total LIHTC Funding		\$15,000,049
Total Required Equity		\$88,003,836
LP & GP Equity		\$58,303,787
LIHTC Rent applicability duration		15 years
LIHTC Rent end date		4/30/2040

LIHTC Syndication Pay-In Schedule

Month	Date	Note	% of total LIHTC Equity Funded	Amount
month 0	3/31/2022	Beginning of Acquisition	50%	\$7,500,025
month 3	6/30/2022	Beginning of Soft Costs	10%	\$1,500,005
month 13	4/30/2023	Beginning of Hard Costs	35%	\$5,250,017
month 30	9/30/2024	Beginning of Leaseup	5%	\$750,002
Total			100%	\$15,000,049

Brownstone Cleanup Program Tangible Property Tax Credits

<i>Building Demolition</i>		
<i>Remediation of Abestos</i>		
Estimated Site Preparation Cost		\$15,000,000
	Per sf	\$199
Maximum Tax Credit Amount		\$35,000,000
Total LIHTC Funding		\$15,000,000
Cost per Dollar of tax credit		\$0.98
Amount Received		\$14,700,000

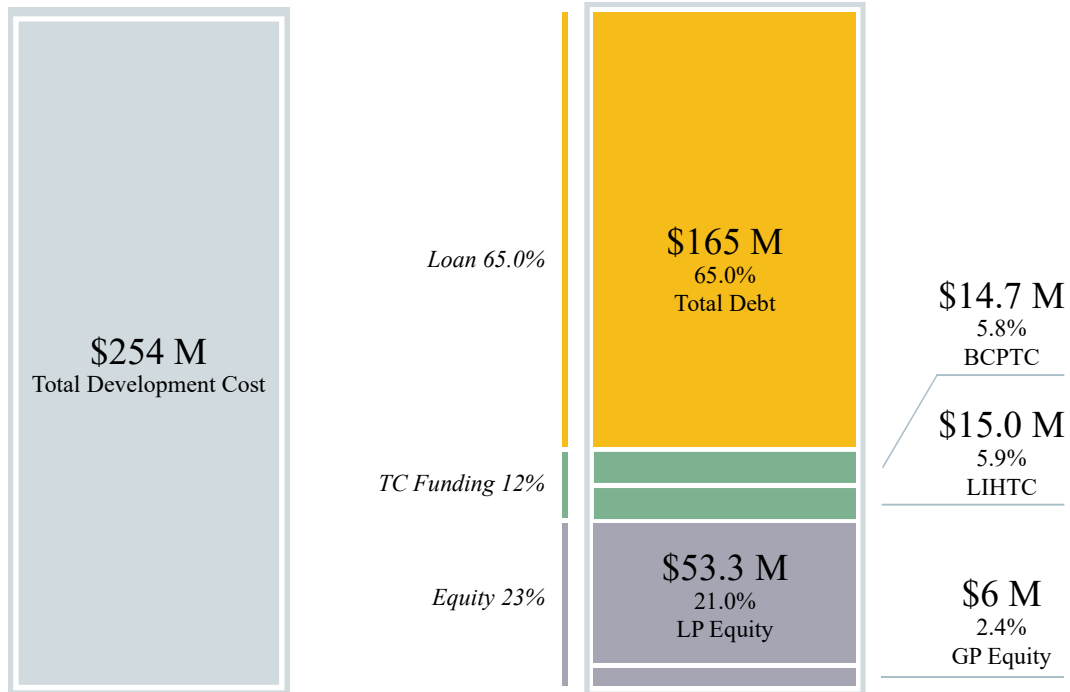
Sell Scenario Assumptions

- The sale of Crown’s Corner is scheduled at the end of year 4, at which point the property will be fully tenanted and stabilized.
- Due to the characteristics of the property, such as the strong and stable long term cash flow in a growing sub-market, the ideal buyer is projected to be an institutional investor such as a pension fund or insurance company who value stability over opportunity.
- Given the long term investment outlook of the potential buyer, Crown’s Corner presents an added incentive in the form of substantial NOI increase when the affordability requirements run out at the end of year 15. Projected residential NOI YoY Change of 64%.

