

March 13-14, 2025 | InterContinental, Boston MA

Understanding the Numbers: Sources, Uses, and More

IPED's Learn the Basics: Housing Tax Credits 101



Speakers

Understanding the Numbers: Sources, Uses, and More



Forrest Milder

Nixon Peabody LLP

Moderator



Nick Anderson

Nixon Peabody LLP



Ryan Petter

Novogradac & Company LLP

Topics

Project Sources - Structure diagram

Project Uses - Eligible & Depreciable Basis

LIHTC Calculation

Construction Flow of Funds

Cash Waterfall

Taxable Income

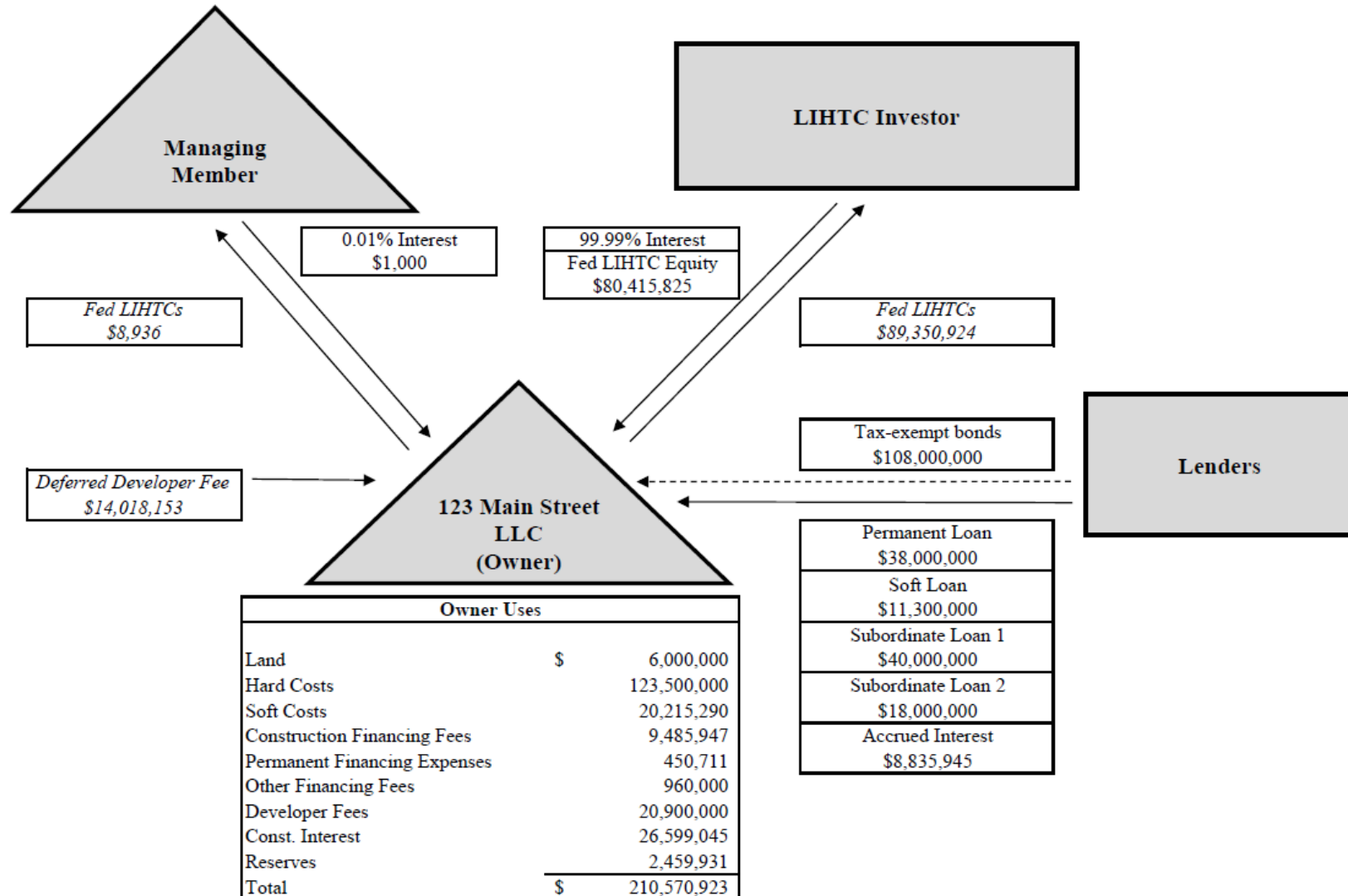
Capital Accounts

Other



123 MAIN STREET LLC
FINANCIAL FORECAST

SUPPLEMENTAL SCHEDULE OF FORECASTED FLOW OF FUNDS - PERMANENT SOURCES



	<u>Project Costs</u>	<u>Eligible Basis</u>	<u>Depreciable Basis</u>				Amortizable	Land	Reserves	Expenses
			Building	Sitework	FF&E					
Total Land	6,000,000	-	-	-	-	-	6,000,000	-	-	
Total Hard Costs	123,500,000	120,690,000	108,700,000	9,910,000	4,890,000	-	-	-	-	
Total Soft Costs	20,215,290	17,390,004	18,302,408	-	-	712,247	300,000	-	900,636	
Total Construction Financing Fees	9,485,947	6,498,295	-	-	-	9,485,947	-	-	-	
Total Permanent Financing Expenses	450,711	-	-	-	-	229,080	-	-	221,631	
Total Other Financing Fees	960,000	100,000	100,000	-	-	135,000	-	-	725,000	
Total Developer Fee	20,900,000	20,900,000	20,900,000	-	-	-	-	-	-	
Total Construction Period Interest	26,599,045	23,144,381	23,144,381	-	-	-	-	-	3,454,664	
Total Reserves	2,459,931	-	-	-	-	-	-	2,459,931	-	
Total Costs	<u><u>\$ 210,570,923</u></u>	<u><u>\$ 188,722,680</u></u>	<u><u>\$ 171,146,789</u></u>	<u><u>\$ 9,910,000</u></u>	<u><u>\$ 4,890,000</u></u>	<u><u>\$ 10,562,273</u></u>	<u><u>\$ 6,300,000</u></u>	<u><u>\$ 2,459,931</u></u>	<u><u>\$ 5,301,930</u></u>	

123 MAIN STREET LLC
 SUPPLEMENTAL SCHEDULE OF FORECASTED LIHTC CALCULATIONS
 FOR THE PERIOD FROM NOVEMBER 24, 2024 TO JULY 31, 2058

TAX CREDIT CALCULATION

	<u>Eligible Basis</u>
Calculated Eligible Basis	\$ 188,722,680
% Affordable	94.88%
Calculated Qualified Basis	<u>\$ 179,054,325</u>
Basis Boost	130%
Total Adjusted Qualified Basis	<u>\$ 232,770,623</u>
Applicable Federal Rate	4%
Annual Credit	<u>\$ 9,310,825</u>
Maximum credit (HFA Cap)	<u>\$ 8,935,986</u>
Total Annual Credits	<u>\$ 8,935,986</u>
ILP Ownership	99.99%
Annual Credit to ILP	<u>\$ 8,935,092</u>
Credit Period	10
Total Federal Equity from Credits	<u>\$ 89,350,921</u>
Price per Credit	<u>\$ 0.90</u>
Total ILP Equity	<u><u>\$ 80,415,825</u></u>

<u>50% Test</u>		
