SUSTAINABILITY STUDY

2023 CRHA SUSTAINABILITY STUDY

Presented To
CRHA
The study

- Northern Real Estate Urban Ventures, LLC (NREUV) was engaged by the Charlottesville Housing and Redevelopment Authority (CRHA) to perform a Sustainability Study.
- The Study aims to demonstrate the ability of CRHA to be a sustainable organization.
- Our evaluation is documented in this report where the results are summarized below.
study timeline

- Evaluate Current Physical Property Condition
- Perform Market Research
- Develop Conceptual Plans
- Research and Produce Case Studies
- Develop Road Map
- Formulate Redevelopment Strategy
- Sustainability Plan
  - Includes redeveloping and repositioning specific assets through partnerships
  - Includes low-density assets through its capital improvement program
  - Increases its revenue through sale of assets, developer fees, and increased cash flow (from properties and fees related to increased voucher support)

SECTION I
Evaluate Current Physical Property Condition

SECTION II
Perform Market Research

SECTION III
Develop Conceptual Plans

SECTION IV
Research and Produce Case Studies

SECTION V
Develop Road Map

SECTION VI
Formulate Redevelopment Strategy

SECTION VII
Sustainability Plan
TABLE OF CONTENTS

6  EVALUATE PHYSICAL CONDITION OF EXISTING PROPERTY  26  REDEVELOPMENT STRATEGY
14  PERFORM MARKET RESEARCH  33  LONG-TERM AGENCY SUSTAINABILITY
17  DEVELOP CONCEPTUAL PLANS  35  EXHIBITS
22  DEVELOP ROAD MAP
Section I: Evaluate Current Physical Property Condition

- 6TH STREET SOUTHEAST
- AVON/LEVY GARAGE
- MADISON AVENUE
- MICHIE DRIVE
- RIVERSIDE AVENUE
- 613 HINTON AVENUE
- 712 ELSOM STREET
- 715 RIDGE STREET
- 905 MONTICELLO AVENUE
- WESTHAVEN

Each property in the portfolio had a complete condition assessment, evaluating the building systems, capital expenditure needs, and a forecast of anticipated capital expenditures over the next ten years.

Requirements represent the cost of addressing the poor condition of an asset (deferred maintenance, code issues, functional requirements, and capital improvements) based on the inspector’s observations and data inputs.
Section I: Evaluate Current Physical Property Condition

### CRHA PCA SNAPSHOT

<table>
<thead>
<tr>
<th>Property</th>
<th>Requirements</th>
<th>Renewals</th>
<th>5 YR FCI</th>
<th>10 YR FCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th Street SE</td>
<td>$3.2M</td>
<td>$5.4M</td>
<td>60%</td>
<td>75%</td>
</tr>
<tr>
<td>Avon Levy Garage</td>
<td>$435K</td>
<td>$593K</td>
<td>72%</td>
<td>72%</td>
</tr>
<tr>
<td>Madison Avenue</td>
<td>$2.5M</td>
<td>$3.6M</td>
<td>80%</td>
<td>81%</td>
</tr>
<tr>
<td>Michie Drive</td>
<td>$2.8M</td>
<td>$4.9M</td>
<td>54%</td>
<td>65%</td>
</tr>
<tr>
<td>Riverside Drive</td>
<td>$2.5M</td>
<td>$3.8M</td>
<td>59%</td>
<td>77%</td>
</tr>
<tr>
<td>613 Hinton Street</td>
<td>$129K</td>
<td>$250K</td>
<td>56%</td>
<td>72%</td>
</tr>
<tr>
<td>712 Elsom Street</td>
<td>$129K</td>
<td>$250K</td>
<td>56%</td>
<td>72%</td>
</tr>
<tr>
<td>715 Ridge Street</td>
<td>$157K</td>
<td>$347K</td>
<td>14%</td>
<td>28%</td>
</tr>
<tr>
<td>905 Monticello</td>
<td>$133K</td>
<td>$265K</td>
<td>29%</td>
<td>73%</td>
</tr>
<tr>
<td>Westhaven</td>
<td>$14.3M</td>
<td>$21.1M</td>
<td>75%</td>
<td>78%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>26,283,000</strong></td>
<td><strong>41,505,000</strong></td>
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</tbody>
</table>

**Conclusion:** The investment required to extend the useful life of CRHA’s portfolio of properties is significant. CRHA should leverage public financing options to redevelop more substantial assets and utilize capital program dollars to renovate smaller communities.
Section II: Perform Market Research

An analysis of housing demand, housing needs, and housing supply was conducted to understand the Charlottesville market further. Each examined the City of Charlottesville, Albemarle County, and the Charlottesville Designated Market Area.

