Charles Street Mansion Reunification

1816 · 1818 · 1820 N. Charles Street, Baltimore, Maryland 21201

Sources & Uses, Funding Gap and Strategy

Development budget, capital stack, NIIF underwriting and assumptions

Prepared for

Baltimore Development Corporation and the Neighborhood Impact Investment Fund

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Model figures as of September 17, 2026. The live model and interactive dashboard are at llayd.net/bdc.

1. Executive summary

LLAYD proposes to reunify the historic mansion at 1816–1820 N. Charles Street, which the City subdivided into three parcels, and restore it as 18 fully furnished apartments and 4 commercial storefronts. LLAYD owns and is building out 1816, acquired 1818 at a March 2026 trustee's sale, and asks the City to convey 1820, the last parcel needed to complete the building. One developer, one design, one mansion.

Total development cost across the three parcels is $8,237,803. Phase 1 (1816) is funded at $2,071,780. Phase 2 (1818 + 1820) costs $6,166,023 and is financed by an NIIF senior loan of $2,724,000, sponsor equity and deferred fee of $572,149, and $1,926,000 of state, federal and City programs. After all of it, $943,874 remains. That is the request to BDC.

Headline figure	Amount	Note
Total development cost — three parcels	$8,237,803	Phase 1 $2,071,780 · Phase 2 $6,166,023
NIIF senior construction-to-permanent loan	$2,724,000	5.0% · LTV 80% · LTC 44%
BDC / City gap request	$943,874	15.3% of Phase 2 cost
Stabilized Year 1 net operating income (2029)	$376,502	All three parcels, after the CHAP credit
Consolidated DSCR, Year 1	1.45x	NIIF parcels 1.34x · at market rents 1.27x
Unlevered project IRR	0.6%	Why the gap exists: the project cannot carry conventional capital

What the public investment buys

- 18 apartments and 4 storefronts in a restored contributing building in the North Central National Register Historic District.
- A vacant, City-owned parcel returned to the tax rolls: property tax rises from about $15,165 today to $87,320 a year at stabilization.
- ≈$2.01M of construction payroll (≈36 job-years), 17–27 permanent jobs, MBE 27% / WBE 10% goals, and an MBE-certified, Baltimore-based developer and general contractor.
- Storefronts prioritized for Baltimore-based minority- and women-owned businesses through LLAYD's BRNI-backed Small Business Hub.

2. The project

The mansion was divided into three addresses. LLAYD controls two of them and is asking for the third. The program below is the whole building, restored to the Secretary of the Interior's Standards and reviewed by CHAP.

Parcel	Status	Gross SF	Apts	Commercial	Target rents	Total cost
1816 N. Charles	Owned · ~25–35% built	≈6,000	6	2 (2,280 SF)	$1,850–$2,050	$2,071,780

1818 N. Charles	Acquired Mar 6, 2026	≈6,400	6	1 (2,400 SF)	$2,050–$2,300	$3,293,546
1820 N. Charles	City-owned · BDC RFP	≈6,300	6	1 (1,350 SF)	$2,150–$2,300	$2,872,477
Total			**18**	**4 (6,030 SF)**	**avg $2,119**	**$8,237,803**

What gets built

- 1816: six apartments (1BR plus a studio loft in the new 4th-floor addition) and two commercial units. Structure and the 4th-floor addition shell are complete; about $1.1M has been invested to date.
- 1818: the former restaurant/lounge keeps a food-and-beverage space on the ground and lower levels, with six apartments above — the 2nd floor plus a new 3rd–4th floor addition, subject to structural study and CHAP review.
- 1820: parlor-floor commercial space with six apartments above, including 2BR fronts on each floor.

How it will be run

- Every apartment is fully furnished: Brazilian cherry hardwood or imported porcelain tile, a smart-home and premium appliance package, and in-unit laundry.
- All nine rear apartments get a private, furnished 18′ × 8′ deck with an electric outdoor cooking station (electric only, per Baltimore City Fire Code §308).
- NFPA 13R sprinklers, energy-efficient systems, and CHAP-compliant masonry, wood windows and cornice restoration.
- Long-term hold by LLAYD, with property management by ERJ Development LLC.

3. Uses of funds

Total uses are $8,237,803. The table gives every line by parcel. Hard costs carry the general contractor's fee, escalation to the construction midpoint and contingency; they are broken out in the construction budget below and on the Construction_Budget tab of the Excel model.

Use	1816	1818	1820	Total
Acquisition	$300,000	$150,000	$3,000	$453,000
Closing & transfer	$36,052	$7,500	$7,500	$51,052
Work completed to date	$797,000	$0	$0	$797,000
Carrying costs to date	$230,744	$0	$0	$230,744
Hard costs (incl. GC fee, escalation, contingency)	$483,648	$2,374,617	$2,159,731	$5,017,996
Soft costs	$31,000	$284,901	$260,758	$576,659
Furniture, fixtures & equipment	$82,500	$82,500	$82,500	$247,500
Financing costs	$35,151	$80,243	$72,982	$188,376
Operating reserve	$75,686	$81,485	$74,007	$231,178
Developer fee (50% deferred)	$0	$232,300	$211,998	$444,298
Total uses	**$2,071,780**	**$3,293,546**	**$2,872,477**	**$8,237,803**

