

MEMORANDUM

AGENDA DATE: July 14, 2004

DATE: June 30, 2004

TO: HACSA Board of Commissioners

PRESENTED BY: James R. McCoy Development Director
Chris Todis, Executive Director
Housing Authority and Community Services Agency (HACSA)

AGENDA ITEM TITLE: ORDER/In the Matter of Authorizing the Executive Director to Apply for Assistance from the Oregon Housing and Community Services Department's Consolidated Funding Cycle (CFC) for the Turtle Creek Housing Development

I. PROPOSED MOTION:

IT IS ORDERED THAT THE HOUSING AUTHORITY AND COMMUNITY SERVICES AGENCY (HACSA) RESOLVES TO DEVELOP THE TURTLE CREEK HOUSING DEVELOPMENT AS REPRESENTED IN THE AUGUST 2004 CONSOLIDATED FUNDING CYCLE APPLICATION TO THE OREGON HOUSING AND COMMUNITY SERVICES AGENCY; THAT IT WILL ACCEPT THE OBLIGATIONS OF THE AWARD OF THE FEDERAL LOW-INCOME HOUSING TAX CREDITS, OREGON AFFORDABLE HOUSING TAX CREDITS, AND HOUSING DEVELOPMENT GRANT FUNDS THAT ARE REQUESTED IN THIS APPLICATION; THAT THE EXECUTIVE DIRECTOR OR DEPUTY DIRECTOR IS AUTHORIZED TO EXECUTE THE PROGRAM AND LEGAL DOCUMENTS ASSOCIATED WITH ACCEPTING THE TAX CREDIT AND GRANT PROGRAMS; AND THAT THE EXECUTIVE DIRECTOR OR THE DEPUTY DIRECTOR IS AUTHORIZED TO SIGN ALL DRAW REQUESTS, MONTHLY PROGRESS REPORTS AND MISCELLANEOUS FORMS ASSOCIATED WITH THE TAX CREDIT AND GRANT PROGRAMS AWARDED TO THE PROJECT.

II. ISSUE:

HACSA has initiated the development of the "Turtle Creek" Housing Development, a low-income housing development in the River Road area of Eugene and must now apply to the Oregon Housing and Community Services Department (OHCSA) for federal low-income housing tax credits, Oregon Affordable Housing Tax Credits, and Oregon Housing Development Grant funds. Application for these subsidies occurs by means of the State's Consolidated Funding Cycle (CFC) and is due August 6 2004.

One requirement of the CFC application is a board resolution authorizing the sponsor to apply for specific program funds, accepting program regulations and responsibilities, and indicating the authorized signers. This memorandum requests such board authorization.

III. DISCUSSION:

A. Background

In 1989, the Lane County Task Force on Homelessness and Affordable Housing recommended the formation of the Intergovernmental Housing Policy Board to coordinate local efforts in creating affordable housing. Since that time, HACSA has worked within this framework to create over 600 units of housing, including 314 "tax credit" projects — Richardson Bridge (1992), Willakenzie Townhouses (1995), Walnut Park Duplexes (1996), Laurel Gardens Apartments (1997), Jacob's Lane (1999), Sheldon Village (2003), and Munsel Park (2004). (Please see Attachment 1).

In February 2004, the Intergovernmental Housing Policy Board and the City of Eugene selected HACSA as the developer of choice for a 4-acre parcel located adjacent to HACSA's existing Walnut Park Duplex project. In this action, the City of Eugene agreed to provide the site and approximately \$520,000 in HOME funds to assist in its development as an affordable housing project. Additionally, the Housing Policy Board voted to recommend that the project receive approximately \$220,000 in Lane County road funds.

HACSA staff have carried out the following:

- (1) Assembled a team to assist in pre-development activities, develop a preliminary financial package, and prepare and submit a competitive Consolidated Fund Application.
- (2) Carried out a Request for Proposals for Construction Manager/General Contractor.
- (3) Completed a HOME Environmental Review.
- (4) Prepared and submitted an Application for Subdivision to the City of Eugene Planning Department.
- (5) Met with neighbors to discuss the site plan and housing program.

