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



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# Topics

**Project Sources - Structure diagram Project Uses - Eligible & Depreciable Basis LIHTC Calculation Construction Flow of Funds Cash Waterfall Taxable Income Capital Accounts** Other

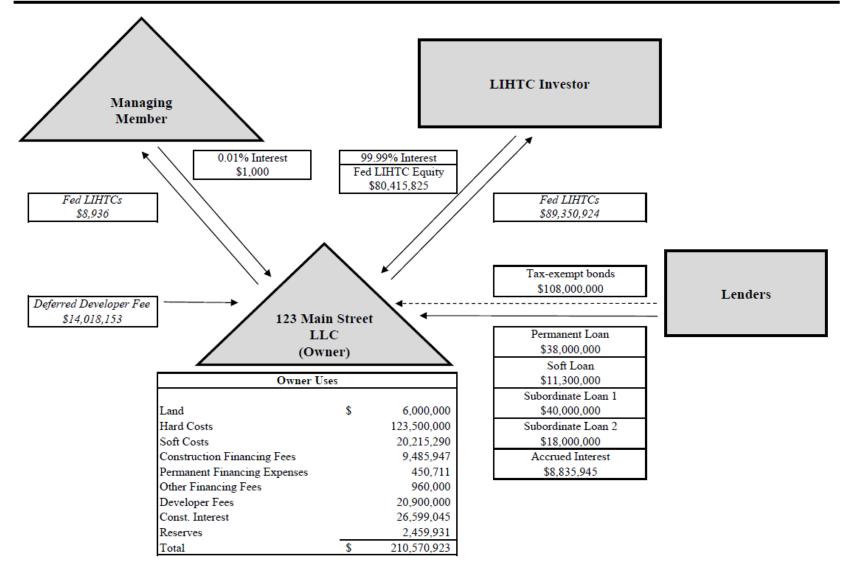




#### 123 MAIN STREET LLC

#### FINANCIAL FORECAST

#### SUPPLEMENTAL SCHEDULE OF FORECASTED FLOW OF FUNDS - PERMANENT SOURCES



			Γ	epreciable Basis					
	Project Costs	Eligible Basis	Building	Sitework	FF&E	Amortizable	Land	Reserves	Expenses
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	-	-	-	-	-	-
<b>Total Construction Period Interest</b>	26,599,045	23,144,381	23,144,381	-	-	-	-	-	3,454,664
Total Reserves	2,459,931	-	-	-	-	-	-	2,459,931	-
Total Costs	\$ 210,570,923	\$ 188,722,680	\$ 171,146,789	\$ 9,910,000	\$ 4,890,000	\$ 10,562,273 \$	6,300,000 \$	2,459,931	\$ 5,301,930

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

TAX CREDIT CALCULATION	 ligible Basis		
Calculated Eligible Basis	\$ 188,722,680		
% Affordable	94.88%		
Calculated Qualified Basis	\$ 179,054,325		
Basis Boost	130%		
Total Adjusted Qualified Basis	\$ 232,770,623		
Applicable Federal Rate	4%		
Annual Credit	\$ 9,310,825		
Maximum credit (HFA Cap)	\$ 8,935,986		
Total Annual Credits	\$ 8,935,986	50% Test	
ILP Ownership	 99.99%	Tax-exempt bond financing	\$ 108,000,000
Annual Credit to ILP	\$ 8,935,092	Total Depreciable Basis	\$ 192,445,084
Credit Period	 10	Plus: Land Costs	 6,300,000
Total Federal Equity from Credits	\$ 89,350,921	Total Aggregate Basis	\$ 198,745,084
Price per Credit	\$ 0.90	Aggregate Basis Financed by Tax-Exempt Bonds	54.3%
Total ILP Equity	\$ 80,415,825		

