

# THE MOAI



**605 EAST 9TH STREET  
REDEVELOPMENT PROPOSAL**

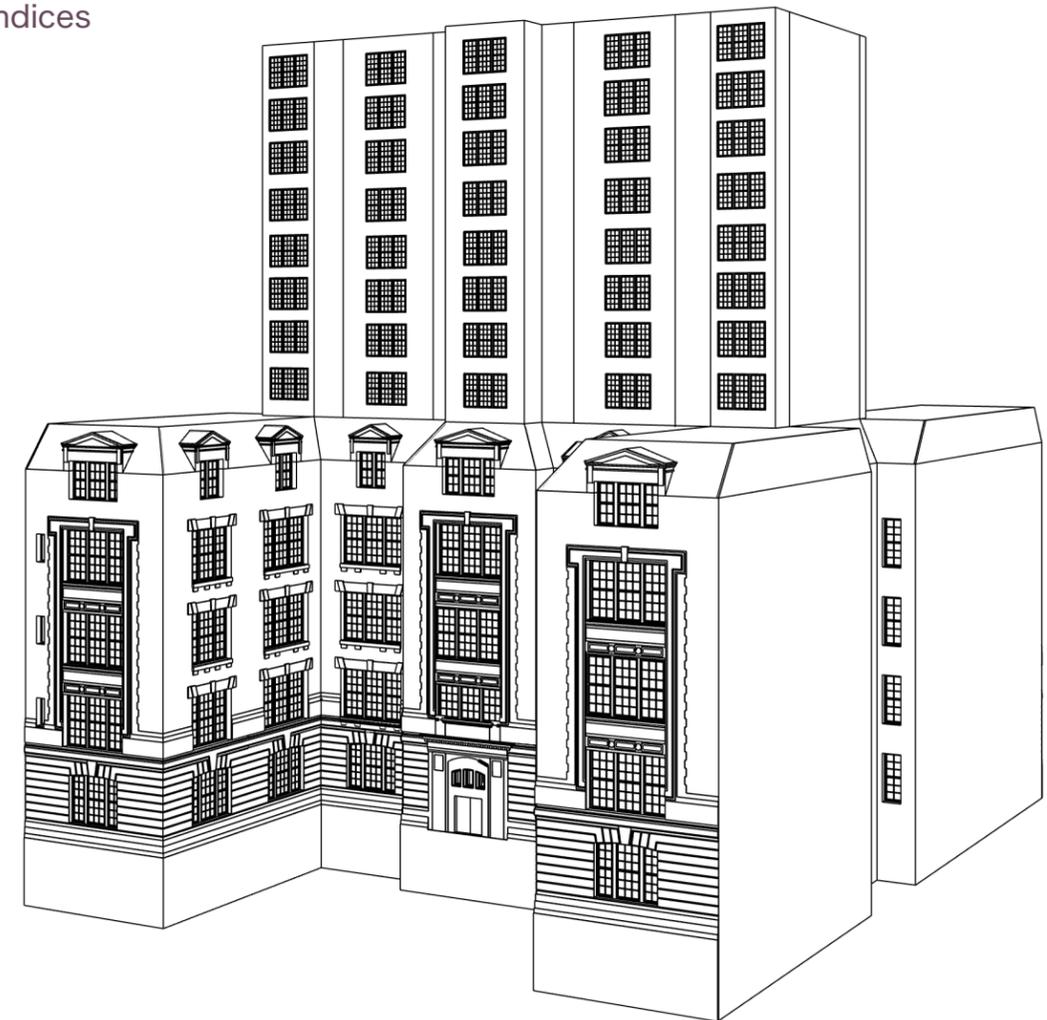
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## MOAI

(/mo,eye/) noun

A community that forms in order to provide support for social, financial, health, or spiritual interests.



## EXECUTIVE SUMMARY

To serve the East Village community, EMH Development proposes the Moai at 605 East 9th Street. This 100% affordable senior housing center is inspired by the concept of “moai” from Okinawa, Japan. Okinawa is one of the world’s five Blue Zones, places in which people live longer, happier, and healthier lives than on average. By integrating affordable housing with fitness opportunities, healthy dining, urban agriculture, and community-wide arts programming, the Moai will contribute to the longevity of its residents while directly responding to the community’s statement of needs.

At present, the Site is occupied by the landmarked former P.S. 64 school building. The French Renaissance Revival-style building was designed in 1904 by American architect C.B.J. Snyder. After the school was shuttered in 1977, the building housed the CHARAS/EI Bohio Community Center for two decades. The building was then purchased by a private developer, commencing a political, historical, and cultural battle that continues to this day. It was designated an official landmark by the New York City Landmarks Preservation Commission in 2016. The current owner’s recent foreclosure has opened up the possibility of new ownership and redevelopment.

This conversion will produce 304 units serving an average income of 60% AMI. The project has been awarded \$30,060,749 in 4% Low-Income Housing Tax Credit equity.