If the project is to be constructed in the 2005 building season, HACSA must apply for project subsidies from the Oregon Housing and Community Services Department's Consolidated Funding Cycle this August.

B. Analysis

HACSA staff have assembled a financial package which will "deliver" project rents at a level affordable to families at or below 50% of median if the State of Oregon Housing and Community Services Agency is willing to allocate:

- (1) an annual allocation of \$240,250 (est.) in federal low-income tax credits.
- (2) Up to \$650,000 of the State of Oregon Affordable Housing Tax Credit. This would reduce the annual debt service of the project from an estimated \$56,390 to \$37,743.
- (3) A State Housing Development Grant of \$100,000.

The combination of these three subsidies allows rents at the following levels:

Rents at or Below 50% of median (2004)

25 Two-bedroom	\$395.00 (incl. all utilities exc. electric)
2 Three-bedroom	\$425.00 (incl. all utilities exc. electric)

A more complete (but still preliminary) financial analysis is provided as Attachment 2. As noted above, application to the State requires Board authorization. This memorandum requests such board action.

C. Recommendation.

Approval of motion.

E. Timing.

The application to the State is due 6 August 2004.

IV. IMPLEMENTATION/FOLLOW-UP:

Same as Item III. E. above.

V. ATTACHMENTS:

Attachment 1 List of HACSA Development Projects
Attachment 2 Financial Analysis

IN THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY AND COMMUNITY SERVICES AGENCY (HACSA)

RESOLUTION AND ORDER

In the Matter of Authorizing the Executive Director to
Apply for Assistance from the Oregon Housing and
Community Services Department's Consolidated
Funding Cycle (CFC) for the Turtle Creek Housing
Development

WHEREAS, HACSA recognizes the need to address the community issues of homelessness
and increasing the supply of permanent, affordable housing for lower income households;

WHEREAS, HACSA has initiated the development of Turtle Creek Affordable Housing
Development to address such community needs;

WHEREAS, the Intergovernmental Housing Policy Board has requested that HACSA obtain
additional subsidies to provide for rents affordable to very low-income households and families;

WHEREAS, HACSA wishes to obtain assistance from the State of Oregon Housing and
Community Services Department to obtain these lower rents;

NOW, THEREFORE, it is hereby resolved and ordered that:

The Housing Authority and Community Services Agency (HACSA) Resolves to
Develop the Turtle Creek Housing Development as Represented in the August 2004
Consolidated Funding Cycle Application to the Oregon Housing and Community
Services Agency; That it Will Accept the Obligations of the Award of the Federal
Low-income Housing Tax Credits, Oregon Affordable Housing Tax Credits, and
Housing Development Grant Funds Requested in this Application; That the
Executive Director or Deputy Director Is Authorized to Execute the Program and
Legal Documents Associated with Accepting the Tax Credit and Grant Programs;
And That the Executive Director or the Deputy Director Is Authorized to Sign All Draw
Requests, Monthly Progress Reports and Miscellaneous Forms Associated with the
Tax Credit and Grant Programs Awarded to the Project.

DATED this _____ day of _____, 2004

APPROVED AS TO FORM

Date 7/6/04 _____

OFFICE OF LEGAL COUNSEL

Chair, HACSA Board of Commissioners

In the Matter of Authorizing the Executive Director to Apply for Assistance from the Oregon Housing and Community
Services Department for the Turtle Creek Housing Development