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

Construction Period 64 Months		3024	3034	2005	2025	2025	3025	2025	2025	3035	2025	2025	2025	2025	2025	14 2026	15 2036	2026
		Class			Red					14-15			04-15		Dec 23		Pd-36	
RCES	Tetal	11/34/3034	Dec-D4	Jan 25	PEPED	Mar-25	Apr-15	May-25	Jan-25	100-00	Aug-25	Sep-25	California (California)	Nov-25	Line (D	Jan-26		Mar-31
a-sampt bonds	\$ 108,000,000	5 108,000,000 5	- 5	- 5	- 5	- 1	- 1	- 1	- 1	- 5	- 1	- 1	- 5	- 1	- 1	- 1	- 1	
energian Finance Long	(108,000,000) 38,000,000							-				-	-					
Pordinate Loss 1	40,000,000	4,643,656	1,894,147	2,979,957	3,381,985	3,544,880	3,381,985	2,978,965	303,945	1,195,384	1,196,164	1,199,149	1,209,822	1,240,179	1,323,312	1,355,957		
Investigate Loan 1 Internet Accurat	6,811,362	-	154,804	154,804	154,894	154,804	154,804	154,004	154,804	154,804	154,804	154,804	154,804	154,804	154,804	154,804	154,804	154
d Loss	11,300,000	11,300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
bordinate Loan 2	18,000,000		-		-	47.083	47.000	47.030	-	47.083		47.083	47.083	47.000	47.083		47,083	
ft Loon Internet Accrual 4. LINTIC Tax Could Regulty	2,034,583 80,415,825	8.041.582		47,088	47,083	47,083	41,083	41,063	47,083	47,083	47,083	47,083	47,083	41,083	41,083	47,083	47,008	47
anging Mander Equity	1,000	1,000																
famed Developer Fee	14,018,153			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
finances	\$ 210,570,923	\$ 101,986,208 \$	6,018,970 \$	3,181,844 \$	3,583,872 \$	3,746,367 \$	3,583,872 \$	3,181,852 \$	705,832 \$	1,397,271 \$	1,398,051 1	1,401,036 \$	1,411,309 \$	1,60,080 \$	1,525,199 \$	1,151,844 \$	201,887 \$	- 20
ad be																		
Land	\$ 6,000,000	\$ 6,000,000 \$	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	- 1	
ed Costa																		
Site Work	8,930,000		1,369,559	1,671,778	1,971,940	2,083,525	1,971,960	1,671,778	(194,530)	-						-		
New Construction Description & Official	\$1,420,000		38,734	113,023	214,829	365,199	214,889	113,023	46 39(263	238	1,008	3,993	14,366	45,015	128,129	326,636	745,891	1,52
General Liability & Workers Comp & PAP Bond	2,880,000	950,000				-		100000	-			-	-	-				
AVR.	1,130,000		-	-	-	-	-	-	-	-	-			2	30	409	3,758	3
Commercial Space & Parking	1,160,000		-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,947	2
Community Facility	3,510,000		-	-	-			-	-	-	-	-	-	-		-	11,146	
General Conditions General Overhead	6,140,000		53,844	53,864	161,531 53,944	161,581 58,864	362,531 53,864	361,530 53,866	361,531 53,844	53,844	53,844	161,531 53,944	161,581 53,964	161,531 53,964	361,530 53,844	53,844	53,844	
Costowner Profit	6,140,000		161,531	161,591	161,531	161,591	161,531	161,530	161,531	161,531	161,591	161,531	161,531	161,531	161,530	161,531	161,531	
Contingency (Outside Contract)	5,980,000		157,348	157,368	117,348	157,368	157,368	157,348	157,168	157,348	157,368	157,368	157,368	157,368	157,368	157,368	157,348	
Casta																		
Architectural & Engineering	5,350,000	3,470,498	1,879,502	-	-			-	-	-	-	-	-	-		-	-	
Soil Testing / Geotechnical	508,000	38,960	468,040	-	-	-	-	-	-	-	-	-	-	-		-	-	
Water & Server Tap Pees Permits	2,865,890	2,865,390	2,779	-				-	-	-	-	-	-					
Eta Fara	1100.000	1.063,119	838	971	971	971	971	971	971	971	971	971	971	971	971	971	971	
Sarvey	73,000	27,500	45,500	-	-	-		-	-	-	-	-	-	-		-	-	
Title & Recording Face	1,000,000	953, 902	47,498	-	-	-	-	-	-	-	-			-	-	-	-	
Property Taxes	1,750,000	446,640	44,825	44,825	44,825	44,825	44,825	44,825	64,815	44,825	44,825	44,825	44,825	44,825	44,825	44,825	44,825	