**MARKET DEMAND**

TOTAL HOUSEHOLDS IN CHARLOTTESVILLE CITY TRADE AREA

**COST BURDEN**

<table>
<thead>
<tr>
<th>Household Income Level</th>
<th>Units For Severely Cost Burdened Households</th>
<th>Units For Other Cost Burdened Households</th>
<th>Replacement Units For Public Housing</th>
<th>Units For Homeless Families and Individuals</th>
<th>TOTAL UNITS</th>
</tr>
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<tbody>
<tr>
<td>LT 30% of AMI</td>
<td>1,254</td>
<td>188</td>
<td>126</td>
<td>189</td>
<td>1,757</td>
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<tr>
<td>30% to 50% of AMI</td>
<td>828</td>
<td>228</td>
<td></td>
<td></td>
<td>1,057</td>
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<td>50% to 80% of AMI</td>
<td>209</td>
<td>333</td>
<td></td>
<td></td>
<td>542</td>
</tr>
<tr>
<td>80% to 100% of AMI</td>
<td>-</td>
<td>419</td>
<td></td>
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<td>419</td>
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<td>TOTAL</td>
<td>2,291</td>
<td>1,168</td>
<td>126</td>
<td>189</td>
<td>3,775</td>
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AFFORDABLE HOUSING NEEDS FOR COST-BURDENED HOUSEHOLDS - 2022 ESTIMATE
## Section II: Perform Market Research cont.

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AVG. MONTHLY RENT</th>
<th>ANNUAL INCOME REQUIRED</th>
<th>% AMI</th>
<th>UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Rio Hill Drive</td>
<td>$1,100</td>
<td>$41,120</td>
<td>49%</td>
<td>139</td>
</tr>
<tr>
<td>B. Mallside Forest Apartments</td>
<td>$1,257</td>
<td>$47,760</td>
<td>56%</td>
<td>160</td>
</tr>
<tr>
<td>C. Treesdale</td>
<td>$1,014</td>
<td>$42,300</td>
<td>40%</td>
<td>88</td>
</tr>
<tr>
<td>D. Wilton Farm</td>
<td>$1,035</td>
<td>$41,380</td>
<td>47%</td>
<td>144</td>
</tr>
<tr>
<td>E. Timberland Park</td>
<td>$1,095</td>
<td>$41,950</td>
<td>48%</td>
<td>80</td>
</tr>
<tr>
<td>F. Brookdale Apartments</td>
<td>$1,367</td>
<td>$56,640</td>
<td>60%</td>
<td>96</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$66,640</strong></td>
<td></td>
<td><strong>707</strong></td>
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</table>
Section IV: develop road map

Using all the data and information collected over this process, the following goals and objectives have been developed to guide the development of each CRHA project. These goals will help to ensure that each project accomplishes a standard set of objectives that maximizes its potential to reposition the portfolio for the community and CRHA.

The goals for each project are to:

- Create better quality, modern housing.
- Provide more amenities and services for the community.
- Provide economic empowerment opportunities for Section 3 businesses.
- Allow for significant participation by residents.
- Create long-term sustainability for CRHA through privatization.
# Section IV: develop road map