Tax-exempt bond financing	\$ 108,000,000	
Total Depreciable Basis	\$ 192,445,084	
Plus: Land Costs	<u>6,300,000</u>	
Total Aggregate Basis	<u>\$ 198,745,084</u>	
Aggregate Basis Financed by Tax-Exempt Bonds	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">54.3%</td></tr></table>	54.3%
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Credit Period	10
Total Federal Equity from Credits	\$ 89,350,921
Price per Credit	\$ 0.90
Total ILP Equity	<u><u>\$ 80,415,825</u></u>

123 MAIN STREET LLC
SCHEDULE OF INPUTS AND ASSUMPTIONS
FOR THE PERIOD FROM NOVEMBER 24, 2024 TO JULY 31, 2058

CAPITAL CONTRIBUTIONS

	Description	Date	Pay-In %	LIHTC Equity
1st Installment	Closing	November 2024	10.00%	\$ 8,041,582
2nd Installment	50% Completion	September 2026	20.00%	16,083,165
3rd Installment	Completion	January 2028	5.00%	4,020,791
4th Installment	Receipt of 8609s	July 2028	60.00%	48,249,495
5th Installment	Stabilization	July 2028	5.00%	4,020,791
TOTAL LIHTC EQUITY CONTRIBUTION			100.00%	\$ 80,415,825

DEVELOPER FEE

Total Developer Fee				\$ 20,900,000
Timing of Developer Fee Payments				
Closing		November 2024	30.37%	\$ 2,090,000
Completion		January 2028	11.20%	771,056
Receipt of 8609's		July 2028	58.43%	4,020,791
			100.00%	\$ 6,881,847
Deferred Development Fee Amount			67.07%	\$ 14,018,153

123 Main Street LLC

	Profits / Losses	Cash Flows from Operations	Allocation of LIHTC Tax Credits	Cash Flows from Sale or Refinancing Transaction
MM LLC	0.01%	90.00%	0.01%	90.00%
LIHTC Investor	99.99%	10.00%	99.99%	10.00%
TOTAL PARTNERSHIP INTEREST	100.00%	100.00%	100.00%	100.00%

Owner Cash Waterfall

1. Payment to the Investor Member for any loss of Tax Credits not already paid through guarantees;
2. Replenishment of the Operating Reserve to the extent of any withdrawals therefrom, up to the Minimum Balance;
3. Payment to the Investor Member of an Asset Management Fee of \$10,000 per year, increasing 3% per year, and accruing if not paid;
4. Repayment of any Deferred Management Fee;
5. Payment of any unpaid principal on Developer Fee;
6. 50% of any remaining Net Cash Flow to the payment of the Soft Loan;
7. Repayment of any Investor Member loans to the Company;
8. Repayment of any Operating Loans made by the Managing Member;
9. The balance distributed 10% to the Investor Member and 90% to the Managing Member; provided, however, that in all instances, the Investor Member shall receive not less than 10% of the net cash flow after giving effect to items 1 – 8 above.

