

## Using the Chicago Proforma

### Contents:

1.	Installation/Setup/Hints	1
2.	Step #1 – Copying the file	2
3.	Step #2 – Setup Tab / General Information Input	2-4
4.	Step #3 – Development Costs	5
5.	Step #4 – Unit Mix	5-6
6.	Step #5 – Operating Costs	6
7.	Step #6 – Sources of Funds	6-7
8.	Other Tabs	
	A. IAHTC Overview	8
	B. ARC Analysis	8
	C. Operating Proforma	9
	D. Lease-Up Schedule & Lease-Up Reserve	9
	E. DOH Eligible Costs	9
	F. Buildings & Detailed Credit Calculations	10-11
	G. Refinancing Overview	11
	H. Deal Overview	11
	I. Lists	11
	J. Max Limits	11
	K. Reports	12
9.	Installing the Required Add-In File	13

### Installation/Setup/Hints:

- The program has many macros within the program. It is necessary to enable to macros each time you open the program, or it will not open properly.
  - Your computer's Excel macro security cannot be set to High – it must be set to either Low or Medium.
  - To reset your security, open Excel, go to Tools → Options → Security → Macro Security.
  - If you have Medium Security, you will be prompted whether to enable the macros when you open the form – select Enable Macros (middle button).
  - Note to IT Administrators:** The installation routine must be run under the User's login. If the user does not have administrator rights, the dll with the macros will not be installed properly. To get around this,
    - Give the User administrator rights
    - Have the user log on
    - Run the proforma installation routine
    - Remove the User's administrator rights. The user does not administrator rights to use the proforma, only to install it.
- Individual Fields
  - Yellow Field** = Enter Value
  - Blue Field** = There is a calculated amount, but it can be overwritten. Overwriting a formula is permanent.
  - Drop Down Lists
    - Choose a selection from the list.
    - Click on the down arrow that appears to right of the cell when you click in the cell.
    - Alternate: click on the Alt + Down Arrow keys at the same time when you are in the cell.
  - Comments/ directions
    - A pop-up box will appear on many of the fields throughout the program.
    - You can move the box to another location if it is in your way.
- When Information Can Be Modified
  - Although a suggested sequence is listed in the steps below, information can be entered in any order within a Tab or throughout the entire Worksheet
- Tabs
  - Dark Yellow Tab** -- these are the tabs you will use the most often and enter the most information.
  - Dark Blue Tab** -- Enter annual information here (Median Incomes, FMR Rents, and max HOME amounts.)
  - Uncolored Tab – some cells are unlocked. Data entry on these screens is for users who want to exercise very detailed and specific control with the calculations in the spreadsheet.
- Locked fields/ worksheet
  - Information can only be entered in the yellow or blue fields.
  - You cannot change the formatting of any sheet, cell or change the names of any tabs.
- Printing

## Using the Chicago Proforma

- A. *Recommendation:* Use the Print Options button in the menu bar.
- B. Select all the reports you want to print, they will all print when you select the Print button.
- C. All printing will be automatically sent to your default printer.
- D. You must close the Print pop-up box before you can click elsewhere in the spreadsheet.

## Using the Chicago Proforma

### Step #1: Create a Copy of the Proforma Template

---

1. Download an original copy of the Proforma
2. Copies are available through Chicago DOH or at <http://www.housingdeveloper.com/downloadsGDL.html>
3. Select the download for City of Chicago Underwriting Spreadsheet.
4. Using an original copy will ensure that all defaulted formulas (the blue fields) are in place.
5. Suggestion: Make a copy of the file & save it as Project Name\_Version # (e.g. ABCApts\_1)

### Step #2: Setup Tab – Complete General Information

---

#### 1. Print Options

- A. 12 standardized reports are available through the Print Option button – see Page #11 for details

#### 2. Basic Project Information

- A. Version # -- this is the version # that DOH uses for its internal database purposes
- B. Type of Project
  - i. If a project is new to DOH and does not exist, select "**New City Deal**"
  - ii. If the project is an existing DOH deal and is being restructured, select "**Refinancing DOH Deal**"
    - a. The Refi tab will appear for this option only.
    - b. 3 years of operating history will appear in the Operating Costs & Operating Proforma tabs
    - c. Instead of Construction Sources of Funds, Existing Sources of Funds will be available in the Sources tab.
  - iii. If the project is new to DOH but has the same ownership, select "**Refinancing Non-DOH Deal**"
    - a. 3 years of operating history will appear in the Operating Costs & Operating Proforma tabs
- C. Ward & Alderman
  - i. When you select the Ward number, the Alderman will be automatically filled in.
  - ii. If the Alderman is incorrect, make that change on the LISTS tab.
- D. Most of this information will be displayed on the Deal Overview report and will not affect calculations.

#### 3. Basic Site Information

- A. Number of Buildings = How many structures will there be in the project? Any number is allowed.
- B. Number of BINs (Building Identification Numbers)
  - i. Tax credits are calculated in this program based on the number of BINs.
  - ii. The number of BINs determines how many columns will appear in the LIHTCs&BLDGs tab.
    - a. Select between 1 and 50.
    - b. All other information will be displayed on the Deal Overview report.