Construction Insurance Associated	825,000	279,282	14,342	14,362	14,362	14,362	14,882	14,342	14,362	14,342	14,362	14,362	14,362	14,362	14,342	14,362	14,342	
Maket Study / Teeffe Study	25,000	15,910	8,090					-										
Environmental (Ph L& Ph E)	1,225,850	534,058	705,792	-	-	-		-	-	-	-	-	-	-		-	-	
Accounting	100,000	47,000		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrow Lagal	790,000	691,987	88,018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Organizational Conta Marketing	158,400	45,344 7,778	100,656	-	-	-	-	-	-	-					-	-	-	
Suft Cast Configuracy	2,313,960		60,254	60,294	60,294	60,894	60,294	60,224	60,294	60,894	60,294	60,894	60,894	60,894	60,294	60,294	68,254	
estruction Pleancing Pres																		
HFA Origination Fee	1,762,825	1,367,875		-	-	-	-	-	-							-	-	
NYS Boad Issues Fee	381,360	381,360	-	-	-	-	-	-	-	-	-			-	-	-	-	
HFA Count LCC Origination Fee	80,000	\$0,000 1,097,410		-	-	-	-	-	-	-	-	-	-	-				
Londer Das Dillipseco Fee	50,000	34,531	342	352	352	352	352	352	342	342	352	352	352	352	352	352	352	
Londer Logal	145,000	365,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LOC - Annual Fee	5,944,302	363,931	149,510	149,500	149,510	149,510	149,510	149(510	349,510	149,510	149,500	149,510	149,510	149,510	149,510	149,510	149,510	
materit Phancing Expenses																		
SCINIMA MEP SCINIMA App	190,900	38,190	-	-	-	-	-	-	-	-	-	-		-	-	-	-	
SCINTMA PAL	221,631	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Other Plaancing Frees																		
Management Set-up Fee	25,000		-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Construction Draw Review	100,000		2,632	2,692	2,632	2,692	2,692	2,682	2,692	2,682	2,692	2,632	2,692	2,692	2,682	2,692	2,682	
Resity investor DD LeC Reiniburgenet	135,000	135,000	296	296	296	296	296	296	256	296	296	296	296	296	296	296	296	
daper Pres	and one	666,937		200		- 276		200	200				2010	200				
Driviloper Fee	6,881,847	2,090,000	-	-	-	-			-	-	-					-	-	
Datared Developer Fee	14,018,153		-	-	-	-	-	-	-	-	-	-		-		-	-	
druction Period Interest																		
Tax-strangt book	17,039,766		387,040	387,040	387,040	387,040	387,040	381,040	387,040	387,040	387,040	387,040	387,060	387,040	381,040	381,040	387,040	
Subordinate Loan 1 Paid Internet Subordinate Loan 1 Accred Internet	733,333 6,811,362		16,667	16,667	15,667	16,667	16,667	154,004	16,667	154,804	16,667	35,667	16,667	16,667	154,000	16,667	16,647	
Suff Loss	2,036,583			47,003	47,083	47,083	47,083	47,080	47,083	47,083	47,083	47,083	47,083	47,083	47,083	47,003	47,083	_
SHELLINE AND A SHELLI	4000,000	-	-	1.000	11,000						1000	11,000	10,000	10,000				
Lass-up Rassrvs	630,000		-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Operating Reserve	1,434,931		-	-	-	-	-	-	-	-	-	-		-	-	-	-	
Debt Service Reserve Find - Bonda	395,000	395,000	066670	06.665	06660	06660	06.667	06660	06667	06667	06.655	0660	06660	06.660	06.665	0665	066670	
HFA Subordinate Loss Internet Reserves Uses	·	1 26368396 1	( subset )	Condition of the	(16,667)	Contract of	( and an a	(16,667)	(16,667) 705,822 \$	(16,667)	(16,667)	(16,667)	Condition of	Condition of	Contractory of	distant's	distant.	0
ans.	\$ 210,570,923	3 20,800,896 1	6,018,970 \$	3,181,844 \$	1,00,012 3	4794,767 \$	4,563,872 \$	ALIEN S	101102 1	4,00,20 \$	1,001,01,1	1,001,036 \$	1,411,309 \$	1,60,00 \$	runim 1	1,724,118 \$	2,161,785 \$	10
Cash Reserves			_							_	- 1	-	_		_	_	_	
sil .		5 105,117,043 5	- 5	0 5	0 3	0 3	0 5	0 5	0 5	- 1		- 1	- 1	- 1	- 1	- 1	- 1	