CAPITAL CONTRIBUTIONS

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2nd Installment	50% Completion	September 2026	20.00%	16,083,165
3rd Installment	Completion	January 2028	5.00%	4,020,791
4th Installment	Receipt of 8609s	July 2028	60.00%	48,249,495
5th Installment	Stabilization	July 2028	5.00%	4,020,791
TOTAL LIHTC EQUITY CONTRIBUTION			100.00%	\$ 80,415,825

CAPITAL CONTRIBUTIONS

	Description	Date	Pay-In %	LIHTC Equity
1st Installment	Closing	November 2024	15.00%	\$ 12,062,374
3rd Installment	C of O	January 2028	70.00%	56,291,077
4th Installment	Receipt of 8609s	July 2028	10.00%	8,041,582
5th Installment	Stabilization	July 2028	5.00%	4,020,791
TOTAL LIHTC EQUITY CONTRIBUTION			100.00%	\$ 80,415,825

DEVELOPER FEE

Total Developer Fee			\$	20,900,000
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Timing of Developer Fee Payments

Closing	November 2024	30.37%	\$	2,090,000
Completion	January 2028	11.20%		771,056
Receipt of 8609's	July 2028	58.43%		4,020,791
		<u>100.00%</u>	<u>\$</u>	<u>6,881,847</u>

