



April 10, 2013

Thomas E. Lewis
General Counsel
California Affordable Housing Agency
530 West 21st Street
Merced, CA 95340

Re: Proposed Acquisition of Continental Apartments in Suisun City, California

Dear Mr. Lewis:

Thank you for the opportunity to work with the Coldbrook Foundation ("Coldbrook") and the California Affordable Housing Agency ("CalAHA") on Coldbrook's planned acquisition of Continental Apartments in Suisun City, California (the "Project"). Miller Housing Advisors was asked to provide its input on the viability of this project's ability to apply for Low Income Housing Tax Credits ("LIHTCs") under the current tax credit regulations as a long-term financing option for Coldbrook in order to pay off its initial acquisition financing to be provided by CalAHA through the issuance of tax-exempt municipal bonds. We looked at the financial feasibility of the project. We did not look at the real estate, location or market so cannot comment on that aspect of the feasibility of the project.

Based on the information provided to us from the Coldbrook Foundation, and assuming the information provided is accurate as to such items as interest rate, amortization, expenses, closing expenses and assuming no relocation costs will be incurred (please see a list of additional assumptions/notes in Exhibit A), we have concluded that the Project could be structured as a 9% LIHTC project (please see Exhibit B for analysis) or 4% LIHTC project (please see Exhibit C for analysis), but both scenarios will likely result in a need for "gap" financing or reduced costs. The gap ranges from approximately \$1.1MM to \$1.3MM. This analysis is based on the current tax credit regulations and financing environment. Since the financing would not close for a few years, the terms and scoring are likely to change. It is hard to predict what the competition will be like by the time you apply and 9% LIHTCs have historically been very competitive in California. As of today, this project has a very low score. Therefore, it may take several application cycles to gain final approval, so your strategy with the five year maturity term of the municipal bonds would appear to be a beneficial plan to allow adequate time for ultimate approval of the 9% LIHTCs by the California Tax Credit Allocation Committee ("CTAC") and to secure gap financing. With the tax credit industry in flux, it is nearly impossible to predict what types of gap financing will be available within the next five years.

Again, we appreciate the opportunity to work with Coldbrook, CalAHA and those associated with the Project in order to make it a long-term success for the community and all of those impacted by its operation.

Yours truly,

Miller Housing Advisors LLC,
a Colorado limited liability company

By:

A handwritten signature in black ink, appearing to read "Marnie Klein". The signature is written in a cursive style with a large initial "M".

Marnie Klein
President

Exhibit A
Financing Assumptions/Notes

Analysis assumes 10% of the acquisition is attributable to land value. A land value would be required to support this assumption.

Analysis assumes 35-year amortization. The length of the amortization will depend on the condition of the project and the extent of the rehab work. A lender might only support 30-year amortization.

Analysis assumes 60% rents are achievable. These rents are greater than historic rents so at the time the project moves forward, the rents would need to be confirmed in the market.

Analysis assumes a 9% tax credit rate. However, this rate currently ends in 2014, so the law would need to get extended again. Otherwise a large drop in the percentage is possible which would hurt the project feasibility.

Analysis assumes tax credit current regulations, but these change every year and we will not know until the year we process the deal, what if anything, will be different.

Tax credit regulations have minimum operating expenses that change each year. The current minimum operating expenses are much greater than the historical expenses. Tax credit does give waivers, which you will need to request, but you will need solid audited financials to support your waiver request. If a waiver is not granted, the project expenses would increase significantly and the projects would not be feasible.

Current utility allowances were not provided so the assumptions will need to be confirmed.

Current interest rates are assumed.

The analysis assumes no major relocation and/or retenanting of tenants.

EXHIBIT C

Continental Apartments

76 Units

Financial Pro Forma

4% Project

Suisun City

California

Solano

April 10, 2013

CALAHFA

Financial Advisor, Miller Housing Advisor, Mamie Klein

Project Summary
Continental Apartments
Suisun City
California
Rehabilitation
76 Units

Cash Fee
511,983

Sources & Uses	
Sources	
Permanent Debt	4,900,000
Other	-
Tax Credit Equity	2,381,510
Cash Equity Reserves	202,000
Gap Financing Needed	1,270,000
Other	-
Other	-
Developer Note	494,981
Cash Need	-
Total Sources	9,248,491
Uses	
Construction	6,767,101
Soft Costs	729,474
Interest	279,621
Financing	312,811
Reserves	152,521
Developer Fees	1,006,964
Total Uses	9,248,491