#### 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 %	LI	HTC 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%		48,249,49
5th Installment	Stabilization	July 2028	5.00%		4,020,79
TOTAL LIHTC EQUITY CONTRIBUTION		=	100.00%	\$	80,415,82
DEVELOPER FEE					
Total Developer Fee				\$	20,900,00
Timing of Developer Fee Payments					
Closing		November 2024	30.37%	\$	2,090,00
Completion		January 2028	11.20%		771,05
Receipt of 8609's		July 2028	58.43%		4,020,79
		=	100.00%	\$	6,881,84
Deferred Development Fee					
Amount			67.07%	\$	14,018,15
23 Main Street LLC					
	Profits / Losses	Cash Flows from Operations	Allocation of LIHTC Tax Credits	R	h Flows fron Sale or Cefinancing Transaction

		Cubit 1 10 11 5 11 6 11	LINICIAL	Remancing
	Profits / Losses	Operations	Credits	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.

Example Model - For discussion only

## 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

## CAPITAL CONTRIBUTIONS

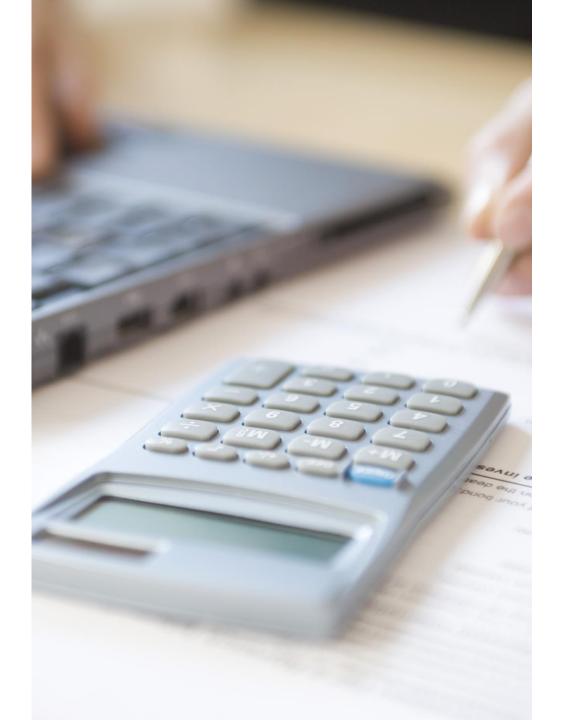
	Description	Date	Pay-In %	LIHTC Equity
1st Installment	Closing	November 2024	15.00%	\$ 12,062,374
3rd Installment	C of O	January 2028	70.00%	56,291,077
4th Installment	Receipt of 8609s	July 2028	10.00%	8,041,582
5th Installment	Stabilization	July 2028	5.00%	4,020,791
TOTAL LIHTC EQUITY CONTRIBUTION	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