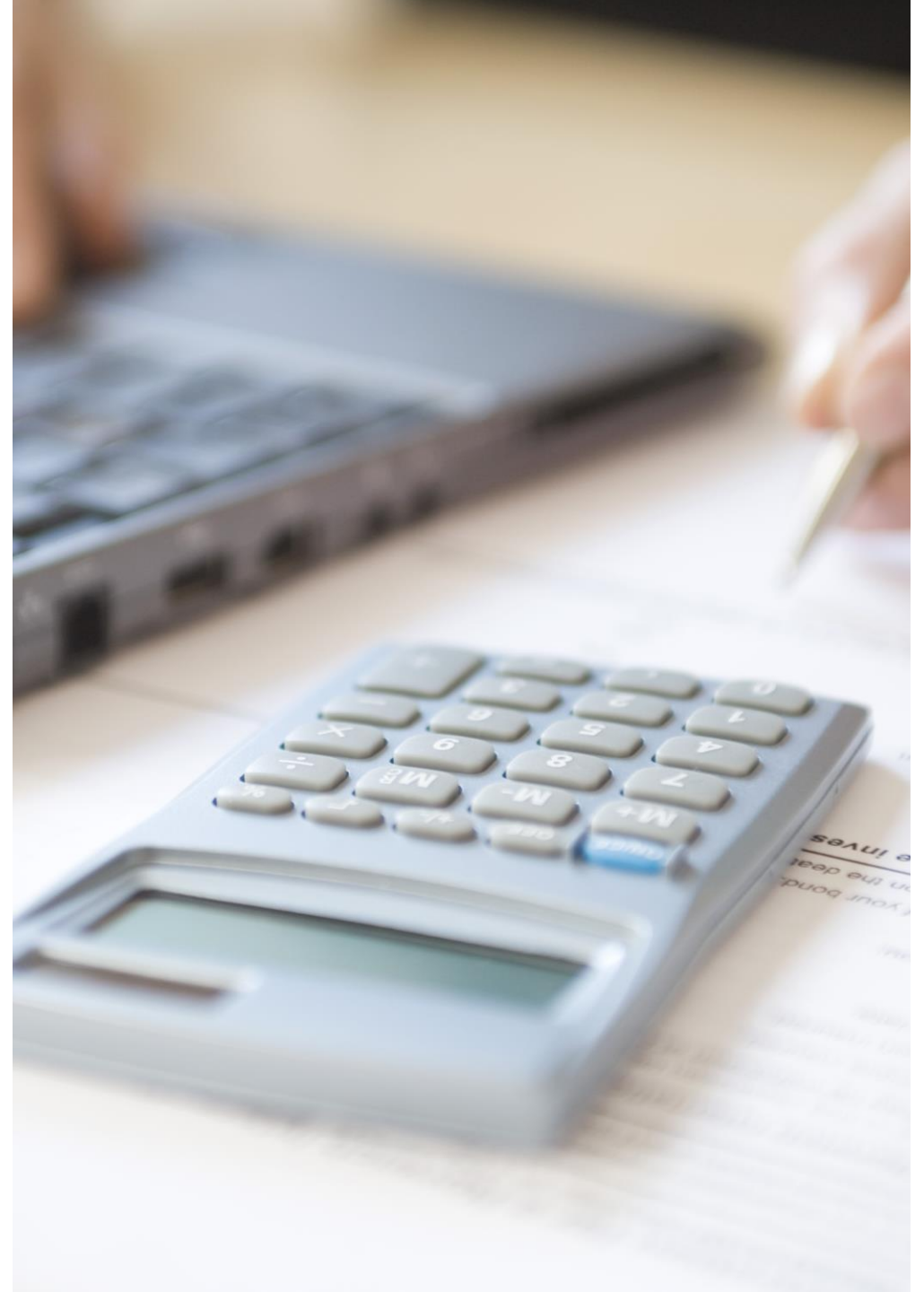
Deferred Development Fee

Amount		67.07%	\$	14,018,153
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Year	Net Operating Income	Debt Service Less Reserves	Cash Available	Deferred Developer Fee Payments	Soft Loan Debt Service Payments	Net Proceeds from Sale	Cash Available Before Distributions	Distributions to MM LLC	Distributions to LIHTC Investor	DSCR
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2025	-	-	-	-	-	-	-	-	-	N/A
2026	-	-	-	-	-	-	-	-	-	N/A
2027	-	-	-	-	-	-	-	-	-	N/A
2028	3,037,700	(1,320,666)	1,717,034	(1,717,034)	-	-	-	-	-	2.48
2029	3,788,534	(3,024,851)	763,683	(763,683)	-	-	-	-	-	1.30
2030	3,838,430	(3,023,218)	815,212	(815,212)	-	-	-	-	-	1.31
2031	3,888,549	(3,021,453)	867,095	(867,095)	-	-	-	-	-	1.33
2032	3,938,870	(3,019,548)	919,322	(919,322)	-	-	-	-	-	1.35
2033	3,989,374	(3,017,493)	971,880	(971,880)	-	-	-	-	-	1.37
2034	4,040,039	(3,015,282)	1,024,758	(1,024,758)	-	-	-	-	-	1.39
2035	4,090,845	(3,012,903)	1,077,942	(1,077,942)	-	-	-	-	-	1.41
2036	4,141,767	(3,010,347)	1,131,419	(1,131,419)	-	-	-	-	-	1.43
2037	4,192,780	(3,007,605)	1,185,175	(1,185,175)	-	-	-	-	-	1.46
2038	4,243,859	(3,004,664)	1,239,195	(1,239,195)	-	-	-	-	-	1.48
2039	4,294,976	(3,001,514)	1,293,462	(1,293,462)	-	-	-	-	-	1.50
2040	4,346,103	(2,998,142)	1,347,960	(1,011,976)	(167,992)	-	167,992	(151,193)	(16,799)	1.52
2041	4,397,209	(2,994,536)	1,402,673	-	(701,336)	-	701,336	(631,203)	(70,134)	1.54
2042	4,448,263	(2,990,682)	1,457,580	-	(728,790)	-	728,790	(655,911)	(72,879)	1.56
2043	4,499,231	(2,986,567)	1,512,664	-	(756,332)	-	756,332	(680,699)	(75,633)	1.59
2044	4,550,078	(2,982,174)	1,567,904	-	(783,952)	-	783,952	(705,557)	(78,395)	1.61
2045	4,600,769	(2,977,489)	1,623,280	-	(811,640)	-	811,640	(730,476)	(81,164)	1.63
2046	4,651,264	(2,972,494)	1,678,769	-	(839,385)	-	839,385	(755,446)	(83,938)	1.66
2047	4,701,523	(2,967,174)	1,734,349	-	(867,174)	-	867,174	(780,457)	(86,717)	1.68
2048	4,751,504	(2,961,509)	1,789,995	-	(894,998)	-	894,998	(805,498)	(89,500)	1.71
2049	4,801,164	(2,955,480)	1,845,684	-	(922,842)	-	922,842	(830,558)	(92,284)	1.73
2050	4,850,455	(2,949,067)	1,901,388	-	(950,694)	-	950,694	(855,625)	(95,069)	1.76
2051	4,899,331	(2,942,248)	1,957,082	-	(978,541)	-	978,541	(880,687)	(97,854)	1.78
2052	4,947,740	(2,935,002)	2,012,737	-	(1,006,369)	-	1,006,369	(905,732)	(100,637)	1.81
2053	4,995,629	(2,927,305)	2,068,325	-	(1,034,162)	-	1,034,162	(930,746)	(103,416)	1.83
2054	5,042,945	(2,919,131)	2,123,814	-	(1,061,907)	-	1,061,907	(955,716)	(106,191)	1.86
2055	5,089,629	(2,910,455)	2,179,174	-	(1,089,587)	-	1,089,587	(980,628)	(108,959)	1.89
2056	5,135,622	(2,901,250)	2,234,371	-	(1,117,186)	-	1,117,186	(1,005,467)	(111,719)	1.92
2057	5,180,860	(2,891,487)	2,289,373	-	(1,144,687)	-	1,144,687	(1,030,218)	(114,469)	1.95
2058	3,048,079	(1,693,220)	1,354,859	-	(329,583)	-	1,025,276	(922,748)	(102,528)	1.97
Sale		(64,811,362)	(64,811,362)	-	(14,087,426)	85,052,449	6,153,661	-	-	0.00
	\$ 136,423,117	\$ (154,146,319)	\$ (17,723,202)	\$ (14,018,153)	\$ (30,274,583)	\$ 85,052,449	\$ 23,036,511	\$ (15,194,565)	\$ (1,688,285)	