## CRHA REDEVELOPMENT PHASING PLAN

<table>
<thead>
<tr>
<th>SITE</th>
<th>PROJECTED UNITS</th>
<th>PLANNING START</th>
<th>PLANNING COMPLETED</th>
<th>PREDEVELOPMENT START</th>
<th>PREDEVELOPMENT COMPLETED</th>
<th>FINANCIAL CLOSING AND CONSTRUCTION START</th>
<th>CONSTRUCTION COMPLETED</th>
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<tr>
<td>Crescent Halls</td>
<td>105</td>
<td>May-20</td>
<td>Nov-20</td>
<td>Dec-20</td>
<td>Sep-21</td>
<td>Oct-21</td>
<td>Dec-23</td>
</tr>
<tr>
<td>South First Street</td>
<td>175</td>
<td>Apr-20</td>
<td>Apr-22</td>
<td>May-22</td>
<td>Jun-24</td>
<td>Jul-24</td>
<td>Jan-26</td>
</tr>
<tr>
<td>Madison</td>
<td>18</td>
<td>Apr-23</td>
<td>Jun-23</td>
<td>Dec-23</td>
<td>Apr-24</td>
<td>May-24</td>
<td>Nov-29</td>
</tr>
<tr>
<td>Westhaven</td>
<td>354</td>
<td>Sep-23</td>
<td>Feb-24</td>
<td>Apr-24</td>
<td>Apr-26</td>
<td>May-26</td>
<td>May-32</td>
</tr>
<tr>
<td>Avon/Levy</td>
<td>100</td>
<td>Apr-24</td>
<td>Dec-24</td>
<td>Jan-25</td>
<td>Jan-26</td>
<td>Feb-26</td>
<td>Feb-28</td>
</tr>
<tr>
<td>Monticello</td>
<td>1</td>
<td>Apr-24</td>
<td>May-24</td>
<td>Jul-24</td>
<td>Oct-24</td>
<td>Nov-24</td>
<td>May-25</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>896</strong></td>
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</table>
Section V: Redevelopment Strategy

CRHA’s Redevelopment Strategy includes:

- Redeveloping existing property
- Repositioning specific assets
- Performing capital improvements
- Adding environmental sustainability as a core tenet of the redevelopment activities
- Including resident participation as a key factor of the strategy
- Increasing density where possible
- Increasing the number of units at 30% of AMI & the number that qualify for housing subsidies
## Redevelopment Strategy

### Figure 6 - Summary Financials: Avon Levy

#### Option A
- Number of Units: 100
- Number of Affordable: 20
- Number of Market Rate: 80

<table>
<thead>
<tr>
<th>Sources</th>
<th>$</th>
<th>%</th>
<th>Uses</th>
<th>$</th>
<th>%</th>
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<tbody>
<tr>
<td>Debt</td>
<td>44,334,908</td>
<td>70%</td>
<td>Hard Costs</td>
<td>58,046,706</td>
<td>61%</td>
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<tr>
<td>Equity</td>
<td>19,086,389</td>
<td>30%</td>
<td>Soft Costs</td>
<td>5,884,706</td>
<td>9%</td>
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<td></td>
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<td>Development Fee</td>
<td>2,386,889</td>
<td>4%</td>
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<td>Operating Reserve</td>
<td>2,032,945</td>
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<td>Financing Costs</td>
<td>2,922,263</td>
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<td>Acquisition Costs</td>
<td>11,470,000</td>
<td>18%</td>
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<tr>
<td>Total</td>
<td>63,421,298</td>
<td>100%</td>
<td>Total</td>
<td>63,421,298</td>
<td>100%</td>
</tr>
<tr>
<td>IRR</td>
<td>15%</td>
<td>LAND VALUE</td>
<td>11,000,000</td>
<td>LAND VALUE</td>
<td>-</td>
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</table>

#### Option B
- Number of Units: 75
- Number of Affordable: 15
- Number of Market Rate: 60

<table>
<thead>
<tr>
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<th>Uses</th>
<th>$</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Debt</td>
<td>35,327,957</td>
<td>70%</td>
<td>Hard Costs</td>
<td>32,339,580</td>
<td>84%</td>
</tr>
<tr>
<td>Equity</td>
<td>15,140,553</td>
<td>50%</td>
<td>Soft Costs</td>
<td>4,850,957</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Development Fee</td>
<td>1,980,799</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Operating Reserve</td>
<td>1,621,726</td>
<td>3%</td>
</tr>
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<td>Financing Costs</td>
<td>2,425,468</td>
<td>5%</td>
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<td>Acquisition Costs</td>
<td>7,250,000</td>
<td>14%</td>
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<tr>
<td>Total</td>
<td>50,468,510</td>
<td>100%</td>
<td>Total</td>
<td>50,468,510</td>
<td>100%</td>
</tr>
<tr>
<td>IRR</td>
<td>15%</td>
<td>LAND VALUE</td>
<td>7,000,000</td>
<td>LAND VALUE</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Option C
- Number of Units: 250
- Number of Affordable: 50
- Number of Market Rate: 115