DEVELOPER FEE			
Total Developer Fee		\$	20,900,000
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

Year	Ne	et 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	\$	-	\$ -	\$ -	\$-	\$ -	\$ -	s -	\$ -	\$-	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)		1.63
2046		4,651,264	(2,972,494)	1,678,769	-	(839,385)	-	839,385	(755,446)		1.66
2047		4,701,523	(2,967,174)	1,734,349	-	(867,174)	-	867,174	(780,457)		1.68
2048		4,751,504	(2,961,509)	1,789,995	-	(894,998)	-	894,998	(805,498)		1.71
2049		4,801,164	(2,955,480)	1,845,684	-	(922,842)	-	922,842	(830,558)		1.73
2050		4,850,455	(2,949,067)	1,901,388	-	(950,694)	-	950,694	(855,625)		1.76
2051		4,899,331	(2,942,248)	1,957,082	-	(978,541)	-	978,541	(880,687)		1.78
2052		4,947,740	(2,935,002)	2,012,737	-	(1,006,369)	-	1,006,369	(905,732)		1.81
2053		4,995,629	(2,927,305)	2,068,325	-	(1,034,162)	-	1,034,162	(930,746)		1.83
2055		5,042,945	(2,919,131)	2,123,814	-	(1,061,907)	-	1,061,907	(955,716)		1.86
2055		5,089,629	(2,910,455)	2,179,174	-	(1,089,587)	-	1,089,587	(980,628)		1.89
2055		5,135,622	(2,901,250)	2,234,371	-	(1,117,186)	-	1,117,186	(1,005,467)		1.92
2050		5,180,860	(2,891,487)	2,289,373	-	(1,144,687)	-	1,144,687	(1,030,218)		1.95
2058		3,048,079	(1,693,220)	1,354,859	-	(329,583)	-	1,025,276	(922,748)		1.97
Sale		0,040,079	(64,811,362)	(64,811,362)	-	(14,087,426)	85,052,449	6,153,661	(222,740)	(102,020)	0.00
- and	\$	136,423,117			\$ (14,018,153)				\$ (15,194,565)	\$ (1,688,285)	0.000

# **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

								MM LLC			LIHTC Investor	
Year	Net Operating Income	Expenses during Construction	Loan Interest Expense	Depreciation and Amortization	Gain on Sale	Taxable Income (Loss)	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	s -	\$ (731,022) \$	s -	s -	\$ <u>-</u>	\$ (731,022)	\$ (73)	\$ -	\$ (73)	\$ (730,948)	s -	\$ (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)	
2041	4,397,209	-	(2,373,283)	(6,522,304)	-	(4,498,379)	(450)	631,357	630,908	(4,497,929)	(631,357)	
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)	
2044	4,550,078	-	(2,189,084)	(6,038,822)	-	(3,677,827)	(368)	705,481	705,113	(3,677,460)	(705,481)	
2045	4,600,769	-	(2,121,677)	(6,080,930)	-	(3,601,838)	(360)	730,397	730,037	(3,601,478)	(730,397)	
2046	4,651,264	-	(2,051,024)	(6,095,402)	-	(3,495,162)	(350)	755,365	755,015	(3,494,813)	(755,365)	
2047	4,701,523	-	(1,976,968)	(6,050,660)	-	(3,326,105)	(333)	780,373	780,040	(3,325,772)	(780,373)	
2048	4,751,504	-	(1,899,346)	(6,094,902)	-	(3,242,744)	(324)	805,411	805,087	(3,242,420)	(805,411)	
2049	4,801,164	-	(1,817,987)	(6,095,348)	-	(3,112,172)	(311)	830,468	830,157	(3,111,860)	(830,468)	
2050	4,850,455	-	(1,732,711)	(6,063,451)	-	(2,945,706)	(295)	855,532	855,238	(2,945,412)	(855,532)	
2051	4,899,331	-	(1,643,328)	(6,111,799)	-	(2,855,797)	(286)	880,592	880,306	(2,855,511)	(880,592)	
2052	4,947,740	-	(1,549,642)	(6,127,705)	-	(2,729,608)	(273)	905,634	905,361	(2,729,335)	(905,634)	
2053	4,995,629	-	(1,451,446)	(6,074,276)	-	(2,530,093)	(253)	930,645	930,392	(2,529,840)	(930,645)	
2054	5,042,945	-	(1,348,523)	(6,127,107)	-	(2,432,685)	(243)	955,613	955,369	(2,432,442)	(955,613)	
2055	5,089,629	-	(1,240,645)	(6,144,488)		(2,295,504)	(230)	980,522	980,292	(2,295,274)	(980,522)	
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)	
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)	
2058	3,048,079	-	(542,138)	(687,003)	-	1,818,938	182	922,646	922,828	1,818,756	(922,646)	
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)
Notori												