## OPPORTUNITY AT A GLANCE

**184,158 sf**

Project Scope

**Mixed Use**

Project Type

**100%**

Affordability

**60%**

Weighted AMI

**304**

Units

**15 Years**

Holding Period

**\$106,274,703**

Development Cost

**\$30,060,749**

LIHTC Equity

**1.37x**

Levered MOIC

**12.77%**

Levered IRR





# THE PROPERTY

## SITE AT A GLANCE

**392**

Block

**10**

Lot

**27,681 sf**

Lot Size

**150 ft**

Lot Frontage

**R8X**

Zoning Designation After ULURP

**184.54 ft**

Lot Depth

**93,420 sf**

Gross Floor Area

**Flood Zone, FRESH Zone, & Coastal Zone**

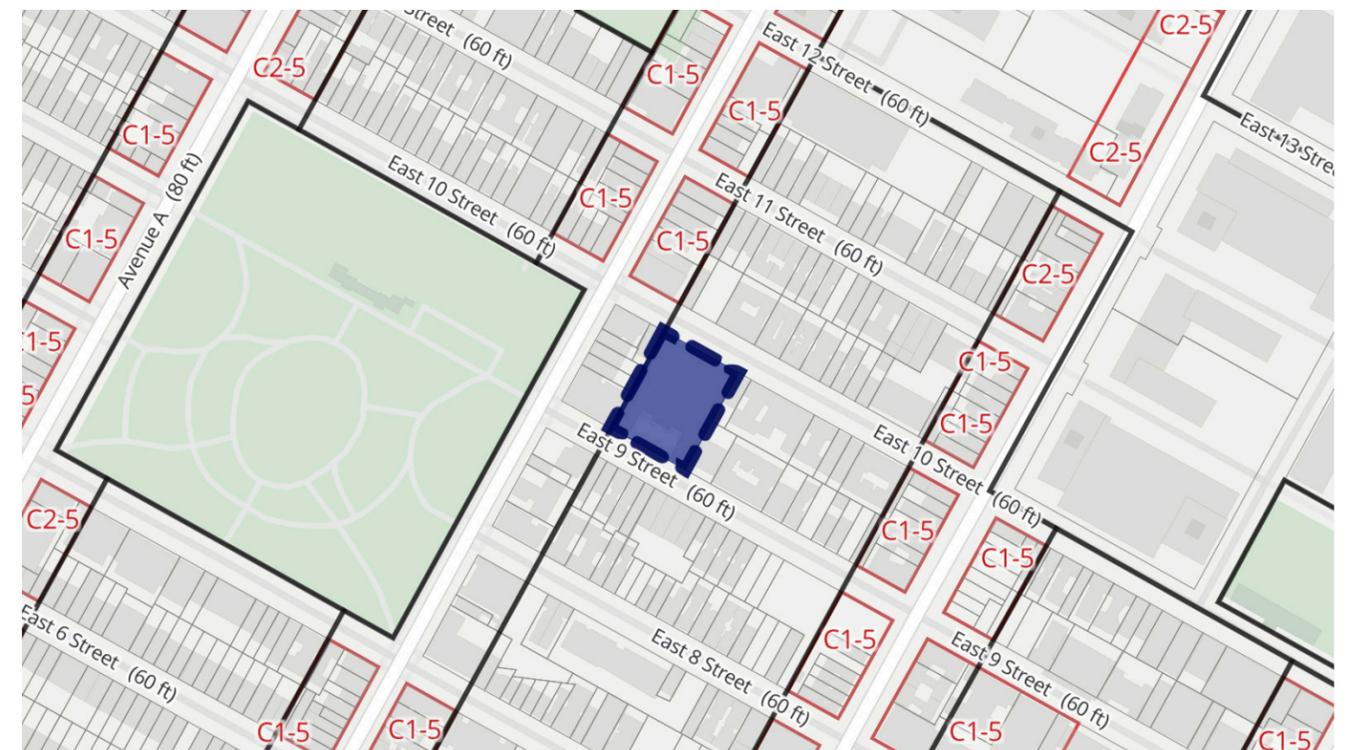
Zones

**Public Facilities & Institutions**

Land Use

**Manhattan CD 3**

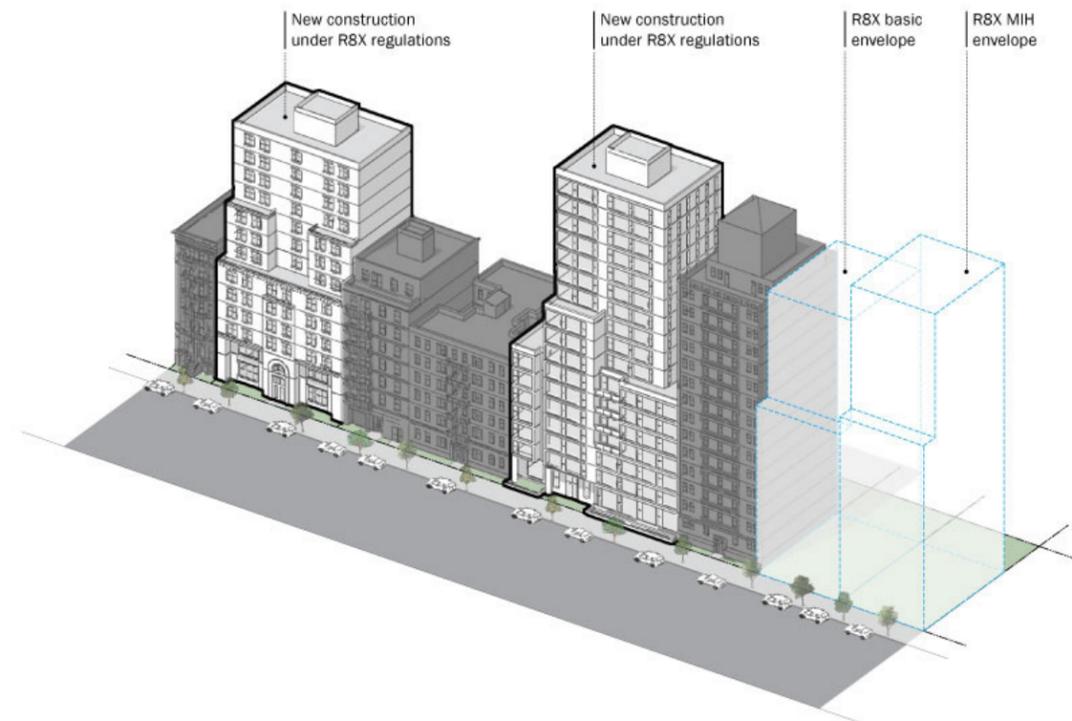
Community District



## ZONING ANALYSIS

The Site is currently zoned for residential use as R8B. The maximum FAR is 4.0 and maximum building height is 75 feet. EMH Development proposes rezoning the Site as an R8X Affordable Independent Residence for Seniors (“AIRS”) through the ULURP process. This rezoning will permit an FAR of 7.2 and a maximum building height of 175 feet. Four percent of usable square footage must be dedicated to community space servicing the senior residents, such as cafeterias or communal rooms. 90 percent of resident households must have at least one person aged 62 or older. The ground floor and basement may be dedicated to commercial use.

The Site falls into a FRESH Zone, a Coastal Zone, and a Flood Zone. The ensuing development is eligible for Low Income Housing Tax Credits.



## HISTORIC DESIGNATION

On June 20, 2006, the Landmarks Preservation Commission voted unanimously to designate P.S. 64. As per the building’s landmark designation report:

“Architecturally, P.S. 64 is a unique example of [architect C.B.J.] Snyder’s work in the French Renaissance Revival Style. Because Snyder was under severe pressure to produce large numbers of school buildings to house the fast-growing population, he occasionally repeated similar designs in other locations, but there is no school design like P.S. 64. Its keyed surrounds, slate-covered mansard roof, terra-cotta moldings and keystones, contrasting brick and stone materials, and pediments filled with fruit and foliage resulted in a visually prominent school building. This distinguished structure and its distinctive plan and siting in the middle of a crowded neighborhood of tenement buildings helped create a strong statement about the importance of education and the importance of the building itself in the crowded immigrant neighborhood.”

As a landmark, the Landmarks Preservation Commission must approve in advance any alteration, reconstruction, demolition, or new construction affecting the designated building. Considering the Moai’s mission-driven programming and minimally invasive design, EMH Development is not anticipating any issues.



## COMMUNITY ENGAGEMENT



EMH Development has conducted an inclusive community engagement initiative including outreach activities, public meetings, and workshops with multiple stakeholders to build consensus around a shared vision for the future of the P.S. 64 Site. This proposal is thus a reflection of the needs and ideas the community has expressed.

Council Member Rosie Mendez called P.S. 64 an important community educational and cultural institution. Resident Lillian Lifflander, who grew up in the neighborhood, spoke of the school uniting the many fractious ethnic groups that once populated the area, and the pride immigrant parents took in the school.

“We keep showing up here to ask for something very very simple. To save our community center, and bring it back to its full potential for the LES.” - Carlina Rivera, City Councilmember

“A space that large and open with such lovely light and windows could be such a boon for kids, artists, seniors, neighborhood events. I would love to see it...restored to its former glory.” - Stacie Joy, Community Member

## COMMUNITY BOARD 3

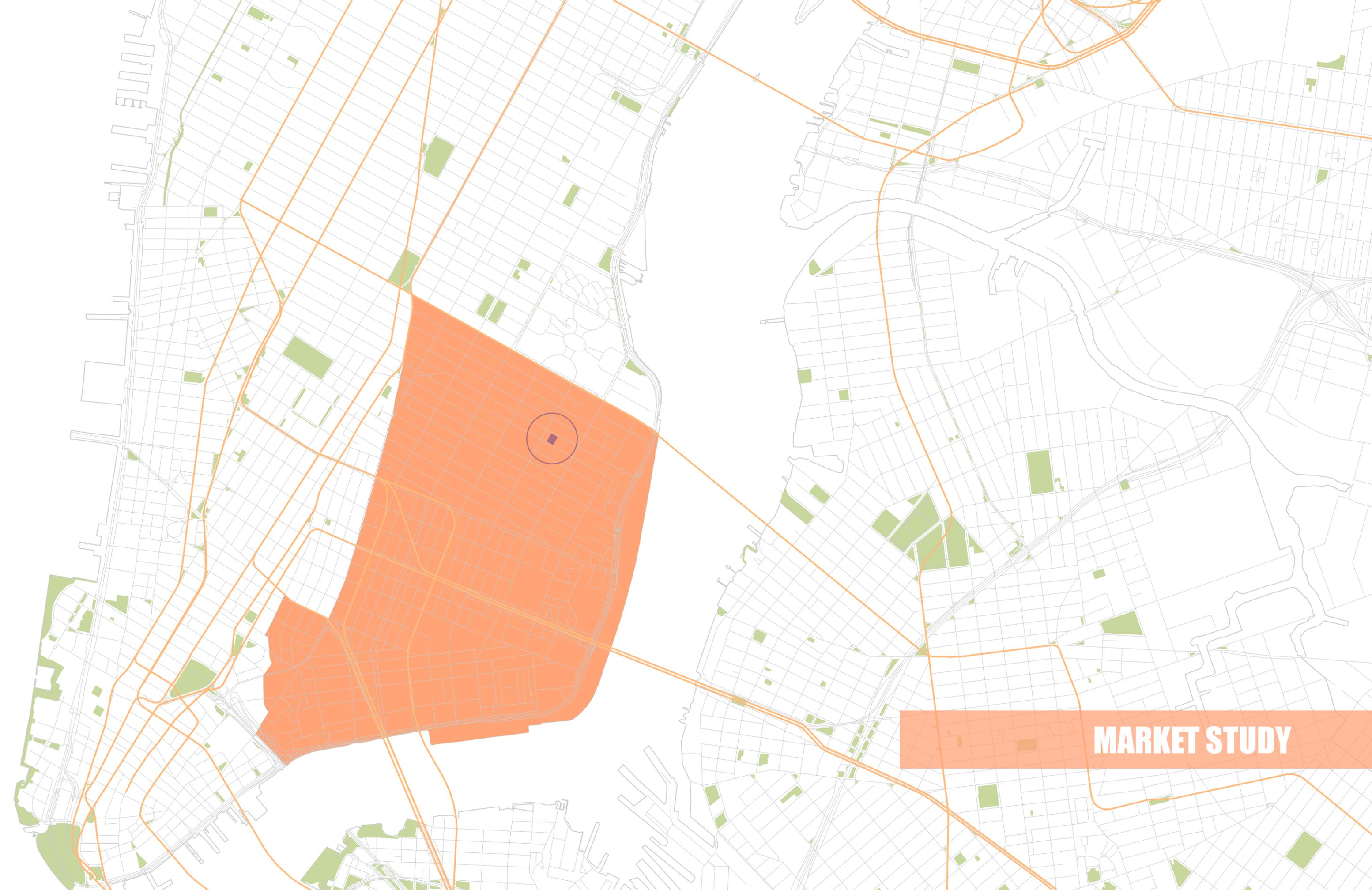
The neighborhood is in a historically Blue district. Its representatives are outspoken about the Site belonging to the community. Councilmember Carlina Rivera and Councilmember Rosie Mendez, in particular, will not make any other outcome easy. It will be important to get their support.

