Question 1

What is the Total Possible Fed Historic Equity?

QREs:	$7,139,425 x 20% =
Total Federal Credits:	$1,427,885
Investor %	x 99.99% = 1,427,742.84
Price per Credit:	$ 0.85
Total Equity:	$1,213,580.88

QRE = Qualified Rehab Expenditures

Question 2

What is the Total Possible LIHTC Equity?

Eligible Basis:	$ 7,256,425
Deduct Fed Historic Credits:	+ $(1,427,885) = $5,828,540
Residential Fraction:	x 100% = 5,828,540
QCT Boost:	x No = 5,828,540
Applicable Fraction:	x 100% = 5,828,540
Applicable Rate:	x 9% = $524,568.60 x 10yrs = $5,245,686
Investor %	x 99.99% = 5,245,161
Price per Credit:	x $ 0.90 =
Total Equity:	$ 4,720,645.29

LIHTC = Low Income Housing Tax Credits
Residential Fraction = % Residential vs Commercial
QCT = Qualified Census Tract
Applicable Fraction = % of Low Income Units vs Market
Applicable Rate = type of credits (4% or 9%)

USE UPDATED PROFORMA V1

Bonus Question 3

Possible TIF Loan Amount:

FROM CELL D143 ON PROFORMA

NOI before RE Taxes:	$ 128,017	÷ by
Base Cap Rate:	7.000%	
Real Estate Tax Rate:	2.507%	
Total Cap Rate:	9.507%	EQUALS
After Rehab Assessed Value:	$ 1,346,554	
Real Estate Taxes after rehab:	$ ÷ 2.507% = 33,758	
Current RE taxes:	$5,641	
New Increment:	$ 28,117	
Max Increment allowed:	x 85% = 23,900	ANNUAL PAYMENT
Max TIF years allowed:	25	
TIF Loan Rate:	7.00%	
Supportable TIF Loan:	PV = $ 281,792	

PV = (rate/12, AMORT X 12, ANNUAL PMT/12)

HINTS

- Federal Historic Credits are 20% of QREs.
- Federal LIHTC Credits are awarded for 10 years
- Real Estate Tax Rate is the same as Mill Rate for determining Real Estate Tax owed.
- Values are determined by taking NOI and dividing it by the Cap Rate.
- Individual Municipalities determine what % of the increment will be returned to developer and for how many years to make TIF Loan payments
- For the Supportable TIF loan you will need a loan calculator that allows you to solve for the loan amount by entering in the annual payment, the annual interest rate and amortization period.
- https://www.calculator.net/present-value-calculator.html