<table>
<thead>
<tr>
<th>Sources</th>
<th>$</th>
<th>%</th>
<th>Uses</th>
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</thead>
<tbody>
<tr>
<td>Debt</td>
<td>51,936,537</td>
<td>30%</td>
<td>Hard Costs</td>
<td>48,526,402</td>
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<tr>
<td>Equity</td>
<td>175,126,402</td>
<td>3%</td>
<td>Soft Costs</td>
<td>14,424,821</td>
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</tr>
<tr>
<td></td>
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<td></td>
<td>Development Fee</td>
<td>12,516,808</td>
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<td>Operating Reserve</td>
<td>1,220,121</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Financing Costs</td>
<td>7,212,411</td>
<td>5%</td>
</tr>
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<td></td>
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<td>Acquisition Costs</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>131,549,637</td>
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<td>Total</td>
<td>131,549,637</td>
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</tr>
<tr>
<td>IRR</td>
<td>15%</td>
<td>LAND VALUE</td>
<td>7,000,000</td>
<td>LAND VALUE</td>
<td>-</td>
</tr>
</tbody>
</table>
Section V: Redevelopment Strategy

- The capital improvement program completed by the end of 2026
- Higher-density development completed by 2032
- Current units at 376 units
- Total units to be developed 821, an increase of 218%
- Subsidized units increase by 12.5%
- This strategy yields $23M in developer fees, $11M in sales proceeds, and $21M in cash flows

<table>
<thead>
<tr>
<th>SITE</th>
<th>CURRENT UNITS</th>
<th>PROJECTED UNITS</th>
<th>TPV</th>
<th>ACC</th>
<th>PBV</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Westhaven</td>
<td>126</td>
<td>354</td>
<td>63</td>
<td>63</td>
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<td>126</td>
</tr>
<tr>
<td>Crescent Halls</td>
<td>105</td>
<td>105</td>
<td>52</td>
<td>53</td>
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<td>105</td>
</tr>
<tr>
<td>South 1st Street</td>
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<td>175</td>
<td>58</td>
<td>13</td>
<td>24</td>
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<td>6th Street</td>
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<td>90</td>
<td>0</td>
<td>10</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>Madison</td>
<td>18</td>
<td>18</td>
<td></td>
<td>18</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>Michie</td>
<td>23</td>
<td>23</td>
<td></td>
<td>23</td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>Riverside</td>
<td>16</td>
<td>16</td>
<td></td>
<td>16</td>
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<td>16</td>
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<td>1</td>
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<td>1</td>
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</tr>
<tr>
<td>Hinton</td>
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<td>1</td>
<td></td>
<td>1</td>
<td></td>
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</tr>
<tr>
<td>Avon/Levy</td>
<td>-</td>
<td>100</td>
<td></td>
<td>10</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Monticello</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Ridge</td>
<td>2</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>376</strong></td>
<td><strong>896</strong></td>
<td><strong>173</strong></td>
<td><strong>138</strong></td>
<td><strong>137</strong></td>
<td><strong>448</strong></td>
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</table>
Long Term Agency Sustainability
Long Term Agency Sustainability

- Depends on HUD Payments, Developer Fees, and ongoing cash flows
- Each property to be redeveloped would be self-sustaining and generate cash flows to support Agency expenses
- Existing properties to be redeveloped under Capital Improvement programs would be supported by programs for the long-term
- The few units remaining would rely on a small investment from HUD or could be repaired utilizing the significant reserves created by developer fees
- Developer fees should be invested in stable fixed-income assets to be drawn upon when required, reserves are vital to the long-term sustainability of the agency