† APX: 900,000

511,983

Financing Terms	
Debt	
NOI	341,247
Perm Debt	
Construction Interest Rate	3.50%
Permanent Interest Rate	5.00%
Amortization	35
Total Debt Service	296,756
Total Coverage	1.15
Equity	
Price	0.900
Pay-In	
Closing	20%
During Construction	0%
Completion	60%
Breakeven	0%
Stabilization	15%
8609	5%

Assumptions

4/10/13

Project	
Name	Continental Apartments
City	Suisun City
County	Solano
State	California
Type	Rehabilitation
Tenants	Family
# of Units:	76

Development Fees	
<i>Construction Management</i>	
Contractor Overhead	2.00%
Contractor Profit	6.00%
General Conditions	6.00%
	14.00%
Contingency	5.00%
<i>Tax Credits</i>	
Application	30
Reservation Fee	5.00%
Compliance	40
<i>Developer</i>	
Developer Fee	15.00%

Financing	
Construction Interest Rate	3.50%
Permanent Interest Rate	5.00%
Amortization	35
Required DSC	1.15
<i>Fees</i>	
Origination Fees - Construction	1.00%
Origination Fees - Permanent	1.00%

Equity	
Price	0.9
QCT (yes or no)	no
% Affordable	100%
Number of Years	10
APR - 4%	3.19%
Pay-In	
Closing	20%
During Construction	0%
Completion	60%
Breakeven	0%
Stabilization	15%
8609	5%

Timing	
Closing Date	12/1/15
Construction Period	12
Completion Date	12/1/16
Stabilization Date	6/1/17

Proforma	
Vacancy	10.0%
Management Fees	7.5%
Replacement Reserves	300
Annual Income Escalator	2.0%
Annual Expense Escalator	3.0%
Annual Asset Management Fee Escalator	2.0%

ITEM 14
Attachment 8

Development Budget			
	Total	Eligible	Non-Eligible
Construction			
Land	494,000		494,000
Acquisition	4,446,000	4,446,000	
Structures	1,520,000	1,520,000	
Contractor Overhead	32,224	32,224	
Contractor Profit	96,672	96,672	
General Conditions	91,200	91,200	
Construction Contingency	87,005	87,005	
Soft Costs			
Architect	50,000	50,000	
Engineering/Surveying/Environmental	50,000	50,000	
Taxes During Construction	4,474	4,474	
Insurance	35,000	35,000	
Title & Recording	35,000	17,500	17,500
Borrow Attorney	65,000	65,000	
Appraisal	20,000	20,000	
Impact Fees	100,000	100,000	
Building Permits & Tap Fees	50,000	50,000	
Marketing/Lease Up/Relocation	100,000		100,000
Financial Advisor	75,000	75,000	
Phase 1	5,000	5,000	
Furnishings	15,000	15,000	
Cost Certification	15,000	15,000	
Market Study	10,000	10,000	
Soft Cost Contingency	100,000	100,000	
Interest			
Construction Interest	279,621	209,716	69,905
Financing			
Lender Origination Fee - Permanent	49,000		49,000
Lender Inspection Fees - Construction	12,000	12,000	
Lender Origination Fee - Construction	61,300	61,300	
Lender Legal	40,000	40,000	
Third Party Fees	25,000	25,000	
Tax Credit Fees	15,511		15,511
Bond Fees	110,000	55,000	55,000
Other	-		
Other	-		
Reserves			
Lease-Up/Marketing	-		
Operating Reserve	152,521		152,521
Construction Debt Repayment	-		
Developer Fees			
Developer Fee	1,006,964	1,006,964	
Total	9,248,491	8,295,054	953,437 OK
Total Eligible Basis		8,295,054	
Exclusions		0	
Requested Eligible Basis		8,295,054	
Difficult to Develop Bonus	no	100%	
Total Adjusted Eligible Basis		8,295,054	
Subtraction		-	
New Basis		8,295,054	
APR		3.19%	264,612
Years		10	
Total Tax Credits		2,646,122	
Price		100.00%	
		0.9	
Total Equity	2,381,510	2,381,510	
1	206,255	76.00	15,675,380
			15,675,380
Threshold Basis		15,675,380	
20% Prev Wage			
Tap Fees		100,000	
Energy Technology		-	(Lesser of Cost or 5%)
4% from efficiency			
Adjusted Threshold Basis		15,775,380	
Eligible Basis		8,295,054	
Difference		7,480,326	
		47.00%	47.42% Cost Efficiency

