WHY HOUSING SUBSIDIES ARE NECESSARY

Property	Annual Income from Rent	Annual Operating Cost	Net Operating Income	Available for Debt Service (1.15 DSC)	Construction Cost	Other Development Costs	Total Development Cost	Cost of Financing without subsidy or equity	Add'l Income needed to pay debt service	Rent increase needed if no subsidy	Final rent required	Affordable for HHs who earn	Instead of for HHs who earn
								(at 6%; 30 year loan)					
Wessex Woods ($214/sf)	$528,000	$315,736	$212,264	$184,577	$6,917,529	$2,050,893	$8,968,422	$538,105	$353,528	$737	$1,866	$74,621	$42,180
(all units 60% AMI)													
40 1BR units @ $1,129/mo													
Wessex Woods ($214/sf)	$482,208	$315,736	$166,472	$144,758	$6,917,529	$2,050,893	$8,968,422	$538,105	$393,347	$819	$1,760	$70,400	$35,150
(60% units @ 50% AMI)											$1,948	$77,920	$42,180
24 1BR units @ $941/mo													
(40% units @ 60% AMI)													
16 1 BR units @ $1,129/mo													
Edgewater Village ($200/sf)	$227,400	$180,000	$47,400	$41,217	$4,505,344	$2,192,985	$6,698,329	$401,900	$360,683	$1,202	$2,331	$93,251	$28,320
(all units 60% AMI)													
25 1BR units @ $758/mo													
Edgewater Village ($200/sf)	$204,540	$180,000	$24,540	$21,339	$4,505,344	$2,192,985	$6,698,329	$401,900	$380,561	$1,269	$1,900	$76,000	$23,600
(60% units @ 50% AMI)											$2,027	$81,080	$28,320
15 1BR units @ $631/mo													
(40% units @ 60% AMI)													
10 1 BR units @ $758/mo													