Construction budget

Construction budget	1816	1818	1820	Total
Direct construction (trades, addition, façade, furnished package)	$439,680	$1,843,790	$1,676,940	$3,960,410
Cost escalation to midpoint (6%)	$0	$110,627	$100,616	$211,244
GC overhead & profit (8%, Tyjuan Amor LLC, disclosed)	$0	$156,353	$142,205	$298,558
Hard cost contingency (12.5%; 10% on 1816)	$43,968	$263,846	$239,970	$547,784
Total hard costs	**$483,648**	**$2,374,617**	**$2,159,731**	**$5,017,996**
Soft costs (A&E, permits, legal, insurance, reports, marketing, contingency)	$31,000	$284,901	$260,758	$576,659
Furniture, fixtures & equipment	$82,500	$82,500	$82,500	$247,500

1818 and 1820 hard costs run ≈$343 per gross SF all-in. Benchmarks: DHCD rehab cost limits of $202–$277/SF before contingency, and 1816's actual bids. Soft costs are 7% A&E, 1.5% permits, 1% legal and 1.2% builder's risk, plus reports, marketing and a 5% contingency.

Notes on individual lines

- Acquisition: 1816 was bought for $300,000 (court-ratified). 1818 cost $150,000 at the March 6, 2026 trustee's sale and is already funded. The offer for 1820 is $3,000; section 8 explains why.
- Work and carrying costs to date at 1816 — $797,000 of design and construction and $230,744 of carry — are sponsor-funded and are shown as both a use and a source.
- Financing costs are the NIIF origination fee (1.5%) and construction-period interest on an average draw of 55% over 18 interest-only months, plus 1816's hard-money charges and refinance cost.
- The operating reserve is 6 months of operating expenses and debt service, the NIIF and CDFI standard.
- The developer fee is 8% of Phase 2 cost excluding acquisition — below the usual 10–15% cap — and 50% of it is deferred and repaid out of cash flow.

4. Sources of funds

Phase 2 — 1818 + 1820

Source	Amount	% of phase	Status	Type
NIIF senior construction-to-permanent loan	$2,724,000	44.2%	Requested – NIIF underwriting	Debt
Sponsor cash equity (personal funds)	$200,000	3.2%	Committed – proof of funds	Equity
Sponsor land equity – 1818 (acquired Mar 2026)	$150,000	2.4%	Funded	Equity
Deferred developer fee	$222,149	3.6%	Committed by sponsor	Equity
MD Legislative Bond Initiative – 2027 session	$500,000	8.1%	To be requested (District 40)	Grant
Federal Historic Tax Credit equity (20%)	$438,000	7.1%	Proposed – NPS Part 1–3	Tax credit equity
MD Historic Revitalization Tax Credit	$438,000	7.1%	Proposed – MHT competitive	Tax credit

equity			round	equity
BDC Façade Improvement Grant	$50,000	0.8%	To be requested	Grant
DHCD BRNI – FY2029 round	$150,000	2.4%	To be requested (≈June 2027)	Grant
DHCD Strategic Demolition Fund / Project C.O.R.E. (via CDO partner)	$250,000	4.1%	To be requested with CBP	Grant
DHCD Community Legacy (via CDO partner)	$100,000	1.6%	To be requested with CBP	Grant
BDC / City subordinate gap financing (request)	$943,874	15.3%	Requested from BDC – deferred, repaid from sale/refinance	Subordinate debt
Total Phase 2 sources	**$6,166,023**	**100.0%**		

Phase 1 — 1816 (funded)

Source	Amount	Status
1816 permanent loan (refinances Nextres/FCI hard money)	$782,036	To be closed at completion – bank/CDFI (NIIF may participate)
Sponsor equity invested to date	$559,000	Funded
Sponsor-funded carrying costs to date	$230,744	Funded
DHCD BRNI award (BRNI-2026-LLAYD-00539-R)	$250,000	Awarded
MD bond bill – 2025 session	$250,000	Awarded
Total Phase 1 sources	**$2,071,780**	

The 1816 permanent loan is sized to fill the 1816 budget exactly, including its own closing cost and reserve; it retires the matured 15% Nextres note (payoff $547,000) and funds the remaining work. It carries 7.25% over 25 years and covers at 1.78x with 48.4% LTV.

Total sources across all three parcels equal total uses: $8,237,803.

Historic tax credit equity

Qualified rehabilitation expenditures are $2,576,470: 80% of 1818 and 1820 hard costs, after removing the new vertical addition, the smart-home package, the decks and the outdoor kitchens, none of which qualify. At 20% each, the federal and Maryland credits are $515,294 apiece, and both are modeled at $1 per dollar of credit, giving $438,000 and $438,000 of equity. Pricing is unverified and awaits an investor quote; small deals typically price at 80–95¢. Federal credits require NPS Part 1–3 certification, and the Maryland Competitive Commercial credit is an award, not an entitlement — its next round runs June–August 31, 2027, with Part 2 approval needed before work begins. The Small Commercial credit, capped at $50,000, is the fallback. Section 9 shows what happens if neither credit lands.