Cash Waterfall

- / Soft Debt
- / Deferred Developer Fee
- / Asset Management Fee
- / Incentive Fees



123 MAIN STREET LLC
FORECASTED TAXABLE INCOME

FOR THE PERIOD FROM NOVEMBER 24, 2024 TO JULY 31, 2058

Year	Net Operating Income	Expenses during Construction	Loan Interest Expense	Depreciation and Amortization	Gain on Sale	Taxable Income (Loss)	MM LLC			LIHTC Investor		
							Total Taxable Income / (Loss)	704 Reallocation	Taxable Income / Loss Allocated to Managing Member	Total Taxable Income / (Loss)	704 Reallocation	Taxable Income / Loss Allocated to LIHTC Investor
2024	\$ -	\$ (731,022)	\$ -	\$ -	\$ -	\$ (731,022)	\$ (73)	\$ -	\$ (73)	\$ (730,948)	\$ -	\$ (730,948)
2025	-	(232,610)	-	-	-	(232,610)	(23)	-	(23)	(232,586)	-	(232,586)
2026	-	(232,610)	-	-	-	(232,610)	(23)	-	(23)	(232,586)	-	(232,586)
2027	-	(535,546)	-	-	-	(535,546)	(54)	-	(54)	(535,492)	-	(535,492)
2028	3,037,700	(3,570,144)	(1,226,457)	(8,013,574)	-	(9,772,475)	(977)	-	(977)	(9,771,498)	-	(9,771,498)
2029	3,788,534	-	(2,897,472)	(8,246,814)	-	(7,355,752)	(736)	-	(736)	(7,355,017)	-	(7,355,017)
2030	3,838,430	-	(2,864,193)	(7,512,350)	-	(6,538,112)	(654)	-	(654)	(6,537,459)	-	(6,537,459)
2031	3,888,549	-	(2,829,310)	(7,145,187)	-	(6,085,948)	(609)	-	(609)	(6,085,339)	-	(6,085,339)
2032	3,938,870	-	(2,792,745)	(6,968,999)	-	(5,822,875)	(582)	-	(582)	(5,822,292)	-	(5,822,292)
2033	3,989,374	-	(2,754,418)	(6,895,582)	-	(5,660,626)	(566)	-	(566)	(5,660,060)	-	(5,660,060)
2034	4,040,039	-	(2,714,245)	(6,527,505)	-	(5,201,710)	(520)	-	(520)	(5,201,190)	-	(5,201,190)
2035	4,090,845	-	(2,672,135)	(6,507,032)	-	(5,088,322)	(509)	-	(509)	(5,087,813)	-	(5,087,813)
2036	4,141,767	-	(2,627,997)	(6,538,065)	-	(5,024,295)	(502)	-	(502)	(5,023,792)	-	(5,023,792)
2037	4,192,780	-	(2,581,732)	(6,549,005)	-	(4,937,957)	(494)	-	(494)	(4,937,464)	-	(4,937,464)
2038	4,243,859	-	(2,533,238)	(6,513,980)	-	(4,803,359)	(480)	-	(480)	(4,802,879)	-	(4,802,879)
2039	4,294,976	-	(2,482,408)	(6,548,622)	-	(4,736,054)	(474)	-	(474)	(4,735,580)	-	(4,735,580)
2040	4,346,103	-	(2,429,129)	(6,559,046)	-	(4,642,072)	(464)	157,933	157,469	(4,641,608)	(157,933)	(4,799,541)
2041	4,397,209	-	(2,373,283)	(6,522,304)	-	(4,498,379)	(450)	631,357	630,908	(4,497,929)	(631,357)	(5,129,286)
2042	4,448,263	-	(2,314,748)	(6,554,006)	-	(4,420,491)	(442)	655,846	655,404	(4,420,049)	(655,846)	(5,075,895)
2043	4,499,231	-	(2,253,393)	(6,460,295)	-	(4,214,458)	(421)	680,626	680,205	(4,214,036)	(680,626)	(4,894,663)
2044	4,550,078	-	(2,189,084)	(6,038,822)	-	(3,677,827)	(368)	705,481	705,113	(3,677,460)	(705,481)	(4,382,941)
2045	4,600,769	-	(2,121,677)	(6,080,930)	-	(3,601,838)	(360)	730,397	730,037	(3,601,478)	(730,397)	(4,331,875)
2046	4,651,264	-	(2,051,024)	(6,095,402)	-	(3,495,162)	(350)	755,365	755,015	(3,494,813)	(755,365)	(4,250,177)
2047	4,701,523	-	(1,976,968)	(6,050,660)	-	(3,326,105)	(333)	780,373	780,040	(3,325,772)	(780,373)	(4,106,145)
2048	4,751,504	-	(1,899,346)	(6,094,902)	-	(3,242,744)	(324)	805,411	805,087	(3,242,420)	(805,411)	(4,047,831)
2049	4,801,164	-	(1,817,987)	(6,095,348)	-	(3,112,172)	(311)	830,468	830,157	(3,111,860)	(830,468)	(3,942,328)
2050	4,850,455	-	(1,732,711)	(6,063,451)	-	(2,945,706)	(295)	855,532	855,238	(2,945,412)	(855,532)	(3,800,944)
2051	4,899,331	-	(1,643,328)	(6,111,799)	-	(2,855,797)	(286)	880,592	880,306	(2,855,511)	(880,592)	(3,736,103)
2052	4,947,740	-	(1,549,642)	(6,127,705)	-	(2,729,608)	(273)	905,634	905,361	(2,729,335)	(905,634)	(3,634,968)
2053	4,995,629	-	(1,451,446)	(6,074,276)	-	(2,530,093)	(253)	930,645	930,392	(2,529,840)	(930,645)	(3,460,485)
2054	5,042,945	-	(1,348,523)	(6,127,107)	-	(2,432,685)	(243)	955,613	955,369	(2,432,442)	(955,613)	(3,388,055)
2055	5,089,629	-	(1,240,645)	(6,144,488)	-	(2,295,504)	(230)	980,522	980,292	(2,295,274)	(980,522)	(3,275,796)
2056	5,135,622	-	(1,127,574)	(6,086,105)	-	(2,078,057)	(208)	1,005,358	1,005,150	(2,077,849)	(1,005,358)	(3,083,207)
2057	5,180,860	-	(1,009,060)	(6,143,835)	-	(1,972,036)	(197)	1,030,106	1,029,909	(1,971,838)	(1,030,106)	(3,001,944)
2058	3,048,079	-	(542,138)	(687,003)	-	1,818,938	182	922,646	922,828	1,818,756	(922,646)	896,110
Sale	-	-	-	-	71,630,755	71,630,755	5,544,856	-	-	66,085,898	-	66,085,898
	\$ 136,423,117	\$ (5,301,930)	\$ (64,048,058)	\$ (196,084,198)	\$ 71,630,755	\$ (57,380,314)	\$ 5,531,955	\$ 15,199,905	\$ 15,187,004	\$ (62,912,269)	\$ (15,199,905)	\$ (78,112,174)

