

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

The public reporting burden for this collection of information for the Mixed-Finance Project of Public Housing Units is estimated to average 32 hours, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to the Reports Management Officer, Paperwork Reduction Project, to the Office of Information Technology, US Department of Housing and Urban Development, Washington, DC 20410-3600. When providing comments, please refer to OMB Approval No. 2577-NEW. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

The term sheet consists of four sections that are to be filled out by the PHA as part of the Mixed-Finance Proposal and submitted to the HUD Grant Manager for presentation to the Project Review Panel:

- A. Specific Phase Project Summary:** A one-paragraph narrative description of the specific phase for posting on the HUD web site.
- B. Program Overview:** A description of the overall development program, financing, and schedule.
- C. Specific Phase Overview:** A description of the program details for the specific phase under review.
- D. Statement of Business Terms:** A description of the deal terms between the PHA and other parties for the specific phase under review.

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

A. Specific Phase Project Summary

Purpose: To provide HUD with a summary description of the specific grant or mixed-finance construction phase (“Phase”).

Instructions: Provide a brief narrative that describes the specific phase to be reviewed. Include the following information:

- The overall unit count broken down by unit type (i.e., ACC, ACC/LIHTC, LIHTC, market, etc.);
- Sources of funding;
- The names of the major partners and activities to be undertaken by each;
- The site where the project is being developed (including the site plan and a city map that shows the project) and the availability of public transportation;
- The building type(s) being constructed (e.g., row, detached/semi-detached, walk-up, etc.);
- Description of the surrounding neighborhood and the facilities/services available in the neighborhood;
- Any non-residential or mixed uses;
- Household types (family, elderly or disabled);
- Any elderly and/or disabled designated units in the phase;
- Any unusual features of the phase (e.g., a land swap, commercial facilities, operating subsidy only units, scattered site acquisition and development, etc.);
- Any work requirements or preferences that are part of the phase.

<i>Name of PHA:</i>
<i>Name of Development:</i>
<i>HOPE VI Grant No./PIC Development (AMP) Number:</i>
<i>Contact Name:</i>
<i>Contact Phone No.:</i>

Narrative:

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

B. Program Overview

Purpose of this section: To provide a context for reviewing the overall project, if the project has more than one phase.

I. Key Milestones for the Project

Purpose: To ascertain where the PHA is in the development process with regard to its program schedule and the schedule requirements of the Grant Agreement.

Instructions: Complete the following table by listing the dates (actual or anticipated, as appropriate) for the listed project milestones.

Milestone	Date
Effective Date of Grant Agreement	
Date of HUD Approval of the Revitalization Plan or Supplemental Submissions	
Residential Construction Start (First Phase)	
Residential Construction Completion (Final Phase)	
Lease-Up (Final Phase)	

Describe any non-residential uses or other facilities that will serve the entire multi-phase project.

C. Specific Phase Overview

Purpose of this section: To provide the information on phase components, budget, and schedule needed to review the business terms for the specific phase under review.

I. Proposed Unit Mix

Purpose: To describe the housing number, type, and bedroom count.

Instructions: Complete the form HUD-50150, [Term Sheet Calculator](#), an Excel Workbook, to describe the unit mix for the specific phase under review.

II. Non-Residential Uses

Purpose: To describe the types and amounts of non-dwelling space to be constructed as part of this phase.

Instructions: Complete the following table for the specific phase under review.

Building Name/Use(s)	Gross Square Feet	Developer	Owner

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

Building Name/Use(s)	Gross Square Feet	Developer	Owner

III. Key Milestones/Development Schedule

Purpose: To provide HUD with the status of the phase, to establish the timeline for phase completion, and to identify which party is responsible for each activity for the phase under review.

Instructions: Complete the chart below for the specific phase under review. Indicate whether the activity listed is appropriate for the phase, provide a date for actual or anticipated dates of completion, and check the party responsible for the implementation of the activity. If a box is shaded, it is not applicable and does not need to be completed. Provide any comments in the Activity column.