1st Year Proforma

Rents

Unit Type	AMI Rent	# of units	Gross Rent	UA	Net Rent	Annual Net Rent
1 Bedroom	30%	-	443	49	394	-
1 Bedroom	43%	-	665	49	616	-
1 Bedroom	50%	16	739	49	690	137,480
1 Bedroom	60%	59	887	49	838	593,304
Manager's Unit		1				
Totals		76				725,784

NOT

INCOME

POTENTIAL GROSS RENT	725,784	9,550
Secondary Income	1,520	20
Rental Vacancy & Collection Loss	(77,730)	10.00%
EFFECTIVE GROSS INCOME	654,574	90.19%

EXPENSES

Social Services	-	-
Total	290,527	3,823 *
Replacement Reserves	22,800	300
Total Expenses	313,327	4,123

Net Operating Income 341,247

*This is based on history, but would require a waiver with audited financial support
(2014 TCAC Minimum North & East Bay Region - Family Non Elevator - \$5600)

NOI History

	2010 Unaudited	2011 Unaudited	2012 Unaudited	3-Year Average	Adjusted Pro Forma	VARIANCE COMMENTS
Income						
Gross Rent	584,333	585,092	566,810	578,745	578,745	
Vacancy	-	-	-	-	-	
Other Income	-	-	25,835	8,612	8,612	Reflects Investor Current Requirement
Total Income	584,333	585,092	592,645	587,357	587,357	
Expenses						
Management	105,827	114,900	119,522	113,416	113,416	
Taxes	36,783	36,944	27,848	33,858	-	Tax Abatement
Insurance	29,219	21,641	32,618	27,826	27,826	
Utilities	78,364	83,877	83,042	81,761	81,761	
Maintenance	39,250	28,184	58,972	42,135	42,135	
Administrative	22,040	22,141	31,983	25,388	25,388	
Total Operating Expenses	311,483	307,687	353,985	324,385	290,527	
Replacement Reserves					22,800	
Net Operating Income	272,850	277,405	238,660	262,972	296,830	Reflects Investor Current Requirement
	per unit: 641	per unit: 642	per unit: 622	per unit: 635	per unit: 635	
	0.0%	0.0%	0.0%	0.0%	0.0%	
	641	642	650	644	644	
	4,098	4,049	4,658	4,268	3,823	
	4,098	4,049	4,658	4,268	300	

15 Year Proforma

Annual Income Escalator	2.0%
Annual Expense Escalator	3.0%
Annual Asset Management Fee Escalator	2.0%

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
INCOME															
POTENTIAL GROSS RENT	\$725,284	\$740,300	\$755,106	\$770,208	\$785,012	\$801,324	\$817,351	\$833,598	\$850,372	\$867,379	\$884,727	\$902,421	\$920,470	\$938,879	\$957,657
Secondary Income	1,520	1,580	1,581	1,611	1,653	1,678	1,712	1,746	1,781	1,817	1,853	1,890	1,928	1,968	2,008
EFFECTIVE GROSS RENT	\$727,204	\$741,880	\$756,687	\$771,819	\$787,265	\$803,002	\$819,063	\$835,484	\$852,153	\$869,196	\$886,580	\$904,311	\$922,397	\$940,845	\$959,662
Rental Vacancy & Collection Loss	(72,710)	(74,185)	(75,669)	(77,163)	(78,743)	(80,307)	(81,966)	(83,544)	(85,115)	(86,710)	(88,300)	(90,431)	(92,240)	(94,085)	(95,966)
EFFECTIVE GROSS INCOME	\$654,494	\$667,695	\$681,018	\$694,656	\$708,522	\$722,702	\$737,106	\$751,939	\$766,937	\$782,276	\$797,922	\$813,880	\$830,158	\$846,761	\$863,696
EXPENSES															
Social Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$290,827	\$299,242	\$308,220	\$317,468	\$326,990	\$335,800	\$344,904	\$357,311	\$368,030	\$379,071	\$390,444	\$402,157	\$414,222	\$426,648	\$439,448
Replacement Reserves	\$22,800	\$23,488	\$24,169	\$24,816	\$25,692	\$26,431	\$27,224	\$28,041	\$28,982	\$29,759	\$30,641	\$31,561	\$32,507	\$33,489	\$34,487
TOTAL EXPENSES	\$313,227	\$322,730	\$332,408	\$342,391	\$352,657	\$363,231	\$374,178	\$385,352	\$396,913	\$408,820	\$421,085	\$433,717	\$446,729	\$460,131	\$473,935
NET OPERATING INCOME	\$341,247	\$344,939	\$348,610	\$352,258	\$355,880	\$359,471	\$365,028	\$366,547	\$370,024	\$372,456	\$374,637	\$380,161	\$383,429	\$386,630	\$389,751
DEBT SERVICE															
PIET Loan	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756	296,756
CASH FLOW BEFORE FEES	\$44,491	\$48,183	\$51,854	\$55,502	\$59,123	\$62,714	\$68,271	\$69,791	\$72,268	\$74,699	\$78,080	\$83,406	\$89,722	\$99,874	\$93,005
DEBT COVERAGE RATIO	1.15	1.16	1.17	1.18	1.20	1.21	1.22	1.24	1.25	1.26	1.27	1.28	1.29	1.30	1.31
Asset Management Fee & Non-Profit	12,800	12,852	13,109	13,271	13,639	13,811	14,150	14,472	14,783	15,078	15,359	15,657	15,980	16,299	16,625
Cash Flow	31,691	35,330	38,745	42,131	45,485	48,803	52,082	55,317	58,505	61,641	64,721	67,740	70,692	73,574	76,379
Deferred Developer Fee	31,991	35,330	38,745	42,131	45,485	48,803	52,082	55,317	58,505	61,641	64,721	67,740	70,692	73,574	76,379
Cumulative Developer Fee	31,991	67,221	105,966	148,096	193,581	242,284	294,465	340,287	400,288	469,259	0	0	0	0	0
NET CASH FLOW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	494,981														

