

**INPUT DATA**

**PROJECT INFO**

Project Name:	Example Affordable Apartments		
Project Address:	_____, Phoenix, AZ		
Project Type (New Const., Rehab, Acq., Acq./Rehab) Units	New Construction 61	Restricted Units	60
Census Tract	1047.02	Council District	1
Located in a DDA or QCT (Y/N)	N	Urban Village	Encanto
City Required Affordability Term	40	Estimated Start Date	7/1/2006
Phoenix Housing Dept. Loan Program	Gap Loan - Rental Housing	Estimated Completion Date	7/1/2007
Assessor's Parcel #	2536-015-901		

**STAFF INFO**

Housing Dept. Finance Specialist	TO BE ASSIGNED	Phone	xxxxxxxxxxxxxx
Housing Dept. Asset Manager	TO BE ASSIGNED	Phone	xxxxxxxxxxxxxx
City Attorney	TO BE ASSIGNED	Phone	xxxxxxxxxxxxxx

**APPLICANT/BORROWER INFO**

Applicant:	Arizona Affordability, Inc.	Tax ID #	xx-xxxxxxx
Contact Person	Joe Developer	Phone Number:	xxx-xxx-xxxx
Address	123 Main St.	Fax Number	xxx-xxx-xxxx
City, State, Zip	Glendale, AZ 82003		
Co-Applicant:	N/A	Tax ID #	xx-xxxxxxx
Contact Person	N/A	Phone Number:	xxx-xxx-xxxx
Address	N/A	Fax Number	xxx-xxx-xxxx
City, State, Zip	N/A		
Borrower:	Affordable Phoenix LLC	Tax ID #	xx-xxxxxxx
Address	123 Main St.		
City, State, Zip	Glendale, AZ 82003		

**FORMULAS/CALCULATIONS**

TOTAL # UNITS	61
VACANCY RATE	10.00%
TOTAL LAND SQUARE FOOTAGE	56,914
TOTAL BUILDING SQUARE FOOTAGE	50,325
RENT INCOME	\$438,900
RENT INCOME INFLATION FACTOR	2.50%
COMMERCIAL INCOME	\$0
COMMERCIAL INCOME INFLATION FACTOR	2.50%
LAUNDRY & MISC. INCOME/YEAR	\$6,588
LAUNDRY & MISC. INCOME INFLATION FACTOR	2.50%
INTEREST INCOME	0
INTEREST INCOME INFLATION FACTOR	0.00%
OPERATING EXPENSES/UNIT/YEAR	\$3,514
OPERATING EXPENSE INFLATION FACTOR	3.50%
OPERATING RESERVE (% of EGI)	0.60%
REPLACEMENT RESERVE	\$300
LAND & BUILDING ACQUISITION	\$720,000
DEVELOPMENT COSTS (NIC Land & Bldg.)	\$9,255,329
TOTAL DEVELOPMENT COSTS	\$9,975,329
TOTAL CONSTRUCTION COSTS	\$6,002,000
OFF-SITE IMPROVEMENT COSTS	\$50,000

**LOAN AMOUNTS & TERMS**

	Amount	Interest Rate	Term (Months)
CITY LOAN REQUEST - Predevelopment	0	4.00%	12
CITY LOAN REQUEST - Construction / Permanent	1,600,000	4.00%	360
CONVENTIONAL LOAN - Construction	4,500,000	6.75%	24
CONVENTIONAL LOAN - Permanent	1,470,000	7.75%	360
Other Public Agency #1: _____	0	0.00%	0
Other Public Agency #2: _____	0	0.00%	0
Other Public Agency #3: _____	0	0.00%	0
AHP Subsidy	200,000	0.00%	120
Project Utilizes Tax-Exempt Bond Financing (Y/N)	N		
Project Utilizes LIHTC (Y/N)	Y		
TAX CREDIT PROCEEDS	\$6,458,000		
TAX CREDIT MARKET VALUE (\$1.00)	\$0.950		

EXHIBIT 1  
DEVELOPMENT COSTS

Project Name: **Example Affordable Apartments**  
 Project Address: \_\_\_\_\_, Phoenix, AZ  
 Developer: **Arizona Affordability, Inc.**