Joint Venture Assumptions

Joint Venture Assumptions			
GP Equity		10%	
LP Equity		90%	
	Promote	Pref	Splits
Hurdle #1	0%	8%	10%
Hurdle #2	10%	12%	19.00%
Hurdle #3	12%	15%	20.80%
Hurdle #4	15%	500%	23.50%

Development Capital Stack



Projected Transaction Summary

Unlevered Project	IRR 11.2%	Multiple 1.3x
Levered Project	IRR 16.0%	Multiple 1.6x

LP	GP
LP EQUITY 90%	GP EQUITY 10%
LP EQUITY \$53,300,000	GP EQUITY \$5,900,000
LP IRR 15.1%	GP IRR (incl promote) 23.4%
LP MULTIPLE 1.5x	GP MULTIPLE 1.9x
LP PROFIT \$28,600,000	GP PROFIT \$5,500,000
	GP PROJECT PROFIT \$3,200,000
	PROMOTE \$2,300,000

Projected Transaction Summary Cont'd

SOURCES & USES

	AT CLOSE			HOLD PERIOD		
	Total	% of Total	Per Unit	Total	% of Total	Per Unit
Uses						
Acquisition Costs	\$65,145,000	78%	\$196,220	\$65,145,000	26%	\$196,220
Site Preparation Costs	\$15,000,000	18%	\$45,181	\$15,000,000	6%	\$45,181
Soft Costs	-	0%	\$0	\$10,248,951	4%	\$30,870
Hard Costs	-	0%	\$0	\$129,330,000	51%	\$389,548
Other Development Costs	-	0%	\$0	\$11,500,000	5%	\$34,639
Financing Costs	\$2,844,979	3%	\$8,569	\$22,981,244	9%	\$69,221
Capital Expenditures	-	0%	\$0	\$224,758	0%	\$677
TOTAL USES	\$82,989,979	100%	\$249,970	\$254,429,954	100%	\$766,355
Sources						
Equity	\$39,919,882	48%	\$120,240.61	\$57,922,831	23%	\$174,466
LIHTC Funding	\$7,500,025	9%	\$22,590	\$15,000,049	6%	\$45,181
BCPTC Funding	\$14,700,000	18%	\$44,277	\$14,700,000	6%	\$44,277
Debt	\$20,870,073	25%	\$62,862	\$171,949,024	68%	\$517,919
Operating Cash Flow	-	0%	-	(\$5,141,950)	-2%	(\$15,488)
TOTAL SOURCES	\$82,989,979	100%	\$249,970	\$254,429,954	100%	\$766,355

RETURNS SUMMARY

	Peak Equity	IRR	Profit	Multiple
Unlevered Project	\$200,456,596	11.2%	\$66,397,720	1.3x
Levered Project	\$57,922,831	16.0%	\$34,082,028	1.6x
LP	\$52,130,548	15.1%	\$28,581,821	1.5x
GP	\$5,792,283	23.4%	\$5,500,206	1.9x
GP Project	\$5,792,283	15.1%	\$3,175,758	1.5x
GP Promote	n/a	n/a	\$2,324,448	n/a

NOI SUMMARY

	NOI	Growth	NOI YoC	Delta to Exit Cap
Year 1	-	-	-	(4.5%)
Year 2	-	-	-	(4.5%)
Year 3	\$1,127,881	-	0.4%	(4.1%)
Year 4	\$9,412,222	735%	3.7%	(0.8%)
Year 5	\$11,984,784	27%	4.7%	0.2%
Year 6	\$12,408,755	4%	4.9%	0.4%
Year 7	\$12,797,004	3%	5.0%	0.5%

EXIT SUMMARY

	Fwd NOI	Exit Cap	Total \$	Per Unit
Sale Proceeds	\$11,984,784	4.50%	\$266,328,537	\$802,194
Less: Sale Costs			(\$8,722,260)	
Net Sale Proceeds			\$257,606,277	
Less: Outstanding Debt			(\$171,949,024)	
Less: Equity			(\$57,922,831)	
Terminal Value Profit			\$27,734,423	
Interim Cash Flow			\$6,347,605	
Total Project Profit			\$34,082,028	

DEVELOPMENT TIMETABLE

	Month	Start	End	(end of) Month
Acquisition	month 0	3/31/2022	4/30/2022	month 0
Soft Costs	month 3	6/30/2022	9/30/2023	month 17
Hard Costs	month 13	4/30/2023	4/30/2025	month 36
Lease-up	month 30	9/30/2024	9/30/2025	month 41
Stabilization	month 30	9/30/2024	3/31/2026	month 47
Exit	month 48	3/31/2026	4/30/2026	month 48

DEAL SUMMARY

Location	Crown Heights, BK, NY
Vintage	2025
Total Units	332
Hold Period	48 months
Rentable SF	321,221
Stabilized Occupancy	97%

DEBT SUMMARY

Type	Construction Loan
Loan Proceeds	\$165,230,219
Leverage	65%
Rate	5.1%
Fees	\$2,844,979
IO Period	48
Maturity	3/31/2026

LEASE-UP ASSUMPTIONS

Units Leased per month	30
Concessions	1 months
Concession Burnoff	6 months
Pre-Construction Leasing	6 months

