PRELIMINARY FEASIBILITY REVIEW
SCOPE OF SERVICES

1. The Underwriting Contractor shall address, at minimum, the following factors (as applicable to funding program guidelines or as requested by the County):
2.
    i. With respect to the Development, the PFR will identify the following:

        1. The location based on the available information within the RFA binder;

        2. The proposed number of units;

        3. The proposed unit mix, i.e., AMI, accessibility (type and number, if applicable)

        4. The targeted demographic; and

        5. Income restrictions imposed by the financing sources identified within the RFA binder

    ii. The Underwriting Contractor will identify in the PFR the Development Team (collectively defined as the Applicant/Borrower, General Partner, Guarantors, Developer, and General Contractor).

    iii. The Underwriting Contractor in the PFR will assess the Development's economic feasibility by analyzing the following documents with the RFA binder:

        1. Executed applications, commitments, letters of intent, as applicable to ensure:

            a) Financing and equity sources represented in the RFA binder are available to the Applicant;

            b) The terms of the financing and equity sources meet the County's program requirements;

        2. Review the Applicant's budget to reasonably ensure:

            a) General Contractor, Developer Fee, hard cost and soft cost contingencies meet County program requirements;

            b) The represented sources are adequate to complete and permanently finance the development;

c) The funds requested from the County meet the program guidelines and limitations based on the information available.

d) The funds requested from the County will fully fund the proposed Development within the County program guidelines.

3. The Underwriter Contractor will review the operating pro forma included in the RFA binder to reasonably ensure:

a) Proposed rents do not exceed applicable income restrictions and are presented at reasonable amounts;

b) Proposed rents are achievable;

c) Economic vacancy is reasonable;

d) Additional income is reasonable;

e) Operating expenses are reasonable;

f) The net operating income represented is sufficient to cover all proposed financing, annual debt service and applicable fees at a level acceptable to the County or other lenders based on the information available;

Determine that a reasonable interest rate for loan repayment of County funds can be achieved based on the range documented in the County's 2014 RFA application with a minimum debt service cover ratio (DSCR) of 1.10 and a maximum DSCR of 1.25.