5. The funding gap

Step (Phase 2)	Amount
Total Phase 2 uses	$6,166,023
Less: NIIF loan, sponsor cash, 1818 land equity, deferred developer fee	−$3,296,149

(Priority 1)	
Gap before any public source	**$2,869,874**
Less: 2027 bond bill, historic tax credit equity, BDC façade grants (Priority 2)	−$1,426,000
Gap after Priority 2	**$1,443,874**
Less: BRNI FY2029, Strategic Demolition Fund, Community Legacy (Priority 3)	−$500,000
Remaining gap — BDC / City request	**$943,874**

Why a gap exists

Phase 2 costs $6,166,023. The finished 1818 and 1820 buildings are worth $3,405,893 at a 7.50% capitalization rate, and the unlevered project return is 0.6%. Restoring historic buildings on this block costs more than conventional capital can carry — the cost to restore exceeds the finished value by roughly $2,760,130. No amount of restructuring changes that arithmetic. What closes it is public investment, and what the public gets back is 18 homes, 4 storefronts, a restored landmark and a parcel back on the tax rolls.

The request has been kept as small as the deal allows. Sponsor equity, land equity and a deferred fee come first; every state and federal program the project can reach is applied for; and the BDC request is what remains. It shrinks dollar-for-dollar if any other award comes in higher.

6. Ranked funding strategy

Priority 1 — private and CDFI capital

- NIIF senior construction-to-permanent loan of $2,724,000 at 5.0% fixed — the largest single source and the anchor of the capital stack.
- Sponsor cash equity of $200,000 from Bradford and Jasmine Phillips / LLAYD LLC; proof of funds to be provided.
- 1818 land equity of $150,000, already funded at the March 2026 sale.
- Deferred developer fee of $222,149 — half the Phase 2 fee — repaid from operating cash flow and fully retired by Year 4 in the base case.

Priority 2 — state and federal programs already in reach

- MD Legislative Bond Initiative, 2027 session: a $500,000 request through District 40. The application is due November 23, 2026, with presentations November 30; funds become available after June 1, 2027, which fits the July 2027 construction start. The 2025 session awarded LLAYD $250,000 for 1816, so the delegation knows the project.
- Federal and Maryland historic tax credits: $876,000 of equity combined, on $2,576,470 of qualified rehabilitation expenditures. Part 1 filings go in Q4 2026.
- BDC Façade Improvement Grants: two Rehabilitation FIGs at $25,000 each, 1:1 match, paid by reimbursement, for 1818 and 1820.

Priority 3 — DHCD grants through a CDO partner

- BRNI FY2029 ($150,000), Strategic Demolition Fund / Project C.O.R.E. ($250,000) and Community Legacy ($100,000).

- These programs are open to nonprofit community development organizations and local governments, so they would be applied for with Central Baltimore Partnership. LLAYD's own BRNI eligibility is being confirmed with DHCD.

Priority 4 — the BDC request

$943,874, preferably as deferred subordinate financing repaid at refinance or sale rather than as a grant. It is 15.3% of Phase 2 cost and 11.5% of the whole project.

Additional levers

- DHCD Small Business Lending Program: 4% fixed, up to $2M, for the commercial component.
- Opportunity Zone equity: tract 1205 stays on the current map through 2028. Not in the base case.
- Central Baltimore Partnership funds: the CBFF Strategic Acquisition & Predevelopment Fund and the Neil Muldrow Small Business Fund; MHT's Historic Preservation Loan Fund.
- Furniture leasing or financing for the FF&E package, or a $150/month furnished amenity fee — worth about $30,800 a year of additional NOI (see section 9).
- Further fee deferral, value engineering, and a unit mix tilted further toward 2BR layouts.

Timing bridge and last-resort hard money

The preferred bridge is an NIIF bridge loan at 5.0% secured by grant and credit pledges. Strategic hard money at about 12% plus 2.5% in points is a last resort: bridging the $2,869,874 pre-public gap for 24 months would cost roughly $760,517, which the project cannot absorb. 1816's existing Nextres note at 15% is exactly the trap this structure is meant to exit.

Not treated as sources

The CHAP 10-year credit — 100% of the City tax on the assessment increase — is modeled as an operating-expense reduction of $43,553 a year, not as a capital source. The January Exhibit D had listed it as a source; that has been corrected. Enterprise Zone credits and the historic tax credits cannot be combined with CHAP at this scale.

7. NIIF underwriting

The NIIF loan is sized as the lesser of three limits: a 1.25x debt service coverage ratio on comparable-supported market rents, 80% of as-completed value, and NIIF's $3M program cap. Sizing on market rather than target rents is deliberate — repayment does not depend on the rent premium the furnished program is expected to earn.

Loan sizing — 1818 + 1820	Amount
NOI at market rents (with CHAP)	$243,585
NOI at target rents (with CHAP)	$255,442
Annual constant (5.0%, 25-year amortization)	7.02%
Maximum loan at 1.25x DSCR	$2,777,842
Stabilized value (7.5% cap rate)	$3,405,893
Maximum loan at 80% LTV	$2,724,714
NIIF program cap	$3,000,000

NIIF loan (the lesser of the three)	**$2,724,000**

Metric	1816	1818 + 1820	All parcels
Permanent debt	$782,036	$2,724,000	$3,506,036
Annual debt service	$67,831	$191,091	$258,922
DSCR — target rents	1.78x	1.34x	1.45x
DSCR — market rents	—	1.27x	1.26x
DSCR — excluding the CHAP credit	—	1.11x	—
LTV (as-completed)	48.4%	80.0%	69.8%
LTC	37.7%	44.2%	42.6%
Debt yield	15.5%	9.4%	10.7%

Covenant tests

Test	Requirement	Result	
DSCR at market rents (NIIF)	≥ 1.25x	1.27x	PASS
Consolidated DSCR	≥ 1.25x	1.45x	PASS
LTV (as-completed)	≤ 80%	80.0%	PASS
LTC	≤ 80%	44.2%	PASS
Loan size	≤ $3,000,000	$2,724,000	PASS

Terms modeled: $2,724,000 at 5.0% fixed, 18 months interest-only during construction, then 25-year amortization on a 7-year term, with a fee of no more than 1.5%. If NIIF also refinances 1816 at 5.0%, consolidated coverage rises to about 1.53x.