Number of Dwelling Units:	61	Gross Building Area (sf)			50,325				
		Gross Land Area (af)			56,914				
	TOTAL COSTS	HOUSING COSTS	Commercial COSTS	LIHTC Eligible	\$ PER UNIT	\$ PER SF BUILDING	\$ PER SF LAND	% OF TOTAL	
<b>1. LAND COSTS:</b>									
Purchase Price (a)	\$700,000	\$700,000	\$0	\$300,000	\$11,475	\$13.91	\$12.30	7.02%	
Closing Costs (b)	\$15,000	\$15,000	\$0	\$0	\$246	\$0.30	\$0.26	0.15%	
Appraisal (c)	\$5,000	\$5,000	\$0	\$0	\$82	\$0.10	\$0.09	0.05%	
Holding Costs (d)	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	
<b>TOTAL LAND COSTS</b>	<b>\$720,000</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$11,803</b>	<b>\$14.31</b>	<b>\$12.65</b>	<b>7.22%</b>	
<b>2. FEES/PERMITS &amp; STUDIES</b>									
Building Fees and Permits (a)	\$200,000	\$200,000	\$0	\$200,000	\$3,279	\$3.97	\$3.51	2.00%	
Surveys/Soils/Variance (b)	\$20,000	\$20,000	\$0	\$20,000	\$328	\$0.40	\$0.35	0.20%	
Environmental Documentation/Toxic Report (c)	\$5,000	\$5,000	\$0	\$5,000	\$82	\$0.10	\$0.09	0.05%	
Arch. & Engineering Fees									
Design (d)	4.73%	\$240,000	\$240,000	\$0	\$240,000	\$3,934	\$4.77	\$4.22	2.41%
Reimbursable (e)		\$25,000	\$25,000	\$0	\$25,000	\$410	\$0.50	\$0.44	0.25%
Subtotal:		\$265,000	\$265,000	\$0	\$265,000	\$4,344	\$5.27	\$4.66	2.66%
<b>TOTAL FEES/PERMITS &amp; STUDIES</b>	<b>\$490,000</b>	<b>\$490,000</b>	<b>\$0</b>	<b>\$490,000</b>	<b>\$8,033</b>	<b>\$9.74</b>	<b>\$8.61</b>	<b>4.91%</b>	
<b>3. DIRECT CONSTRUCTION COSTS:</b>									
Demolition (a)	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	
Toxic Abatement (b)	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	
Off-Site Improvements (c)	\$50,000	\$50,000	\$0	\$0	\$820	\$0.99	\$0.88	0.50%	
Onsite Improvements (d)	\$100,000	\$100,000	\$0	\$100,000	\$1,639	\$1.99	\$1.76	1.00%	
Landscaping/Irrigation System (e)	\$75,000	\$75,000	\$0	\$75,000	\$1,230	\$1.49	\$1.32	0.75%	
Parking (f)	\$125,000	\$125,000	\$0	\$125,000	\$2,049	\$2.48	\$2.20	1.25%	
Building Construction (g)	\$4,500,000	\$4,500,000	\$0	\$4,500,000	\$73,770	\$89.42	\$79.07	45.11%	
Subtotal:	\$4,850,000	\$4,850,000	\$0	\$4,800,000	\$79,508	\$96.37	\$85.22	48.62%	
Contractor's Overhead & Profit (h)	6.19%	\$300,000	\$300,000	\$0	\$300,000	\$4,918	\$5.96	\$5.27	3.01%
Subtotal:	\$5,150,000	\$5,150,000	\$0	\$5,100,000	\$84,426	\$102.33	\$90.49	51.63%	
General Conditions (i)	7.77%	\$400,000	\$400,000	\$0	\$400,000	\$6,557	\$7.95	\$7.03	4.01%
Performance Bond (j)		\$52,000	\$52,000	\$0	\$52,000	\$852	\$1.03	\$0.91	0.52%
Subtotal:	\$5,602,000	\$5,602,000	\$0	\$5,552,000	\$91,836	\$111.32	\$98.43	56.16%	
Construction Contingency (k)	7.14%	\$400,000	\$400,000	\$0	\$400,000	\$6,557	\$7.95	\$7.03	4.01%
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>	<b>\$6,002,000</b>	<b>\$6,002,000</b>	<b>\$0</b>	<b>\$5,952,000</b>	<b>\$98,393</b>	<b>\$119.26</b>	<b>\$105.46</b>	<b>60.17%</b>	
<b>4. INDIRECT CONSTRUCTION COSTS</b>									
Developer's Fee (a)	\$761,414	\$761,414	\$0	\$761,414	\$12,482	\$15.13	\$13.38	7.63%	
Deferred Developer Fee (b)	\$238,586	\$238,586	\$0	\$238,586	\$3,911	\$4.74	\$4.19	2.39%	
Subtotal:	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$16,393	\$19.87	\$17.57	10.02%	
Development Consultant (c)	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	
Construction Manager (d)	\$75,000	\$75,000	\$0	\$75,000	\$1,230	\$1.49	\$1.32	0.75%	
Builders Risk/Liability Insurance (e)	\$150,000	\$150,000	\$0	\$150,000	\$2,459	\$2.98	\$2.64	1.50%	
Real Estate Taxes (f)	\$12,000	\$12,000	\$0	\$12,000	\$197	\$0.24	\$0.21	0.12%	
Legal - Organizational (g)	\$25,000	\$25,000	\$0	\$25,000	\$410	\$0.50	\$0.44	0.25%	
Legal - Real Estate & Syndication (h)	\$35,000	\$35,000	\$0	\$35,000	\$574	\$0.70	\$0.61	0.35%	
Post Construction Audit (i)	\$10,000	\$10,000	\$0	\$10,000	\$164	\$0.20	\$0.18	0.10%	
Relocation (j)	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	
Indirect Construction Costs Contingency (k)	\$35,000	\$35,000	\$0	\$35,000	\$574	\$0.70	\$0.61	0.35%	
<b>TOTAL INDIRECT CONSTRUCTION COSTS</b>	<b>\$1,342,000</b>	<b>\$1,342,000</b>	<b>\$0</b>	<b>\$1,342,000</b>	<b>\$22,000</b>	<b>\$26.67</b>	<b>\$23.58</b>	<b>13.45%</b>	
<b>5. RENT-UP COSTS</b>									
Marketing/Advertising Expense (a)	\$40,000	\$40,000	\$0	\$0	\$656	\$0.79	\$0.70	0.40%	
Lease-up Reserve (b)	\$50,000	\$50,000	\$0	\$0	\$820	\$0.99	\$0.88	0.50%	
Capitalized Operating Reserve (c)	\$192,876	\$192,876	\$0	\$0	\$3,162	\$3.83	\$3.39	1.93%	
Common Area Furnishings (d)	\$50,000	\$50,000	\$0	\$0	\$820	\$0.99	\$0.88	0.50%	
<b>TOTAL RENT-UP/MARKETING COSTS</b>	<b>\$332,876</b>	<b>\$332,876</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,457</b>	<b>\$6.61</b>	<b>\$5.85</b>	<b>3.34%</b>	
<b>6. FINANCING COSTS</b>									
Construction Loan Interest (a)	\$611,550	\$611,550	\$0	\$400,000	\$10,025	\$12.15	\$10.75	6.13%	
Construction Loan Fees (b)	\$81,000	\$81,000	\$0	\$81,000	\$1,328	\$1.61	\$1.42	0.81%	
Appraisal & Market Study (c)	\$12,500	\$12,500	\$0	\$12,500	\$205	\$0.25	\$0.22	0.13%	
Constr. Lender Legal (d)	\$50,000	\$50,000	\$0	\$50,000	\$820	\$0.99	\$0.88	0.50%	
Permanent Loan Fees/Closing Costs (e)	\$267,250	\$267,250	\$0	\$0	\$4,381	\$5.31	\$4.70	2.68%	
Tax Credit Allocation Fee (f)	\$31,153	\$31,153	\$0	\$0	\$511	\$0.62	\$0.55	0.31%	
Syndication Costs (g)	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	
Predevelopment Loan Interest/Costs (h)	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	0.00%	
Title and Recording (Constr./Perm.) (i)	\$35,000	\$35,000	\$0	\$20,000	\$574	\$0.70	\$0.61	0.35%	
<b>TOTAL FINANCING COSTS</b>	<b>\$1,088,453</b>	<b>\$1,088,453</b>	<b>\$0</b>	<b>\$563,500</b>	<b>\$17,843</b>	<b>\$21.63</b>	<b>\$19.12</b>	<b>10.91%</b>	
<b>7. SUBTOTAL DEVELOPMENT COSTS</b>									
	\$9,255,329	\$9,255,329	\$0	\$8,347,500	\$151,727	\$183.91	\$162.62	92.78%	
<b>TOTAL SITE COSTS</b>	<b>\$720,000</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$11,803</b>	<b>\$14.31</b>	<b>\$12.65</b>	<b>7.22%</b>	
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$9,975,329</b>	<b>\$9,975,329</b>	<b>\$0</b>	<b>\$8,647,500</b>	<b>\$163,530</b>	<b>\$198.22</b>	<b>\$175.27</b>	<b>100.00%</b>	