#### 4. Construction Stats

All of the items in this section have defaulted calculations based on values entered on the DevCosts tab. The values in Construction Contingency %, Per Unit Construction, and GSF Construction Cost are editable on this tab, but not recommended. The other items must be edited on the DevCosts tab.

- A. Total GC, OH and Profit %
  - i. This is the percentage of the sum of the general conditions, overhead, and profit for the net construction costs (D13-D15).
- B. Const. Contingency %
  - i. Equals the construction contingency percentage for all related construction costs. Includes Construction, Infrastructure, Environmental, and Commercial Construction costs.

#### 5. Tax Exempt (TE) Bonds Test

- A. For deals that are qualifying for the "automatic 4% LIHTC", it is necessary for a minimum of 50% of the depreciable costs (+ land costs) to be paid for with tax exempt bonds.
- B. Cells D54 and D55 display what percentage the bond proceeds alone and the bond proceeds + equity bridge loan are of the deal's total depreciable basis and land acquisition cost.
- C. The links are to the three tax-exempt bond line items and the single equity bridge loan amount in the Construction Sources of Funds

## Using the Chicago Proforma

### 6. Tax Credit Assumptions

#### A. LIHTC Credits

- i. % of Costs Ineligible -- if a portion of the project is commercial space or other ineligible cost, enter the % of the total costs this space represents. This percentage of development costs will automatically be reduced from LIHTC basis.
- ii. Acquisition LIHTC Credits?
  - a. Select Yes/No to activate this type of credit.
  - b. How Qualified – select from the drop down list why the project qualifies for the acquisition credit.
  - c. Acquisition Tax Credit Rate -- Enter the rate estimated when the owner will lock it.
- iii. Rehab/ New Construction LIHTC Credits?
  - a. Select Yes/No to activate this type of credit.
  - b. Type of Credit -- make sure to select the appropriate option. This selection can affect the LIHTCs calculated if a source of funds is Good or Bad for purposes of calculating the LIHTC.
  - c. 130% Boost -- only select Yes if the project is both in a Boost Census Tract & the project intends to use the boost to calculate the total credits earned.
  - d. Rehab Credit Rate -- enter the rate estimated when the owner will lock it.
  - e. When will rate be locked -- this information will print on the Deal Overview report.
- iv. Price Per Credit -- enter the estimated price per credit. The LIHTC Credit raise will be calculated on this amount. Note -- the value to the left of this field is the maximum # of credits computed by the program.
- v. LIHTC Credit raise
  - a. This is defaulted to be calculated as the Credits Applied for (value is to the left of the LIHTC Credit raise) \* Price Per Credit \* 10
  - b. This value can be overwritten, but will cause the calculations in the LIHTC&BLDGs tab to be incorrect unless the Price Per Credit is modified to the following calculation: =L17/K17/10

#### B. Historic Tax Credits

- i. Select Yes/No in cell L18 on the Setup worksheet, to the right of the Historic Tax Credits label.
- ii. % of Costs Ineligible -- if a portion of the project is new construction or other ineligible cost, enter the percentage of the total costs that this ineligible space represents. It will automatically be reduced from historic basis.
- iii. How Qualified - select why the project qualifies for the credit
- iv. Price Per Credit - enter the estimated price per HTC.
- v. Historic Credit Raise
  - a. This is calculated as Total Historic Credits (shown to the left) \* Price per Credit.
  - b. It is possible to overwrite this amount if necessary, but will cause the calculations in the LIHTC&BLDGs tab to be incorrect unless the Price per Credit is modified to the following calculation: =L24/K24

### 7. Sources of Funds

- A. ARC Funds -- if ARC funds will be used for the project select Yes.
  - i. The ARC Units (Column H) will appear in the Units&Income tab.
  - ii. The ARC tab will appear.
- B. IAHTC Allocation -- if donations receiving State Credits will be used for the project, select Yes
  - i. The Donations Overview in Rows 94-111 in the Sources tab will appear
- C. Select Allocating Agencies for the IAHTC, FHLB AHP, and the LIHTC
  - i. The allocating agency will default who allocates credits in the Sources and LIHTC&BLDGs tabs
- D. Maximum HOME Loan
  - i. The maximum HOME loan allowed is calculated based on the # of HOME units in the Units&Income, the Year selected (cell K33), and the maximum subsidy amounts entered in the Max\_Limits tab.
  - ii. All HOME units are defaulted as Walk-Up Units. Go to the Max\_Limits tab, rows 54-59 to adjust the number of walk-up units to elevator units.
- E. Applicable Federal Rate (AFR) & Date
  - i. Enter the applicable federal rate and corresponding date, if known.
  - ii. Affects HOME, ARC and HOPE VI/CHA funds only
- F. HOME Warning
  - i. A warning will be displayed in the blank space directly below the Applicable Federal Rate if the project's allotted HOME dollars exceed the HOME dollars per unit limits entered in the table on the MaxLimits tab.

