

INTERACTIVE SESSION: WHAT IS WORKING IN OTHER COMMUNITIES

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**Community[®]
Preservation
Corporation**

INFRASTRUCTURE TYPES

PHYSICAL INFRASTRUCTURE

- Opportunity, Sites & Access.

SOCIAL INFRASTRUCTURE

- Is there a “there” there?

POLITICAL INFRASTRUCTURE

- Consistency & desire for activity.

DEVELOPMENT INFRASTRUCTURE

- Is there a clear & manageable process?

ECONOMIC INFRASTRUCTURE

- What does the math look like?

ECONOMICS

INCOME:

- Rents
 - Residential
 - Retail
 - Commercial
- Evaluate Market Conditions
 - Rent Levels
 - Vacancy Factors

EXPENSES:

- Taxes
- Insurance
- Utilities
 - Water
 - Heat
 - Electricity
- Maintenance
- Accounting
- Legal
- Reserves

Income – Expenses = Net Operating Income (NOI)

NOI ÷ Debt Coverage Ratio (DCR) = Amount available for Debt Service

Debt Service: a function of Rate & Term

Debt + Equity = Available Capital

ECONOMICS

Total Development Costs: \$2,000,000

- Acquisition (Purchase)
- Construction (Hard Costs)
- Development (Soft Costs)
- Carrying Costs:
 - Taxes
 - Insurance
 - Utilities
 - Interest

Available Capital:

\$1,200,000

Gap = \$800,000

Closing the Gap

- Subsidy
 - Tax Credit Equity
 - Real Estate Tax Relief
 - Increase in Income
 - Expense Reduction
 - Shortening your TIME
- TIME=MONEY