Community Board 3 has identified their top three needs as senior services, affordable housing, and homeless services. They have also identified the need for affordable, accessible arts and cultural opportunities. In direct response to these requests, EMH Development will provide 304 units of affordable senior housing, a third of which are dedicated to homeless or formerly homeless residents, and two floors of arts and cultural programming. From Community District 3's Statement of Needs:

“Nearly 20% of the neighborhood's population is over the age of 65, significantly greater than the citywide 14.1%. These residents are too often overly isolated, struggle with low self-esteem, and lack adequate opportunities for physical activity and mental stimulation.”

“Accessible arts and culture programming are key elements for civic dialogue and the empowerment of our most vulnerable populations. In the face of intensifying gentrification and the growth of exclusive, private cultural amenities in the district, neighborhood art venues, libraries, community gardens, and parks provide local, often low-cost, access to cultural programming that is particularly important to families with children and seniors, who often cannot otherwise afford access to commercial alternatives.”





**MARKET STUDY**

## WELCOME TO EAST VILLAGE

Historically a first stop for new immigrants, the East Village has been the center of the bohemian lifestyle since the early 1970s. Today, inconspicuous storefronts house some of the best restaurants and bars in the city. Side streets are filled with locally-owned jewelry and vintage shops. During the day, residents can relax outside at Tompkins Square Park or run along the East River. In the evening, the neighborhood's accessible nightlife scene draws New Yorkers from all five boroughs.

Despite the designation of historic districts and rezonings to keep new development contextual, conversions of older buildings into upscale housing has driven up housing prices in the neighborhood exponentially. Chain retailers are replacing mom-and-pop shops, and celebrity chef restaurants and destination nightclubs are replacing old neighborhood haunts. For example, the building that once housed the club CBGB, "the birthplace of punk," has recently been occupied by a John Varvatos shop.

Looking beyond the boutique shops, trendy bars, and fancy eateries, you'll see a rich history of activism and resilience in the area. During the Tompkins Square Riots in 1988, protestors fought for the rights of squatters and other community members to use Tompkins Square Park 24/7. P.S. 64 itself has a history of community resilience, as it was rehabilitated by local residents for community uses including arts and educational programming, after-school programs, theater productions, dance workshops, and film screenings. Alcoholics Anonymous and Narcotics Anonymous services were also offered on the Site.

Today, the Museum of Reclaimed Urban Space, a living archive of urban activism, can be found just a block away from the Site. The mission of the museum is to preserve history and promote scholarship of grassroots urban space activism by researching and archiving efforts to create community spaces. EMH Development strives to honor the neighborhood's history of art, activism, and accessibility through the Moai.



## COMMUNITY AT A GLANCE

**164,400**

Population

**17.9%**

Residents Over the Age of 65

**24%**

Persons Below Poverty Line

**\$41,091**

Per Capita Income

**71.2%**

High School or Higher

**31%**

Married

**34.5%**

Foreign Born

**41.4**

Median Age in Years

**37.2%**

Residents Under the Age of 18

**3.6%**

Unemployed

**\$41,302**

Median Household Income

**43.3%**

Bachelor's Degree or Higher

**38.6%**

Rent Burdened

**28.6%**

Limited English Proficiency

## NEIGHBORHOOD AMENITIES



The Moai's residents can take advantage of the ample green space and dining opportunities in the surrounding area. However, there is a shortage of health services, senior services, and arts programming in the Site's walkable vicinity. The Moai will directly respond to this shortage by providing these services in-house.

● **Grocery:**

- CTown Supermarkets
- Associated Supermarkets
- Nur Grocery
- Alphabet Grocery
- Key Food Urban Marketplace

● **Health Services:**

- NYC Health + Hospitals

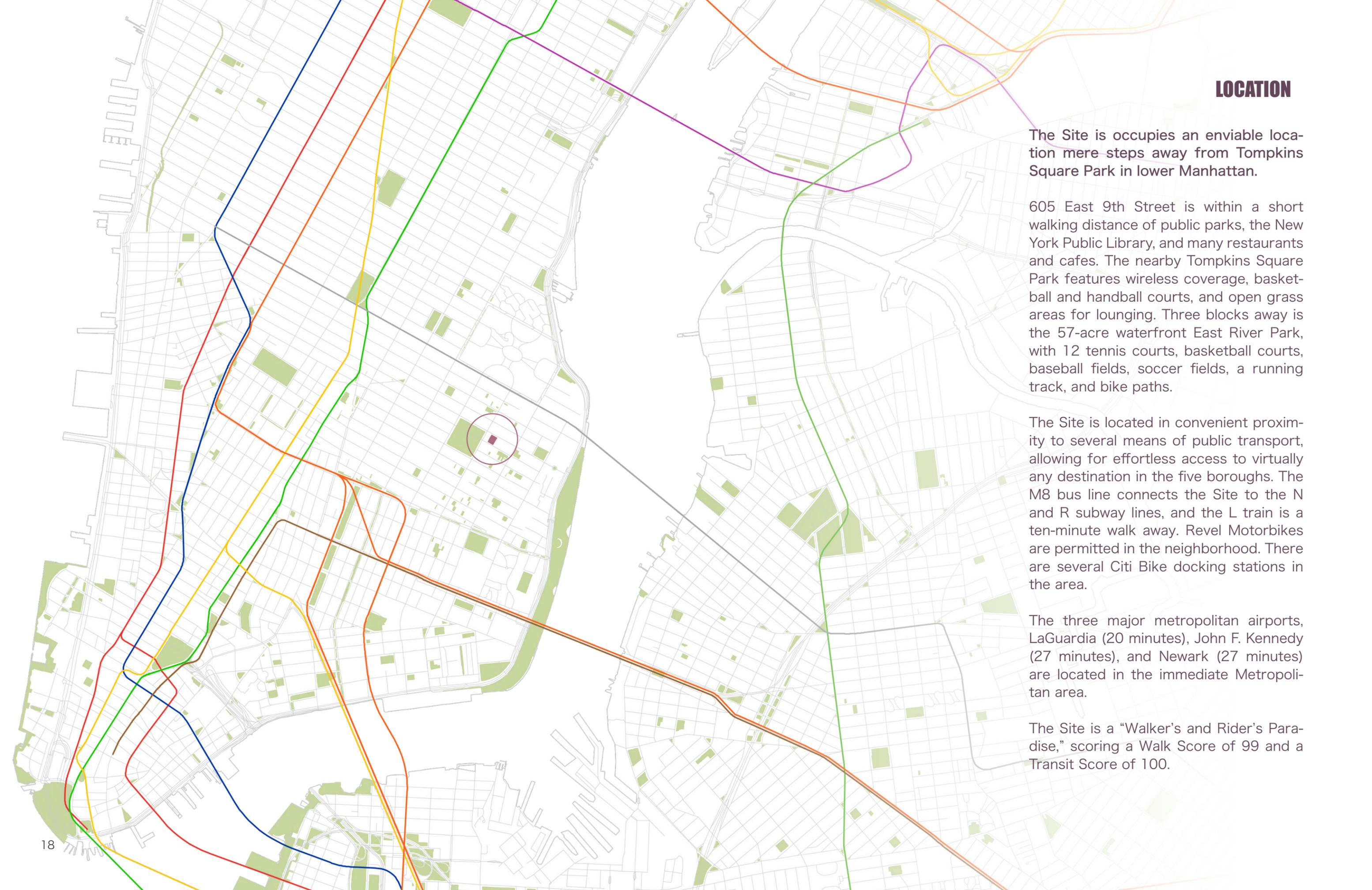
● **Bar/Restaurant:**

- Pardon My French
- Tompkins Square Bagels
- Death & Company
- Please Don't Tell
- The Wayland
- Ama Raw Bar

● **Arts/Culture:**

- Tompkins Square Library
- Museum of Reclaimed Urban Space
- 3A Gallery
- Dacia Gallery





## LOCATION

The Site occupies an enviable location mere steps away from Tompkins Square Park in lower Manhattan.

605 East 9th Street is within a short walking distance of public parks, the New York Public Library, and many restaurants and cafes. The nearby Tompkins Square Park features wireless coverage, basketball and handball courts, and open grass areas for lounging. Three blocks away is the 57-acre waterfront East River Park, with 12 tennis courts, basketball courts, baseball fields, soccer fields, a running track, and bike paths.

The Site is located in convenient proximity to several means of public transport, allowing for effortless access to virtually any destination in the five boroughs. The M8 bus line connects the Site to the N and R subway lines, and the L train is a ten-minute walk away. Revel Motorbikes are permitted in the neighborhood. There are several Citi Bike docking stations in the area.

The three major metropolitan airports, LaGuardia (20 minutes), John F. Kennedy (27 minutes), and Newark (27 minutes) are located in the immediate Metropolitan area.

The Site is a “Walker’s and Rider’s Paradise,” scoring a Walk Score of 99 and a Transit Score of 100.

## MARKET ANALYSIS

Over the past month alone, the average rent for a studio apartment in East Village increased by 17% to \$2,925. The implications of this are twofold: homes East Village are in high demand, and the need for affordable housing is greater than ever.

The neighborhood has a higher than NYC-average percentage of residents over the age of 65, at nearly 20%. Over a third of the neighborhood's residents are rent burdened. Nearly a third have limited English proficiency. A quarter of East Village residents fall below the poverty line.