## Using the Chicago Proforma

### **8. Units & Income Assumptions**

- A. Set the # of Unit Types per Bedroom Size
  - i. Only the number of unit types you select will appear on the Units&Income tab.
  - ii. Up to 1 rent per each AMI level can be entered for each Unit Type.
  - iii. When you decrease the number of unit types, any units entered for that unit type will be hidden and automatically changed to 0.
- B. Residential Vacancy – this rate will be applied to all residential units
- C. Residential Escalation -- this rate will be applied to all residential income
- D. Commercial Escalation -- this rate will be applied to all commercial income
- E. Other Income Escalation -- this rate will be applied to all other income
- F. AMI Level – Only the AMI levels you select here will appear in the Units&Income tab.
  - i. When you eliminate an AMI level, any # of units entered for that AMI level will be automatically changed to 0.

### **9. Schedules and Appraisal Information**

- A. Construction Loan Closing -- enter the estimated date that the project will close its financing
- B. Construction Period (mos) -- enter the number of months it will take to construct the project
- C. Construction Completion --- calculated based on the construction loan closing date and the construction period
- D. Lease-Up Begins -- this date is defaulted to 30 days prior to construction completion, but can be modified
- E. # of Units Leased Per Month -- enter the number of units on average that will be leased each month to obtain full occupancy
  - i. The entire lease-up schedule is defaulted based on the date in (c) and the value in (d), but can be modified (occupancy only)
  - ii. Help drive the lease-up reserve calculation.
- F. Lease-Up Reserve Calculated
  - i. This is the amount of negative losses from the date the first unit is occupied until the project achieves 100% occupancy.
  - ii. The amount is calculated on and defaulted from the Lease-Up tab
- G. 100% Occupancy Year is calculated based on the Lease-Up Schedule
- H. Year 1 of Operations is the first stabilized year in the Operating Proforma
  - i. For DOH Refinancing Deals, this is the year after the Construction Loan Closing but can be modified on the Refi tab (cell L15)
  - ii. For other deals, it is the year after the 100% Occupancy Year
- I. Operating Cost Escalation Rate -- enter the estimated escalation rate for all operating costs
  - i. This assumption can be overwritten by line item on the Op\_Costs tab.
- J. Appraised Value -- enter the as-is and as-completed appraised value and date of the project, when known.

### **10. Operations & Developer Fee Information**

- A. Developer Fee %
  - i. Select "Regular Deal"--- The maximum standard DOH developer fee is automatically calculated on the DevCosts tab field E111 as 10% of the first \$5m and 5% thereafter.
  - ii. Select "CHA Deal" --- The maximum DOH developer fee for a CHA deal is automatically calculated on the DevCosts tab field E111 as 10% of the first \$10m and 5% thereafter.
- B. Year 1 Debt Service Coverage Ratio --- The ratio incorporates debt service for all loans on the Sources tab (field J70) that show debt payments
- C. 1<sup>st</sup> Negative Year # --- Displays the first year that the project negatively cash flows after 100% occupancy.

### **11. Tenant Paid Utilities**

- A. Enter the estimated tenant paid utility costs for this project.
- B. Utility costs are added to the tenant rent to determine compliance with the maximum allowable rents.

## Using the Chicago Proforma

### Step #3: Enter Development Costs -- DevCosts Tab

---

1. Development Cost amounts can only be entered in Column F
  - A. The development cost amount (Column D) is automatically calculated for you as Column F \* Column E
  - B. Column E is the Calculation Method
    - i. When Calculation Method = **Amount**,
      - a. The value in Column F will = the Amount
    - ii. When Calculation Method = **Per Unit**:
      - a. Column F value \* # of Residential Units = the Amount
    - iii. When Calculation Method = **Per Site Square Foot**:
      - a. Column F value \* value in Setup tab D37 (Site SF) = the Amount
    - iv. When Calculation Method = **Per Building Gross Sq Ft**:
      - a. Column F value \* value in Setup tab D38 (Building Gross SF) = the Amount
    - v. When Calculation Method = **Percent of Net Construction Costs**:
      - a. Column F \* Amount in DevCosts D13 (Net Constr. Costs) = Amount
2. Filter Button
  - A. Click on the Filter button to only view those development costs with a value > 0.
  - B. To view all development costs, click on the Filter button again.
3. Several defaulted values are entered which match DOH underwriting standards.
  - A. These defaults are in blue and the Comments explain the defaulted values.
4. All Tax Classifications are defaulted (Columns I-R), but can be overwritten.
  - A. Tax classifications determine what portion of each development cost count toward the tax credits.
  - B. Columns L & M are the amounts that are depreciable but are reduced from basis for the LIHTC or HTC, respectively. Column M will only be visible if you have selected "yes" for HTC in the Set-up tab.
    - i. These reductions are defaulted based on the percentages entered in the Setup tab, fields L3 and L19.
    - ii. 100% of all Commercial line items are reduced for the LIHTC.