COMPARATIVE ANALYSIS FOR LAST 3 YEARS OF INTERNAL FINANCIALS

- FY 2022 shows more rent and fees collected, operating expenses were unchanged
- FY 2020 - FY 2022, Agency income was negative (rent collections were down, and operations remained steady)
- FY 2023 shows $348,000 in earnings, $500,000 in shortfall funds, $545,000 in repositioning fees
Long Term Agency Sustainability

HUD RENT PAYMENTS

HUD rent payments will increase yearly based on allowable increases utilizing an inflation factor. The ability of the agency to collect higher rents and target lower incomes based on its voucher system makes it an excellent source of affordable housing in the downtown Charlottesville area.

The Agency’s ability to obtain project-based vouchers for its redevelopment projects is critical. These additional vouchers will allow it to collect higher rents for its properties and generate more income that will help to sustain the Agency’s operations.

DEVELOPER FEES

Developer Fees are calculated based on the financial feasibility of each project. The cumulative estimated developer’s fees are $23M. A schedule of estimated developer fees is included in Figure 9 below. Developer fees will assist the Agency in creating a significant cash reserve that will support long-term financial health.

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>SITE</td>
<td>YEAR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Westhaven - Ph 1</td>
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<td>$ 4,995,631.23</td>
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<td></td>
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<tr>
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<td>$ 6,344,673.07</td>
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<tr>
<td>Westhaven - Ph 3</td>
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<td></td>
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<td>$ 4,995,631.23</td>
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</tr>
<tr>
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<td>$ 2,455,979.25</td>
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<tr>
<td>Westhaven - Ph 5</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td>$ 526,007.95</td>
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<td>Crescent Halls</td>
<td>6</td>
<td>$ 500,000.00</td>
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</tr>
<tr>
<td>South 1st Street Ph I</td>
<td>7</td>
<td>$ 1,487,610.00</td>
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<tr>
<td>6th Street Ph I</td>
<td>8</td>
<td>$ 1,376,100.00</td>
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<tr>
<td>Avon/Lexy</td>
<td>9</td>
<td>$ 11,000,000.00</td>
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<tr>
<td>Monticello</td>
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<tr>
<td>Notes</td>
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</tr>
<tr>
<td>1) Includes Deferred Fee</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
# Long Term Agency Sustainability

## Cash Flow

Cash Flows collected are upwards of $21M over the 20-year period of NREUV’s analysis. Westhaven has the most potential to develop meaningful cash flows for the agency. Its proximity to downtown and sizeable redevelopment potential positions the site to have significant impacts for the Agency and the City of Charlottesville. See a summary 20 year cash flows outlined below in Figure 10 below and on the next page. Like Developer Fees, cash flow from redeveloped properties will facilitate overall efficient performance of the Agency.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Cash Flow</td>
<td>$150,000.00</td>
<td>$120,000.00</td>
<td>$100,000.00</td>
<td>$80,000.00</td>
<td>$60,000.00</td>
<td>$40,000.00</td>
<td>$20,000.00</td>
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<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total</td>
<td>$10,000,000.00</td>
<td>$9,000,000.00</td>
<td>$8,000,000.00</td>
<td>$7,000,000.00</td>
<td>$6,000,000.00</td>
<td>$5,000,000.00</td>
<td>$4,000,000.00</td>
<td>$3,000,000.00</td>
<td>$2,000,000.00</td>
<td>$1,000,000.00</td>
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<td>$0.00</td>
<td>$0.00</td>
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</table>
# SUSTAINABILITY STUDY

## LONG TERM SUSTAINABILITY

### MANAGEMENT OPERATIONS VS PROPERTY OPERATIONS

- Business Units Analyzed Separately
- By FY 2030 Real Estate generates $2.7M per year
- By FY 2030 Agency Mgmt generates $900K per year