ATTACHMENT 1
Turtle Creek

HACSA Development Projects
June 2004

HACSA Development Projects

30 June 2004

HACSA Owned/Managed	Date Completed	Location	Number of Units	Economic Dev. Value
Richardson Bridge (LIHTC)	1992	Eugene	31	1,880,093
Walnut Park (LIHTC)	1995	Eugene	32	2,404,627
Willakenzie Townhouses (LIHTC)	1996	Eugene	25	2,326,242
Firwood Apartments	1995	Eugene	90	2,606,360
Village Oaks	1996	Eugene	67	280,000
Fourteen Pines	1996	Eugene	65	750,000
Laurel Gardens (LIHTC)	1997	Eugene	41	2,106,752
Heeran Center	1997	Eugene	16	80,000
Jacob's Lane (LIHTC)	1999	Eugene	63	5,528,748
Camas Apartments	2000	Creswell	36	1,611,265
Sheldon Village (LIHTC)	2003	Eugene	78	8,920,000
Signpost House	2001	Eugene	16	791,717
Munsel Park Apartments (LIHTC)	2004	Florence	44	550,000
Turtle Creek	?	Eugene	0	
			<u>604</u>	29,835,804

Constructed with HACSA Assistance	Date Completed	Location	Number of Units
River Kourt	1997	Eugene	20
Laurel Grove	1994	Eugene	16
Uhlhorn Apartments	1991	Eugene	20
Sponsors	1995	Eugene	10
Laurel Court	1999	Eugene	17
Total Assisted:			<u>83</u>

HACSA Total Units:	738
	604
	<u>1342</u>

Totals

Combined Totals:	687
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Under Development	Date Initiated	Location	Number of Units
Turtle Creek	2004	Eugene	27
Total Assisted:			<u>27</u>

ATTACHMENT 2
Sheldon Village

Preliminary Financial Analysis
June 2004

SOURCES OF FUNDING					
Project Name: TURTLE CREEK		Date: 30-Jun-2004			
Funding Source	HOME Match (check)	Committed	Conditional	Tentative	Anticipated or Firm Commitment Date
OHCS GRANTS & EQUITY					
LIHTC Equity				1,599,729	
HOME					
Trust Fund					
HELP					
Alcohol & Drug Free Housing					
LI Weatherization Program					
OHCS LOANS					
Tax Exempt Bonds					
HOME					
Trust Fund					
Alcohol & Drug Free Housing					
ORR					
NON-OHCS GRANTS					
City of Eugene Permit Assistance				39,500	
City of Eugene SDC Assistance				0	
EWEB SDC Assistance				35,000	
Eugene HOME Funds				520,000	
NON-OHCS LOANS					
				0	
				0	
Permanent Loan				650,000	
APPLICANT CONTRIBUTIONS					
Cash					
Deferred Development Fee					
OTHER:					
Cashflow During Rehab					
SUBTOTALS		\$0	\$0	\$2,844,229	
TOTAL FUND SOURCES		\$2,844,229			
Surplus or Gap		(0)	(Note: Total Fund Sources must match "Total Project Cost" from Uses of Funding page.)		
Other HCS non-equity sources:					
Oregon Affordable Housing Tax Credit (OAHTC)				\$650,000	(loan amount)
Seed Money Advance Loan					(loan amount)
Predevelopment Loan					(loan amount)