### Step #4: Enter Unit Mix -- Units&Income Tab

---

#### Residential Units

1. MSA/ FMR Year (cell C7)
  - A. Select the year that the rent restrictions will apply -- this will link the maximum rents to that year in the chart
  - B. Hint -- don't enter any year later than you have data available in the Max\_Rents tab.
2. FMR = Yes/No
  - A. The FMR restriction is defaulted to be Yes if either FMR ARC or HOME is activated, but can be overwritten.
3. Enter basic information in for each unit type
  - A. Column B - Unit Type name -- you can keep the defaulted name or provide a new one to match the developer
  - B. Column C - Gross Square Feet -- enter the square footage of the unit. This figure is used to compute the LIHTC percentage in the LIHTCs&BLDG tab, so is important to be correct for mixed-income buildings
  - C. Column D - # of Baths -- this does not tie into calculations
  - D. Column E - This is the Utility Allowance entered on the Setup tab and cannot be modified here
4. RM/ ARC/ HOME/ LIHTC Units
  - A. If there will be any Non-Income producing Resident Manager units, enter them in Column F.
    - i. These units should not be included under any AMI level.
  - B. All units <=60% AMI are defaulted as LIHTC units (only when LIHTC = Yes), but this can be overwritten, if necessary in Column G.
  - C. All units =30% AMI are defaulted as ARC units (when ARC = Yes), but this can be overwritten, if necessary in Column H.
  - D. All units <=60% AMI are defaulted as HOME units (when there are HOME/ ARC funds), but this can be overwritten, if necessary in Column I.
    - i. When the project's only HOME funds are ARC funds and, only ARC units are listed as HOME units.
5. Enter # of Units & Rents
  - A. Enter the unit counts and rents by AMI level.
  - B. Subtotals by number of bedrooms and grand total amounts are calculated and cannot be overwritten.
6. Show Restriction Detail button
  - A. Click on the button to see more detail about the restrictions involved with each unit.
  - B. Total Tenant Rent = Rent + Tenant Paid Utilities
  - C. Max Tax Credit Rent is calculated assuming 1.5 Persons per BR (1 person for a studio) as:  
Median Income for Selected Year \* the AMI level (30%, 40%, etc) / 12 \* .3
  - D. FMR Rent = FMR level in the Max\_Limits tab for that BR size for the year selected in #1
  - E. Controlling Maximum Rent -- this takes into consideration if the FMR and/or Tax Credits are activated

## Using the Chicago Proforma

- i. Based on which of these restrictions apply, it shows the lesser rent.
- F. Variance from Max Rent = Controlling Maximum Rent - Total Tenant Rent

### **Commercial & Other Income**

- 7. Enter Commercial Tenants into rows 102-112. These rows are activated in the Set-up tab under Units & Income Assumptions
  - A. Column A -- enter the Tenant name/ Space description
  - B. Column C -- enter the Gross Square Feet -- this is a required field
  - C. Column D -- enter the anticipated annual rent
  - D. Column E is calculated as Column D / Column C
  - E. Column F -- enter the Vacancy rate -- it can vary between tenants
  - F. Column G = Column D \* (1-Column F)
  - G. Column H = escalation rate entered on Setup tab and cannot be modified
  - H. Column I/J = enter Comments here
- 8. Enter Other Income items into rows 117-127. These rows are activated in the Set-up tab under Units & Income Assumptions.
  - A. Column A -- enter the type of other income
  - B. Column C -- enter the income anticipated for a period of a day, week, month, year
  - C. Column D -- Select the Per from the drop down list
  - D. Column E is calculated as Column C \* Per
    - i. Per: Year = 1; Month = 12; Week = 52; Day = 365
  - E. Column F -- enter the Vacancy rate -- it can vary between tenants
  - F. Column G = Column E \* (1-Column F)
  - G. Column H = escalation rate entered on Setup tab and cannot be modified
  - H. Column I/J = enter Comments here

### **Step #5: Enter Operating Costs in Op Costs Tab**

- 1. Like development costs, options are available for you to compute the Amount for Year 1 of Stabilized Operations
  - A. Enter the Calculation Method in Column H
  - B. Enter the amount in Column I
  - C. The Amount in Column G will calculate as  $H * I$  where H =
    - i. Amount = 1
    - ii. Per Unit = # of Residential Units (Units&Income cell AV94)
    - iii. % of Effective Gross Income = Gross Income - Vacancy (located on Units&Income tab cell E132)
- 2. For projects = Refinancing, Columns D-F are available to enter the previous 3 years of operations
  - A. These costs will appear in the Costs section of the Operating Proforma
- 3. Filter On/ Off button
  - A. Select the Filter On button to view only those costs that have a value > 0
  - B. Select the Filter Off to see all Operating Costs
- 4. Escalation Rate - the rate is defaulted to the value entered on the Setup Tab (field R30), but can be overwritten here
  - A. Each line item will escalate at the rate designated in the Operating Proforma report
- 5. Per Unit is a calculated field = Operating Cost / # of Residential Units
- 6. Comments -- enter any comments into Column L

### **Step #6: Modify Sources of Funding in Sources tab**

- 1. Notes
  - A. When Type of Project is "Refinancing DOH Deal", the two sections are Existing Sources and Proposed Sources.
  - B. When Type of Project is "New City Deal" or "Refinancing non-DOH Deal", the two sections are Construction Sources and Permanent Sources.
  - C. Throughout this section, the sections are generally referred to as Construction and Permanent.
  - D. Use the Filters to only view relevant information for your projects.
- 2. Lien Position
  - A. Select the lien position for each source of funds you will be using.
  - B. The Permanent Sources are defaulted to the same lien positions as the Construction Sources
  - C. The Sources of Funds Report will show the sources of funds in Lien Position (although they will look out of order on this tab).
- 3. Source Type