<table>
<thead>
<tr>
<th>MANAGEMENT OPERATIONS</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
<th>FY 2029</th>
<th>FY 2030</th>
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</thead>
<tbody>
<tr>
<td>TENANT REVENUE</td>
<td>$2,938,197.00</td>
<td>$4,677,864.00</td>
<td>$4,877,554.00</td>
<td>$6,566,086.34</td>
<td>$6,930,477.39</td>
<td>$8,680,838.29</td>
<td>$10,500,642.96</td>
<td>$11,339,909.03</td>
<td>$11,983,834.43</td>
<td>$12,664,324.48</td>
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</tr>
<tr>
<td>TOTAL SUBSIDY REVENUE</td>
<td>$2,938,197.00</td>
<td>$4,677,864.00</td>
<td>$4,877,554.00</td>
<td>$6,566,086.34</td>
<td>$6,930,477.39</td>
<td>$8,680,838.29</td>
<td>$10,500,642.96</td>
<td>$11,339,909.03</td>
<td>$11,983,834.43</td>
<td>$12,664,324.48</td>
<td></td>
</tr>
<tr>
<td>TOTAL FEE REVENUE</td>
<td>$568,300.00</td>
<td>$680,532.00</td>
<td>$439,770.00</td>
<td>$558,240.88</td>
<td>$569,940.03</td>
<td>$809,160.15</td>
<td>$1,092,934.25</td>
<td>$1,174,044.38</td>
<td>$1,373,181.19</td>
<td>$1,451,947.78</td>
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<tr>
<td>TOTAL GSC REVENUE</td>
<td>$2,700.00</td>
<td>$2,700.00</td>
<td>$2,971,970.00</td>
<td>$180,127.00</td>
<td>$178,730.71</td>
<td>$180,879.75</td>
<td>$199,605.10</td>
<td>$210,293.48</td>
<td>$222,977.48</td>
<td>$235,076.61</td>
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<tr>
<td>GRAND TOTAL REVENUE</td>
<td>$3,509,187.00</td>
<td>$5,281,566.00</td>
<td>$7,235,094.00</td>
<td>$7,295,464.22</td>
<td>$7,699,698.15</td>
<td>$8,679,878.19</td>
<td>$11,793,182.31</td>
<td>$13,724,939.89</td>
<td>$15,779,933.09</td>
<td>$14,301,054.87</td>
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<td>$745,374.63</td>
<td>$960,732.00</td>
<td>$1,015,129.00</td>
<td>$1,319,328.00</td>
<td>$1,392,976.07</td>
<td>$1,493,449.12</td>
<td>$1,605,624.78</td>
<td>$1,698,911.00</td>
<td>$1,810,709.78</td>
<td>$1,813,529.13</td>
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<tr>
<td>TOTAL TENANT SERVICES</td>
<td>$9,500.00</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<td></td>
</tr>
<tr>
<td>TOTAL UTILITIES</td>
<td>$4,424.00</td>
<td>$3,640.00</td>
<td>$3,640.00</td>
<td>$3,640.00</td>
<td>$3,640.00</td>
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<td>$3,640.00</td>
<td>$3,640.00</td>
<td>$3,640.00</td>
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</tr>
<tr>
<td>TOTAL MAINTENANCE</td>
<td>$1,550.00</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>TOTAL INSURANCE</td>
<td>$5,494.88</td>
<td>$18,803.00</td>
<td>$14,380.00</td>
<td>$12,603.00</td>
<td>$16,282.37</td>
<td>$16,466.66</td>
<td>$14,874.77</td>
<td>$18,850.80</td>
<td>$18,081.05</td>
<td>$17,554.62</td>
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<tr>
<td>TOTAL OTHER EXPENSES</td>
<td>$26,404.38</td>
<td>$35,241.00</td>
<td>$6,750.00</td>
<td>$56,644.00</td>
<td>$59,670.25</td>
<td>$63,058.57</td>
<td>$66,039.29</td>
<td>$70,423.33</td>
<td>$74,422.25</td>
<td>$76,648.34</td>
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<tr>
<td>TOTAL GSC EXPENSES</td>
<td>$2,627,669.63</td>
<td>$4,227,627.00</td>
<td>$5,776,529.00</td>
<td>$6,790,946.00</td>
<td>$6,093,993.55</td>
<td>$7,790,473.95</td>
<td>$9,412,897.69</td>
<td>$10,862,198.31</td>
<td>$13,720,718.87</td>
<td>$11,949,023.57</td>
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<td>GRAND TOTAL EXPENSES</td>
<td>$3,404,759.52</td>
<td>$5,241,603.00</td>
<td>$7,365,962.00</td>
<td>$7,197,381.08</td>
<td>$7,666,562.84</td>
<td>$9,364,087.90</td>
<td>$11,103,633.92</td>
<td>$11,954,073.44</td>
<td>$12,648,069.92</td>
<td>$13,362,404.55</td>
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</table>