50% BOND TEST

In order for the whole project to receive the 4% tax credit, the bond proceeds must pay for at least 50% of the basis of the land and buildings. The basis in the buildings is defined as the depreciable basis and thus would include such items as site work

Tax-Exempt Financing	\$6,130,000
Maximum Cost for 50% Test	12,260,000
Eligible Basis per LIHTC Sensitivity Analysis	\$8,295,054
Plus: Land	\$494,000
Plus: Brokerage Fees, Carrying Costs, Etc.	\$0
Plus: Ineligible Site Work (estimate)	\$0
Plus: Relocation	\$0
Plus: Ineligible Tap and Impact Fees	\$0
Total Basis of Land and Buildings	\$8,789,054
% of Tax Exempt Financing to Total Basis of Land and Buildings	69.75%
% Exceeds 50%	19.75%

NOTE: In the event that actual costs are such that the 50% test is not met, the developer is required to decrease their developer fee up to an amount such that the 50% test IS met.

Exhibit B
Continental Apartments

76 Units

Financial Pro Forma

9% Project

Suisun City

California

Solano

April 10, 2013

CALAHFA

Financial Advisor, Miller Housing Advisor, Mamie Klein

Project Summary
 Continental Apartments
 Suisun City
 California
 Rehabilitation
 76 Units

Cash Fee
283,890

Sources & Uses	
Sources	
Permanent Debt	3,010,000
Other	-
Tax Credit Equity	3,963,182
Cash Equity Reserves	202,000
Gap Financing Needed	1,180,000
Other	-
Other	-
Developer Note	267,061
Cash Need	-
Total Sources	8,622,244
Uses	
Construction	6,767,101
Soft Costs	729,474
Interest	256,255
Financing	189,138
Reserves	129,324
Developer Fees	550,951
Total Uses	8,622,244

Construction Loan
5,774,000

Deferred Fee
OK

Tie Breaker	3.322%
-------------	--------

NOTES
 60% Rents Seem High vs. Historic
 Minimum Operating Expense High vs. Historic
 Assume 9% Tax Credit Rate
 Very Low Tie Breaker

Financing Terms	
Debt	
NOI	223,355
Perm Debt	
Construction Interest Rate	3.50%
Permanent Interest Rate	5.50%
Amortization	35
Total Debt Service	193,970
Total Coverage	1.15
Equity	
Price	0.900
Pay-In	
Closing	20%
During Construction	0%
Completion	60%
Breakeven	0%
Stabilization	15%
8609	5%

Assumptions

4/10/13

Project	
Name	Continental Apartments
City	Suisun City
County	Solano
State	California
Type	Rehabilitation
Tenants	Family
# of Units:	76

Development Fees	
<i>Construction Management</i>	
Contractor Overhead	2.00%
Contractor Profit	6.00%
General Conditions	6.00%
	14.00%
Contingency	5.00%
<i>Tax Credits</i>	
Application	30
Reservation Fee	5.00%
Compliance	40
<i>Developer</i>	
Developer Fee	15.00%

Financing	
Construction Interest Rate	3.50%
Permanent Interest Rate	5.50%
Amortization	35
Required DSC	1.15
<i>Fees</i>	
Origination Fees - Construction	1.00%
Origination Fees - Permanent	1.00%