8. The 1820 offer

Residual land value test — 1820	Amount
Stabilized value (target rents, 7.5% cap rate)	$1,742,757
Stabilized value (market rents)	$1,600,820
Cost to restore and lease (excluding land)	$2,869,477
Implied as-is land value	**−$1,126,719**
Offer	**$3,000**

Restoring 1820 costs more than the finished building will be worth, so its as-is residual value is negative — about −$1.13M. The nominal price reflects that arithmetic, not a discount being sought. The City's return comes from the restoration itself: the parcel was conveyed in 2015 and returned to the City in 2022 without one. LLAYD's control of 1816 and 1818 is what makes finishing the mansion as a single project possible.

LLAYD accepts LDA performance conditions: a construction start deadline, reverter and right of re-entry, a CHAP-approved scope, and MBE/WBE and Employ Baltimore compliance.

9. Pro forma and stress tests

Consolidated across all three parcels, with rents growing 2% a year (the DHCD underwriting cap), expenses 3%, the CHAP credit for 10 years, and an exit at a 8.0% capitalization rate. Year 1 is 2029.

	2029	2030	2031	2033	2035	2038
Effective gross income	$579,936	$591,535	$603,365	$627,741	$653,102	$693,077
Operating expenses (net of CHAP)	$203,434	$209,247	$215,229	$227,718	$240,942	$262,255
Net operating income	**$376,502**	**$382,288**	**$388,137**	**$400,024**	**$412,160**	**$430,822**
Total debt service	$258,922	$258,922	$258,922	$258,922	$258,922	$258,922
DSCR	**1.45x**	**1.48x**	**1.50x**	**1.54x**	**1.59x**	**1.66x**
Cash flow after debt service	$117,580	$123,365	$129,215	$141,102	$153,238	$171,900
Deferred developer fee paid	$58,790	$61,683	$64,607	$0	$0	$0
Distributable cash flow	$58,790	$61,683	$64,607	$141,102	$153,238	$171,900

Selected years; the full ten years are on the Pro_Forma tab of the Excel model.

Returns	Value
Levered IRR (sponsor, 10-year hold)	11.6%
Unlevered IRR (project)	0.6%
Return on cost (Year 1 NOI ÷ total development cost)	4.6%
Average cash-on-cash	10.7%
Equity multiple	2.16x
Gross sale value (Year 11 NOI ÷ exit cap)	$4,732,893
Loan balances at Year 10 (NIIF + 1816)	$2,632,921
Net reversion to sponsor (after BDC repayment)	$1,014,112

Stress tests

Every scenario re-runs the whole model. The NIIF loan is held at the base amount; the capacity column shows what NIIF could lend if it re-sized the loan for that case.

Scenario	Yr 1 NOI	Consol. DSCR	NIIF DSCR	NIIF DSCR @ mkt	BDC gap	NIIF capacity	Levered IRR
Base case — target rents	**$376,502**	**1.45x**	**1.34x**	**1.27x**	**$943,874**	**$2,724,000**	**11.6%**
Market-rent case (comparable-supported rents)	$326,663	1.26x	1.27x	1.27x	$943,549	$2,598,000	0.5%
Target residential rents −10%	$336,490	1.30x	1.19x	1.27x	$943,116	$2,429,000	3.3%
Commercial rents −25% & 20% commercial vacancy	$328,622	1.27x	1.21x	1.23x	$943,191	$2,458,000	1.1%
Interest rates +200 bps (NIIF 7.0%, 1816 9.25%)	$376,502	1.21x	1.11x	1.05x	$1,011,387	$2,297,000	5.3%
Hard costs +15%	$376,502	1.43x	1.34x	1.27x	$1,484,425	$2,724,000	7.5%
No historic tax credit equity (federal or state)	$376,502	1.45x	1.34x	1.27x	$1,819,874	$2,724,000	5.7%
Expenses +15%	$344,314	1.33x	1.23x	1.16x	$954,938	$2,497,000	4.5%
Exit cap rate 9.0%	$376,502	1.45x	1.34x	1.27x	$943,874	$2,724,000	8.6%

Market rents + rates +100 bps + costs +10%	$326,663	1.13x	1.16x	1.16x	$1,337,438	$2,520,000	n/a
No furnished premium in market rents	$376,502	1.45x	1.34x	1.15x	$943,874	$2,503,000	11.6%
Option — $150/mo furnished amenity fee per apartment	$407,282	1.57x	1.44x	1.38x	$944,435	$2,943,000	16.3%
Upside — NIIF also refinances 1816 at 5.0%	$376,502	1.53x	1.34x	1.27x	$943,874	$2,724,000	12.9%

n/a = the sponsor does not recover its equity in that case, so an IRR is undefined.