Notes:

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

## 123 Main Street LLC

MM LLC LIHTC Investor TOTAL PARTNERSHIP INTEREST

	LIHTC Tax	Refinancing
Operations	Credits	Transaction
90.00%	0.01%	90.00%
10.00%	99.99%	10.00%
100.00%	100.00%	100.00%
	90.00% 10.00%	90.00%     0.01%       10.00%     99.99%

### **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

<b>FC Investo</b>	1		99.99%								
			Taxable			Capital				704	
	Beginning	Capital	Income	Basis	Cash	Account	Recourse	Nonrecourse	of	Allocation of	Capital
Year	Balance	Contributions	(Loss)	Reduction	Distributions	Balance	Debt	Debt	Net Assets	Minimum Gain	Account
2024	+	\$ 8,041,582		\$ -	\$ -		\$ -	\$ 21,960,430	\$ 132,889,155	\$ - \$	
2025	7,310,634	-	(232,586)	-	-	7,078,048	-	48,516,639	159,375,174	-	7,078,04
2026	7,078,048	16,083,165	(232,586)	-	-	22,928,626	-	160,284,062	179,164,764	-	22,928,62
2027	22,928,626	-	(535,492)	-	-	22,393,134	-	162,706,464	181,050,458	-	22,393,13
2028	22,393,134	56,291,077	(9,771,498)	-	-	68,912,714	-	116,116,607	195,547,216	-	68,912,71
2029	68,912,714	-	(7,355,017)	-	-	61,557,697	-	116,078,308	187,620,515	-	61,557,69
2030	61,557,697	-	(6,537,459)	-	-	55,020,238	-	116,011,039	180,279,510	-	55,020,23
2031	55,020,238	-	(6,085,339)	-	-	48,934,899	-	115,913,407	173,308,385	-	48,934,89
2032	48,934,899	-	(5,822,292)	-	-	43,112,607	-	115,783,954	166,516,264	-	43,112,60
2033	43,112,607	-	(5,660,060)	-	-	37,452,547	-	115,621,152	159,800,473	-	37,452,54
2034	37,452,547	-	(5,201,190)	-	-	32,251,356	-	115,423,400	153,455,730	-	32,251,35
2035	32,251,356	-	(5,087,813)	-	-	27,163,543	-	115,189,019	147,134,555	-	27,163,54
2036	27,163,543	-	(5,023,792)	-	-	22,139,750	-	114,916,249	140,785,541	-	22,139,75
2037	22,139,750	-	(4,937,464)	-	-	17,202,287	-	114,603,248	134,428,874	-	17,202,28
2038	17,202,287	-	(4,802,879)	-	-	12,399,408	-	114,248,083	128,110,614	-	12,399,40
2039	12,399,408	-	(4,735,580)	-	-	7,663,828	-	113,848,729	121,761,201	-	7,663,82
2040	7,663,828	-	(4,799,541)	-	(16,799)	2,847,488	-	113,235,088	115,404,956	-	2,847,48
2041	2,847,488	-	(5,129,286)	-	(70,134)	(2,351,932)	-	112,039,621	109,089,149	2,950,472	598,54
2042	(2,351,932)	-	(5,075,895)	-	(72,879)	(7,500,706)	-	110,765,836	102,745,452	8,020,384	519,67
2043	(7,500,706)	-	(4,894,663)	-	(75,633)	(12,471,002)	-	109,411,204	96,450,202	12,961,001	489,99
2044	(12,471,002)	-	(4,382,941)	-	(78,395)	(16,932,338)	-	107,973,084	90,575,954	17,397,130	464,79