USES OF FUNDING							
Project Name:		TURTLE CREEK		Date:		6/30/2004	
IRS Setaside							
Number of Units:		27					
Residential Square Footage:		27,688					
Common Areas:		0					
Commercial/other						These two columns are for LIHTC APPLICANTS ONLY	
Total Square Footage:		27,688					
COSTS							
	(A) Original Application	Cost per Unit	Cost per Square Foot	Cost as % of Total	Funding Source	Reasonably Expected Basis	Estimated Gross Expended by Carryover Date
Acquisition Costs							
Purchase Price:							
Land	-	0	0.00	0.0%			
Improvements		0	0.00	0.0%			
Liens and Other Taxes	-	0	0.00	0.0%			
Closing/Recording	1,000	37	0.04	0.0%			
Extension Fees	-	0	0.00	0.0%			
Other:		0	0.00	0.0%			
Acquisition Costs Subtotal:		\$1,000	37	0.04	0.0%	\$0	\$0
Construction Costs							
Off-site Work		0	0.00	0.0%			
On-site Work		0	0.00	0.0%			
Hazardous Materials Abatement	-	0	0.00	0.0%			
Demolition	-	0	0.00	0.0%			
Residential Building	2,353,480	87,166	85.00	82.7%		2,353,480	
Commercial Space/Building		0	0.00	0.0%			
Common Use Facilities		0	0.00	0.0%			
Elevator	-	0	0.00	0.0%			
Laundry Facilities		0	0.00	0.0%			
Storage/Garages		0	0.00	0.0%			
Landscaping		0	0.00	0.0%			
General Conditions		0	0.00	0.0%			
Contractor Overhead		0	0.00	0.0%			
Contractor Profit		0	0.00	0.0%			
Contingency		0	0.00	0.0%			
FF&E (Common Area Furnishings)		0	0.00	0.0%			
Other:		0	0.00	0.0%			
Construction Costs Subtotal:		\$2,353,480	87,166	85.00	82.7%	\$2,353,480	\$0
Development Costs							
Land Use Approvals	0	0	0.00	0.0%		\$0	
Building Permits/Fees	45,000	1,667	1.63	1.6%			
System Development Charges	29,500	1,093	1.07	1.0%			
Market Study	3,000	111	0.11	0.1%		\$3,000	
Environmental Report	1,600	59	0.06	0.1%		\$1,600	
Lead Based Paint Report	0	0	0.00	0.0%			
Asbestos Report	0	0	0.00	0.0%			
Soils Report (Geotechnical)	2,500	93	0.09	0.1%		\$2,500	
Survey	9,000	333	0.33	0.3%		\$9,000	
Marketing/Advertising	0	0	0.00	0.0%			
Insurance	6,500	241	0.23	0.2%		\$3,000	
Other:		0	0.00	0.0%			
Other:		0	0.00	0.0%			
General Fees							
Architectural	125,000	4,630	4.51	4.4%		\$125,000	
SPD Architectural Review Fee	0	0	0.00	0.0%			
Engineering	16,000	593	0.58	0.6%		\$16,000	
Legal/Accounting	12,000	444	0.43	0.4%		\$10,000	
Cost Certification	0	0	0.00	0.0%		\$0	
Appraisals	6,000	222	0.22	0.2%		\$6,000	
Special Inspections/Testing		0	0.00	0.0%			
Developer Fee	125,000	4,630	4.51	4.4%		\$125,000	
Consultant Fee	6,000	222	0.22	0.2%		\$6,000	
Lock Rate Fee		0	0.00	0.0%			
Project Management Fee		0	0.00	0.0%			
Other:		0	0.00	0.0%			