**\$2,925**

Studio Monthly Rent

**\$3,400**

1-Bedroom Monthly Rent

**\$4,213**

2-Bedroom Monthly Rent

**\$5,750**

3-Bedroom Monthly Rent

**\$7,350**

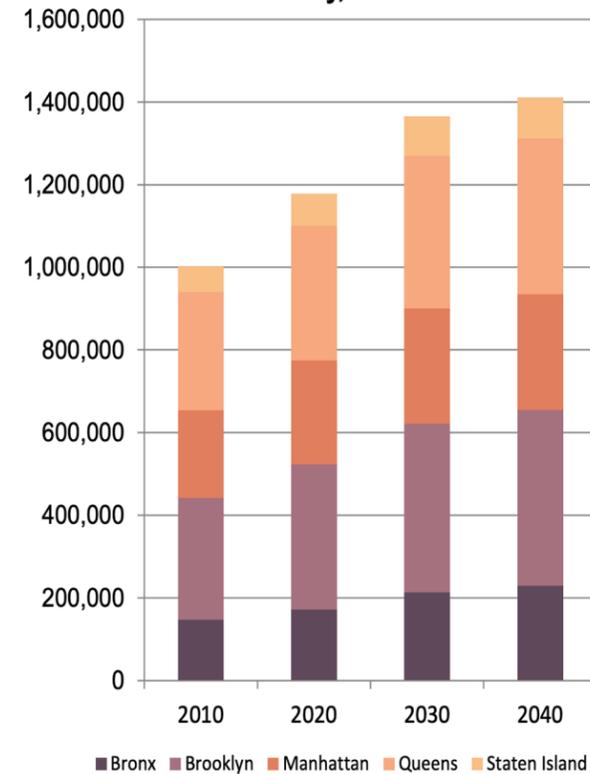
4-Bedroom Monthly Rent

**11%**

Vacancy

## SENIOR HOUSING INVESTING FORECAST

**Projected Population 65 and over in New York City, 2010-2040**



The outlook for the senior housing sector is robust. 1.2 million New Yorkers are now over the age of 65, a senior population that has gone up by nearly 30 percent in the past decade. Senior housing occupancy is expected to rebound from the pandemic in the next half decade. We're only a few years out from when the next generation - the oldest baby boomers - will hit their 80s, the median age for people to enter senior housing. The 85+ population is forecasted to grow 177% to 18.5 million by 2050.

Over a five-year period, senior housing returns have outperformed the NPI and multifamily in total returns and income returns. The senior housing sector's stronger performance may reflect the fact that senior housing has experienced continuous demand growth, despite the effects of COVID-19 and significant fluctuations in the general economy.

### CUMULATIVE NCREIF TOTAL RETURNS NPI VS. MULTI-FAMILY VS. SENIOR HOUSING

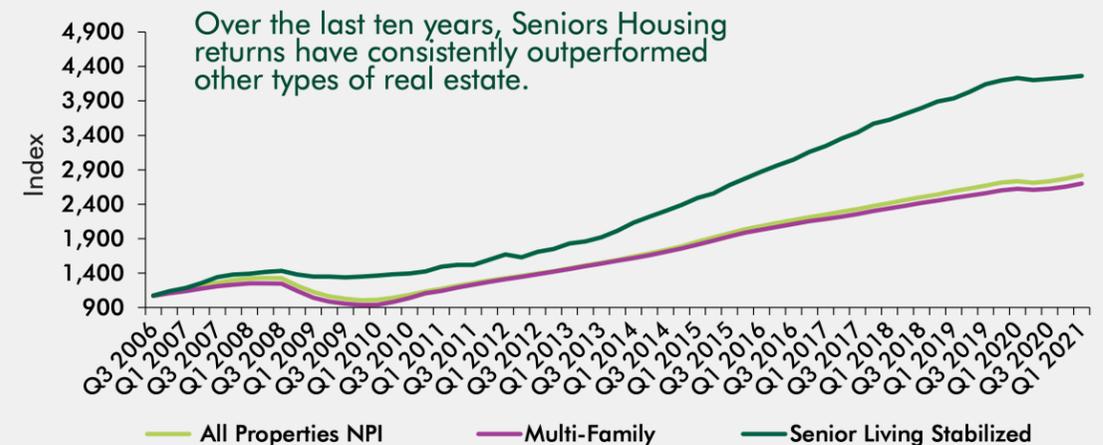


Chart Source: NCREIF Query Tool. 1Q 2006 = 1,000.

# NEW YORK'S SENIOR HOUSING LANDSCAPE

## High-End Options



### Inspir Carnegie Hill

**Opened:** March 2021

**Size:** 215 apartments, 7 penthouses

**Care & cost:** Studios, 1-bedrooms, and 2-bedrooms available on the assisted, enhanced, and memory-care levels starting at \$13,500/mo. Penthouses starting at \$17,000/mo.

**Amenities:** Pool, meditation classes, (well-attended) horticultural-therapy program, art studio, cocktail lounge



### Sunrise at East 56th

**Opened:** December 2021

**Size:** 151 apartments

**Care & cost:** Studios and 1-bedrooms range from \$13,000 to \$21,000/mo for assisted living and memory care, respectively.

**Amenities:** Ergonomic furniture, two grand pianos, in-house Juilliard and Carnegie Hall performances, painting class, physical-therapy sessions



### The Bristol at York Avenue

**Opened:** February 2022

**Size:** 132 apartments

**Care & cost:** Studios range from \$12,800 to \$20,150/mo for assisted living and memory care, and assisted-living 1-bedrooms cost \$24,000/mo.

**Amenities:** Fireside living room and glass-enclosed terrace on each floor, in-house Juilliard performances and Columbia-professor-led lectures

## Affordable Options



### One Flushing

**Opened:** February 2019

**Size:** 232 apartments

**Affordability:** 66 units set aside for low-income seniors

**Amenities:** Korean desert shop, urgent care facility, community center, laundry room, gym, rooftop farm



### Stonewall House

**Opened:** January 2020

**Size:** 145 apartments

**Affordability:** Housing for individuals over 62 years of age who earn 60% or less of the AMI, 25% of units occupied by formerly homeless residents