Sensitivity Analysis

		Reversionary Cap Rate				
		4.40%	4.45%	4.50%	4.55%	4.60%
Hold Period	4	18.2%, 1.7x	17.1%, 1.6x	16.0%, 1.6x	14.9%, 1.5x	13.8%, 1.5x
	5	16.3%, 1.8x	15.5%, 1.8x	14.7%, 1.7x	13.9%, 1.7x	13.0%, 1.6x
	4	18.2%, 1.7x	17.1%, 1.6x	16.0%, 1.6x	14.9%, 1.5x	13.8%, 1.5x
	5	16.3%, 1.8x	15.5%, 1.8x	14.7%, 1.7x	13.9%, 1.7x	13.0%, 1.6x
	6	14.8%, 2.0x	14.1%, 1.9x	13.5%, 1.9x	12.9%, 1.8x	12.3%, 1.8x
	6	14.8%, 2.0x	14.1%, 1.9x	13.5%, 1.9x	12.9%, 1.8x	12.3%, 1.8x

		Commercial & Community Occupancy				
		80%	85%	90%	95%	100%
Residential Occupancy	93%	10.6%, 1.4x	11.0%, 1.4x	11.4%, 1.4x	11.8%, 1.4x	12.1%, 1.4x
	95%	13.0%, 1.5x	13.4%, 1.5x	13.7%, 1.5x	14.1%, 1.5x	14.5%, 1.5x
	97%	15.3%, 1.6x	15.7%, 1.6x	16.0%, 1.6x	16.3%, 1.6x	16.7%, 1.6x
	99%	17.5%, 1.7x	17.8%, 1.7x	18.1%, 1.7x	18.5%, 1.7x	18.8%, 1.7x
	100%	18.5%, 1.7x	18.8%, 1.7x	19.2%, 1.7x	19.5%, 1.8x	19.8%, 1.8x
	100%	18.5%, 1.7x	18.8%, 1.7x	19.2%, 1.7x	19.5%, 1.8x	19.8%, 1.8x

		Reversionary Sale Cap Rate				
		4.30%	4.40%	4.50%	4.60%	4.70%
2 Bedroom Rent psf	\$4.30	18.6%, 1.7x	16.4%, 1.6x	14.1%, 1.5x	11.8%, 1.4x	9.5%, 1.3x
	\$4.40	19.6%, 1.8x	17.4%, 1.6x	15.1%, 1.5x	12.9%, 1.5x	10.6%, 1.4x
	\$4.50	20.5%, 1.8x	18.3%, 1.7x	16.1%, 1.6x	13.9%, 1.5x	11.7%, 1.4x
	\$4.60	21.4%, 1.8x	19.3%, 1.7x	17.1%, 1.6x	14.9%, 1.5x	12.7%, 1.4x
	\$4.70	22.3%, 1.9x	20.2%, 1.8x	18.1%, 1.7x	15.9%, 1.6x	13.8%, 1.5x
	\$4.70	22.3%, 1.9x	20.2%, 1.8x	18.1%, 1.7x	15.9%, 1.6x	13.8%, 1.5x

		Lot 6 Purchase Price				
		\$22,000,000	\$23,000,000	\$24,000,000	\$25,000,000	\$26,000,000
Hold Period	4	16.6%, 1.6x	16.0%, 1.6x	15.4%, 1.6x	14.8%, 1.5x	14.2%, 1.5x
	5	15.1%, 1.8x	14.7%, 1.7x	14.2%, 1.7x	13.7%, 1.7x	13.3%, 1.6x
	6	13.9%, 1.9x	13.5%, 1.9x	13.2%, 1.8x	12.8%, 1.8x	12.4%, 1.8x
	7	13.1%, 2.1x	12.7%, 2.0x	12.4%, 2.0x	12.1%, 2.0x	11.8%, 1.9x
	8	12.4%, 2.2x	12.2%, 2.2x	11.9%, 2.1x	11.6%, 2.1x	11.3%, 2.1x
	8	12.4%, 2.2x	12.2%, 2.2x	11.9%, 2.1x	11.6%, 2.1x	11.3%, 2.1x

		Project IRR, Multiple				
		1.0%	1.5%	2.0%	2.5%	3.0%
Interest Rate Spread	410	17.8%, 1.7x	17.3%, 1.7x	16.8%, 1.6x	16.3%, 1.6x	15.8%, 1.6x
	430	17.4%, 1.7x	16.9%, 1.6x	16.4%, 1.6x	15.9%, 1.6x	15.4%, 1.6x
	450	17.0%, 1.6x	16.5%, 1.6x	16.0%, 1.6x	15.5%, 1.6x	15.0%, 1.6x
	470	16.6%, 1.6x	16.1%, 1.6x	15.6%, 1.6x	15.1%, 1.5x	14.6%, 1.5x
	490	16.2%, 1.6x	15.7%, 1.6x	15.2%, 1.5x	14.7%, 1.5x	14.3%, 1.5x

