

Part IV - Project Costs

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**15-YEAR OPERATING PROFORMA
REQUIRED SIGN-OFFS**

We acknowledge the attached pro forma substantially matches the assumptions used in our underwriting of the mortgage (equity investment).

1st Mortgagee _____

OR

Syndicator/Investor _____
(if no lender)

**BREAKDOWN OF COSTS AND BASIS
REQUIRED SIGN-OFFS**

The undersigned acknowledges review of the attached Breakdown of Costs and Basis.

Application/Re-Application, or 42(m) Determination

1st Mortgagee _____

Syndicator/Investor _____

Carryover **OR** 8609

1st Mortgagee _____

Syndicator/Investor _____

Accountant _____

CURRENT INDICATIONS

Print Date	8/20/2009 11:18
Net Income (Year 1)	\$0
Net Expense (Year 1)	\$0
Qualified Basis	\$0
Annual Tax Credit Amount	

2009 ELIGIBLE BASIS LIMITS WORKSHEET

Project: _____
 Municipality: _____
 County: _____

Special Needs Cycle (Y or N)
 Volume Cap Tax Credits (Y or N)
 Total Units (including Super)

Additional Items Added to Eligible Basis Limits:	
Community Service Facility	\$0
Garage Parking for Tax Credit Residents	\$0
Total	\$0

NON HOPE VI / REPLACEMENT HOUSING			
Bedrooms	# of Units (include all units)	Per Unit Elig Basis Limit	# of Units x Per Unit Limit
EFFICIENCIES		\$170,368	\$0
1-BR		\$195,292	\$0
2-BR		\$237,474	\$0
3-BR		\$307,210	\$0
4-BR		\$337,223	\$0
5-BR		\$370,943	\$0
TOTAL ELIGIBLE BASIS LIMIT			\$0

HOPE VI / REPLACEMENT HOUSING			
Bedrooms	# of Units (include all units)	Per Unit Elig Basis Limit	# of Units x Per Unit Limit
EFFICIENCIES		\$182,253	\$0
1-BR		\$208,918	\$0
2-BR		\$254,043	\$0
3-BR		\$328,642	\$0
4-BR		\$360,749	\$0
5-BR		\$396,822	\$0
TOTAL ELIGIBLE BASIS LIMIT			\$0

\$0

Limits apply to total eligible basis for rehabilitation or new construction tax credits BEFORE any applicable 130% adjustment for project location within a DDA or QCT.

BREAKDOWN OF COSTS & BASIS -- 2009

Reviewer: _____
 Stage: _____

Print Date: **20-Aug-09**

Project Name: _____
 Municipality: _____
 County: _____

QCT _____ (Y or N)
 DDA _____ (Y or N)
 Special Needs _____ (Y or N)
 Scattered Site Single/Duplex _____ (Y or N)
 Davis Bacon Wages _____ (Y or N)

	Development Cost	Non-Depreciable Costs	Non-Eligible Costs	Eligible Basis for Rehab / NC	Eligible Basis for Acquisition
ACQUISITION					
Building					
Relocation					
Other:					
CONSTRUCTION					
Demolition					
Off-Site Improvements					
Residential Structures					
Environmental Clearances					
Surety & Bonding					
Building Permits					
Community Service Facility					
Garage Parking					
Fire Suppression System					
Green Features					
Other:					
CONTRACTOR FEE					
Contractor Overhead & Profit					
General Requirements					
CONTINGENCY					
Hard Contingency					
Soft Contingency					
PROFESSIONAL SERVICES					
Appraiser & Market Study					
Architect					
Attorney					
Cost Certification / Audit					
Engineering					
Environmental Consultant					
Historical Consultant					
Professional Planner					
Soil Investigation					
Surveyor					
CARRYING & FINANCING					
Interest					
Points & Bank Fees					
R.E. Taxes					
Insurance					
Title Insurance & Recording					
Utility Connection Fees					
Other Impact Fees					
Tax Credit Fees					
Neg. Arb. Cost of Issuance					
Other:					
SUB-TOTAL					
DEVELOPER FEE					
LAND					
ORGANIZATIONAL COSTS			X	X	
SYNDICATION EXPENSES			X	X	
MARKETING EXP & HAS FEE			X	X	
ESCROWS:					
Working Capital			X	X	
Replacement Reserves			X	X	
Operating Deficit Escrow			X	X	
Debt & Insurance			X	X	
Tax			X	X	
Other:			X	X	
TOTAL					