Equity	
Price	0.9
QCT (yes or no)	no
% Affordable	100%
Number of Years	10
APR - 9%	9.00%
Pay-In	
Closing	20%
During Construction	0%
Completion	60%
Breakeven	0%
Stabilization	15%
8609	5%

Timing	
Closing Date	12/1/15
Construction Period	12
Completion Date	12/1/16
Stabilization Date	6/1/17

Proforma	
Vacancy	10.0%
Management Fees	7.5%
Replacement Reserves	300
Annual Income Escalator	2.0%
Annual Expense Escalator	3.0%
Annual Asset Management Fee Escalator	2.0%

Development Budget

	Total	Acquisition	Eligible	Non-Eligible
Construction				
Land	494,000			494,000
Acquisition	4,446,000	4,446,000		
Structures	1,520,000		1,520,000	
Contractor Overhead	32,224		32,224	
Contractor Profit	96,672		96,672	
General Conditions	91,200		91,200	
Construction Contingency	87,005		87,005	
Soft Costs				
Architect	50,000		50,000	
Engineering/Surveying/Environmental	50,000		50,000	
Taxes During Construction	4,474		4,474	
Insurance	35,000		35,000	
Title & Recording	35,000		17,500	17,500
Borrow Attorney	65,000		65,000	
Appraisal	20,000		20,000	
Impact Fees	100,000		100,000	
Building Permits & Tap Fees	50,000		50,000	
Marketing/Lease Up/Relocation	100,000			100,000
Financial Advisor	75,000		75,000	
Phase 1	5,000		5,000	
Furnishings	15,000		15,000	
Cost Certification	15,000		15,000	
Market Study	10,000		10,000	
Soft Cost Contingency	100,000		100,000	
Interest				
Construction Interest	256,255		192,192	64,064
Financing				
Lender Origination Fee - Permanent	30,100			30,100
Lender Inspection Fees - Construction	12,000		12,000	
Lender Origination Fee - Construction	57,740		57,740	
Lender Legal	40,000		40,000	
Third Party Fees	25,000		25,000	
Tax Credit Fees	24,298			24,298
Other	-			
Other	-			
Other	-			
Reserves				
Lease-Up/Marketing	-			
Operating Reserve	129,324			129,324
Construction Debt Repayment	-			
Developer Fees				
Developer Fee	550,951		550,951	
Total	8,622,244	4,446,000	3,316,958	859,286 OK

Total Eligible Basis		4,446,000	3,316,958	
Exclusions		0	0	
Requested Eligible Basis		4,446,000	3,316,958	
Difficult to Develop Bonus	no	100%	100%	
Total Adjusted Eligible Basis		4,446,000	3,316,958	
Subtraction		-	-	
New Basis		4,446,000	3,316,958	
APR		3.19%	9.00%	440,354
Years		10	10	
Total Tax Credits		1,418,274	2,985,262	
Price		100.00%	100.00%	
		0.9	0.9	
Total Equity	3,963,182	1,276,447	2,686,736	
1	206,255	76.00	15,675,380	
			15,675,380	
Threshold Basis			15,675,380	
20% Prev Wage				
Tap Fees			100,000	
Energy Technology			-	(Lesser of Cost or 5%)
4% from efficiency				
Adjusted Threshold Basis			15,775,380	
Eligible Basis			7,762,958	
Difference			8,012,422	
			50.00%	50.79%
Credit Reduction			3,316,957.82	Cost Efficiency
			-	
			0.00%	0.00%
				Credit Reduction
Soft Money Analysis				
Total Costs			8,622,243.59	
Soft Funds				
			0.00%	0.00%
				Public Funds

1st Year Proforma

Rents

Unit type	AMI Rent	# of units	Gross Rent	UA	Net Rent	Annual Net Rent
1 Bedroom	30%	8	443	49	394	37,824
1 Bedroom	45%	19	665	49	616	140,448
1 Bedroom	50%	32	739	49	690	256,680
1 Bedroom	60%	17	867	49	838	170,952
Manager's Unit		1				
Totals		76				605,904

NOI

INCOME			Geo Mix
POTENTIAL GROSS RENT	605,904	7,972	10% @ 30%
Secondary Income	1,520	20	25% @ 45%
Rental Vacancy & Collection Loss	(60,742)	10.00%	40% @ 50%
EFFECTIVE GROSS INCOME	546,682	90.23%	25% @ 60%

EXPENSES

Social Services	10,000	132
Total	290,527	3,823
Replacement Reserves	22,800	300
Total Expenses	323,327	4,254
Net Operating Income	223,355	