		Project IRR, Multiple				
		52%	57%	62%	67%	72%
Interest Rate Spread	410	14.3%, 1.6x	15.3%, 1.7x	16.7%, 1.8x	18.8%, 1.8x	22.1%, 2.0x
	430	14.2%, 1.6x	15.1%, 1.7x	16.5%, 1.7x	18.4%, 1.8x	21.6%, 2.0x
	450	14.1%, 1.6x	15.0%, 1.7x	16.2%, 1.7x	18.1%, 1.8x	21.2%, 1.9x
	470	13.9%, 1.6x	14.8%, 1.7x	16.0%, 1.7x	17.8%, 1.8x	20.7%, 1.9x
	490	13.8%, 1.6x	14.6%, 1.7x	15.8%, 1.7x	17.4%, 1.8x	20.2%, 1.9x

		LP IRR, Multiple				
		8%	10%	12%	14%	16%
Hurdle 2 Promote	6%	14.9%, 1.5x	15.1%, 1.5x	15.2%, 1.6x	15.4%, 1.6x	15.6%, 1.6x
	8%	14.9%, 1.5x	15.0%, 1.5x	15.2%, 1.6x	15.3%, 1.6x	15.4%, 1.6x
	10%	14.9%, 1.5x	15.0%, 1.5x	15.1%, 1.5x	15.2%, 1.6x	15.3%, 1.6x
	12%	14.9%, 1.5x	15.0%, 1.5x	15.0%, 1.5x	15.1%, 1.5x	15.1%, 1.5x
	14%	14.9%, 1.5x	14.9%, 1.5x	14.9%, 1.5x	15.0%, 1.5x	15.0%, 1.5x

		GP IRR, Multiple				
		8%	10%	12%	14%	16%
Hurdle 2 Promote	6%	24.8%, 2.0x	23.6%, 2.0x	22.3%, 1.9x	20.9%, 1.8x	19.7%, 1.8x
	8%	24.8%, 2.0x	23.9%, 2.0x	22.8%, 1.9x	21.7%, 1.9x	20.9%, 1.8x
	10%	24.8%, 2.0x	24.1%, 2.0x	23.4%, 1.9x	22.6%, 1.9x	22.1%, 1.9x
	12%	24.8%, 2.0x	24.4%, 2.0x	23.9%, 2.0x	23.5%, 2.0x	23.2%, 1.9x
	14%	24.8%, 2.0x	24.7%, 2.0x	24.5%, 2.0x	24.3%, 2.0x	24.3%, 2.0x

Untrended Stabilized Income

	Assumption	Total	% of Total Income
Residential			
Stabilized Occupancy			97%
Market Rent per month	\$3,339		
Net Potential Market Rent		\$9,817,139	
Affordable Rent Per Month	\$1,619		
Net Potential Affordable Rent		\$1,690,256	
Net Potential Rent		\$11,507,395	
Vacancy Loss		(\$345,222)	
Non-Revenue Units	2 units	(\$59,139)	
Bad Debt	0.50%	(\$57,537)	
Total Residential Rental Income		\$11,045,497	
Utility Reimbursement	30	\$119,520	
Total Residential Income		\$11,165,017	80%
Parking Revenue			
Parking Rent per month		\$300	
No. of Spaces		267	
Stabilized Occupancy		97%	
Net Potential Rent		\$961,200	
Vacancy Loss		(\$28,836)	
Total Parking Income		\$932,364	7%
Community Revenue			
Community Rent per sf		\$36.94	
Leasable Area		23,507	
Total Community Income		\$868,381	6%
Retail Revenue			
Retail Rent per sf		\$40.00	
Leasable Area		22,883	
Total Retail Income		\$915,320	7%
TOTAL UNTRENDED DEVELOPMENT INCOME		\$13,881,082	100%

Untrended Stabilized Operating Expenses

	% of Income	Per Unit	Total	% of Program	% of Development
Residential Operating Expenses					
Repairs & Maintenance		\$800	\$265,600	8.2%	7.5%
Turnover		\$400	\$132,800	4.1%	3.8%
Marketing		\$300	\$99,600	3.1%	2.8%
General & Administrative		\$500	\$166,000	5.1%	4.7%
Payroll		\$1,100	\$365,200	11.3%	10.3%
Management Fees	4%	\$1,672	\$555,243	17.1%	15.7%
Utilities		\$300	\$99,600	3.1%	2.8%
Real Estate Taxes		\$4,217	\$1,400,000	43.2%	39.6%
Property Insurance		\$275	\$91,300	2.8%	2.6%
Subtotal		\$9,564	\$3,175,343	98.0%	89.8%
Capital Reserves		\$200	\$66,400	2.0%	1.9%
Total		\$9,764	\$3,241,743	100.0%	91.7%
Operating Ratio			71%		