Eligible Basis Limit	_____
Lesser of Total or Limit	_____
x QCT / DDA Adjustment	100%
= Basis as Adjusted	_____
x Applicable Fraction	100.00%
= Qualified Basis	_____
x Tax Credit Percentage	9.00%
= on Qualified Basis	3.40%
Total Maximum LIHTC	_____

<PERMANENT PHASE NEEDS ANALYSIS>			
FUNDING SOURCE	INTEREST RATE	AMORTIZATION	AMOUNT
HMFA 1st Mortgage, NOTE I			
BH/HMFA Subsidy			
INVESTOR PROCEEDS NEEDED FROM LOW INC HSG TAX CREDITS			
SYNDICATOR			
LP or Non-Voting Member %			
PRICING			
FEDERAL LOW INCOME HOUSING TAX CREDITS NEEDED			

Carryover Test
 Development Cost / Unit
 Construction Cost / Unit

2009 PERCENTAGE LIMITS

Project Name: _____

Contractor Profit/Overhead Limits

Construction Contract Amount		Bracket %	Maximum Fee for
Bracket Minimum	Bracket Maximum		Lower Brackets
\$1	to \$500,000	11.75%	\$0
\$500,001	to \$1,000,000	10.75%	of amount over \$ 500,000 + \$58,750
\$1,000,001	to \$5,000,000	9.50%	of amount over \$ 1,000,000 + \$112,500
\$5,000,001	to \$10,000,000	8.50%	of amount over \$ 5,000,000 + \$492,500
\$10,000,001	to \$15,000,000	7.00%	of amount over \$10,000,000 + \$917,500
\$15,000,001	to \$20,000,000	6.70%	of amount over \$15,000,000 + \$1,267,500
\$20,000,001	and over	6.20%	of amount over \$20,000,000 + \$1,602,500

<u>Example Calculation of Maximum Contractor Profit/OH</u>	
Construction Contract	\$12,300,000
- Bracket Minimum	\$10,000,001
Difference	\$2,299,999
x Bracket % for Contract Amount	7.00%
Difference x Bracket %	\$161,000
+ Maximum Fee for Lower Brackets	\$917,500
Maximum Profit & OH	\$1,078,500

Amounts included in Construction Contract	
Demolition	\$ _____
Off-Site Improvements	\$ _____
Residential Structures	\$ _____
Environmental Clearances	\$ _____
Surety & Bonding	\$ _____
Building Permits	\$ _____
Community Service Facility	\$ _____
Garage Parking	\$ _____
Fire Suppression System	\$ _____
Green Features	_____
Other: _____	\$ _____
General Requirements	\$ _____
Construction Contract Amount	\$ _____

<u>Calculation of Maximum Contractor Profit & Overhead</u>	
Construction Contract	\$ _____
- Bracket Minimum	\$ _____
Difference	\$ _____
x Bracket % for Contract Amount	_____ %
Difference x Bracket %	\$ _____
+ Maximum Fee for Lower Brackets	\$ _____
Maximum Profit & OH	\$ _____

Developer Fee Limits

Projects with 25 Units or Less	20.00%
Projects serving a Special Needs Population	20.00%
Scattered Site Single Family or Duplex Projects	20.00%
General Rule*	15.00%
Acquisition	8.00%

Developer Fee	_____
Subtotal	_____
	_____ %

*Building Acquisition Costs Excluded if Related Party Transaction

Substantial v. Minimum Rehabilitation (NOTE: Minimum Rehab. is defined as less than \$25,000/unit)

$$\text{Rehabilitation expenses per unit} = \frac{\text{Construction Cost} + \text{Contractor Fee}}{\text{Total Number of Units}}$$