## Using the Chicago Proforma

- A. The names of Private Loans, Tax Exempt Bonds and Grants can be overwritten in the Construction section.
  - B. The Permanent/ Proposed Sources are defaulted to the same name as the Construction/ Existing Sources
4. Lender/ Partner
- A. The Deferred Developer Fee is the Developer listed in the Setup tab.
  - B. The ARC/ CDBG/ HOME/ HOPE VI and IHDA Trust Fund sources - it is necessary to select from the list
  - C. For all others sources, directly enter the lender/ partner name in the Construction section.
5. Loan Amount
- A. The Permanent Loan Amount is defaulted to the same value as the Construction Loan Amount.
  - B. The following sources of funds are calculated in other locations and cannot be modified here:
    - i. ARC Loan Amount -- value is obtained from ARC Tab, field F107
    - ii. Illinois Donors -- value is obtained from Sources Tab, field D110.
    - iii. Tax Credit Equity -- value is obtained from the Setup Tab, field L25.
  - C. Private Loans & Tax Exempt Bonds
    - i. Private Loan #1 is defaulted to be sized to a 1.20 DCR.
    - ii. All Private Loans & TE Bonds will fully amortize -- do not enter non-amortizing soft loans into these rows.
  - D. Soft Loans (CDBG/ HOME/ HOPE VI/ Trust Fund) & Grants
    - i. The Soft Loans and Grants can have any value entered.
    - ii. Soft loans may or may not have a permanent annual payment/ construction interest owed.
    - iii. Grants have no debt service and no construction interest owed.
6. **Construction Period (New City Deals & Refinancing Non-DOH Deals)**
- A. Term (Months) – enter the number of months the construction loan will be outstanding
  - B. Loan End Date is calculated as the Construction Loan Closing Date + the Term
  - C. Average Interest Rate -- enter the rate that will be charged during the construction period
    - i. The permanent loan rate is defaulted to the same value
  - D. Total Interest Payments are defaulted assuming that 75% of the loan amount is outstanding for the term
    - i. The total interest payments are defaulted as a development cost Lender Fees:: Interest
  - E. Good or Bad Funds refers to the funds' treatment for LIHTC purposes
    - i. ARC/ HOME/ HOPE VI -- these are calculated based on current rules and cannot be overwritten
    - ii. Other funds can be changed – Check with tax counsel/ developer
  - F. Reduction amount
    - i. This is the amount of each source that will be reduced from tax credit basis
    - ii. This amount is transferred to LIHTCs&BLDGs tab, cell B50.
7. **Existing Sources of Funds (Refinancing DOH Deals)**
- A. The Amounts for all Loans listed in the Existing Sources are defaulted as the Development Cost line item Acquisition: Refinance/ Loan Pay-Off
  - B. Amortization Period (Years) – enter the amortization period for the current debt (not remaining, but what the loan payments are based on)
  - C. Current Interest Rate -- enter the current permanent interest rate for the loan
  - D. Annual Payment -- the payment will be calculated based on (b) and (c) but can be overwritten. This value will populate the total debt section in the Operating Proforma for the 3 historical years (but can be overwritten there as well).
  - E. The DCR is shown in Total Row -- the Current DCR will be shown in the Total Row only.
8. **Permanent Sources of Funds -- all types of deals**
- A. The lenders are defaulted the same as the Construction period, but can be modified if they will be different.
  - B. The loan amounts are defaulted the same as the Construction period, but can also be modified.
  - C. The Loan Start Date is defaulted to the same date as the Construction End date and cannot be modified
    - i. This column does not have any values for DOH-Refinancing Deals.
  - D. Term - enter the initial term of the loan - this will not affect the calculations
  - E. Amortization -- enter the amortization period or Balloon
    - i. If an amortization period is entered, the Year 1 Payment will be calculated assuming that 100% of the loan must amortize over that period.
    - ii. Private Loans & TE Bonds Year 1 Payment cannot be modified.
    - iii. Soft Loans may or may not have a permanent annual payment entered. All values are defaulted to \$0.
  - F. Stabilized DCR is shown for any loan that has a Year 1 Payment value.
    - i. The DCR is cumulative; it takes into account the debt payment for that loan and all loans on top of it.

## Using the Chicago Proforma

1. To activate the donations tax credit, select Yes in the Setup tab, field K30.
2. Go to the Sources tab, row 94
3. Enter the Donors in Column B
4. In Column C, select the Type of Donation from the drop down list.
  - A. Remember: if the donation is listed here -- the use of the funds must be listed in the Development Costs
5. In Column D, enter the amount of the donation.
6. Column E is calculated as the Donation Amount \* 50%
7. Modify Columns F & G as necessary to show how many credits will be allocated by DOH/ IHDA.
  - A. These values are defaulted based on the allocating agency selected on the Setup tab in cell L30.
8. A warning will appear if the total tax credits exceed 50% of the total donations.
9. In Column H, enter the pay in rate for the tax credits.
10. Column I – Equity Generated
  - A. Is defaulted to be the Donation Amount or,
  - B. Will automatically adjust to reflect the equity generated based on the pay in rate that was entered.
  - C. This field can be overwritten.
11. In Column J & Column K, enter the investor (if applicable) and any comments, respectively.
12. Enter any donations used for the non-profit's operating/ technical assistance needs (and not going as a source of project income) in cell I109.
13. The Net Equity Used In Project amount will appear as a source of funds. This figure can be overwritten.