**Amenities:** Ground-floor SAGE center for LGBTQ elders



### 1080 Washington

**Opened:** October 2021

**Size:** 154 apartments

**Affordability:** 37% of units are reserved for formerly-incarcerated seniors

**Amenities:** Sunroom with hydroponic planting beds, exercise space, social-services space on the ground floor

## USER ANALYSIS

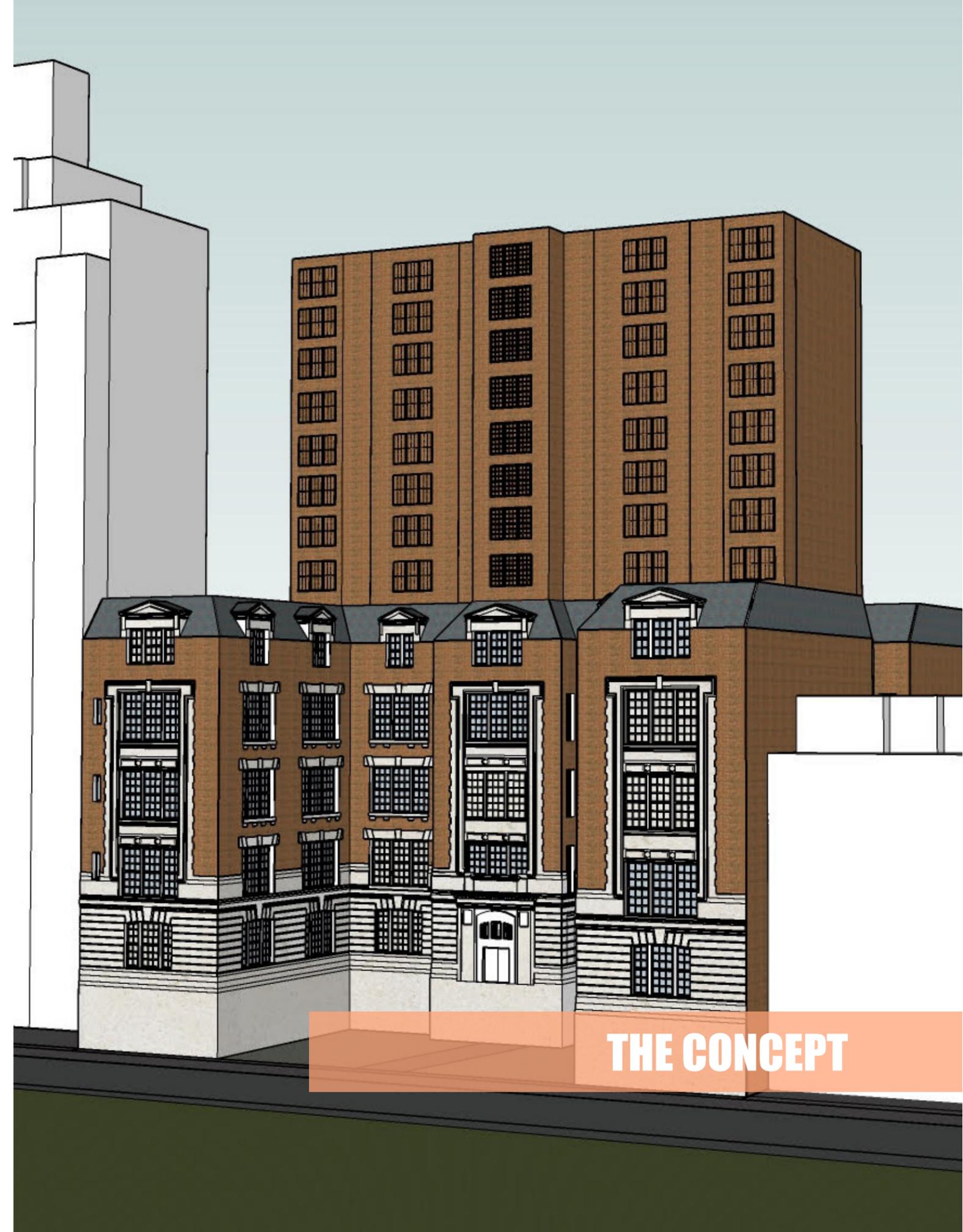
### Seniors

These independent seniors are 62 years and older, making 80% or below the AMI, and looking for opportunities to be active, eat well, and live a healthy, social lifestyle. These seniors are not all English speakers and will require services in multiple languages. As these residents are typically single or couples, they will predominantly be looking for 1-bedroom apartments. In certain situations, a studio is better suited to the resident's needs.



### Families & Children

These families are looking for accessible, kid-friendly arts and cultural experiences in a rapidly gentrifying city. After-school creative outlets would particularly benefit these families. As they are not all English speakers, these families would benefit from services in multiple languages.



THE CONCEPT

## THE OPPORTUNITY

In direct response to Community Board 3's request for senior services and more easily accessible arts and culture opportunities, EMH Development proposes the Moai, a 304-unit, 100% affordable senior housing and arts and culture center.

The Moai offers 40 units at 40% AMI, 100 units at 50% AMI, 51 units at 60% AMI, 41 units at 70% AMI, and 72 units at 80% to serve an average income of 60% AMI. A third of these units will be dedicated to homeless or formerly homeless residents.

The Moai will provide a culturally rich environment where older adults can engage with peers, make new friends, keep physically active, explore new interests, enjoy the building's arts and culture programming, and give back through volunteer opportunities. Its programming is inspired by patterns across the world's Blue Zones, regions of the world with a higher than usual number of people living much longer than average. These Blue Zones commonly prioritize community, movement, purpose, and healthy diet. The Moai will do the same.

**Community:** The Moai will foster a healthy social network through its provision of over 7,000 sf of community space.

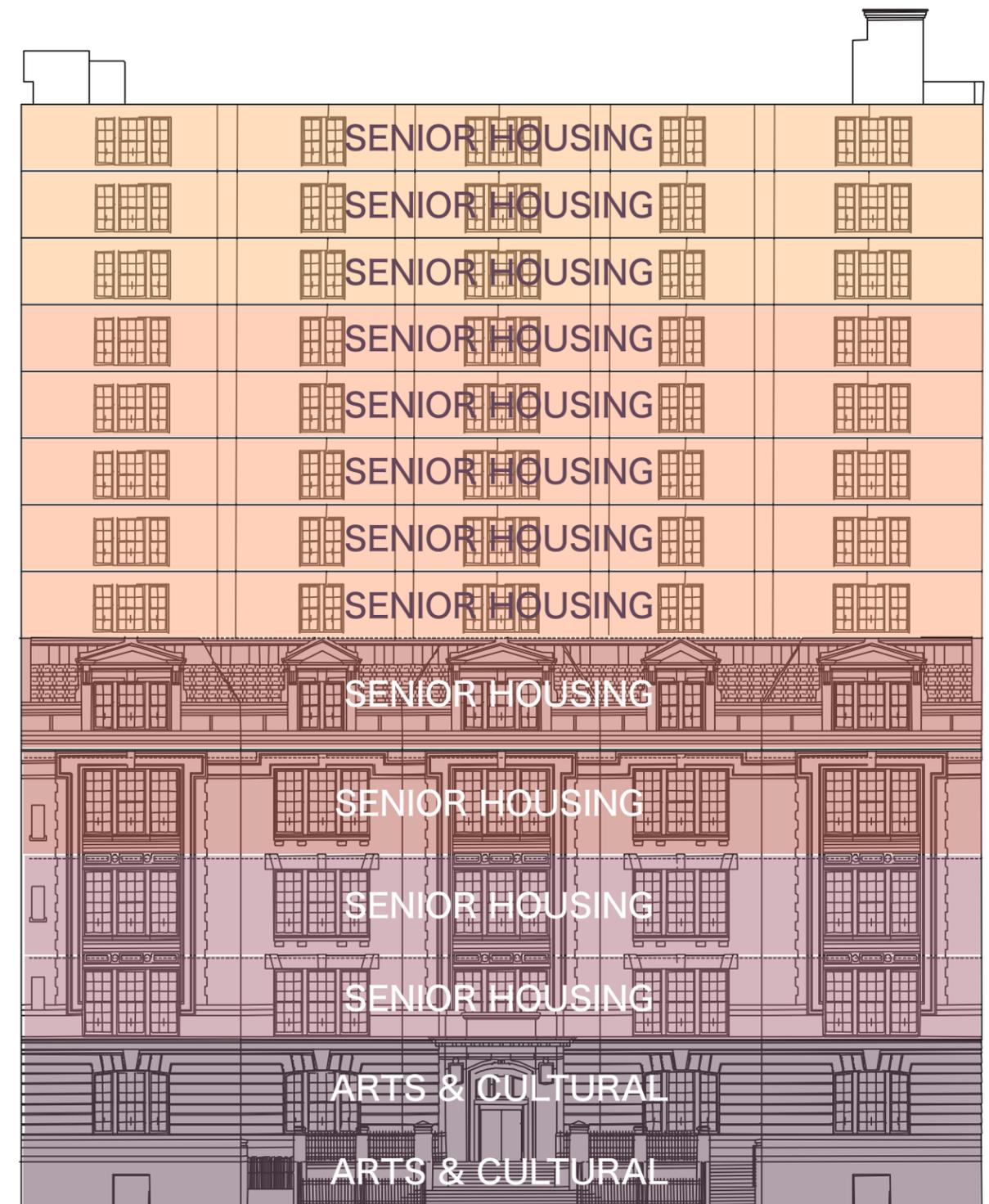
**Movement:** The development will provide a state-of-the-art gym offering group and individual fitness classes and encouraging daily exercise.

**Purpose:** The Moai's courtyard gardens will be run by the residents and provide daily access to greenery. Residents will also have the opportunity to volunteer for events in the building's ground floor arts and cultural center.

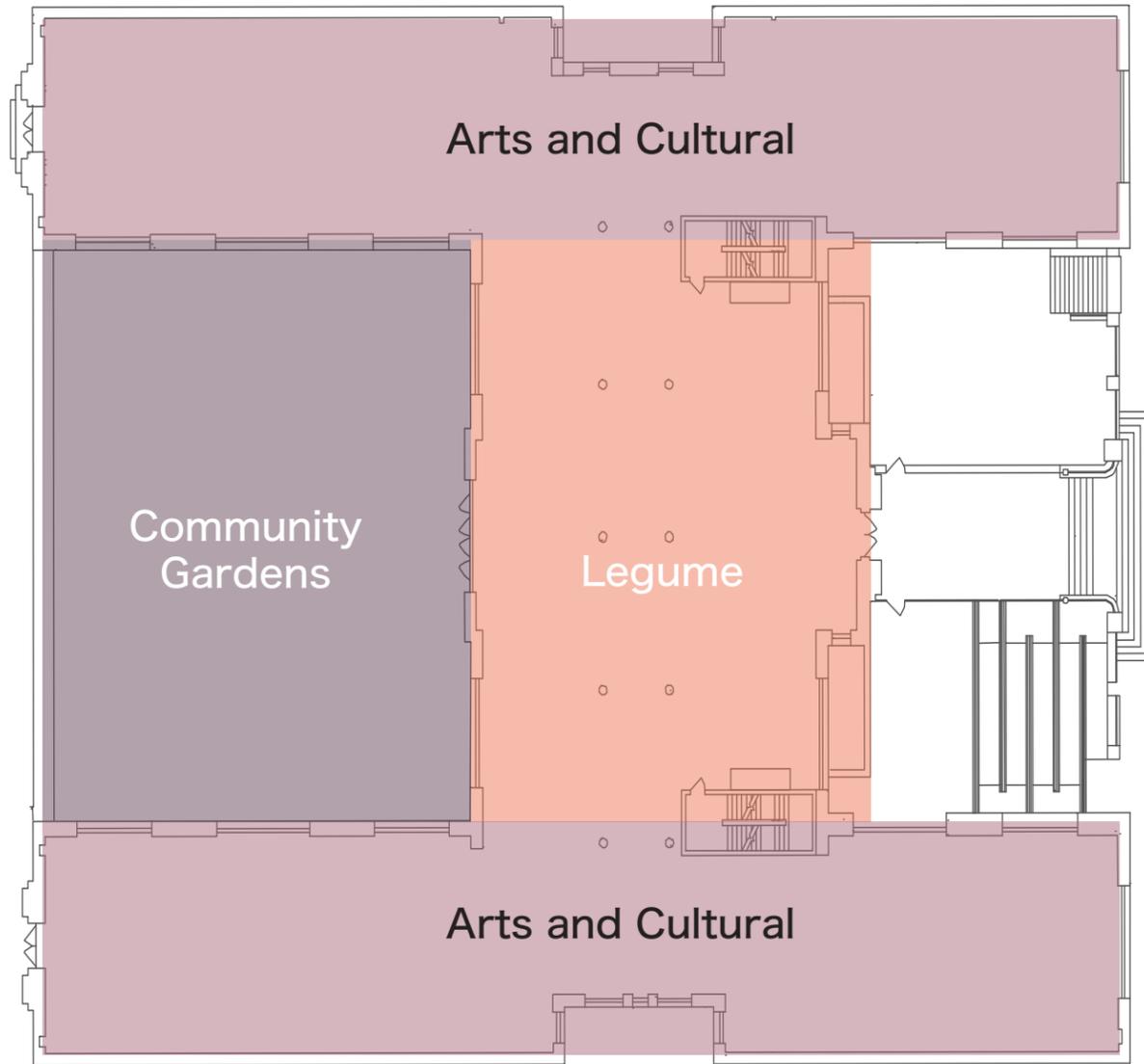
**Healthy diet:** Legume, the development's restaurant, will offer primarily vegetarian fares to both the community and the residents.