*This is based on history, but would require a waiver with audited financial support (2014 TCAC Minimum North & East Bay Region - Family Non Elevator - \$5600)

NOI History

	2010	2011	2012	3-Year Average	Adjusted Pro Forma	Variance Comments
Income	Unaudited	Unaudited	Unaudited	Average	Adjusted Pro Forma	
Gross Rent	584,333	585,092	566,810	578,745	578,745	
Vacancy	-	-	-	-	-	
Other Income	-	-	25,835	8,612	8,612	
Total Income	584,333	585,092	592,645	587,357	587,357	
	per unit					
	641	642	650	644	644	
Expenses						
Management	105,827	114,900	119,522	113,416	113,416	
Taxes	36,783	36,944	27,848	33,858	-	
Insurance	29,219	21,641	32,618	27,826	27,826	
Utilities	78,364	83,877	83,042	81,761	81,761	
Maintenance	39,250	28,184	58,972	42,135	42,135	
Administrative	22,040	22,141	31,983	25,388	25,388	
Total Operating Expenses	311,483	307,687	353,985	324,385	290,527	
Replacement Reserves	4,098	4,049	4,658	4,268	22,800	
Net Operating Income					274,030	
	18.1%	19.6%	20.2%	19.3%	19.3%	
	484	486	366	446	366	
	384	285	429	366	366	Tax Abatement
	1,031	1,104	1,093	1,076	1,076	
	516	371	776	554	554	
	290	291	421	334	334	
	4,098	4,049	4,658	4,268	3,823	
					300	Reflects Investor Current Requirement

15 Year Proforma

Annual Income Escalator	2.0%
Annual Expense Escalator	3.0%
Annual Asset Management Fee Escalator	2.0%

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
POTENTIAL GROSS RENT	\$605,504	\$618,822	\$630,283	\$642,990	\$655,980	\$669,367	\$683,246	\$697,625	\$712,503	\$727,881	\$743,759	\$759,137	\$775,015	\$791,393	\$808,271
Secondary Income	1,520	1,520	1,520	1,613	1,645	1,678	1,712	1,746	1,781	1,817	1,853	1,890	1,928	1,966	1,999
EFFECTIVE GROSS RENT	\$607,024	\$620,342	\$631,803	\$644,603	\$657,625	\$671,045	\$684,958	\$699,371	\$714,284	\$729,698	\$745,612	\$761,026	\$776,940	\$793,354	\$809,768
Rental Vacancy & Collection Loss	(60,782)	(60,782)	(60,782)	(64,460)	(65,790)	(67,065)	(68,406)	(69,774)	(71,169)	(72,593)	(74,046)	(75,526)	(77,033)	(78,567)	(80,127)
EFFECTIVE GROSS INCOME	\$546,242	\$559,560	\$571,021	\$580,143	\$591,835	\$603,980	\$616,552	\$629,597	\$643,115	\$657,105	\$671,566	\$686,499	\$701,903	\$717,787	\$734,141
EXPENSES															
Social Services	\$10,000	\$10,500	\$10,609	\$10,927	\$11,235	\$11,593	\$11,941	\$12,289	\$12,666	\$13,048	\$13,430	\$13,842	\$14,258	\$14,695	\$15,126
Total	\$290,127	\$293,742	\$305,220	\$317,466	\$326,690	\$336,800	\$346,804	\$356,804	\$366,800	\$376,804	\$386,800	\$396,804	\$402,187	\$411,422	\$425,648
Replacement Reserves	\$22,800	\$22,800	\$24,169	\$24,914	\$25,662	\$26,431	\$27,224	\$28,041	\$28,882	\$29,749	\$30,641	\$31,561	\$32,507	\$33,483	\$34,487
TOTAL EXPENSES	\$312,927	\$316,542	\$329,389	\$342,380	\$352,352	\$363,231	\$374,524	\$386,045	\$397,682	\$409,553	\$421,641	\$433,965	\$446,594	\$459,511	\$472,815
NET OPERATING INCOME	\$233,315	\$242,818	\$241,632	\$237,657	\$239,143	\$240,141	\$241,608	\$242,826	\$246,413	\$250,552	\$254,975	\$259,792	\$264,918	\$270,472	\$276,066
DEPR. SERVICE															
First Lien	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970	193,970
CASH FLOW BEFORE FEES	\$79,345	\$48,848	\$47,662	\$43,687	\$45,173	\$46,171	\$47,608	\$48,856	\$52,443	\$56,582	\$61,005	\$65,822	\$71,048	\$76,501	\$82,096
DEPR. COVERAGE FUND	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Asset Management Fee & Non-Profit	12,600	12,600	13,109	13,321	13,639	13,916	14,193	14,473	14,763	15,058	15,359	15,657	15,960	16,268	16,582
Cash Flow	16,785	17,766	18,671	19,494	20,230	20,825	21,423	21,871	22,211	22,439	22,548	22,533	22,288	22,105	21,878
Deferred Developer Fee	16,785	17,766	18,671	19,494	20,230	20,825	21,423	21,871	22,211	22,439	22,548	22,533	22,288	22,105	21,878
NET CASH FLOW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	287,061														