USES OF FUNDING							
Project Name:		TURTLE CREEK		Date:		6/30/2004	
IRS Setaside							
Number of Units:		27					
Residential Square Footage:		27,688					
Common Areas:		0					
Commercial/other				These two columns are for LIHTC APPLICANTS ONLY			
Total Square Footage:		27,688					
COSTS							
	(A) Original Application	Cost per Unit	Cost per Square Foot	Cost as % of Total	Funding Source	Reasonably Expected Basis	Estimated Gross Expended by Carryover Date
Construction Loan Costs/Fees							
Lender Inspection Fees		0	0.00	0.0%			
Lender Title Insurance	3,500	130	0.13	0.1%			
Lender Legal Fees	4,500	167	0.16	0.2%			
Loan Fees	2,500	93	0.09	0.1%			
Loan Closing Fees	1,500	56	0.05	0.1%			
Property Taxes (Construction Period)		0	0.00	0.0%			
Insurance		0	0.00	0.0%			
Bridge Loan Fees							
Bridge Loan Legal		0	0.00	0.0%			
Bridge Loan Trustee		0	0.00	0.0%			
Bridge Loan Underwriting		0	0.00	0.0%			
Permanent Loan Fees							
Perm. Loan Fee		0	0.00	0.0%			
Perm. Loan Closing Fees		0	0.00	0.0%			
Tax Credit Fees							
Tax Credit Fee	10,782	399	0.39	0.4%			
Tax Credit Cost Certification	4,000	148	0.14	0.1%			
Tax Credit Legal/Advisor Fee	20,000	741	0.72	0.7%			
Bond Issuance Fees							
Cost of Bond Issuance		0	0.00	0.0%			
Negative Arbitrage (1.50%)		0	0.00	0.0%			
Bond Cost Certification		0	0.00	0.0%			
Other:		0	0.00	0.0%			
Interest							
Construction Period	45,000	1,667	1.63	1.6%		\$45,000	
Bridge Loan	10,867	402	0.39	0.4%			
Other:		0	0.00	0.0%			
Other:		0	0.00	0.0%			
Reserves/Contingency							
Lease Up/Operating	0	0	0.00	0.0%			
Development		0	0.00	0.0%			
Tenant Relocation		0	0.00	0.0%			
Deposit to Replacement Reserves		0	0.00	0.0%			
Contingency Escrow Account (3%)		0	0.00	0.0%			
Other:		0	0.00	0.0%			
Other:		0	0.00	0.0%			
Development Costs Subtotal:							
	\$489,749	18,139	17.69	17.2%		\$352,100	\$0
TOTAL PROJECT COST							
	\$2,844,229	105,342	102.72	100.0%		\$2,705,580	\$0
Surplus or Gap	0						
Developers Fee Percentage	4.83%						
FOR LIHTC PROJECTS							
Total of the amount to be expended by Carryover Date						\$0	
Divided by Total Project Costs						\$2,844,229	
Equals the percent of estimated cost expended by Carryover Date						0.00%	