On the ground floor and basement levels, the Moai will offer arts and cultural programming, including a ceramics studio, art gallery, and other arts-related retail promoting diversity and inclusion in the cultural workforce. A renovated auditorium will provide a venue for performing arts events. Culturally and linguistically appropriate services will be provided for both residents and visitors.

## PROGRAMMING



## GROUND FLOOR PROGRAMMING



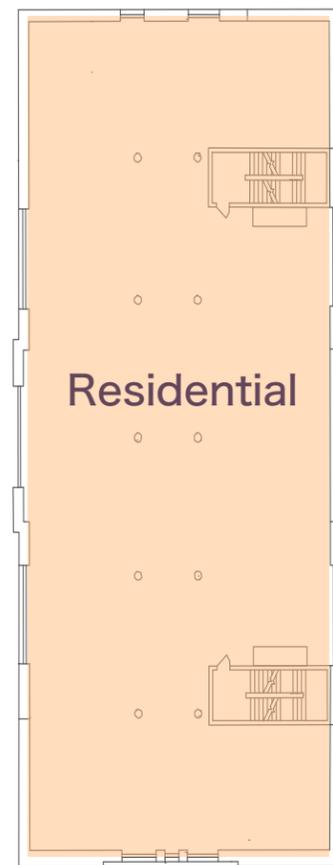
The building's first floor will be dedicated primarily to arts and cultural programming, including a ceramics throwing and painting studio and an art gallery. The gallery will be operated by Society of Certified Senior Advisors, a gallery for artists over the age of 60. Both members of the community and residents can enjoy predominantly vegetarian fare at Legume, Moai's ground floor restaurant. Residents can volunteer in the courtyard gardens.



## RESIDENTIAL PROGRAMMING



**2nd - 5th Floors**

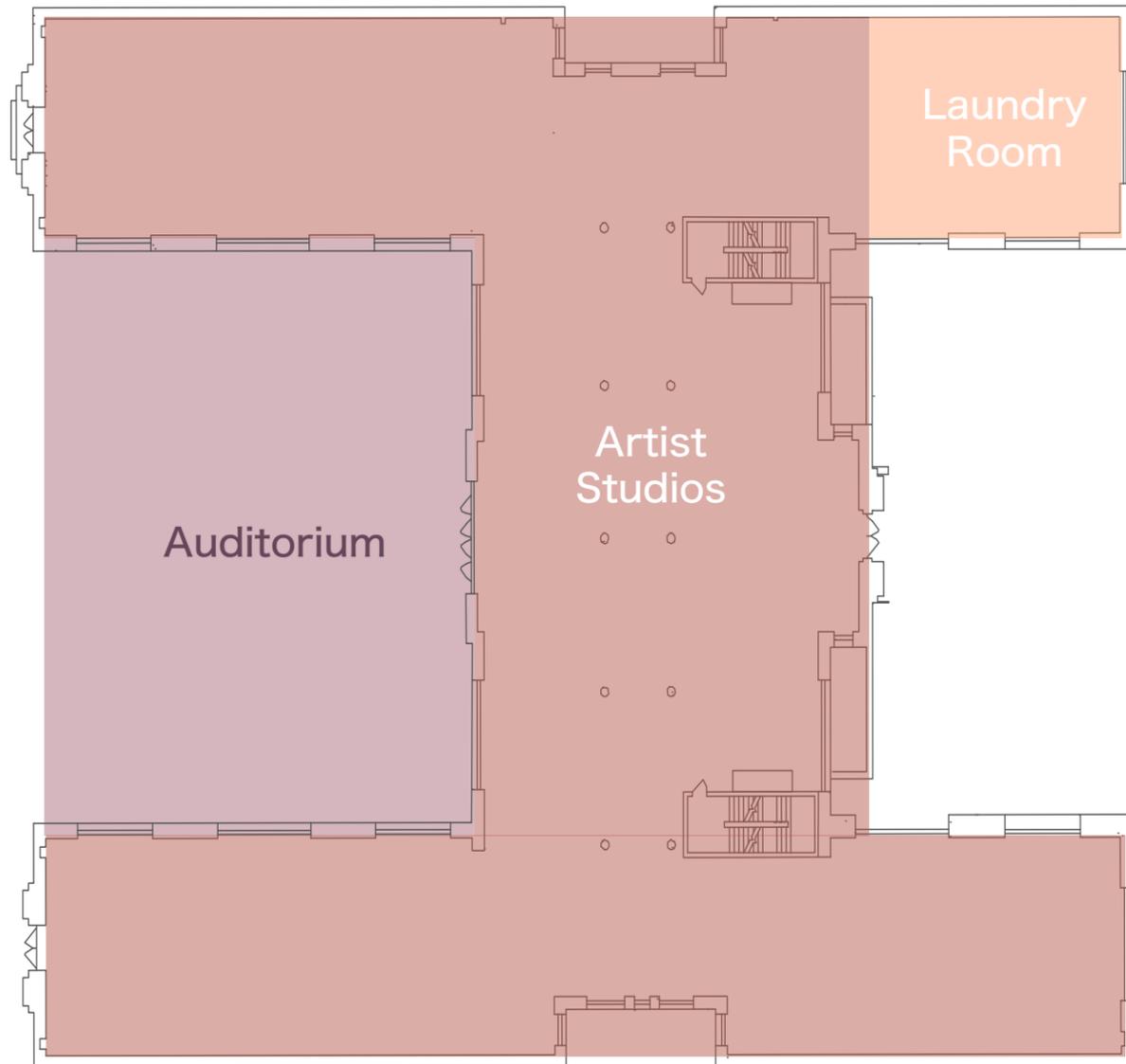


**6th - 13th Floors**

The upper floors will be predominantly residential. The second through fifth floors will feature resident-only community spaces, including a fitness center, kitchen, dining room, library, and communal areas. Group fitness classes will be offered in the fitness center. The floors above will be dedicated entirely to residential use. The residences will be designed specifically to meet the needs of seniors, with smaller individual units and more common areas.



## BASEMENT PROGRAMMING



The old auditorium will be converted into an accessible performance space. Artist studios will be offered at below-market rents. Building residents will have access to the laundry room.