Activity	Date	Responsible Party
Program Manager under Contract <input type="checkbox"/> N/A		
Predevelopment Agreement Signed <input type="checkbox"/> N/A		
Development Agreement Signed <input type="checkbox"/> N/A		
Community and Supportive Services Oversight <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other: <input type="text"/>
Site Acquisition Proposal Approval from HUD <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other: <input type="text"/>
Acquisition/Site Control <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other: <input type="text"/>
Demolition Approval from HUD <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other: <input type="text"/>
Disposition Approval from HUD <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other: <input type="text"/>
URA Relocation Completed <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants

**Mixed-Finance Rental
Term Sheet**

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

Activity	Date	Responsible Party
		<input type="checkbox"/> Developer <input type="checkbox"/> Other:
Section 18 Relocation Completion <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Abatement and Demolition Completion <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
LIHTC Application Submission <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Award of LIHTC Allocation <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Environmental Review Approval from HUD and ROF Statement (attach the ROF Statement) <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Closing <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Infrastructure Construction Start <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Residential Construction Start <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Residential Construction Completion <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:
Lease-Up <input type="checkbox"/> N/A		<input type="checkbox"/> PHA Staff or Consultants <input type="checkbox"/> Developer <input type="checkbox"/> Other:

Mixed-Finance Rental Term Sheet

IV. Ownership

Purpose: To provide HUD with a list of the partners of the ownership entity (i.e., general partner, managing member, limited partner, special limited partner, etc.) and a description of each role.

Instructions: Complete the following table to list the ownership entity and the proposed partners of the ownership entity, and to describe their ownership interest and function for the specific phase under review.

Owner			

Proposed Partner 1		% Interest:	
Function(s) Exercised:			

Proposed Partner 2:		% Interest:	
Function(s) Exercised:			

Proposed Partner 3:		% Interest:	
Function(s) Exercised:			

Describe the involvement of PHA instrumentality or affiliate in this project: Also describe the nature of the relationship between the instrumentality and the affiliate.

V. Sources and Uses

Purpose: To provide an understanding of the sources and uses for the specific phase under review. HUD will be evaluating: whether the sources listed are sufficient to build the project, considering timing of sources; which sources are construction (temporary) vs. permanent; the terms of loans; the terms of grants; whether the public housing funds are bearing the appropriate pro rata share; and whether the uses appear reasonable.

Instructions: Complete the form HUD-50150, [Term Sheet Calculator](#), to describe the sources and uses for the specific phase under review. Complete both permanent and construction sources and uses.

VI. TDC Calculation

Purpose: To determine whether the proposed activities for the phase under review are within HUD's Total Development Cost Limits. For information on TDC, see Notice PIH 2010-20 or successor notice.

Instructions: Complete the form HUD-50150, [Term Sheet Calculator](#), to calculate the TDC for the specific phase under review.

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

D. Business Terms

Purpose of this section: To evaluate whether the business terms proposed constitute an appropriate use of public funds. HUD will evaluate the costs of the project against its Cost Control and Safe Harbor standards in light of the risks taken by the developer and PHA. To determine whether the phase meets HUD's cost guidelines and to evaluate the risks associated with the phase, PHAs should refer to the April 9, 2003 Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development or successor document. These guidelines are available on the HUD's website at http://portal.hud.gov/huddoc/ho_safeharbor.pdf.

I. Developer Compensation

Instructions: Fill out the form HUD-50150, [Term Sheet Calculator](#), provide the following information for the net developer fee as defined in the Cost Control and Safe Harbor Standards for the specific phase under review. Express all fee amounts as a percentage of the overall project costs. HUD will verify the stated percentages against the provided sources and uses. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Net developer fee for the specific phase under review: %

Is the developer receiving any compensation negotiated separately from the developer fee? Yes No

If so, in the following table, list any other tasks for which the Developer is being compensated (e.g., master planning, relocation, CSS, etc.) and the amount of compensation.