What the stress tests show

- The NIIF loan covers at 1.27x on market rents, above the 1.25x covenant, and the consolidated deal covers at 1.45x. Coverage, not value, is the binding constraint in most downside cases.
- A 200 basis point rate rise is the sharpest single risk: NIIF coverage falls to 1.11x and the gap request grows by about $68,000. A rate cap or an earlier rate lock is the mitigant.
- Losing both historic tax credits is the largest dollar risk — the gap request would rise to about $1.82M — which is why Part 1 filings go in this fall and the MHT Small Commercial credit is kept as a fallback.
- Hard costs 15% over budget raise the request to about $1.48M; that is what the 12.5% contingency and 6% escalation allowance exist to absorb first.
- The furnished amenity fee option — $150 a month per apartment — lifts Year 1 NOI to $407,282 and the levered IRR to 16.3%, and is the most promising upside lever available without more public money.

10. Assumptions and basis

Every input in the model, with its basis. The same list is on the Assumptions tab of the Excel workbook, where each value is a named cell that drives the calculations. BDC specifically asked about rental rates, interest rates, capitalization rates and acquisition cost; those are marked ▸.

Assumption	Value	Basis / source
▸ 1820 purchase price (offer)	$3,000	Nominal offer for a vacant, City-owned shell that needs a full gut rehab. The as-is value is negative once cost-to-cure is counted (see Assumptions narrative). The public return is delivered through restoration, tax base, jobs, and MBE participation.
▸ 1818 acquisition cost	$150,000	Price at the Mar 6, 2026 substitute trustee's sale (Case C-24-CV-25-008522). Already funded by LLAYD. Counted as land equity.
Closing, title, transfer & recordation (% of price, min $7.5k)	4%	1816 HUD-1 closing costs were $36k on $300k (12%) because back taxes were cleared at settlement. A standard rate is used for new acquisitions, with a floor.
Minimum closing cost per acquisition	$7,500	Title, survey, recordation, legal.
▸ Annual rent growth	2%	2.0%, the MD DHCD underwriting cap. Yardi forecasts 1.9% for Baltimore in 2026, and Harbor Stone reported +1.3% YoY (research/02).
Annual expense growth	3%	Matches BDC Exhibit E (3%).
Residential vacancy	7%	Bowery 2023 used 7%. Baltimore City stabilized vacancy is 8.2%, and Station North's 11.6% (HSA Q2-25) includes lease-up buildings. A small boutique building with new finishes is underwritten at 7%.
Residential credit/collection loss	1%	1% (Bowery 2023).
Commercial vacancy	8%	Baltimore retail vacancy is 6.36% (TenantBase Q2-26); Bowery used 3%. A conservative 8% + 2% = 10% covers small-bay retail on a block that still has vacancy.
Commercial credit/collection loss	2%	See above.
Other income per unit per month (laundry-in-unit fees, storage, pet, late fees)	$35	Conservative for small walk-ups.
Property management (% of EGI)	5%	5% (Bowery 2023 range 2–6%). ERJ Development LLC manages the property.
Insurance per residential unit / yr	$900	Historic masonry, sprinklered, mixed-use. The Jan-2026 submission carried $5,600 for 7 units (~$800).
Insurance per commercial unit / yr	$1,200	Landlord's share of the commercial policy.
Repairs & maintenance per unit / yr (all units)	$650	New systems keep early-year maintenance low.
Turnover / make-ready per residential unit / yr (furnished)	$450	Higher for furnished units: professional cleaning, linens, and furniture touch-up between leases.
Furniture (FF&E) replacement reserve per residential unit / yr	$750	Replaces the ≈$12.5k furniture package over about 15 years, with hospitality-grade pieces refreshed as they wear.
Resident technology & Wi-Fi services per unit / yr	$900	Building-wide high-speed Wi-Fi, smart-lock/thermostat platform, and video-intercom subscriptions included with furnished leases.
Common utilities per building / yr (house electric, common water/sewer)	$4,200	Units are separately metered for electric; tenants pay their own. The Jan-2026 submission carried $2,400.
Water & sewer per residential unit / yr (owner-paid)	$540	Baltimore City DPW combined water/sewer rates.
Trash, recycling & pest per building / yr	$2,400	Private hauler for mixed-use.
Fire alarm / sprinkler monitoring & inspections per building / yr	$2,600	NFPA 13R systems require annual inspection plus central-station monitoring.
Security, access control & cameras per building / yr	$1,500	The Jan-2026 submission carried $3,120 for one building.
G&A: legal, accounting, software, marketing per unit / yr	$300	—