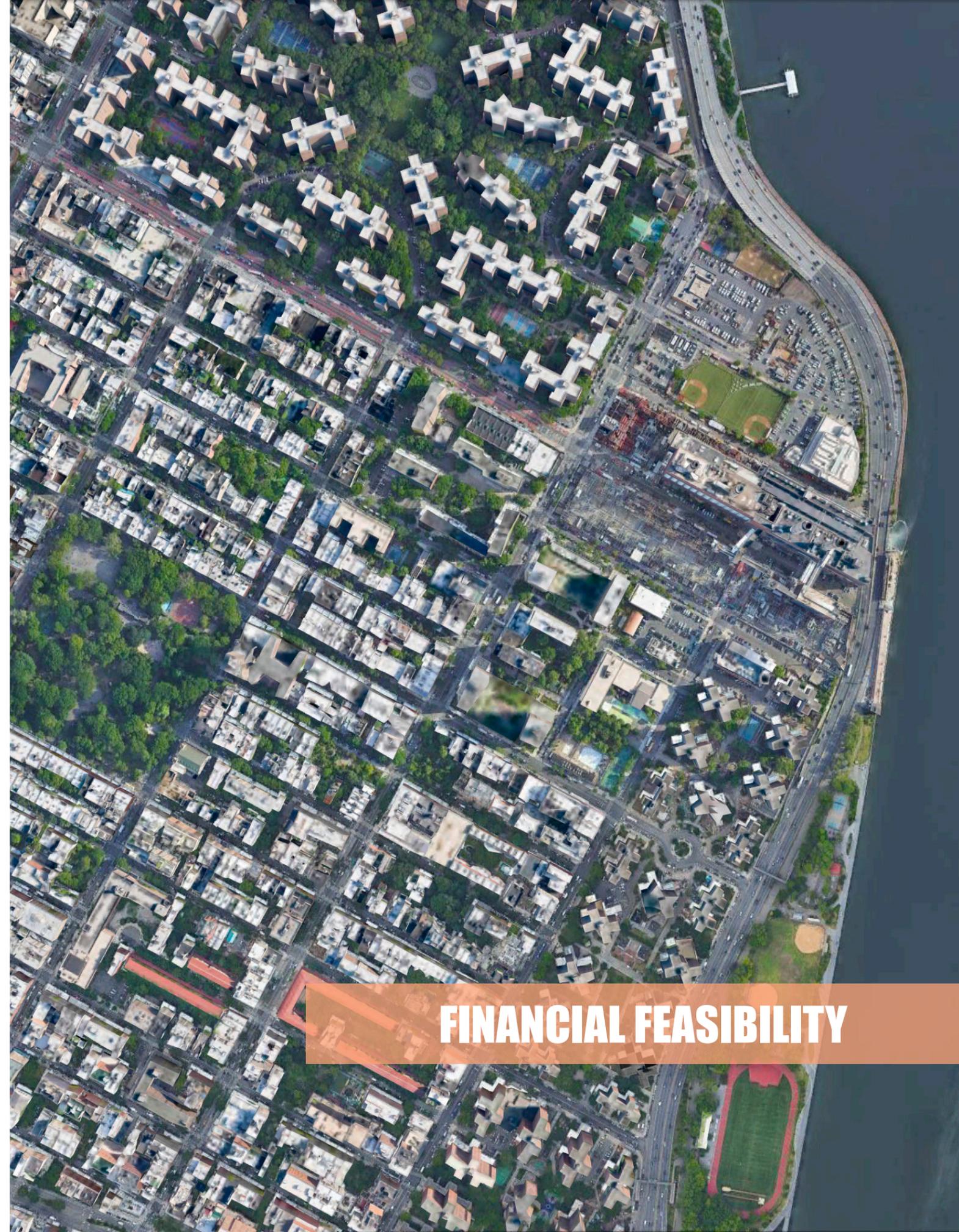
## AFFORDABILITY REQUIREMENTS

One of the more significant challenges in developing this Site as 100% affordable housing is achieving an adequately substantial cash flow to cover the cost of construction. Because of this, the Moai will utilize the city's Senior Affordable Rental Apartments (SARA) incentive program. In order to comply with SARA, the project must underwrite a third of units to be set aside for homeless or formerly homeless residents at 50% AMI. SARA funding is only eligible for units rented up to 60% AMI. At least one member of each household must be 62 years or older. The units set aside for homeless residents may house those aged 55 and above.

The project will also utilize 4% Low-Income Housing Tax Credits, which requires a building-wide average income of 60% AMI or below. The Affordable Independent Residences for Seniors (AIRS) upzoning requires at least 90% of units to be occupied by a resident aged 62 or above. The result of these constraints is a unit affordability mix as follows:

Unit Mix & Affordability				
	30% AMI	40% AMI	50% AMI	60% AMI
Studio	0	13	33	15
1 Bedroom	0	27	67	36
2 Bedroom	0	0	0	0
3 Bedroom	0	0	0	0
<b>Total</b>	<b>0</b>	<b>40</b>	<b>100</b>	<b>51</b>
% of Total	0.0%	20.9%	52.4%	26.7%

	70% AMI	80% AMI	Total	% of Total
Studio	15	24	61	31.9%
1 Bedroom	26	48	130	68.1%
2 Bedroom	0	0	0	0.0%
3 Bedroom	0	0	0	0.0%
<b>Total</b>	<b>41</b>	<b>72</b>	<b>191</b>	<b>100.0%</b>
% of Total	21.5%	37.7%	100.0%	



**FINANCIAL FEASIBILITY**

## CAPITAL STRUCTURE

Construction Sources				
		% of total	per DU	\$/sqft
CPC Construction Loan	\$84,133,888	71.15%	\$276,756	\$457
HPD SARA	\$23,875,000	20.19%	\$78,536	\$130
LIHTC Equity	\$4,509,112	3.81%	\$14,833	\$24
Deferred Developer's Fee	\$5,726,309	4.84%	\$18,837	\$31
<b>TOTAL CONSTRUCTION SOURCES</b>	<b>\$118,244,309</b>	<b>100.00%</b>	<b>\$388,962</b>	<b>\$642</b>
(GAP) / SURPLUS	(S0)			

Permanent Sources				
		% of total	per DU	\$/sqft
Freddie Mac Conventional	\$65,349,092	51.51%	\$214,964	\$355
HPD SARA	\$23,875,000	18.82%	\$78,536	\$130
LIHTC Equity	\$30,060,749	23.69%	\$98,884	\$163
Developer's Equity	\$1,925,305	1.52%	\$6,333	\$10
Deferred Developer's Fee	\$5,660,267	4.46%	\$18,619	\$31
<b>TOTAL PERMANENT SOURCES</b>	<b>\$126,870,413</b>	<b>100.00%</b>	<b>\$417,337</b>	<b>\$689</b>
(GAP) / SURPLUS	(S0)			

Construction Uses				
		% of total	per DU	\$/sqft
Acquisition	\$28,000,000	23.68%	\$92,105	\$152
Hard Costs	\$51,188,760	43.29%	\$168,384	\$278
Soft Costs	\$27,085,943	22.91%	\$89,098	\$147
Capitalized Interest	\$8,525,597	7.21%	\$28,045	\$46
Closing Costs	\$3,444,009	2.91%	\$11,329	\$19
<b>TOTAL CONSTRUCTION USES</b>	<b>\$118,244,309</b>	<b>100.00%</b>	<b>\$388,962</b>	<b>\$642</b>

Permanent Uses				
		% of total	per DU	\$/sqft
Refi	\$122,260,794	103.40%	\$402,174	\$664
Origination Fee	\$914,364	0.77%	\$3,008	\$5
Closing Costs	\$3,695,255	3.13%	\$12,155	\$20
<b>TOTAL PERMANENT USES</b>	<b>\$126,870,413</b>	<b>107.30%</b>	<b>\$417,337</b>	<b>\$689</b>

LIHTC		
Eligible Basis		\$69,123,532
Eligible Basis per unit	\$227,380	
Maximum Eligible Basis per unit	\$400,000	
Maximum Eligible Basis		\$121,600,000
Adjusted Eligible Basis		\$69,123,532
Eligible Basis w. Waiver of Max.		\$69,123,532
Basis Boost	30%	\$20,737,060
Total Adjusted Basis		\$89,860,592
Applicable Fraction	100.00%	\$89,860,592
Annual Credit Rate	3.28%	\$2,947,427
Actual Allocation		\$2,947,427
Actual Allocation per unit	\$9,695	
Percent Purchased	99.99%	\$2,947,132
Raise	\$1.02	\$3,006,075
<b>Total Amt Raised</b>		<b>\$30,060,749</b>

Return Metrics	
Unlevered Project IRR	6.73%
Unlevered Project MOIC	0.66x
Levered Project IRR	12.17%
Levered Project MOIC	1.21x
Weighted AMI	60%

## DEVELOPMENT COSTS

Acquisition Cost			
Land	\$92,105	/du	\$28,000,000
<b>Total: Acquisition Costs</b>			<b>\$28,000,000</b>
Construction Cost			
Demolition / Sitework			\$150,000
Residential	\$300.00	/gsf	\$41,955,000
Commercial	\$150.00	/gsf	\$5,549,550
Community Facility	\$150.00	/gsf	\$1,096,650
<b>Subtotal: Construction Cost</b>			<b>\$48,751,200</b>
Contingency	5%		\$2,437,560
<b>Total: Hard Cost</b>	\$ 168,384	/unit	<b>\$51,188,760</b>
Soft Cost			
Borrower's Legal			\$175,000
Borrower's Engineer/Architect Fees			\$780,000
Borrower's Land Use Attorney			\$2,400
Accounting & Cost Certification			\$20,000
Bank's Engineer			\$49,500
Bank Legal			\$55,000
Permits and Expediting			\$30,000
Phase I and II, Asbestos Testing, RAP Monitoring			\$115,000
Environmental Assessment (CEQR, etc.)			\$25,000
Commissioning			\$33,000
Controlled Inspections			\$90,000
Sustainability Consultant			\$50,000
Environmental Investigation			\$150,000
Survey			\$16,000
Appraisal			\$8,000
Borings			\$8,000
Title Insurance	0.45%	of 1st, 2nd, 3rd	\$486,040
<b>Subtotal: Third Party Costs</b>			<b>\$2,092,940</b>
Financing Fees			
Letter of Credit Commitment Fee	1.00%	of LOC	\$914,364
Perm Due Diligence Application Fee			\$18,000
Perm Loan Application Fee	0.10%	of LOC	\$91,436
Forward Commitment Fee	2.00%	of LOC	\$1,828,728
Perm Loan Origination Fee	1.00%	of LOC	\$914,364
HPD Fees	0.25%	of LOC	\$228,591
Syndication Fee			\$45,000
Tax Exemption/Abatement Fees & Legal			\$30,100
LIHTC Allocation Fee and Binding Fee			\$127,048
LIHTC Application Fee			\$1,000
<b>Subtotal: Financing Fees</b>			<b>\$4,198,631</b>
Carrying Costs			
Construction Interest			\$8,525,597
Construction Monitor			\$7,200
Marketing	\$1,200	/du	\$364,800
Insurance			\$206,200
<b>Subtotal: Carrying Costs</b>			<b>\$9,103,797</b>
Reserves and Contingency			
Capitalized Operating Reserve	\$1,000	/du	\$304,000
Furnishings Reserve for Homeless DU	\$3,000	/du	\$0
<b>Subtotal: Reserves and Contingency</b>			<b>\$304,000</b>
Total Soft Costs			
Developer's Fee	12.00%		\$ 11,386,575
<b>Total Development Cost:</b>			<b>\$106,274,703</b>