2045	(16,932,338)	-	(4,331,875)	-	(81,164)	(21,345,377)	-	106,448,728	84,663,765	21,784,963	439,58
2046	(21,345,377)	-	(4,250,177)	-	(83,938)	(25,679,493)	-	104,835,265	78,741,393	26,093,871	414,37
2047	(25,679,493)	-	(4,106,145)	-	(86,717)	(29,872,356)	-	103,129,703	72,868,176	30,261,527	389,17
2048	(29,872,356)	-	(4,047,831)	-	(89,500)	(34,009,686)	-	101,328,920	66,955,270	34,373,650	363,96
2049	(34,009,686)	-	(3,942,328)	-	(92,284)	(38,044,299)	-	99,429,659	61,046,603	38,383,056	338,75
2050	(38,044,299)	-	(3,800,944)	-	(95,069)	(41,940,312)	-	97,428,519	55,174,656	42,253,862	313,55
2051	(41,940,312)	-	(3,736,103)	-	(97,854)	(45,774,269)	-	95,321,949	49,259,337	46,062,612	288,34
2052	(45,774,269)	-	(3,634,968)	-	(100,637)	(49,509,874)	-	93,106,244	43,333,234	49,773,010	263,13
2053	(49,509,874)	-	(3,460,485)	-	(103,416)	(53,073,776)	-	90,777,532	37,465,827	53,311,705	237,92
2054	(53,073,776)	-	(3,388,055)	-	(106,191)	(56,568,021)	-	88,331,769	31,551,026	56,780,743	212,72
2055	(56,568,021)	-	(3,275,796)	-	(108,959)	(59,952,776)	-	85,764,731	25,624,441	60,140,290	187,51
2056	(59,952,776)	-	(3,083,207)	-	(111,719)	(63,147,702)	-	83,072,005	19,761,996	63,310,009	162,30
2057	(63,147,702)	-	(3,001,944)	-	(114,469)	(66,264,115)	-	80,248,977	13,847,761	66,401,215	137,10
2058	(66,264,115)	-	896,110	-	(102,528)	(65,470,532)	-	78,890,898	13,285,366	65,605,532	135,00
SALE	(65,470,532)	-	66.085.898	-	(615,366)						,

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

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

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

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**

debt secured by the property

Adjusted Basis = Minimum Gain of Property

secured assets

	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					

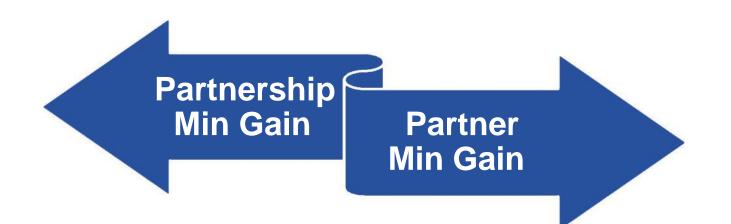
# Minimum Gain

## 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



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

	# of Qualified	% of Qualified			Fe	deral LIHTC	Accumulated
Month	Units Occupied	Units Occupied	Year	Occupancy %	4	4% Credits	Fotal 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%			\$	89,359,860	
	# of Months -	12					
	Average	69.51%					









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# Thank you!







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