Tiebreakers

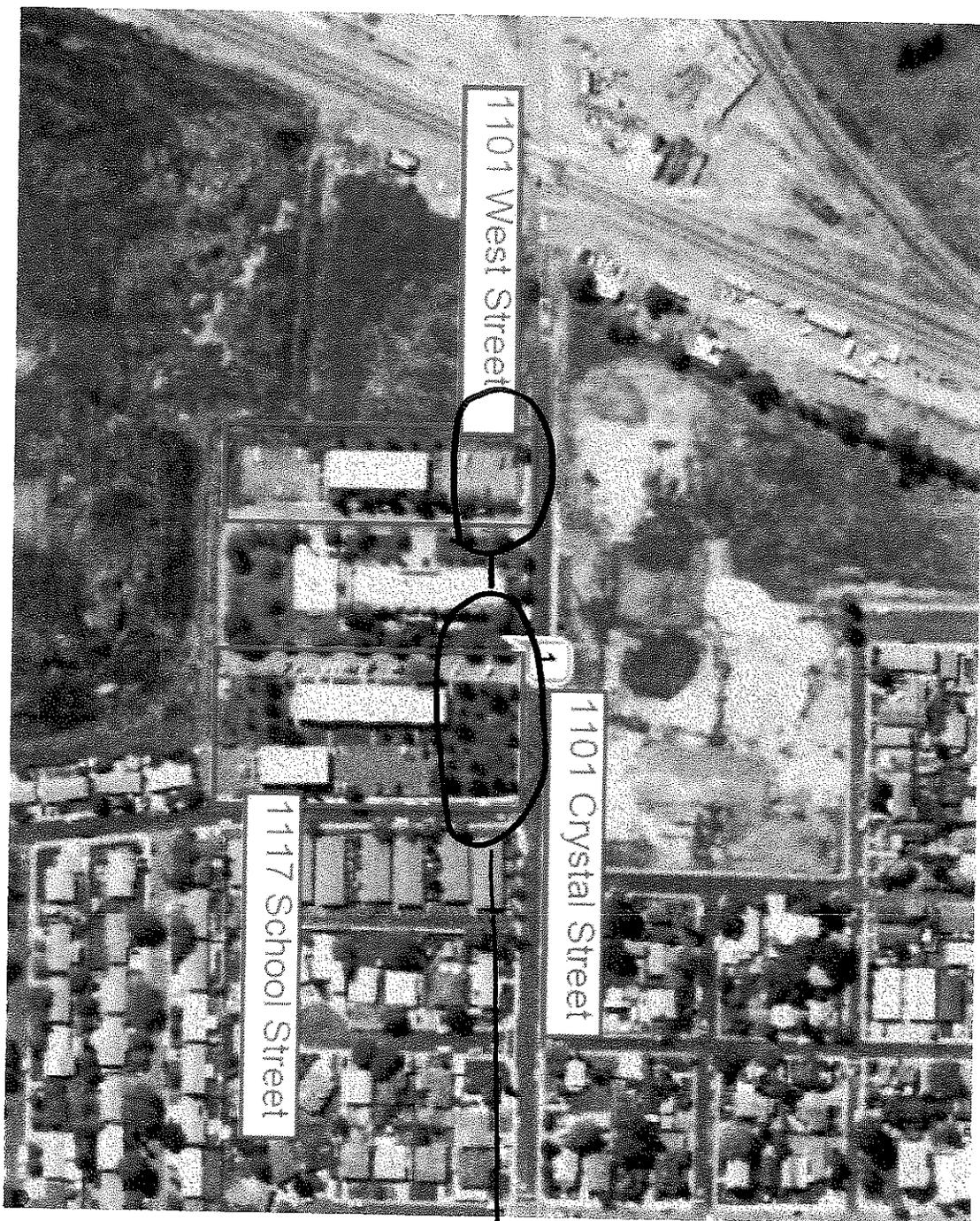
9% Application

Total Project Costs	8,622,244
Unadjusted Eligible Basis	7,762,958
Committed Permanent Public Funds	-