Special Benefits District surcharge per building / yr	$350	1816 paid $313 in 2025.
Replacement reserves per unit / yr (all units)	$300	CDFI and agency underwriting standard is $250–$350 per unit.
Furnished premium applied to market (underwriting) residential rents	10%	Industry sources cite 15–30% over unfurnished (FurnishedUnfurnished; Flat Fee Landlord). The unfurnished Station North comps are marked up only 10% to stay conservative. The stress tests include a no-premium case.
Furniture package per apartment (fully furnished)	$12,500	Premium, durable pieces for living, bedroom, dining, and kitchen/bath essentials. Mid-range 1BR packages cost $5k–$12k+ (Furnishr 2026); delivery and staging are included.
Premium flooring upgrade — Brazilian cherry hardwood or imported porcelain tile ($/SF of unit area, over base allowance)	$11	Brazilian cherry (Jatoba) is ≈$5–$13/SF material plus $4–$8/SF install (Brazilian Direct; Homewyse). Imported porcelain is ≈$15–$25/SF installed (HomeGuide; Angi). This is the premium over the base flooring allowance already in the trade budget.
State-of-the-art smart-home & premium appliance package per apartment	$4,500	Smart locks, thermostats and lighting; video intercom; premium stainless appliance suite with in-unit washer/dryer upgrade.
Private rear deck size (18' × 8') — SF per deck	144	Nine rear apartments, one deck each. Rear-yard setback and CHAP/zoning review required. Replaces 1816's permitted 80 SF deck scope.
Elevated stacked deck cost ($/SF, composite on steel posts, 42" rails, privacy screens)	$95	Elevated and multi-level decks run $50–$130/SF (HomeAdvisor; Angi 2026). Upper-range value for stacked 2nd–4th floor decks on a masonry building.
Outdoor cooking station per deck (ELECTRIC built-in grill, counter, GFCI power, lighting)	$6,500	Baltimore City Fire Code §308 bars open-flame cooking on combustible balconies or within 10 ft of combustible construction; electric grills are permitted. Confirm with the Fire Marshal.
Deck furniture package per deck (dining set, lounge seating, planters)	$2,500	Weather-rated outdoor furnishings; part of the furnished apartment package.
Deck & outdoor kitchen maintenance per deck / yr	$300	Cleaning, sealing, appliance service.
Total property tax rate (City 2.248% + State 0.112%)	2.36%	Baltimore City FY2026 real property tax bill for 1816 N Charles; City rate confirmed for FY2027 (research/02).
City portion of the tax rate (basis for the CHAP credit)	2.25%	CHAP credits the City tax only.
1816 stabilized assessment	$1,200,000	Bowery as-complete value was $1.21M (Feb 2024). SDAT assesses at full cash value.
1818 stabilized assessment	$1,250,000	Estimated: 6 apartments + 1 commercial unit, similar to 1816.
1820 stabilized assessment	$1,250,000	Estimated: 6 apartments + 1 commercial unit.
1816 pre-rehab (base) assessment	$230,000	SDAT 2025–26 assessment: $230,000.
1818 pre-rehab (base) assessment	$412,600	SDAT assessment cited in the 1818 foreclosure exceptions: $412,600.
1820 pre-rehab (base) assessment	$150,000	Estimated. The parcel is City-owned and tax-exempt today; confirm the base value with SDAT/CHAP after conveyance.
CHAP credit: share of assessment increase credited	100%	City Code Art. 28 §10-8: 100% of the city tax on the assessment increase for projects ≤$5M, for 10 years. The State portion is not credited, so this model credits only the City rate. Preliminary CHAP approval is required BEFORE work starts, and applications close 12/31/2027.
CHAP credit term (years)	10	10-year credit, per the BDC RFP Section VII.b.
‣ Stabilized going-in cap rate	7.50%	The Bowery appraisal concluded 7.50% for 1816. Small Baltimore mixed-use typically trades at 7–8.5% (see research/02).
‣ Exit (Year 10) cap rate	8%	Going-in rate plus 50 bps, a conservative reversion assumption.
Cost of sale at reversion	3%	—
1816 remaining hard cost to complete (residential + commercial)	$322,000	The PM dashboard shows $277k of the $1.019M budget left to deploy. That figure plus the $45k sprinkler/fire-alarm scope gap is carried here.
1820 gut-rehab hard cost ($/GSF, trades only)	$215	Trades only. Façade, sprinkler, abatement, storefront, GC fee, escalation and contingency are added separately, for an all-in ≈$300/GSF. Benchmarks: DHCD rehab cost limits $202–$277/SF; research recommends $250/SF before