### ARC Analysis

---

1. Activate the ARC program (Setup tab, field K29). The ARC tab will appear (after the Sources tab) and the 30% AMI rent level is automatically activated.
2. In the Sources tab, go to field D3 (Private #1 Loan) and override the default formula with the following formula: **=current mortgage amount - D11** (ARC funds). For example, if the current mortgage showing is \$2,000,000, then input: =2,000,000-D11
3. In the Sources tab, click on the "Add New Source" button at the top of the page to display all sources.
4. Add the 30% AMI units (Units & Income tab). All units at 30% of AMI on the Units & Income tab are defaulted to = ARC units when the ARC source of funds is turned on. Remember to reduce the number of units in the AMI level that the 30% AMI units are replacing.
5. Go to the ARC tab to complete the ARC Analysis
  - A. Step 1 – Determine the Total Lost Income to the Project
    - i. Select the Replacement AMI (field F5)
    - ii. Replacement AMI is the AMI level that would be in effect for these units were it not for the ARC program.
    - iii. The program is comparing the Replacement AMI rent with the 30% AMI rent for all of the ARC units to determine the lost income to the project.
  - B. Steps 2 & 3 -- Determining the Present Value (Lost Loan Proceeds) and Setting the ARC Loan Amount
    - i. In Cell F100, select the Permanent Private Loan/ TE Bond that the ARC funds are replacing.
    - ii. Permanent loan interest rate and amortization period from the Sources tab appears in cells F101 and F102.
    - iii. F103 = the Present Value, or lost loan proceeds computed based on these inputs.
      - a. The value in F103 will be defaulted as the ARC loan amount (F107), but can be overwritten.
      - b. F107 will appear as a Construction and Permanent ARC Loan Amount in the Sources tab.
      - c. The ARC loan amount value cannot be changed in the Sources tab, only here in cell F107.
  - C. Enter any ARC related comments in B114.

## Using the Chicago Proforma

### Operating Proforma tab

---

1. Type of deal = DOH Refinancing Deal or Non-DOH Refinancing Deal
  - A. Three additional columns (D, E, and F) are visible
  - B. Income & Vacancy amounts (rows 3-9) and Debt Service (row 74) can be entered for these columns.
  - C. The Operating Expenses for these columns are pulled from the Op\_Costs columns D-F.
  - D. These columns will not appear if Type of Project = New City Deal.
2. Type of deal = New City Deal
  - A. Income (rows 3-5) and Debt Service (row 74) are editable for all columns, except column G (year 1 of operations)
3. All other information is pulled from the Units&Income and Op\_Costs tabs and cannot be modified here.
4. Additional operating information can be entered in rows 80-95.
5. Filter Options
  - A. Filter On = all Expense Items with a value = 0 will be hidden. (The report uses this filter).
  - B. Totals Only -- only subtotals and grand total will be shown.
  - C. Filter Off = All line items can be viewed.

### Lease-Up Schedule & Lease-Up Reserve Calculation

---

1. Lease-Up Schedule
  - A. The lease-up schedule always shows a 3 year period
  - B. The first year is the year that leasing begins (defined in the Setup tab, field R27)
  - C. The units are leased each month beginning the first month lease-up begins, until all residential units have been leased.
  - D. The number of units leased each month is defined in the Setup tab, field R28.
  - E. The number of units occupied is defaulted to the cumulative number of units leased through that month, but can be overwritten.
  - F. The estimated LIHTCs delivered are estimated based on the following assumptions:
    - i. All buildings are placed in service in the same year
    - ii. There are no tenants in place during the construction period
    - iii. No credits will be taken until 100% occupancy is achieved
2. Lease-Up Reserve Calculation
  - A. Any month during the lease-up period where there is less than 100% occupancy, the reserve gets activated.
  - B. Operating expenses are estimated at 1/12 of annual operating costs, but can be modified.
  - C. Debt is estimated at 1/12 of permanent annual debt payments, but can be modified.
  - D. If in any month the income is insufficient to cover the expenses + debt, the reserve will appear as a cost.
  - E. The reserve will cease to calculate when the building reaches 100% occupancy or when the project's income exceeds its expenses + debt.
  - F. The grand total, field K45, will appear as the lease-up reserve amount in the development costs (as a blue, defaulted item), but can be overwritten.

### DOH Eligible Funds

---

1. All of the development costs entered in the DevCosts tab will automatically appear here.
2. All development costs are defaulted to be either eligible or ineligible
3. The Ineligible Costs (Column E) = Development Cost - Eligible Costs (Column D)
4. Modify the amount/ formula in Column D to make changes
5. Anticipated DOH uses assumes that all funds are spent pro-rata on all DOH eligible items
  - A. You can directly overwrite any Anticipated DOH uses -- but will have to make sure the total balances.
6. DOH sources are any that have "Chicago DOH" listed as the Lender in the Construction Sources of Funds.
  - A. DOH sources are limited to the following types of funds: ARC, CDBG, HOME, and IHDA Trust Fund