Parking Operating Expenses

Management Fees	6%	\$210	\$55,942	51%	1.6%
General & Administrative		\$100	\$26,700	24%	0.8%
Utilities		\$100	\$26,700	24%	0.8%
Total		\$410	\$109,342	100%	3.1%
Operating Ratio			88%		

	% of Income	Per sf	Total	% of Total	% of Development
Community Operating Expenses (NNN)					
General & Administrative		\$0.70	\$16,455	21.3%	0.5%
Capital Reserves	7%	\$2.20	\$60,787	78.7%	1.7%
Total			\$77,241	100.0%	2.2%
Operating Ratio			91%		

Retail Revenue Operating Expenses (NNN)

General & Administrative		\$0.70	\$16,018	14.9%	0.5%
Capital Reserves	10%	\$3.41	\$91,532	85.1%	2.6%
Total			\$107,550	100.0%	3.0%
Operating Ratio			88%		

TOTAL UNTRENDED DEVELOPMENT OPERATING EXPENSES			\$3,535,877		100.0%
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Unlevered Cash Flow

Acquisition Date	3/31/2022		year 0	year 1	year 2	year 3	year 4	year 5
Exit Date	3/31/2026							
Units	332	Total	3/31/2022	3/31/2023	3/31/2024	3/31/2025	3/31/2026	3/31/2027
Rent								
Market Rent Growth			0.0%	3.0%	3.0%	3.0%	3.0%	4.0%
Potential Market Rent			\$3,339	\$3,441	\$3,545	\$3,653	\$3,764	\$3,918
Concessions			(\$278)	(\$287)	(\$295)	(\$304)	-	-
Effective Rent			\$3,061	\$3,154	\$3,250	\$3,349	\$3,764	\$3,918
Affordable Rent Growth								
Potential Affordable Rent			\$1,619	\$1,652	\$1,685	\$1,719	\$1,754	\$1,789
Rents after Affordability Expiration			\$3,815	\$3,931	\$4,051	\$4,174	\$4,301	\$4,476
<u>INCOME</u>								
<u>Residential</u>								
Net Potential Market Rate Rent			-	-	-	\$1,550,426	\$9,313,752	\$11,309,879
Net Potential Affordable Rent			-	-	-	\$283,013	\$1,674,128	\$1,850,868
Market Rate Concessions			-	-	-	(\$140,948)	(\$762,863)	-
Net Effective Rent			-	-	-	\$1,692,491	\$10,225,017	\$13,160,746
Vacancy Loss			-	-	-	(\$50,775)	(\$306,750)	(\$394,822)
Non-Revenue Units			-	-	-	(\$26,791)	(\$55,728)	(\$68,132)
Bad Debt			-	-	-	(\$8,462)	(\$51,125)	(\$65,804)
Total Rental Income			-	-	-	\$1,606,462	\$9,811,413	\$12,631,989
<u>Parking</u>								
Net Potential Parking Rent			-	\$961,200	\$961,200	\$961,200	\$961,200	\$976,964
Vacancy Loss			-	(\$961,200)	(\$961,200)	(\$961,200)	(\$192,240)	(\$97,696)
Net Effective Parking Income			-	-	-	-	\$768,960	\$879,267
<u>Retail</u>								
Retail Income			-	-	-	-	\$915,320	\$930,331
<u>Community</u>								
Community Income			-	-	-	-	\$868,381	\$882,622
TOTAL INCOME			-	-	-	\$1,606,462	\$12,364,074	\$15,324,209
<u>OPERATING EXPENSES</u>								
<u>Residential</u>								
Repairs & Maintenance			-	-	-	\$42,000	\$247,758	\$273,914
Turnover			-	-	-	\$21,000	\$123,879	\$136,957
Marketing			-	-	-	\$15,750	\$92,909	\$102,718
General & Administrative			-	-	-	\$26,250	\$154,849	\$171,196
Payroll			-	-	-	\$57,750	\$340,668	\$376,632
Management Fees			-	-	-	\$64,258	\$392,457	\$505,280
Utilities			-	-	-	\$15,750	\$92,909	\$102,718
Real Estate Taxes			-	-	-	\$221,386	\$1,305,955	\$1,443,826
Property Insurance			-	-	-	\$14,438	\$85,167	\$94,158
Total Residential Operating Expenses			-	-	-	\$478,582	\$2,836,550	\$3,207,400
<u>Parking</u>								
Management Fees			-	-	-	-	\$46,138	\$52,756
General & Administrative			-	-	-	-	\$21,593	\$24,782
Utilities			-	-	-	-	\$21,593	\$24,782
Total Parking Operating Expenses			-	-	-	-	\$89,323	\$102,321
<u>Community</u>								
General & Administrative			-	-	-	-	\$13,164	\$15,052
Total Community Operating Expenses			-	-	-	-	\$13,164	\$15,052
<u>Retail</u>								
General & Administrative			-	-	-	-	\$12,814	\$14,653
Total Retail Operating Expenses			-	-	-	-	\$12,814	\$14,653
TOTAL OPERATING EXPENSES			-	-	-	\$478,582	\$2,951,852	\$3,339,425
NET OPERATING INCOME			-	-	-	\$1,127,881	\$9,412,222	\$11,984,784
Operating Margin			0%	0%	0%	70%	76%	78%
Capital Expenditures								
Residential			-	-	-	(\$10,500)	(\$61,940)	-
Community			-	-	-	-	(\$60,787)	-
Retail			-	-	-	-	(\$91,532)	-
Total			-	-	-	(\$10,500)	(\$214,258)	-
<u>DEVELOPMENT COSTS</u>								
Acquisition Costs			(\$65,145,000)	(\$65,145,000)	-	-	-	-
Site Preparation Costs			(\$15,000,000)	(\$15,000,000)	-	-	-	-
Soft Costs			(\$10,248,951)	-	(\$6,832,634)	(\$3,416,317)	-	-
Hard Costs			(\$129,330,000)	-	-	(\$64,665,000)	-	-
Other Development Costs			(\$11,500,000)	-	(\$7,666,667)	(\$3,833,333)	-	-
Total Development Costs			(\$231,223,951)	(\$80,145,000)	(\$14,499,301)	(\$71,914,650)	(\$64,665,000)	-