_____ per unit

CARRYOVER -- 2009

Project Name: 0
Municipality: 0
County: 0

	<i>Development Cost</i>	<i>Reasonably Expected Basis</i>	<i>Costs Incurred through</i>
ACQUISITION			
Building	\$0		
Relocation	\$0		
Other: _____	\$0		
CONSTRUCTION			
Demolition	\$0	\$0	
Off-Site Improvements	\$0		
Residential Structures	\$0		
Environmental Clearances	\$0		
Surety & Bonding	\$0		
Building Permits	\$0		
Community Service Facility	\$0		
Garage Parking	\$0		
Fire Suppression System	\$0		
Green Features	\$0		
Other: _____	\$0		
CONTRACTOR FEE			
Contractor Overhead & Profit	\$0		
General Requirements	\$0		
CONTINGENCY			
Hard Contingency (10% Rehab / 5% New)	\$0		
Soft Contingency	\$0		
PROFESSIONAL SERVICES			
Appraiser & Market Study	\$0		
Architect	\$0		
Attorney	\$0		
Cost Certification / Audit	\$0		
Engineering	\$0		
Environmental Consultant	\$0		
Historical Consultant	\$0		
Professional Planner	\$0		
Soil Investigation	\$0		
Surveyor	\$0		
CARRYING & FINANCING			
Interest	\$0		
Points & Bank Fees	\$0		
R.E. Taxes	\$0		
Insurance	\$0		
Title Insurance & Recording	\$0		
Utility Connection Fees	\$0		
Other Impact Fees	\$0		
Tax Credit Fees	\$0	\$0	
Neg. Arb, Cost of Issuance	\$0	\$0	
Other: _____	\$0		
SUB-TOTAL	\$0	\$0	\$0
DEVELOPER FEE			
DEVELOPER FEE	\$0		
LAND			
LAND	\$0	\$0	
ORGANIZATIONAL COSTS			
ORGANIZATIONAL COSTS	\$0	X	X
SYNDICATION EXPENSES	\$0	X	X
MARKETING EXP & HAS FEE	\$0	X	X
ESCROWS:			
Working Capital	\$0	X	X
Replacement Reserves	\$0	X	X
Operating Deficit Escrow	\$0	X	X
Debt & Insurance	\$0	X	X
Tax	\$0	X	X
Other: 0 _____	\$0	X	X
TOTAL	\$0	\$0	\$0

CARRYOVER PERCENTAGE

DEVELOPER PERCENTAGE INCURRED _____

2009 TIEBREAKER WORKSHEET

Project Name: _____

Tiebreaker #1: Least Amount of BH/HMFA Subsidy per Subsidized Unit

of Subsidized Units in Project: _____

**Note: HMFA subsidy does NOT include Special Needs Housing Trust Fund.*

***Note: Only income qualified units are eligible (including Super's unit).*

Unit Size	# of Subsidized Units
Studio, SRO, etc.	_____
1BR	_____
2BR	_____
3BR	_____
4BR	_____
5BR	_____

of Subsidized Units in Project: _____

BH/HMFA Subsidy Amount: _____

BH/HMFA Subsidy
Per Subsidized Unit

=

BH/HMFA Subsidy Amount
of Subsidized Units in the Project

=

Tiebreaker #2: Lowest Total Development Cost Per Bedroom

of Bedrooms in Project: _____

Unit Size	# of Units	# of Bedrooms
Studio, SRO, etc.	_____ x .75 =	_____
1BR	_____ x 1 =	_____
2BR	_____ x 2 =	_____
3BR	_____ x 3 =	_____
4BR	_____ x 4 =	_____
5BR	_____ x 5 =	_____

of Bedrooms in Project: _____

Total Development Cost
Per Bedroom

=

Total Development Cost
of Bedrooms

=