## Using the Chicago Proforma

### LIHTCs & BLDGs

#### Building Overview Section

1. The number of BINs selected in the Setup tab, field D35, determines how many columns will appear.
2. There will be a total column, plus one additional column for each BIN.
3. Building Names are defaulted to Building #1, Building #2, etc, but can be overwritten.
4. The following fields are defaulted based on the information entered in the setup tab, and can also be overwritten:
  - A. Building type, Census tract, Construction Start & End Dates, Placed in Service Year, and Address
5. Gross Square Feet
  - A. The gross square feet is evenly allocated to all BINs in the project.
  - B. Modify the square footage for any building. Make sure that the Total Square Footage shown in the Total Column matches Setup tab field D38.
6. Percent of Total Square Feet is program calculated and cannot be modified.
7. # LIHTC Units
  - A. The total LIHTC units in the project are evenly allocated to all buildings.
  - B. Modify the # of units for any building (except Building #1). Building #1 will always equal the total LIHTC units - sum of units entered for other buildings.
8. # Non-LIHTC Units
  - A. The total Non-LIHTC units in the project are evenly allocated to all buildings.
  - B. Modify the # of units for any building (except Building #1). Building #1 will always equal the total Non-LIHTC units - sum of units entered for other buildings.
9. RM Units
  - A. All resident manager units are allocated to Building #1.
  - B. Any RM units assigned to other buildings will reduce the number assigned to Building #1.

#### LIHTC Calculation

10. The maximum acquisition tax credit is computed based on the following calculation:  
$$\text{Max Acquisition LIHTC} = (A - B - C) * D * E$$
  - A. Acquisition Basis (DevCosts fields I12 + J12 + K12)
  - B. Acquisition Reductions (Dev Costs field L12)
  - C. Ineligible Funds allocated to Acquisition (Sources field J24 - LIHTC&BLDGs field B49)
  - D. LIHTC Applicable Percentage (LIHTC&BLDG row 36)
  - E. Acquisition Tax Credit Rate (Setup Tab L7)All of this information is shown on the tab to help you follow the calculations more easily.
11. The maximum rehab/ new construction tax credit is computed based on the following calculation:  
$$\text{Max Rehab LIHTC} = (A - B - C) * D * E * F$$
  - A. Rehab Basis (DevCosts fields I1130- I12 + J130- J12 + K130 - K12)
  - B. Rehab Reductions (Dev Costs field L130 - L12)
  - C. Ineligible Funds allocated to Rehab (field B50) (Defaulted to the value in Sources field J24.)
  - D. Basis Boost Percentage: If Row 55 = Yes, then 1.3, otherwise 1
  - E. LIHTC Applicable Percentage (LIHTC&BLDG row 36)
  - F. Rehab Tax Credit Rate (Setup Tab L11)
12. Setting the Credits Applied For
  - A. The Credits Applied For, row 59, is the credit amount that will be used in the calculations throughout the program.
  - B. They are defaulted to the Maximum Credits Calculated.
  - C. It is necessary to overwrite the value for each building -- the total will appear in Column B.
13. Setting the Allocating Authority
  - A. If Chicago DOH is selected in the Setup tab field L31, all credits allocated will automatically be assigned to DOH
  - B. Otherwise, IHDA will be assigned all credits.
  - C. It is only possible to modify the number of IHDA allocated credits -- DOH will update to the balance.
14. The Pricing of the Credits is determined on the Setup Tab, field L16.  
Note -- if Setup field L17 is overwritten, the total equity shown on this tab will no longer match the values on the Setup tab.

## Using the Chicago Proforma

### **Historic Tax Credit Calculations**

15. The maximum historic tax credit is computed based on the following information:  
Max Historic Credit = (A - B) \* .2
  - A. Historic Basis (DevCosts field I130 - I12)
  - B. Historic Reductions (DevCosts field M130)
  - C. This value is shown as the "Historic Credits Calculated" in row 74)
16. Overwrite the Credit amount used in Calculations
  - A. Row 75 is the value used throughout the program and is defaulted to equal the credits calculated.
17. The Pricing of the Credits is determined on the Setup Tab, field L23.  
Note -- if Setup field L24 is overwritten, the total equity shown on this tab will no longer match the values on the Setup tab.

### **Restructuring Analysis -- Refi tab**

---

1. All values are pulled from the other main tabs.
2. The following fields can be modified:
  - A. Field L15 - Year Stabilized (this is defaulted to the year after the Refinancing closes, Setup tab field R24)
  - B. Field C33 - Enter any general comments for the sources of funds
  - C. Field A50 -- Enter any other comments that would be helpful to those viewing this overview analysis.

### **Deal Overview tab**

---

1. The only enterable fields show Fixed or Varied permanent interest rates (fields S42-S45)
2. All other information shown is pulled from the other tabs.