Unlevered Cash Flow Cont'd

Acquisition Date	3/31/2022		year 0	year 1	year 2	year 3	year 4	year 5
Exit Date	3/31/2026							
Units	332	Total	3/31/2022	3/31/2023	3/31/2024	3/31/2025	3/31/2026	3/31/2027
TAX CREDITS								
LIHTC Funding			\$7,500,025	\$1,500,005	\$5,250,017	\$750,002	-	-
BCPTC Funding			\$14,700,000	-	-	-	-	-
Total Funding			\$22,200,025	\$1,500,005	\$5,250,017	\$750,002	-	-
SALE PROCEEDS								
Sale Proceeds		\$266,328,537	-	-	-	-	\$266,328,537	-
Closing Costs		(\$8,722,260)	-	-	-	-	(\$8,722,260)	-
Net Proceeds from Sale		\$257,606,277	-	-	-	-	\$257,606,277	-
UNLEVERED CASH FLOW			(\$57,944,975)	(\$12,999,296)	(\$66,664,633)	(\$62,797,617)	\$266,804,241	\$0

Total Hold Equity	\$200,456,596
IRR	11.2%
Profit	\$66,397,720
Multiple	1.3x

Levered Cash Flow

FUNDING TIMELINE

Unlevered Development Costs	(\$231,223,951)	(\$80,145,000)	(\$14,499,301)	(\$71,914,650)	(\$64,665,000)	-	-	
LIHTC Funding		\$7,500,025	\$1,500,005	\$5,250,017	\$750,002	-	-	
BCPTC Funding		\$14,700,000	-	-	-	-	-	
Financing Fees	(\$2,844,979)	(\$2,844,979)	-	-	-	-	-	
Interest Reserve Draw	(\$20,136,265)	-	(\$1,681,033)	(\$5,351,948)	(\$10,065,260)	(\$3,038,024)	-	
Operating Reserve Draw	-	-	-	-	-	-	-	
Total Development Costs	(\$224,505,146)	(\$60,789,955)	(\$14,680,329)	(\$72,016,581)	(\$73,980,257)	(\$3,038,024)	-	
Equity								
Beginning Balance		\$59,274,927	-	-	-	-	-	
Draw	(\$59,274,927)	(\$59,274,927)	-	-	-	-	-	
Ending Balance		-	-	-	-	-	-	
Debt								
Beginning Balance		\$142,248,975	\$1,391,299,969	\$861,650,861	\$131,590,906	-	-	
Draw	(\$171,949,024)	(\$20,870,073)	(\$14,499,301)	(\$71,914,650)	(\$64,665,000)	-	-	
Ending Balance		\$121,378,902	\$1,376,800,668	\$789,736,210	\$96,625,955	-	-	
RESERVES								
Interest								
Shortfalls	\$20,136,265	-	(\$1,681,033)	(\$5,351,948)	(\$10,065,260)	(\$3,038,024)	-	
Beginning Balance		-	\$20,136,265	\$18,455,232	\$13,103,284	\$3,038,024	-	
Funding	(\$20,136,265)	\$20,136,265	-	-	-	-	-	
Draw	\$20,136,265	-	(\$1,681,033)	(\$5,351,948)	(\$10,065,260)	(\$3,038,024)	-	
Ending Balance		\$20,136,265	\$18,455,232	\$13,103,284	\$3,038,024	-	-	
Operating								
Shortfalls	-	-	-	-	-	-	-	
Beginning Balance		-	-	-	-	-	-	
Funding	-	-	-	-	-	-	-	
Draw	-	-	-	-	-	-	-	
Ending Balance		-	-	-	-	-	-	
Financing Costs								
SOFR Index		0.58%	4.50%	4.50%	4.50%	4.50%	4.50%	
Interest Rate Spread		4.50%	7.36%	7.37%	7.11%	7.00%	7.03%	
All-in Rate		5.08%	0.00%	0.00%	0.00%	0.00%	0.00%	
Interest Expense	(\$29,470,713)	-	(\$1,731,108)	(\$5,351,948)	(\$10,065,260)	(\$12,322,397)	-	
Financing Fees (Origination Fee)	(\$2,844,979)	(\$2,844,979)	-	-	-	-	-	
Beginning Balance		-	\$20,870,073	\$35,369,374	\$107,284,024	\$171,949,024	-	
Loan Funding	\$171,949,024	\$20,870,073	\$14,499,301	\$71,914,650	\$64,665,000	-	-	
Amortization	-	-	-	-	-	-	-	
Loan Payoff	(\$171,949,024)	-	-	-	-	(\$171,949,024)	-	
Ending Balance		\$20,870,073	\$35,369,374	\$107,284,024	\$171,949,024	-	-	
Levered Cash Flow			\$34,082,028	(\$39,919,882)	(\$231,103)	(\$101,931)	(\$8,197,877)	\$82,532,820

