

324 East 5th Street RFP Financial Assumptions

TERM SHEETS

Proposed project financing should adhere to all HPD and HDC term sheet requirements as applicable.

INTEREST RATES

Assume the following interest rates in the financing proposal. Deferred interest should be shown as both a use and a source in the Development Budget.

Construction Loan	
Private Lender	7.50%
HDC Short-term Bonds*	3.60%
HDC Long-term Bonds*	5.15%
HDC Subsidy	1.25% paid + 3.44% deferred
HPD Subsidy (rental) and Rec Center Subsidy	0.25% paid + 4.44% deferred
Reso A (rental)	0.25% paid + 1.00% deferred
HPD Subsidy and Reso A (homeownership)	0.25% paid + 0% deferred

*No reinvestment/negative arbitrage. 0.35% Bond Issuance Charge for loans > \$20m, 0% for loans ≤ \$20m

Permanent Loan	
Private Lender and Homeownership End Loans	6.50%
HDC Long-term Bonds (40-year loan term)	5.65%**
HDC Subsidy	1.00% paid + 0% deferred
HPD Subsidy (rental) and Rec Center Subsidy	0% paid + 4.44% deferred
Reso A (rental)	0% paid + 1.00% deferred
HPD Subsidy and Reso A (homeownership)	0% paid + 0% deferred

**5.65% all-in: 5.15% base rate + 0.50% MIP

LOW-INCOME HOUSING TAX CREDITS (LIHTC)

Recommended credit type If proposing Low-income Housing Tax Credits (LIHTC):

For a project/phase (an individual financing closing) with ≤ 120 units	9% LIHTC If proposing HPD 9% LIHTC, annual credit amount recommended to be no more than \$23,000 per LIHTC unit
For a project/phase (an individual financing closing) with > 120 units	4% LIHTC with bond financing

PROJECT-BASED VOUCHERS

If proposing Section 8 Project-based Vouchers (PBV), assume gross rents equal to 110% of the FY2025 FMR (despite the site being located in an Exception Payment Standard area). Utility allowances should be subtracted from gross rents.

Studio	1 BR	2 BR	3 BR	4 BR
\$2,647	\$2,762	\$3,058	\$3,812	\$4,112

ESSHI

If proposing ESSHI, the rental assistance should correspond to maximum 60% of AMI rents.

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15/15

If proposing NYC 15/15, use the following payment standards. Utility allowances should be subtracted from these rents.

Studio	1 BR	2 BR	3 BR	4 BR
\$1,584	\$1,663	\$1,918	\$2,463	\$2,656

MAINTENANCE AND OPERATIONS (M&O): Submissions should use the 2025 HDC M&O Standards:

- 2025 [Maintenance and Operating Expenses](#)
- Respondents may assume non-prevailing wages for building service workers for buildings containing less than 120 units. For buildings with 120 or more units, prevailing wages for building service workers are required.
- For a project or project phase proposed under the Open Door term sheet (homeownership) only, applicants may alternatively use CPC 2025 M&O standards for the Open Door portion (see Appendix D)