HOUSING OPERATING BUDGET - INCOME WITH OAHTC																			
Project Name:			TURTLE CREEK																
Date:																			
County:			LANE																
ANNUAL Residential Income:						Annual Inflation Rate Factor: 3.00%													
Unit	Unit	# of	Median	Gross	Tenant	Net	Number	1	2	3	4	5	10	15	20	30			
Size	Type	Baths	Income	Monthly	Paid	Monthly	of Units												
			%	Rent Per	Utility	Rent Per													
		Foot		Unit	Allow	Unit													
2 Bdr	1.5	984	38	463	68	395	11	=	52,140	53,704	55,315	56,975	58,684	68,031	78,866	122,871			
2 Bdr	1.5	936	38	463	68	395	4	=	18,960	19,529	20,115	20,718	21,340	24,738	28,679	33,246			
2 Bdr	1.5	1,055	38	463	68	395	4	=	18,960	19,529	20,115	20,718	21,340	24,738	28,679	33,246			
2 Bdr	1.5	1,085	38	463	68	395	4	=	18,960	19,529	20,115	20,718	21,340	24,738	28,679	33,246			
2 Bdr	1.5	1,020	41	493	68	425	2	=	10,200	10,506	10,821	11,146	11,480	13,309	15,428	17,886			
3 Bdr	1.0	1,260	34	477	82	395	2	=	9,480	9,764	10,057	10,359	10,670	12,369	14,339	22,340			
0 Bdr			0			0		=	0	0	0	0	0	0	0	0			
0 Bdr			0			0		=	0	0	0	0	0	0	0	0			
0 Bdr			0			0		=	0	0	0	0	0	0	0	0			
Bdr			0			0		=	0	0	0	0	0	0	0	0			
Bdr			0			0		=	0	0	0	0	0	0	0	0			
Bdr			0			0		=	0	0	0	0	0	0	0	0			
Bdr			0			0		=	0	0	0	0	0	0	0	0			
Bdr			0			0		=	0	0	0	0	0	0	0	0			
Bdr			0			0		=	0	0	0	0	0	0	0	0			
SUB-TOTALS								=	128,700	132,561	136,538	140,634	144,853	167,924	194,670	225,676	303,290		
Service Revenue:								Total Annual Income											
Medicaid-Resident Services (Averaged)									0	0	0	0	0	0	0	0	0	0	
Private-Resident Services (Averaged)									0	0	0	0	0	0	0	0	0	0	
Other:									0	0	0	0	0	0	0	0	0	0	
Other:									0	0	0	0	0	0	0	0	0	0	
Other Revenue:																			
Laundry									0	0	0	0	0	0	0	0	0	0	
Garage/Parking									0	0	0	0	0	0	0	0	0	0	
Deposits on Turnover									0	0	0	0	0	0	0	0	0	0	
Commercial Space:									0	0	0	0	0	0	0	0	0	0	
Cable TV									0	0	0	0	0	0	0	0	0	0	
Interest Income									0	0	0	0	0	0	0	0	0	0	
Application Fees									0	0	0	0	0	0	0	0	0	0	
Guest Meals									0	0	0	0	0	0	0	0	0	0	
Other:									0	0	0	0	0	0	0	0	0	0	
Other:									0	0	0	0	0	0	0	0	0	0	
SUB-TOTAL OTHER REVENUE								0	0	0	0	0	0	0	0	0	0	0	
Gross Income:								128,700	132,561	136,538	140,634	144,853	167,924	194,670	225,676	303,290			
Less Vacancy Rate								(6,435)	(6,628)	(6,827)	(7,032)	(7,243)	(8,396)	(9,734)	(11,284)	(15,164)			
Effective Gross Income:								122,265	125,933	129,711	133,602	137,610	159,528	184,937	214,392	288,125			
Note: Projects that provide care services (e.g., Assisted Living Facilities) need to delineate the service levels and anticipated revenue as well as the basic monthly rents on a separate page.																			