Total Hold Equity	\$57,922,831
IRR	16.0%
Profit	\$34,082,028
Multiple	1.6x

Waterfall

			year 0	year 1	year 2	year 3	year 4	year 5
LP Equity	90%							
GP Equity	10%		3/31/2022	3/31/2023	3/31/2024	3/31/2025	3/31/2026	3/31/2027
Levered Cash Flow			(\$39,919,882)	(\$231,103)	(\$101,931)	(\$8,197,877)	\$82,532,820	\$0
HURDLE 1								
Hurdle		8%						
Promote		0%						
Beginning of Period			\$0	\$39,919,882	\$43,307,248	\$46,656,006	\$58,880,217	\$0
Accrual			\$0	\$3,156,263	\$3,246,827	\$4,026,335	\$4,849,453	\$0
Payoff			\$0	(\$1,400,831)	(\$5,033,183)	\$0	(\$66,767,695)	\$0
Infusions			\$39,919,882	\$1,631,934	\$5,135,114	\$8,197,877	\$3,038,024	\$0
End of Period			\$39,919,882	\$43,307,248	\$46,656,006	\$58,880,217	\$0	\$0
LP CF Hurdle 1	IRR	8.0%	(\$35,927,894)	(\$207,992)	(\$91,738)	(\$7,378,089)	\$57,356,703	\$0
GP CF Hurdle 1	IRR	8.0%	(\$3,991,988)	(\$23,110)	(\$10,193)	(\$819,788)	\$6,372,967	\$0
Promote CF 1			\$0	\$0	\$0	\$0	\$0	\$0
Remaining Cash Flow								
HURDLE 2								
Hurdle		12%						
Promote		10%						
Beginning of Period			\$0	\$39,919,882	\$44,885,408	\$50,046,773	\$64,688,133	\$0
Accrual			\$0	\$4,734,423	\$5,059,435	\$6,443,483	\$7,969,970	\$0
Previous Payoffs			\$0	(\$1,400,831)	(\$5,033,183)	\$0	(\$66,767,695)	\$0
Current Payoff			\$0	\$0	\$0	\$0	(\$8,928,433)	\$0
Infusions			\$39,919,882	\$1,631,934	\$5,135,114	\$8,197,877	\$3,038,024	\$0
End of Period			\$39,919,882	\$44,885,408	\$50,046,773	\$64,688,133	\$0	\$0
LP CF Hurdle 2			\$0	\$0	\$0	\$0	\$8,035,590	\$0
GP CF Hurdle 2			\$0	\$0	\$0	\$0	\$892,843	\$0
Promote CF 2			\$0	\$0	\$0	\$0	\$992,048	\$0
LP CF	IRR	12.0%	(\$35,927,894)	(\$207,992)	(\$91,738)	(\$7,378,089)	\$65,392,293	\$0
GP CF	IRR	12.0%	(\$3,991,988)	(\$23,110)	(\$10,193)	(\$819,788)	\$7,265,810	\$0
Promote CF			\$0	\$0	\$0	\$0	\$992,048	\$0
Remaining Cash Flow								
HURDLE 3								
Hurdle		15%						
Promote		12%						
Beginning of Period			\$0	\$39,919,882	\$46,069,042	\$52,672,687	\$69,316,161	\$7,313,670
Accrual			\$0	\$5,918,058	\$6,501,714	\$8,445,597	\$10,655,613	\$1,097,051
Previous Payoffs			\$0	(\$1,400,831)	(\$5,033,183)	\$0	(\$75,696,128)	\$0
Current Payoff			\$0	\$0	\$0	\$0	\$0	\$0
Infusions			\$39,919,882	\$1,631,934	\$5,135,114	\$8,197,877	\$3,038,024	\$0