		contingency. 1816's actual budget was about $170/SF.
1818 rehab of existing 3,800 SF ($/GSF)	$185	The existing building is in better shape: a former restaurant fit-out that was occupied until 2025.
1818 new 3rd–4th floor vertical addition ($/GSF)	$325	New construction on an existing masonry bearing structure, with steel/LVL framing and an elevator-free walk-up. Subject to structural engineering and CHAP review.
1818 new vertical addition area (SF)	2,600	Two new floors of about 1,300 SF each above the existing 2-story building.
1818 historic façade restoration	$65,000	Masonry repointing, cornice, and storefront to match the mansion.
1820 historic façade restoration	$90,000	Paint removal, repointing, wood windows, cornice, and entry.
Commercial white-box / storefront per unit (1818, 1820)	$45,000	The BRNI advance invoice for 1816's two units was $125k ($62.5k each, including façade). Vanilla-box scope.
Fire sprinkler + fire alarm per building (1818, 1820)	$32,000	The Fuentes quote for 1816 was $19,025 for sprinklers only (2nd–4th floors). Fire alarm and backflow are added here.
Environmental abatement allowance (lead/asbestos) per building	$25,000	Pre-1978 buildings; the BDC RFP flags possible environmental hazards.
Hard cost contingency — 1818 & 1820	12.50%	12.5% for an unopened historic gut rehab. The industry norm is 10–15% (research/02).
Hard cost contingency — 1816 (known remaining scope)	10%	10% on remaining scope that is already bid or quoted.
Cost escalation to construction midpoint — 1818 & 1820	6%	About 4%/yr (RLB Q2-2026) over the ≈1.5 years to the construction midpoint (Q1 2028).
GC overhead & profit (Tyjuan Amor LLC, related party)	8%	Disclosed related-party fee. Below the 10–12% market norm, reflecting partial self-performance.
Architecture, engineering & structural (% of hard)	7%	Includes CHAP submissions and structural design for the 1818 addition. 1816 design cost $19k.
Permits, CHAP, zoning & utility fees (% of hard)	1.50%	The Jan-2026 Exhibit F carried $4,800 in permit fees for 1820 alone.
Legal, title, organizational & LDA (% of hard)	1%	—
Builder's risk & GL during construction (% of hard)	1.20%	—
Appraisal, Phase I ESA, survey, market study per building	$12,000	Required for NIIF underwriting.
Marketing & lease-up per unit	$750	—
Soft cost contingency	5%	—
Developer fee (% of total development cost excl. acquisition)	8%	Below the typical 10–15% cap for CDFI and state-funded deals. At least 50% is deferred to fill the gap.
Share of developer fee deferred	50%	The deferred portion is paid from cash flow and shown as a source.
Operating reserve (months of OpEx + debt service)	6	NIIF and CDFI standard.
‣ NIIF interest rate (construction & perm)	5%	NIIF publishes 5.0% fixed for real estate loans up to $3M (baltimoreniif.org/financing/real-estate-loans). Subject to NIIF underwriting.
NIIF amortization (years)	25	—
NIIF permanent term (years)	7	NIIF term loans run up to 7 years. The pro forma assumes a refinance or extension at maturity on similar terms.
Construction interest-only period (months)	18	NIIF allows 18–24 months of IO. 18 months matches the construction schedule.
Average outstanding balance during construction	55%	Standard draw curve.
NIIF origination fee	1.50%	NIIF charges up to 1.5%.
NIIF max loan-to-cost	80%	Typical CDFI maximum (see research/04).
NIIF max loan-to-value (as-completed)	80%	Construction loans: ≤80% of as-completed value. Term loans: ≤95% of as-stabilized value.

NIIF maximum loan size	$3,000,000	NIIF real estate loans go up to $3M.
Size NIIF loan on market (underwriting) rents? (1 = yes)	1	1 = conservative: the loan is sized on comparable-supported rents (research/02), not on target rents.
Minimum DSCR used to size the NIIF loan	1.25x	1.25x at market rents. CDFI and commercial norm is 1.20–1.25x; MD DHCD floor is 1.15x (research/04). Sizing at 1.25x keeps the NIIF construction LTV near the recommended 75% cushion.
1816 permanent loan rate	7.25%	Bank or CDFI permanent debt is ≈7.0–8.0% (10-yr Treasury 5.02% on 9/16/26 + 200–300 bp). If NIIF participates at 5%, coverage improves (see Sensitivity).
1816 permanent loan amortization (years)	25	—
1816 hard-money payoff (Nextres/FCI)	$547,000	Principal $527,490 + loan charges $16,502 + late charges $648 + deferred interest $2,198, as of Feb 2026.
Hard-money bridge rate (last resort)	12%	The Q1-2026 Maryland average was 11.19%. Lenders quote 9–13.5% plus 1–4 points. 1816's existing Nextres loan is at 15% (research/02).
Hard-money origination points	2.50%	—
Sponsor cash equity (personal funds) – 1818 & 1820	$200,000	Bradford & Jasmine Phillips / LLAYD LLC. Proof of funds to be provided.
MD Legislative Bond Initiative – 2027 session request (District 40)	$500,000	District 40 (Sen. Hayes) application is due 11/23/2026, with presentations 11/30/2026. LBIs are non-matching unless the authorization says otherwise. Funds are available after 6/1/2027, which fits the July 2027 construction start. The 2025 session awarded LLAYD $250k.
BDC Façade Improvement Grant — Rehabilitation FIG ($25k × 2 buildings)	$50,000	The Rehabilitation FIG is $25,000 with a 1:1 match, paid by reimbursement. A BDC site meeting is required first, and no work may start before approval (research/03).
MD Historic Revitalization Tax Credit — Competitive Commercial (20% of QRE)	20%	20% of QRE, with an OZ bonus possible. The next round runs June–Aug 31, 2027; Part 2 approval is needed before work. Fallback is the Small Commercial credit, capped at $50k per project (research/03).
Federal Historic Tax Credit rate	20%	20% of QRE for income-producing certified historic structures. 1820 is in the North Central National Register Historic District.
Tax credit equity pricing ($ per $1 of credit)	$1	Pricing is UNVERIFIED. Small deals typically price at 80–95¢; 85¢ is modeled pending an investor quote.
Qualified rehab expenditures as a share of hard + eligible soft	80%	Excludes acquisition, site work, the new addition (not QRE), and FF&E.
Include federal HTC equity in base case (1 = yes, 0 = no)	1	Requires NPS Part 1–3 certification and confirmed contributing status in the North Central NR District. The substantial-rehabilitation test applies.
Include MHT state credit in base case (1 = yes, 0 = no)	1	Competitive award; the Small Commercial credit is an alternative.
BRNI award – 1816 (DHCD, BRNI-2026-LLAYD-00539-R)	$250,000	Awarded. Term 1/1/2026–6/30/2028.
MD bond bill – 2025 (LLAYD / 1816)	$250,000	Awarded to LLAYD for the 1816 N. Charles commercial spaces.
Sponsor equity invested to date – 1816	$559,000	Per the 2025 LBI request and investor overview.
1818 existing gross SF	3,800	Per the 1818 foreclosure filing (about 3,800 SF restaurant/lounge). Verify with a measured survey.
1820 gross SF (4 floors + lower level)	6,300	Estimated from the 1,655 SF lot and a footprint similar to 1816 (5,484 GBA on a 1,437 SF lot). Verify with a measured survey.
1816 design & construction completed to date (excl. acquisition)	$797,000	$1,097,000 invested to date minus the $300,000 purchase price (PM dashboard, Feb 2026).
1816 settlement charges (HUD-1)	$36,052	HUD settlement statement, June 26, 2023.
1816 carrying costs to date (interest, fees, taxes, water, registration)	$230,744	Financial summary, Feb 23, 2026.
1816 hard-money charges at payoff (fees, late charges, deferred interest)	$19,510	FCI servicing statement: $16,502 + $648 + $2,198 + $162 other.
1816 soft costs to complete (CO, inspections, legal, leasing)	$25,000	—