HOUSING OPERATING BUDGET - EXPENSES											
Project Name: TURTLE CREEK											
Date: 06/30/04		Annual Inflation Rate Factor: 4.00%									
Annual Operating Expenses	Annual per Unit	1	2	3	4	5	10	15	20	30	
Insurance	122	3,300	3,432	3,569	3,712	3,861	4,697	5,715	6,953	10,292	
Utilities:(common areas)											
Gas/Oil	0	0	0	0	0	0	0	0	0	0	
Electric	63	1,700	1,768	1,839	1,912	1,989	2,420	2,944	3,582	5,302	
Water & Sewer	270	7,300	7,592	7,896	8,212	8,540	10,390	12,641	15,380	22,766	
Garbage Removal	130	3,510	3,650	3,796	3,948	4,106	4,996	6,078	7,395	10,946	
Cable TV	0	0	0	0	0	0	0	0	0	0	
Repairs	375	10,125	10,530	10,951	11,389	11,845	14,411	17,533	21,332	31,576	
General Maintenance	0		0	0	0	0	0	0	0	0	
Landscape Maintenance	340	9,180	9,547	9,929	10,326	10,739	13,066	15,897	19,341	28,629	
Replacement Reserve	300	8,100	8,424	8,761	9,111	9,476	11,529	14,027	17,065	25,261	
Property Management:											
On-site	519	14,000	14,560	15,142	15,748	16,378	19,926	24,243	29,496	43,661	
Contracted (Off-Site)	333	9,000	9,360	9,734	10,124	10,529	12,810	15,585	18,962	28,068	
Professional Services:											
Resident Services	93	2,500	2,600	2,704	2,812	2,925	3,558	4,329	5,267	7,797	
Case Management	0		0	0	0	0	0	0	0	0	
Legal	19	500	520	541	562	585	712	866	1,053	1,559	
Accounting	130	3,500	3,640	3,786	3,937	4,095	4,982	6,061	7,374	10,915	
Compliance Monitoring Fees	25	675	702	730	759	790	961	1,169	1,422	2,105	
Office & Administration	93	2,500	2,600	2,704	2,812	2,925	3,558	4,329	5,267	7,797	
Advertising/Marketing & Promotion	35	945	983	1,022	1,063	1,106	1,345	1,636	1,991	2,947	
Unit Turnover	75	2,025	2,106	2,190	2,278	2,369	2,882	3,507	4,266	6,315	
Taxes(non-real estate)	0		0	0	0	0	0	0	0	0	
Real Estate Taxes	0		0	0	0	0	0	0	0	0	
Payroll Taxes	0		0	0	0	0	0	0	0	0	
Other:	0		0	0	0	0	0	0	0	0	
Other:	0		0	0	0	0	0	0	0	0	
Other:	0		0	0	0	0	0	0	0	0	
Total Annual Operating Expenses:	2,921	78,860	82,014	85,295	88,707	92,255	112,242	136,560	166,146	245,937	
Less Debt Service:											
Permanent loan											
Rate	Term (Years)	Loan Amount									
7.75%	30	650,000	2,070	55,880	55,880	55,880	55,880	55,880	55,880	55,880	
OAHTC Permanent loan											
Rate	Term (Years)	Loan Amount									
3.75%	30	650,000	1,338	36,123	0	0	0	0	0	0	
Portion of perm loan w/o OAHTC (if applicable)	1		0	0	0	0	0	0	0	0	
Deferred Developer Fee											
Rate	Term (Years)	Loan Amount									
1			0	0	0	0	0	0	0	0	
Amortized Debt (HOME Loan, Partnership Loans, etc.)											
Rate	Term (Years)	Loan Amount									
1			0	0	0	0	0	0	0	0	
1			0	0	0	0	0	0	0	0	
1			0	0	0	0	0	0	0	0	
WITHOUT OAHTC											
Effective Gross Income:		5,323	143,708	148,020	152,460	157,034	161,745	187,507	217,372	251,994	338,658
Total Annual Operating Expenses:		2,921	78,860	82,014	85,295	88,707	92,255	112,242	136,560	166,146	245,937
Net Operating Income:		2,402	64,848	66,005	67,165	68,327	69,490	75,264	80,812	85,847	92,721
Primary Debt Service		2,070	55,880	55,880	55,880	55,880	55,880	55,880	55,880	55,880	55,880
Total Debt Service		2,070	55,880	55,880	55,880	55,880	55,880	55,880	55,880	55,880	55,880
Cash Flow Per Year		332	8,968	10,125	11,285	12,447	13,610	19,384	24,932	29,967	36,841
Primary Debt Coverage Ratio		1.16	1.16	1.18	1.20	1.22	1.24	1.35	1.45	1.54	1.66
Total Debt Coverage Ratio		1.16	1.16	1.18	1.20	1.22	1.24	1.35	1.45	1.54	1.66
WITH OAHTC											
Effective Gross Income:		4,528	122,265	125,933	129,711	133,602	137,610	159,528	184,937	214,392	288,125
Total Annual Operating Expenses:		2,921	78,860	82,014	85,295	88,707	92,255	112,242	136,560	166,146	245,937
Net Operating Income:		1,608	43,405	43,919	44,416	44,895	45,355	47,286	48,377	48,246	42,189
Primary Debt Service		1,338	36,123	0	0	0	0	0	0	0	0
Total Debt Service:		1,338	36,123	0	0	0	0	0	0	0	0
Cash Flow Per Year:		270	7,282	43,919	44,416	44,895	45,355	47,286	48,377	48,246	42,189
Primary Debt Coverage Ratio:		1.20	1.20	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Debt Coverage Ratio:		1.20	1.20	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