Notes:
Schedule does not include expenses capitalized into the basis of the building during the construction period.

	Profits / Losses	Cash Flows from Operations	Allocation of LIHTC Tax Credits	Cash Flows from Sale or Refinancing Transaction
MM LLC	0.01%	90.00%	0.01%	90.00%
LIHTC Investor	99.99%	10.00%	99.99%	10.00%
TOTAL PARTNERSHIP INTEREST	100.00%	100.00%	100.00%	100.00%

Owner Cash Waterfall

1. Payment to the Investor Member for any loss of Tax Credits not already paid through guarantees;
2. Replenishment of the Operating Reserve to the extent of any withdrawals therefrom, up to the Minimum Balance;
3. Payment to the Investor Member of an Asset Management Fee of \$10,000 per year, increasing 3% per year, and accruing if not paid;
4. Repayment of any Deferred Management Fee;
5. Payment of any unpaid principal on Developer Fee;
6. 50% of any remaining Net Cash Flow to the payment of the Soft Loan;
7. Repayment of any Investor Member loans to the Company;
8. Repayment of any Operating Loans made by the Managing Member;
9. The balance distributed 10% to the Investor Member and 90% to the Managing Member; provided, however, that in all instances, the Investor Member shall receive not less than 10% of the net cash flow after giving effect to items 1 – 8 above.

123 MAIN STREET LLC
SUPPLEMENTAL SCHEDULE OF FORECASTED CHANGE IN MINIMUM GAIN (LOSS)
FOR THE PERIOD BEGINNING NOVEMBER 24, 2024 AND ENDING JULY 31, 2058