### **Max Limits tab**

---

1. Median Incomes -- in rows 5-12 enter the median income (100% AMI) as they are available each year.
  - A. These will be updated on the template available at: <http://www.housingdeveloper.com/GDL.htm>
  - B. The program uses the median income to calculate the maximum LIHTC rent in the Units & Income tab.
  - C. Median income (assuming 1.5 persons per BR) \* the restriction AMI level (30%, 40%, etc) / 12 \* .3 = max. LIHTC rent
2. Fair Market Rents -- in rows 18-25 enter the FMRs published by HUD annually.
  - A. These will be updated on the template available at: <http://www.housingdeveloper.com/GDL.htm>
  - B. The program uses the FMR as a maximum rent when the FMR = Yes on the Units&Income tab.
3. Maximum HOME Subsidy in rows 30-37 are user-entered.
  - A. These values need to be provided by DOH annually in order to complete the updates.
  - B. The values included on the template are not accurate.
4. Enter the distribution of HOME units between Elevator & Walk-Up Units in rows 54-59.
  - A. All HOME units are defaulted as Walk-Up Units.
  - B. Any units entered as Elevator units will be deducted from the Walk-Up units.

### **Lists Tab**

---

Only the names of the aldermen can be modified on this tab.

## Using the Chicago Proforma

### Printing Options -- Print Button in the Setup Tab

---

Click on the Print Options button in the top left of the tab to run the following reports:

1. Deal Overview -- this will print the Deal\_Overview tab, fitted to 1 page, landscape
2. Units & Income -- this will print the tab Units&Income, fitted to 1 page, landscape
  - A. Choose either Letter or Legal sized paper.
3. Operating Costs -- this will print the Op\_Costs tab, fitted to 1 page, landscape
  - A. Columns H & I will be hidden
  - B. Only Operating Costs with a value > 0 will appear on the report (Filter = On)
4. Development Costs -- this will print the DevCosts tab, fitted to 1 page, portrait
  - A. Columns E, F, and I-R will be hidden.
  - B. Only Development Costs with a value > 0 will appear on the report (Filter = On)
5. Sources of Funds -- this will print the Sources tab
  - A. Only sources that have amounts > 0 will appear on the report. (Active Sources Filter = On)
  - B. Select to view Construction (rows 1-24) and/or Permanent (rows 48-70) Sources of Funds
  - C. Select whether Comments should appear
  - D. The report will format to print 1 page wide, landscape and the number of pages tall that you select.
6. ARC Analysis -- this will print the ARC tab and is only available if the ARC fund is activated.
  - A. The report will be fitted to 1 page, Portrait.
7. IAHTC Overview -- this will print the Donations Tax Credit Overview
  - A. The IAHTC Overview is on the Sources Tab, rows 94-111.
  - B. The report will be fitted to 1 page, Landscape.
8. Tax Classifications -- this will print the Tax Classifications on the DevCosts tab
  - A. Columns B-D and I-R will print.
  - B. The report will be fitted to 1 page wide, landscape, as needed tall.
  - C. Only Development Costs with a value > 0 will appear on the report (Filter = On)
  - D. Columns M & R will only appear if the Historic Tax Credit is activated.
9. Lease-Up Schedule
  - A. This will print the Lease\_Up tab, fitted to 1 page, Portrait.
10. LIHTCs & Building Detail
  - A. This will print the LIHTCs&BLDGs tab fitted 1 page tall and up to 13 pages wide, Portrait.
11. DOH Eligible Costs
  - A. This will print the DOH\_Eligible tab, fitted to 1 page, Portrait.
12. Restructuring Analysis is only available if Type of Project = Refinancing DOH Deal
  - A. This will print the Refi tab, fitted to 1 page, Portrait.

### About the Chicago Proforma:

Lighten-Gale™ users can automatically download project information into the Chicago Proforma.

The Chicago Department of Housing, the Chicago Housing Authority, and all housing participants working with these agencies have approval to use this proforma for DOH/CHA transactions.

Copying or backwards engineering any portion of this program is prohibited without the written consent of the Lighten-Gale Group.

## Using the Chicago Proforma

### **Installing The Required Microsoft Add-In File:**

---

The Excel File (Chicago\_Proforma.xls) requires an add-in file (CPAI.xla) to use much of the functionality. It is necessary to install the add-in file manually.

#### **Step #1:**

The location of the add-in file differs on every computer.

To locate the correct location for the add-in, do the following:

- A. Open Excel
- B. Under the Tools menu item, select Add-In
- C. Click on the Browse button
- D. Click on the drop down arrow at the top of the Browse window (next to "Look In:"). This will show you where to place the CPAI file.
- E. Close Excel.
- F. Copy the CPAI file into the location identified in step #D.

#### **Step #2:**

- A. Open Excel
- B. Open the Chicago\_Proforma file.
- C. Go to Tools menu item, select Add-In
- D. Click on the Browse Button
- E. Select the CPAI file and click okay.
- F. Test the program – go to the Setup tab, cell A1 and click on the Print button
- G. If the print screen appears, the CPAI file has been properly installed.

#### **Step #3: CPAI file is not remembered**

Some operating systems will not remember that the add-in has been installed and it is necessary to repeat Step #2 every time you open the program unless you do the following:

- A. Close Excel
- B. From the desktop open the Start menu.
- C. Click Run
- D. Type "regedit" without the quotes into the Open line. Click OK.
- E. Open the Edit -> Find menu. Search for "cpai.xla" without the quotes.
- F. Keep searching until you find the registry item named "OPEN".
- G. If there is a "/f" without the quotes in front of cpai.xla, double-click the item to bring up the editor dialog and remove the /f. Note: this registry item does use a set of quotation marks. Be sure not to delete the quotation marks.
- H. Click OK to close the editor dialog box.
- I. Close the registry window.