1816 refinance closing costs (% of loan)	2%	—
Apply CHAP credit to 1816? (1 = yes, 0 = no)	0	Excluded (conservative). The CHAP credit must be applied for before work starts, and 1816 work began in Jan 2024. Confirm whether an application was filed.
Include CHAP credit in NIIF sizing NOI? (1 = yes)	1	1 = yes: the CHAP credit is a certified 10-year City tax credit, and the loan is still sized on market rents. The Debt_Metrics tab also shows DSCR without CHAP.
DHCD BRNI — FY2029 round (1818/1820)	$150,000	The FY2028 round closed 8/6/2026; FY2029 is expected ≈June 2027. Awards typically run $25k–$500k. Applicants must be nonprofit CDOs, so confirm LLAYD's eligibility or apply with a CDO partner (research/03).
DHCD Strategic Demolition Fund / Project C.O.R.E. — via CDO partner	$250,000	Covers stabilization and redevelopment of vacant buildings. Open only to local governments and nonprofit CDOs, so it would be requested with Central Baltimore Partnership (research/03).
DHCD Community Legacy — via CDO partner	$100,000	Capital grant in Sustainable Communities through a CDO or local government. The FY28 round closed 8/6/2026; FY29 is expected mid-2027.
First stabilized operating year (pro forma Year 1)	2,029	1816 completes in 2027. 1818/1820 construct Q3 2027–Q4 2028 and lease up by mid-2029.

Sources are documented in full in the research appendices at llayd.net/bdc: community profile; market rents, cap rates and costs; funding programs; and BDC & NIIF underwriting expectations.

11. Risks and mitigants

Risk	Mitigant
1818 sale ratification (Case C-24-CV-25-008522; exceptions filed 3/27/2026)	Document ratification and deed status; no Phase 2 draw until title is insured
1816 Nextres note matured 4/1/2026 (15%)	Permanent takeout at 1.78x DSCR and 48% LTV; NIIF participation requested; current status to be documented
Rent premium over nearby 1BR comparables	The NIIF loan is sized on market rents; unit mix tilted to 2BR and 1BR+den; commercial LOIs being pursued
Construction cost and escalation	12.5% contingency plus 6% escalation; third-party bids; structural study for the 1818 addition
Historic credit awards are competitive	Part 1 filings Q4 2026; MHT Small Commercial credit as fallback; NIIF bridge for timing
CHAP approval must precede work; program sunsets 12/31/2027	File for 1818 and 1820 this fall, before any work begins
Grant eligibility (CDO-only programs)	Apply with Central Baltimore Partnership; confirm BRNI status with DHCD
Opportunity Zone map change in 2027	Current map valid through 2028; OZ equity is not in the base case
Rear decks: setback, CHAP and grilling rules	Zoning and CHAP review; electric-only outdoor kitchens per Fire Code §308; Fire Marshal confirmation
Related-party general contractor	8% fee disclosed; open-book costs; third-party draw inspections

12. Requests to BDC

- Board approval to move forward on 1820 with LLAYD / Tyjuan Amor LLC (ENP → LDA) at the offered price and terms.
- Gap participation of $943,874 as deferred subordinate financing, or an equivalent grant.

- Rehabilitation Façade Improvement Grants for 1818 and 1820, and Enterprise Zone coordination on the commercial space.
- Letters of support for the 2027 District 40 bond bill and the DHCD applications.

Timeline

Date	Action
September 18, 2026	BDC and NIIF materials submitted
October 2026	NIIF intake and site visit; CHAP pre-application; MHT/NPS Part 1
October 19, 2026	District 40 bond bill information session
November 23, 2026	District 40 bond bill application due (presentations November 30)
Q4 2026	BDC board; ENP; right of entry; survey, Phase I, structural study
Q1–Q2 2027	LDA; design and permits; NIIF commitment; 1816 certificate of occupancy and refinance
June–August 2027	MHT competitive credit round; BRNI FY2029 round
July 2027	Phase 2 construction start (18 months, Tyjuan Amor LLC as GC)
2029	Full mansion stabilized — pro forma Year 1

Prepared by Live Life As You Dream (LLAYD) LLC and Tyjuan Amor LLC for the Baltimore Development Corporation and the Neighborhood Impact Investment Fund. Contact: Bradford T. Phillips, Owner & Founder, LLAYD LLC. Supporting pages, research appendices and the interactive underwriting dashboard are at llayd.net/bdc.