| DEBT PAYMENTS         | $10,508.00 |

| CASH FLOW             | $104,427.48 | $28,945.00 | $(30,868.00) | $156,073.14 | $132,525.28 | $312,790.29 | $689,546.38 | $770,820.45 | $933,843.12 | $968,620.32 |

**NOTE**

($) Year 2020 Financials Not Available
### Long Term Sustainability

<table>
<thead>
<tr>
<th>Property Operations</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
<th>FY 2029</th>
<th>FY 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Revenue</td>
<td>$1,189,234.00</td>
<td>$1,392,037.00</td>
<td>$1,224,643.00</td>
<td>$1,307,015.00</td>
<td>$880,880.00</td>
<td>$942,872.23</td>
<td>$800,511.42</td>
<td>$1,032,649.47</td>
<td>$1,652,380.46</td>
<td>$1,779,779.70</td>
<td>$1,146,372.82</td>
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<tr>
<td>Total Subsidy Revenue</td>
<td>$1,376,787.00</td>
<td>$1,528,309.00</td>
<td>$4,293,144.00</td>
<td>$1,431,556.00</td>
<td>$5,483,798.00</td>
<td>$1,684,828.67</td>
<td>$1,037,089.82</td>
<td>$1,804,781.72</td>
<td>$2,300,659.94</td>
<td>$2,453,377.35</td>
<td>$2,589,416.16</td>
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</tbody>
</table>
| Total Fee Revenue   | $1,000,000.00 | $1,847,610.00 | $1,671,713.00 | $4,596,312.00 | $1,327,000.00 | $1,526,007.95 | $4,064,400.00 | $5,339,700.00 | $5,464,400.00 | $5,735,620.00 | $-
| Total Misc Revenue  | $252,244.00 | $34,034.00 | $768,590.00 | $4,161.00 | $4,377.28 | $4,646.97 | $4,910.85 | $5,389.70 | $5,464.40 | $5,735.62 | $-
| Grand Total Revenue | $2,624,026.00 | $3,772,586.00 | $5,553,841.00 | $3,506,961.00 | $7,337,839.00 | $4,118,847.18 | $18,413,979.54 | $7,037,973.26 | $4,074,258.05 | $3,638,381.44 | $3,744,583.80 |
| Total Operating Admin | $761,053.00 | $822,627.00 | $946,282.00 | $846,028.00 | $723,908.00 | $572,956.09 | $254,975.51 | $194,645.54 | $206,499.46 | $219,075.27 | $232,426.96 |
| Total Tenant Services | $54,520.00 | $54,520.00 | $100,170.00 | $62,600.00 | $105,870.00 | $89,908.88 | $95,024.27 | $100,409.56 | $106,111.21 | $112,136.63 | $118,504.20 |
| Total Utilities     | $835,907.00 | $987,319.00 | $943,336.00 | $888,594.00 | $888,594.00 | $533,905.45 | $585,359.47 | $150,437.38 | $158,979.82 | $168,007.33 | $177,547.46 |
| Total Maintenance   | $934,001.00 | $1,346,690.00 | $1,505,029.00 | $1,617,899.00 | $1,244,619.00 | $1,481,826.22 | $1,009,341.70 | $259,400.82 | $274,350.63 | $289,696.87 | $306,147.01 |
| Total Insurance     | $56,225.00 | $70,788.00 | $73,880.00 | $76,019.00 | $83,347.00 | $123,407.29 | $130,444.85 | $137,820.32 | $146,646.31 | $153,916.69 | $162,656.70 |
| Total Other Expenses| $220,391.00 | $308,252.00 | $87,507.00 | $93,481.00 | $85,320.00 | $-
| Total HAP Payments  | $-
| Grand Total Expenses| $2,866,097.00 | $3,273,834.00 | $3,300,254.00 | $3,127,461.00 | $3,127,461.00 | $2,761,833.00 | $2,073,505.79 | $842,713.62 | $891,367.44 | $942,832.80 | $997,272.33 |
| Excess Revenue Over OP | $(242,071.00) | $(205,578.00) | $357,114.00 | $379,500.00 | $4,230,378.00 | $1,357,565.65 | $16,339,873.75 | $6,395,259.63 | $3,122,870.62 | $2,695,548.65 | $2,747,311.48 |
| Transfers in        | $255,362.00 | $241,250.00 | $189,647.30 | $356,722.00 | $357,114.00 | $379,500.00 | $4,230,378.00 | $1,357,565.65 | $16,339,873.75 | $6,395,259.63 | $3,122,870.62 | $2,695,548.65 | $2,747,311.48 |
| Capital/Debt Payments| $255,362.00 | $241,250.00 | $189,647.30 | $356,722.00 | $357,114.00 | $379,500.00 | $4,230,378.00 | $1,357,565.65 | $16,339,873.75 | $6,395,259.63 | $3,122,870.62 | $2,695,548.65 | $2,747,311.48 |
| Cash Flow           | $13,291.00 | $35,672.00 | $357,114.00 | $379,500.00 | $4,230,378.00 | $1,357,565.65 | $16,339,873.75 | $6,395,259.63 | $3,122,870.62 | $2,695,548.65 | $2,747,311.48 |
LONG TERM SUSTAINABILITY