Task	Compensation
	\$
	\$
	\$

Justification for Developer Fees above Safe Harbor Standards:

II. Pay-Out Schedule for Developer Fee/Overhead

Instructions: For the specific phase under review, provide the milestone at which the developer receives compensation (e.g., closing, 50% construction completion, stabilized occupancy) and the percentage of the total developer fee that is to be paid (percentages should total 100%) as defined in the Cost Control and Safe Harbor Standards. If the Developer is being reimbursed for overhead prior to closing, provide a justification in the space below the table and confirm that the compensation is structured as a loan.

**Mixed-Finance Rental
Term Sheet**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

Milestone	% of Total Developer Fee

Justification for deviating from the Safe Harbor Standard (if applicable):

Justification for providing a loan or overhead to the developer prior to closing (if applicable):

III. Sharing of Third-Party Predevelopment Costs and Reimbursement Schedule

Instructions: Complete the following table for the specific phase under review. For each of the primary predevelopment costs indicate the percentages to be borne by the PHA and the developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Estimated Amount of Predevelopment Costs:	\$
Length of Predevelopment Period:	months
Percentage Borne by PHA:	%
Percentage Borne by Developer:	%

Justification for PHA bearing greater than 75% of the predevelopment costs (if applicable):

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

IV. Identity of Interest Parties

Instructions: In the table below, disclose whether the Developer has an identity of interest with any party. For each identity of interest party, indicate what steps have been or will be taken to ensure cost competitiveness.

Party	Related Entity?	Cost Control Measures Planned/Completed
Builder/Contractor (waiver required from HUD)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Property Manager	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Construction Manager	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Investor*	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other (specify):	<input type="checkbox"/> Yes <input type="checkbox"/> No	

*Include both related entities and "preferred" entities.

If there is an Identity of Interest between the Developer and the Builder/Contractor attach written justification and third party cost estimate to form HUD-50150, Term Sheet Calculator & Exhibits, or submit under separate cover to your Grant Manager.

V. Construction Budget and Fees

Instructions: Attach a summary construction budget showing major trade breakout and contractors profit, overhead, and general conditions. Also fill in the following blanks to indicate the amount and percentage for contractor profit, overhead, and general conditions for the specific phase under review. In the space below, describe how any construction savings will be allocated between the PHA and Developer. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

The amount and percentage for contractor's profit:

\$ = %

The amount and percentage for contractor's overhead:

\$ = %

The amount and percentage for contractor's general conditions:

\$ = %

Justification for fees in excess of HUD Safe Harbor Standards (if applicable):

Methodology for allocating construction savings:

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

Is this project paying Davis-Bacon wages? Yes No

VI. Property Management Fees

Instructions: Indicate whether the PHA or an outside firm will manage the development. In the table below, check the applicable methodology for determining property management fees and indicate the amount of the proposed fee. Describe the amount of any incentive management fee(s) and the conditions under which they are paid. If necessary, provide a justification for any term(s) above the HUD Safe Harbor Standards.

Who is managing the mixed-finance development? PHA Private firm Joint Venture
(PHA/private)

Method and Amount of Property Management Compensation

% of effective gross income

\$ PUM (all units)

\$ PUM based on max LIHTC rents \$ HUD approved Management Fee

Other
(describe):

Justification for property management fees in excess of HUD's Safe Harbor Standards, if applicable, supported by a regional market analysis:

Are there any incentive property management fees? Yes No

If yes, describe amount and how incentive management fee is earned:

VII. LIHTC Equity

Instructions: If LIHTC are a funding source for this phase, provide the following information:

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

What is the amount of the equity raise (cents on the dollar for 10-year allocation):

¢

What is the amount of the tax credit allocation for this phase (for 10-year allocation):

¢

Describe the pay-in schedule for the equity:

Milestone/Anticipated Date	Amount
	\$
	\$
	\$
	\$

VIII. Allocation of Operating Subsidy

Instructions: Indicate which of the following methodologies for allocating operating subsidy from the PHA to the owner entity will be used, and the estimated amount of operating subsidy to be provided on a per-unit per month basis. In the space below, provide a narrative that describes the methodology for allocating operating subsidy.