## RENT & OPERATING ASSUMPTIONS

Non-Residential Income			
	# Spaces	\$/Month	Annual
Parking	0	\$80	\$0
	SF		
Commercial / Artist Studios	36,997	\$70	\$2,589,790
Community	7,311	\$0	\$0
	# units	\$/Year	
Laundry & Vending	304	\$100	\$30,400
<b>Subtotal Non-Residential</b>		<b>\$2,620,190</b>	
			<i>38.96% of total income</i>

Residential Income									
	\$95,500 HUD 2021 AMI (Assuming Family Size of 2)		30% AMI		40% AMI		50% AMI		
	Homeless @ 50% AMI (ESSHI)								
	# Units	Monthly Rent	# Units	Monthly Rent	# Units	Monthly Rent	# Units	Monthly Rent	
Studio	33	\$777	0	\$419	13	\$598	0	\$777	
One	67	\$980	0	\$532	27	\$756	0	\$980	
Two	0	\$1,168	0	\$631	0	\$900	0	\$1,168	
<b>Total Rental Units</b>	<b>100</b>	<b>\$91,301</b>	<b>0</b>	<b>\$0</b>	<b>40</b>	<b>\$28,186</b>	<b>0</b>	<b>\$0</b>	
	33%		0%		13%		0%		

	60% AMI		70% AMI		80% AMI		Totals		
	# Units	Monthly Rent	# Units	Monthly Rent	# Units	Monthly Rent	# Units	Annual Rent	
Studio	15	\$956	15	\$1,135	24	\$1,314	100	\$1,155,792	
One	36	\$1,204	26	\$1,427	48	\$1,651	204	\$2,949,192	
Two	0	\$1,437	0	\$1,705	0	\$1,974	0	\$0	
<b>Total Rental Units</b>	<b>51</b>	<b>\$57,684</b>	<b>41</b>	<b>\$54,127</b>	<b>72</b>	<b>\$110,784</b>	<b>304</b>	<b>\$3,455,460</b>	
	17%		13%		24%				
								<b>Subtotal Residential</b>	<b>\$4,104,984</b>
									<i>61.04% of total income</i>

M&O Expenses			
Legal		\$66,880	\$220 /du
Accounting/Bookkeeping		\$16,000	\$16,000 per proj.
Management Fee		\$116,992	3.0% of EGI
Fire & Liability Insurance		\$182,400	\$600 /du
Heating		\$91,200	\$300 /du
Electricity		\$49,856	\$164 /du
Water & Sewer		\$79,040	\$260 /du
Supplies/Cleaning/Exterminating		\$41,040	\$135 /du
Repairs/Replacement		\$152,000	\$500 /du
Elevator Maint. & Repairs	4	\$27,000	\$6,750 elev.
Building Reserve		\$76,000	\$250 /du
Benchmarking		\$495	\$495 per proj.
<b>M&amp;O Before Taxes and DS</b>		<b>\$898,903</b>	<b>\$2,957 per unit</b>
Real Estate Tax (420c - 60 years)		\$0	\$0 per unit
<b>Total Operating + Taxes</b>		<b>\$898,903</b>	<b>\$2,957 per unit</b>



**PROJECT MANAGEMENT**



## RISKS & MITIGANTS

### Risk 1: Negative ULURP outcome

Learning from the mistakes of the Site's previous owner, EMH Development has worked closely with the community and their representatives to ensure the Moai provides programming that directly responds to the Community District's Statement of Needs and provides opportunities for community and economic development outside of its affordable unit offering. The resultant project empowers its residents, enabling upward economic mobility through thoughtful programming and the provision of resources the neighborhood desperately needs. For this reason, EMH Development is confident in having community support throughout the ULURP process.

### Risk 2: Construction cost increases

Construction costs are part of the eligible basis for obtaining LIHTC funding. If the construction costs increase, the eligible basis would increase as well, and there will be access to additional equity.

### Risk 3: High residential or retail vacancy

The New York City HPD receives approximately 700 applications for each available affordable unit. Because it's so competitive, affordable housing units experience lower than average vacancies across the city. To combat potential retail vacancies, EMH Development has underwritten conservative rental amounts of \$70 psf for ground floor retail in comparison to the average of \$100 psf for direct comparables.



**APPENDICES**

# PROJECT CASH FLOW

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
TDC	\$ 31,444,009	\$ 61,205,920	\$ 25,594,380	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Income</b>								
PGI	-	-	560,431	6,741,987	6,944,247	7,152,574	7,367,151	7,588,166
V&C	-	-	(349,139)	(1,246,669)	(347,212)	(357,629)	(368,358)	(379,408)
<b>EGI</b>	-	-	<b>211,293</b>	<b>5,495,318</b>	<b>6,597,034</b>	<b>6,794,945</b>	<b>6,998,794</b>	<b>7,208,757</b>
<b>Expenses</b>								
M&O	-	-	(74,909)	(900,401)	(918,409)	(936,777)	(955,513)	(974,623)
<b>NOI (Property)</b>	-	-	<b>136,384</b>	<b>4,594,917</b>	<b>5,678,625</b>	<b>5,858,168</b>	<b>6,043,281</b>	<b>6,234,134</b>
Sale Amount	-	-	-	-	-	-	-	-
<b>Unlevered CF</b>	<b>(31,444,009)</b>	<b>(61,205,920)</b>	<b>(25,457,996)</b>	<b>4,594,917</b>	<b>5,678,625</b>	<b>5,858,168</b>	<b>6,043,281</b>	<b>6,234,134</b>
<b>NPV</b>	<b>\$124,787,466</b>							
<b>PV</b>	<b>\$ 6,679,540</b>							
<b>IRR</b>	<b>5.94%</b>							
Construction Loan	26,934,897	61,205,920	25,594,380	-	-	-	-	-
Construction Repay	-	-	(122,260,794)	-	-	-	-	-
Refi Loan Amount	-	-	73,048,950	-	-	-	-	-
Debt Service	-	-	-	(385,473)	(385,473)	(385,473)	(385,473)	(385,473)
Refi Loan Repayme	-	-	-	-	-	-	-	-
<b>Levered CF</b>	<b>(4,509,112)</b>	<b>-</b>	<b>(49,075,460)</b>	<b>4,209,443</b>	<b>5,293,152</b>	<b>5,472,694</b>	<b>5,657,807</b>	<b>5,848,661</b>
<b>NPV</b>	<b>\$100,501,613</b>							
<b>PV</b>	<b>\$46,917,040</b>							
<b>IRR</b>	<b>12.77%</b>							

Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,815,811	8,050,285	8,291,794	8,540,547	8,796,764	9,060,667	9,332,487	9,612,461	9,900,835	10,197,860
(390,791)	(402,514)	(414,590)	(427,027)	(439,838)	(453,033)	(466,624)	(480,623)	(495,042)	(509,893)
<b>7,425,020</b>	<b>7,647,771</b>	<b>7,877,204</b>	<b>8,113,520</b>	<b>8,356,926</b>	<b>8,607,633</b>	<b>8,865,862</b>	<b>9,131,838</b>	<b>9,405,793</b>	<b>9,687,967</b>
(994,116)	(1,013,998)	(1,034,278)	(1,054,964)	(1,076,063)	(1,097,584)	(1,119,536)	(1,141,926)	(1,164,765)	(1,188,060)
<b>6,430,904</b>	<b>6,633,773</b>	<b>6,842,926</b>	<b>7,058,556</b>	<b>7,280,863</b>	<b>7,510,049</b>	<b>7,746,327</b>	<b>7,989,912</b>	<b>8,241,028</b>	<b>8,499,907</b>
-	-	-	-	-	-	-	-	-	145,731,945
<b>6,430,904</b>	<b>6,633,773</b>	<b>6,842,926</b>	<b>7,058,556</b>	<b>7,280,863</b>	<b>7,510,049</b>	<b>7,746,327</b>	<b>7,989,912</b>	<b>8,241,028</b>	<b>154,231,852</b>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<b>(385,473)</b>									
-	-	-	-	-	-	-	-	-	(49,230,194)
<b>6,045,431</b>	<b>6,248,299</b>	<b>6,457,453</b>	<b>6,673,083</b>	<b>6,895,389</b>	<b>7,124,576</b>	<b>7,360,853</b>	<b>7,604,438</b>	<b>7,855,555</b>	<b>104,616,185</b>