- Ability to work with financial partners and earn all of the fees
- Demand for Housing is Robust
- Increasing Number of Units With Vouchers Subsidy Generates Additional Income
- Sale or Capitalized Ground Lease Generates Significant Cash Infusion
- New Construction Minimizes Need for Investment in Obsolete Assets
- Agency is Now Poised For Sustainability

A detailed financial model demonstrating 20 years of cash flows is included in Exhibit J. A synopsis of the findings below is included in Figure 13.

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
<th>FY 2029</th>
<th>FY 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL REVENUE</td>
<td>6,923,023</td>
<td>10,834,897</td>
<td>10,742,055</td>
<td>14,173,007</td>
<td>9,859,134</td>
<td>11,204,859</td>
<td>12,233,114</td>
<td>27,439,140</td>
<td>18,729,245</td>
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<td>OPERATING TRANSFERS-IN</td>
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<td>-</td>
<td>(60,634)</td>
<td>694,248</td>
<td>694,248</td>
<td>694,248</td>
<td>347,124</td>
<td>347,124</td>
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<tr>
<td>GRAND TOTAL REVENUE</td>
<td>7,164,273</td>
<td>10,834,897</td>
<td>10,742,055</td>
<td>14,112,373</td>
<td>10,553,382</td>
<td>11,899,108</td>
<td>12,597,363</td>
<td>37,826,264</td>
<td>20,076,369</td>
<td>18,052,594</td>
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<td>TOTAL EXPENSES</td>
<td>6,782,924</td>
<td>8,541,857</td>
<td>10,393,423</td>
<td>10,509,416</td>
<td>10,120,422</td>
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<td>11,044,822</td>
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<td>11,970,991</td>
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<tr>
<td>NON-OPERATING EXPENDITURES</td>
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<td>-</td>
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<tr>
<td>GRAND TOTAL EXPENSES</td>
<td>6,782,924</td>
<td>10,448,838</td>
<td>10,393,423</td>
<td>10,509,416</td>
<td>10,120,422</td>
<td>10,409,251</td>
<td>10,755,895</td>
<td>11,044,822</td>
<td>11,372,011</td>
<td>11,970,991</td>
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<td>CASH FLOW</td>
<td>381,349</td>
<td>386,059</td>
<td>348,632</td>
<td>3,602,957</td>
<td>432,960</td>
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<td>2,171,468</td>
<td>16,741,442</td>
<td>7,704,358</td>
<td>6,081,603</td>
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