- | | | | |
|--------------------------|---|----|-----|
| <input type="checkbox"/> | Prorata-share of the overall amount that the PHA receives from HUD for this project. Indicate percent in description. | \$ | PUM |
| <input type="checkbox"/> | Budget Based (based on actual gap between operating costs and rental income) | \$ | PUM |
| <input type="checkbox"/> | Negotiated (flat negotiated fee) | \$ | PUM |
| <input type="checkbox"/> | Combination of above methods | \$ | PUM |
| <input type="checkbox"/> | Other (describe): | \$ | PUM |

Description of Operating Subsidy Methodology: Attach the following to the form HUD-50150, Term Sheet Calculator & Exhibits:

- HUD 52723, "Operating Fund – Calculation of Operating Subsidy" filled out for this project
- Operating pro forma showing 10 years of operations, using model provided in form HUD-50150, Term Sheet Calculator & Exhibits

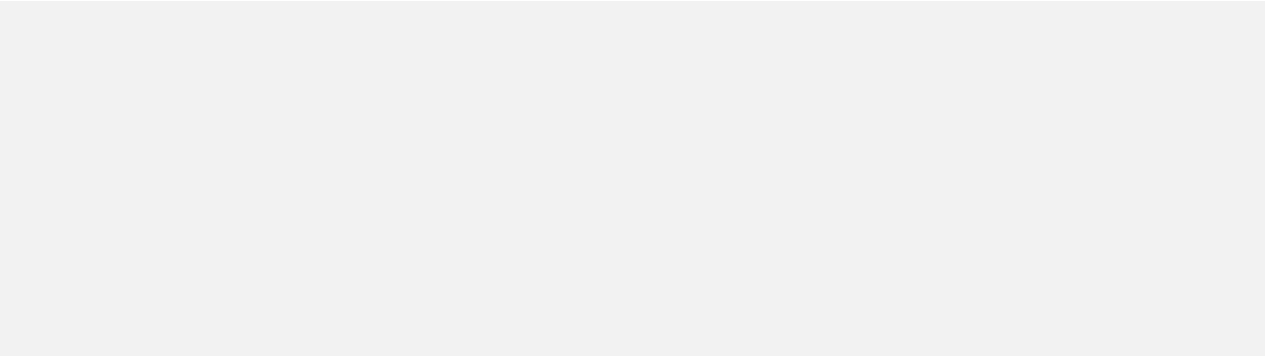
Describe above the dollar amount of operating subsidy per public housing unit that is expected in the first year of operation. Provide below a detailed description of submissions that the owner will be required to make to the PHA, the annual schedule for determining the amount of subsidy, how excess subsidy and project deficits are handled, how

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

reconciliation is completed and other relevant information. This section should mirror the methodology described in the project's Regulatory and Operating Agreement:



IX. Size and Use of Reserves

Instructions: In the following table, for each of the project reserves indicate its size (as a dollar amount or as a number of months or years of operating subsidy per public housing unit), how the reserve is replenished, the conditions under which it can be accessed, and ownership of the reserve.

NOTE: Public housing funds cannot be used for the initial funding of reserves. Submission of the Rental Term Sheet and the form HUD-50150, Term Sheet Calculator, constitutes certification that the reserves are not funded with public housing funds. In addition, HUD expects all reserves that are replenished by public housing funds to remain with the project at the end of the tax-credit compliance period. If this is not the case for any of the reserves (with the exception of the exit tax reserve, which cannot be established or replenished with public housing funds), provide a justification for the alternate reserve ownership where indicated.

Type of Reserve: Operating Subsidy/ACC/Public Housing	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Type of Reserve: Operating Deficit	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Type of Reserve: Replacement	Size:
How is the reserve capitalized?	

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Type of Reserve: Exit Tax	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Type of Reserve: Other:	Size:
How is the reserve capitalized?	
How is the reserve replenished?	
When can the reserve be accessed?	
Who owns the reserve?	

Provide a justification for any unusual reserve structures, including ownership of the reserves:

X. Cash Flow, Program Income, and Fees to the PHA

Instructions: Answer the following questions in narrative form for the specific phase under review, as appropriate.
(HUD will review in conjunction with submitted operating pro forma.)