PRO FORMA SUMMARY								
Project Name:	TURTLE CREEK	Date:	30-Jun-2004					
Total Project Costs:	\$2,844,229							
Number of Units:	27							
Total Square Footage:	27,688							
		Total Costs	Total per Unit	Total per Sq. Ft	% Total Costs	% of EGI		
Effective Gross Income:		151,272	5,603	5.46	5.32%	100.00%		
Less Vacancy Rate		5%						
Effective Gross Income:		143,708	5,323	5.19	5.05%	95.00%		
Total Annual Operating Expenses:		78,860	2,921	2.85	2.77%	52.13%		
Net Operating Income		64,848	2,402	2.34	2.28%	42.87%		
Primary Debt Service		55,880	2,070	2.02	1.96%	36.94%		
Primary Cash Flow		8,968	332	0.32	0.32%	5.93%		
Secondary Debt Service		0	0	0.00	0.00%	0.00%		
Final Cash Flow		8,968				5.93%		
Primary Debt Coverage Ratio		1.16						
Total Debt Coverage Ratio		1.16						
With OAHTC								
Effective Gross Income:		128,700	4,767	4.65	4.52%	100.00%		
Less Vacancy Rate		5%						
Effective Gross Income:		122,265	4,528	4.42	4.30%	95.00%		
Total Annual Operating Expenses:		78,860	2,921	2.85	2.77%	61.27%		
Net Operating Income		43,405	1,608	1.57	1.53%	33.73%		
Primary Debt Service		36,123	1,338	1.30	1.27%	28.07%		
Primary Cash Flow		7,282	270	0.26	0.26%	5.66%		
Secondary Debt Service		0	0	0.00	0.00%	0.00%		
Final Cash Flow		7,282	270	0.26	0.26%	5.66%		
Primary Debt Coverage Ratio		1.20						
Total Debt Coverage Ratio		1.20						
Developer Fee:		131,000	4,852	4.73	4.61%			
Percent of Developer Fee:		4.83%						
Deferred Developer Fee:		0	0	0.00	0.00%			
Percentage of Developer Fee Deferred:		0.00%						
Development Costs:		489,749	18,139	17.69	17.22%			
% Development Costs:		17.22%						
% Development Contingency:		0.00%						
Construction Costs:		2,353,480	87,166	85.00	82.75%			
Construction Contingency:		0	18138.84209	17.69	17.22%			
% Construction Contingency:		0.00%						
Architect Fee:		125,000	2088.515298	2.04	0.019826082			
% Architect Fee:		5.31%						
Management Fee On-site:		14,000	519	0.51	0.49%			
Management Fee Off-site:		9,000	333	0.33	0.32%			
Total management Fees:		23,000	852	0.83	0.81%			
Replacement Reserve:		8,100	300	0.29	0.28%			
Repairs:		10,125	375	0.37	0.36%			
Maintenance:		0	0	0.00	0.00%			
Debt That Can Be Carried by Project:								
Debt Coverage Ratio Assumed (for worksheet below)	1.15							
Without OAHTC	Year	1	5	10	15	20	25	30
Available for Debt	56,390	56,390	69,331	88,880	111,883	138,903	78,250	80,627
Max Loan at DCR	650,098	650,098	799,291	1,024,662	1,289,852	1,601,360	902,113	929,521
Primary Debt Remaining Principal		643,994	614,938	564,013	490,051	382,628	226,606	(0)
With OAHTC								
Available for Debt	37,743	37,743	38,190	38,623	39,040	39,439	40,346	36,686
Max Loan at DCR	684,994	672,938	680,900	688,611	696,046	703,174	719,331	654,079
Primary Debt Remaining Principal		637,918	584,886	506,613	412,521	299,413	163,446	0
Remaining Debt on Principal wo OAHTC		0	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Total Remaining Debt		637,918	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Secondary Debt Remaining Principal		0	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Secondary Debt Remaining Principal		0	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Secondary Debt Remaining Principal		0	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!