End of Period			\$39,919,882	\$46,069,042	\$52,672,687	\$69,316,161	\$7,313,670	\$8,410,721
LP CF Hurdle 3			\$0	\$0	\$0	\$0	\$0	\$0
GP CF Hurdle 3			\$0	\$0	\$0	\$0	\$0	\$0
Promote CF 3			\$0	\$0	\$0	\$0	\$0	\$0
LP CF	IRR	12.1%	(\$35,927,894)	(\$207,992)	(\$91,738)	(\$7,378,089)	\$65,392,293	\$0
GP CF	IRR	12.1%	(\$3,991,988)	(\$23,110)	(\$10,193)	(\$819,788)	\$7,265,810	\$0
Promote CF			\$0	\$0	\$0	\$0	\$992,048	\$0
Remaining Cash Flow			\$0	\$0	\$0	\$0	\$8,882,669	\$0
HURDLE 4								
Hurdle		500%						
Promote		15%						
Beginning of Period			\$0	\$39,919,882	\$237,657,974	\$1,417,492,983	\$8,526,104,166	\$51,082,881,880
Accrual			\$0	\$197,506,989	\$1,179,733,078	\$7,100,413,307	\$42,636,986,086	\$255,414,409,401
Previous Payoffs			\$0	(\$1,400,831)	(\$5,033,183)	\$0	(\$75,696,128)	\$0
Current Payoff			\$0	\$0	\$0	\$0	(\$7,550,268)	\$0
Infusions			\$39,919,882	\$1,631,934	\$5,135,114	\$8,197,877	\$3,038,024	\$0
End of Period			\$39,919,882	\$237,657,974	\$1,417,492,983	\$8,526,104,166	\$51,082,881,880	\$306,497,291,281
LP CF Hurdle 3			\$0	\$0	\$0	\$0	\$6,795,241	\$0
GP CF Hurdle 3			\$0	\$0	\$0	\$0	\$755,027	\$0
Promote CF 3			\$0	\$0	\$0	\$0	\$1,332,400	\$0
LP CF	IRR	15.2%	(\$35,927,894)	(\$207,992)	(\$91,738)	(\$7,378,089)	\$72,187,534	\$0
GP CF	IRR	15.2%	(\$3,991,988)	(\$23,110)	(\$10,193)	(\$819,788)	\$8,020,837	\$0
Promote CF			\$0	\$0	\$0	\$0	\$2,324,448	\$0
Remaining Cash Flow	Check	Check	\$0	\$0	\$0	\$0	\$0	\$0

Waterfall cont'd

		year 0	year 1	year 2	year 3	year 4	year 5
LP Equity	90%						
GP Equity	10%	3/31/2022	3/31/2023	3/31/2024	3/31/2025	3/31/2026	3/31/2027
TOTAL CASH FLOWS							
LP Cash Flows		(\$35,927,894)	(\$207,992)	(\$91,738)	(\$7,378,089)	\$72,187,534	\$0
Peak Equity	\$52,130,548						
IRR	15.1%						
Profit	\$28,581,821						
Equity Multiple	1.55x						
GP Cash Flows Before Promote		(\$3,991,988)	(\$23,110)	(\$10,193)	(\$819,788)	\$8,020,837	\$0
Peak Equity	\$5,792,283						
IRR	15.1%						
Profit	\$3,175,758						
Equity Multiple	1.55x						
GP Cash Flows After Promote		(\$3,991,988)	(\$23,110)	(\$10,193)	(\$819,788)	\$10,345,286	\$0
Peak Equity	\$5,792,283						
IRR	23.4%						
Profit	\$5,500,206						
Equity Multiple	1.95x						

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