After payment of all expenses, how is cash flow distributed?

What are the expected sources of program income (e.g., repayments of loans, PHA development fees, etc.) and what is the PHA's planned use for this program income?

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

Complete the following table to indicate what fees (e.g., developer fee, asset management fee, property management fee, etc.) are to be paid to the PHA/PHA Affiliate.

Type of Fee/Description	Amount
	\$
	\$
	\$

XI. Additional Information on the Project

Instructions: In narrative form, provide any additional information on the project and business terms of which HUD should be aware when reviewing the terms for this phase. Such issues might include:

- unusual programs or fee structures HUD will need to evaluate;
- justifications for any fees or structures proposed outside of HUD's Safe Harbor or Cost Control limitations;
- effect of a consent decree on the mixed-finance project;
- market concerns;
- use of Capital Funds as bridge loan; and/or
- other circumstances that will result in unusual terms or the need for a delayed or accelerated closing.

Narrative on additional project/phase information:

XII. Additional Mixed-Finance Proposal Components / Rental Term Sheet Attachments

This form HUD-50030, Rental Term Sheet and form HUD-50150, Term Sheet Calculator & Exhibits, comprise the components of the mixed-finance proposal. The below list indicates where the components should be addressed:

Mixed-Finance Proposal Section/Subsection	Where to Address
1) Activities a) Identification of Participating Parties b) Description of Activities c) Legal and Business Relationships	Term Sheet Term Sheet Term Sheet
2) Financing a) Sources and Uses b) Ten Year Operating Pro Forma c) Draw Schedule	form HUD-50150, Term Sheet Calculator & Exhibits, form HUD-50150, Term Sheet Calculator & Exhibits form HUD-50150, Term Sheet Calculator & Exhibits

Mixed-Finance Rental Term Sheet

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-NEW
(exp.)

Mixed-Finance Proposal Section/Subsection	Where to Address
3) <i>Operating Subsidy Methodology</i>	Term Sheet and form HUD-50150, Term Sheet Calculator & Exhibits, attach HUD form-52723
4) <i>Development Description</i> a) Number and Type of Public Housing Units w/ Bedroom Count b) Number and Type of Non-Public Housing Units w/ Bedroom Count c) Schematic Drawings d) Building Designs e) Outline Specifications f) Plans for Non-Dwelling Space	form HUD-50150, Term Sheet Calculator & Exhibits form HUD-50150, Term Sheet Calculator & Exhibits form HUD-50150, Term Sheet Calculator & Exhibits form HUD-50150, Term Sheet Calculator & Exhibits form HUD-50150, Term Sheet Calculator & Exhibits
5) <i>Site Information</i> a) City map b) Site plan	Term Sheet and form HUD-50150, Term Sheet Calculator & Exhibits
d) <i>Market Study—include if project includes tax credit only/market rate units in addition to public housing</i>	form HUD-50150, Term Sheet Calculator & Exhibits
e) <i>Development Construction Cost Estimate</i>	form HUD-50150, Term Sheet Calculator & Exhibits
f) <i>Adequate Facilities</i> a) Statement Addressing Adequacy of Existing Facilities and Services	Term Sheet
g) <i>Relocation Plan Certification</i> a) List of Those to be Displaced b) Plan for Distribution of Notices c) Sources and Uses of Relocation Benefits	Term Sheet Term Sheet Term Sheet
h) <i>Operating Feasibility</i> Ten-Year Operating Pro Forma	Form HUD-50150, Term Sheet Calculator & Exhibits
i) <i>Cost Comparison of New Construction</i>	Form HUD-50150, Term Sheet Calculator & Exhibits
j) <i>Certifications and Assurances</i>	form HUD-50151, <u>Mixed-Finance Certifications and Assurances</u> , form HUD-50153, <u>Mixed-Finance Proposal Certifications and Assurances</u> , form HUD-50152, <u>Mixed-Finance Evidentiary Certifications and Assurances</u>