LIHTC Investor		99.99%									
Year	Beginning Balance	Capital Contributions	Taxable Income (Loss)	Basis Reduction	Cash Distributions	Capital Account Balance	Recourse Debt	Nonrecourse Debt	Share of Net Assets	Allocation of Minimum Gain	704 Capital Account
2024	\$ -	\$ 8,041,582	\$ (730,948)	\$ -	\$ -	\$ 7,310,634	\$ -	\$ 21,960,430	\$ 132,889,155	\$ -	\$ 7,310,634
2025	7,310,634	-	(232,586)	-	-	7,078,048	-	48,516,639	159,375,174	-	7,078,048
2026	7,078,048	16,083,165	(232,586)	-	-	22,928,626	-	160,284,062	179,164,764	-	22,928,626
2027	22,928,626	-	(535,492)	-	-	22,393,134	-	162,706,464	181,050,458	-	22,393,134
2028	22,393,134	56,291,077	(9,771,498)	-	-	68,912,714	-	116,116,607	195,547,216	-	68,912,714
2029	68,912,714	-	(7,355,017)	-	-	61,557,697	-	116,078,308	187,620,515	-	61,557,697
2030	61,557,697	-	(6,537,459)	-	-	55,020,238	-	116,011,039	180,279,510	-	55,020,238
2031	55,020,238	-	(6,085,339)	-	-	48,934,899	-	115,913,407	173,308,385	-	48,934,899
2032	48,934,899	-	(5,822,292)	-	-	43,112,607	-	115,783,954	166,516,264	-	43,112,607
2033	43,112,607	-	(5,660,060)	-	-	37,452,547	-	115,621,152	159,800,473	-	37,452,547
2034	37,452,547	-	(5,201,190)	-	-	32,251,356	-	115,423,400	153,455,730	-	32,251,356
2035	32,251,356	-	(5,087,813)	-	-	27,163,543	-	115,189,019	147,134,555	-	27,163,543
2036	27,163,543	-	(5,023,792)	-	-	22,139,750	-	114,916,249	140,785,541	-	22,139,750
2037	22,139,750	-	(4,937,464)	-	-	17,202,287	-	114,603,248	134,428,874	-	17,202,287
2038	17,202,287	-	(4,802,879)	-	-	12,399,408	-	114,248,083	128,110,614	-	12,399,408
2039	12,399,408	-	(4,735,580)	-	-	7,663,828	-	113,848,729	121,761,201	-	7,663,828
2040	7,663,828	-	(4,799,541)	-	(16,799)	2,847,488	-	113,235,088	115,404,956	-	2,847,488
2041	2,847,488	-	(5,129,286)	-	(70,134)	(2,351,932)	-	112,039,621	109,089,149	2,950,472	598,540
2042	(2,351,932)	-	(5,075,895)	-	(72,879)	(7,500,706)	-	110,765,836	102,745,452	8,020,384	519,678
2043	(7,500,706)	-	(4,894,663)	-	(75,633)	(12,471,002)	-	109,411,204	96,450,202	12,961,001	489,999
2044	(12,471,002)	-	(4,382,941)	-	(78,395)	(16,932,338)	-	107,973,084	90,575,954	17,397,130	464,792
2045	(16,932,338)	-	(4,331,875)	-	(81,164)	(21,345,377)	-	106,448,728	84,663,765	21,784,963	439,585
2046	(21,345,377)	-	(4,250,177)	-	(83,938)	(25,679,493)	-	104,835,265	78,741,393	26,093,871	414,378
2047	(25,679,493)	-	(4,106,145)	-	(86,717)	(29,872,356)	-	103,129,703	72,868,176	30,261,527	389,171
2048	(29,872,356)	-	(4,047,831)	-	(89,500)	(34,009,686)	-	101,328,920	66,955,270	34,373,650	363,964
2049	(34,009,686)	-	(3,942,328)	-	(92,284)	(38,044,299)	-	99,429,659	61,046,603	38,383,056	338,757
2050	(38,044,299)	-	(3,800,944)	-	(95,069)	(41,940,312)	-	97,428,519	55,174,656	42,253,862	313,550
2051	(41,940,312)	-	(3,736,103)	-	(97,854)	(45,774,269)	-	95,321,949	49,259,337	46,062,612	288,343
2052	(45,774,269)	-	(3,634,968)	-	(100,637)	(49,509,874)	-	93,106,244	43,333,234	49,773,010	263,136
2053	(49,509,874)	-	(3,460,485)	-	(103,416)	(53,073,776)	-	90,777,532	37,465,827	53,311,705	237,929
2054	(53,073,776)	-	(3,388,055)	-	(106,191)	(56,568,021)	-	88,331,769	31,551,026	56,780,743	212,722
2055	(56,568,021)	-	(3,275,796)	-	(108,959)	(59,952,776)	-	85,764,731	25,624,441	60,140,290	187,515
2056	(59,952,776)	-	(3,083,207)	-	(111,719)	(63,147,702)	-	83,072,005	19,761,996	63,310,009	162,307
2057	(63,147,702)	-	(3,001,944)	-	(114,469)	(66,264,115)	-	80,248,977	13,847,761	66,401,215	137,100
2058	(66,264,115)	-	896,110	-	(102,528)	(65,470,532)	-	78,890,898	13,285,366	65,605,532	135,000
SALE	(65,470,532)	-	66,085,898	-	(615,366)	-	-	-	-	-	-

Adjusted Capital

Aka 704(b) Basis

≠ Depreciable Basis

**Capital Account —
contribution,
distribution and
share of profit/losses**

**Recourse Debt —
debt for which a
partner bears
personal liability**

**Minimum Gain —
non-recourse debt
in excess of
basis in assets**

Adjusted Capital

**Capital Account —
contribution,
distribution and
share of profit/losses**

**Recourse Debt —
debt for which a
partner bears
personal liability**

**Minimum Gain —
non-recourse debt
in excess of
basis in assets**

Increases in capital account:

- / Capital contributions
- / Share of Partnership income allocated to partner

Decreases in capital account:

- / Partnership distributions
- / Share of Partnership losses allocated to partner

Adjusted Capital

Capital Account —
contribution,
distribution and
share of profit/losses

Recourse Debt —
debt for which a
partner bears
personal liability

Minimum Gain —
non-recourse debt
in excess of
basis in assets

Recourse debt — a partner or related person bears the economic risk of loss

Nonrecourse debt — no partner or related person bears the economic risk of loss

Adjusted Capital

**Capital Account —
contribution,
distribution and
share of profit/losses**

**Recourse Debt —
debt for which a
partner bears
personal liability**

**Minimum Gain —
non-recourse debt
in excess of
basis in assets**

$$\begin{array}{l} \text{Recourse Debt} \\ \text{debt secured by the property} \end{array} - \begin{array}{l} \text{Adjusted Basis} \\ \text{of Property} \\ \text{secured assets} \end{array} = \text{Minimum Gain}$$