(1-Unadjusted Eligible Basis/Total Project Costs)/3	0.033219728
---	-------------

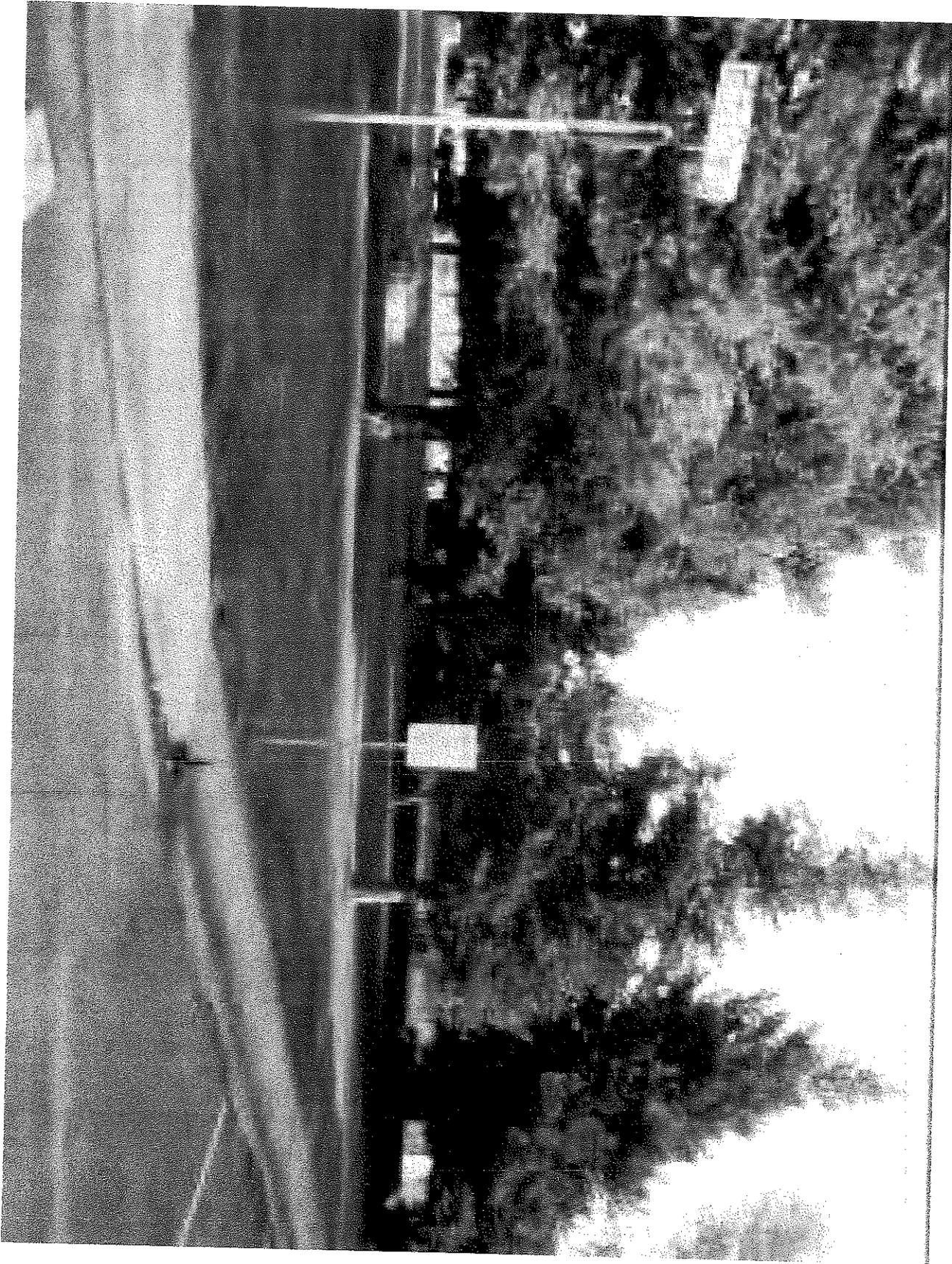
Plus	
Committed Permanent Public Funds/Total Project Costs	0

Tiebreaker	0.033219728
------------	-------------



IDEAS

1. DECORATIVE FENCING
2. EXPAND ONTO CRYSTAL STREET AND DESIGNATE AS A PARK.
3. PERHAPS CREATE A LINEXE PARK OUT OF CRYSTAL STREET
4. ABANDON SOME PARKING AT WEST STREET & COBDELL TO CREATE A PARK



EXISTING ALONG GARDEN STREET