Minimum Gain

	All Debt is Non-Recourse
Assets	1,000,000
Non-Recourse Debt	1,200,000
Recourse debt	0
Capital	(200,000)
Total debt & capital	1,000,000
Minimum gain	200,000
Observation	Minimum Gain is created when total capital is negative

Minimum Gain

Nonrecourse debt —

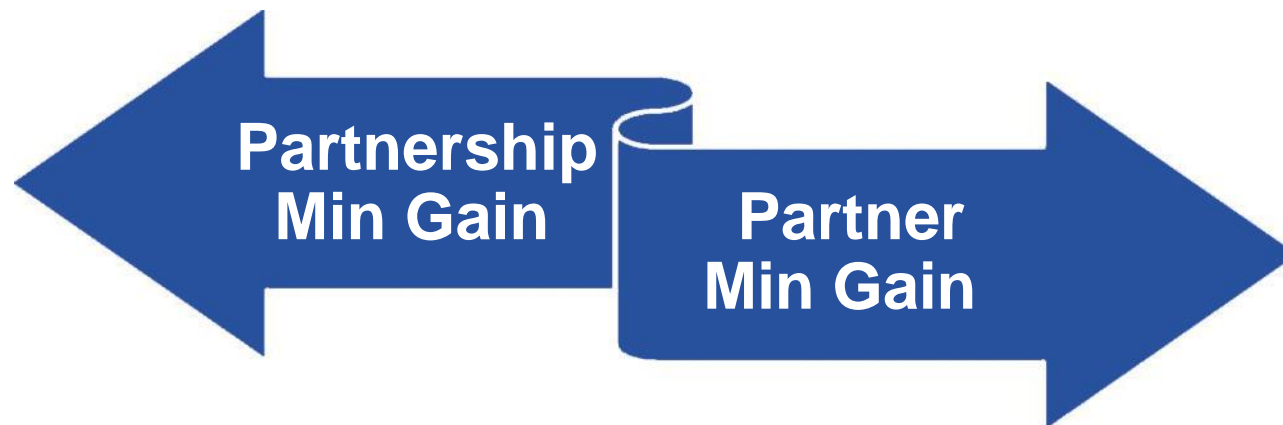
no partner or related person bears the economic risk of loss.

Recourse debt —

a partner or related person bears the economic risk of loss

Related Party Non-Recourse —

§1.704-2(b)(4): a liability that is “nonrecourse for purposes of §1.1001-2” and a partner or related person bears the economic risk of loss – e.g. a non-recourse loan provided by the GP



Adjusted Capital

**Capital Account —
contribution,
distribution and
share of profit/losses**

**Recourse Debt —
debt for which a
partner bears
personal liability**

**Minimum Gain —
non-recourse debt
in excess of
basis in assets**

Deficit Restoration Obligation

Other Topics

Seller Financing / True Debt

Interim Income

Combining with other incentives

/ ITC

/ 45L

/ HTC

/ Brownfield

50% Test

First Year Credit Calc

50% Test

Tax-exempt bond financing	\$	108,000,000
Total Depreciable Basis	\$	192,445,084
Plus: Land Costs		6,300,000
Total Aggregate Basis	\$	198,745,084
Aggregate Basis Financed by Tax-Exempt Bonds		54.3%

123 MAIN STREET LLC
SUPPLEMENTAL SCHEDULE OF FORECASTED FIRST YEAR CREDIT CALCULATION

Total # of Qualified Units	299	Total Credits - New Construction	
Building PIS Date	January 1, 2028	Federal 4% LIHTC	\$ 89,359,860
		Annual	\$ 8,935,986

Month	# of Qualified Units Occupied	% of Qualified Units Occupied	Year	Occupancy %	Federal LIHTC 4% Credits	Accumulated Total Credits
January	22	7.36%	2028	69.51%	\$ 6,211,357	\$ 6,211,357
February	53	17.73%	2029	100.00%	8,935,986	15,147,343
March	94	31.44%	2030	100.00%	8,935,986	24,083,329
April	127	42.47%	2031	100.00%	8,935,986	33,019,315
May	170	56.86%	2032	100.00%	8,935,986	41,955,301
June	234	78.26%	2033	100.00%	8,935,986	50,891,287
July	299	100.00%	2034	100.00%	8,935,986	59,827,273
August	299	100.00%	2035	100.00%	8,935,986	68,763,259
September	299	100.00%	2036	100.00%	8,935,986	77,699,245
October	299	100.00%	2037	100.00%	8,935,986	86,635,231
November	299	100.00%	2038	100.00%	2,724,629	89,359,860
December	299	100.00%				
		100.00%			<u>\$ 89,359,860</u>	
	# of Months -	12				
	Average	69.51%				

Questions?



Forrest Milder
Nixon Peabody LLP
Moderator



Nick Anderson
Nixon Peabody LLP



Ryan Petter
Novogradac & Company LLP

Thank you!