EXHIBIT 6  
SOURCES & USES - Construction Phase

Project Name: Example Affordable Apartments  
Project Address: \_\_\_\_\_, Phoenix, AZ  
Developer: Arizona Affordability, Inc.

	TOTAL COST	Phoenix INTERIM	TAX CREDIT EQUITY	Construction Loan	Public Loan #1	Public Loan #2	Public Loan #3	AHP Loan	OTHER DEFERRED	TOTAL
		\$1,600,000	\$2,736,258	\$4,500,000	\$0	\$0	\$0	\$200,000	\$939,072	\$9,975,329
<b>1. LAND COSTS:</b>										
Purchase Price (a)	\$700,000	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$700,000
Closing Costs (b)	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
Appraisal (c)	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Holding Costs (d)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL LAND COSTS</b>	<b>\$720,000</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$720,000</b>
<b>2. FEES/PERMITS &amp; STUDIES</b>										
Building Fees and Permits (a)	\$200,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
Surveys/Soils/Variance (b)	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Environmental/Toxic Report (c)	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Arch. & Engineering Fees										
Design (d)	\$240,000	\$240,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$240,000
Reimbursables (e)	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
Subtotal:	<b>\$265,000</b>	<b>\$265,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$265,000</b>
<b>TOTAL FEES/PERMITS &amp; STUDIES</b>	<b>\$490,000</b>	<b>\$490,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$490,000</b>
<b>3. DIRECT CONSTRUCTION COSTS:</b>										
Demolition (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Toxic Abatement (e)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Construction: Units (g)	\$4,500,000	\$89,000	\$2,736,258	\$1,474,742	\$0	\$0	\$0	\$200,000	\$0	\$4,500,000
Parking (f)	\$125,000	\$0	\$0	\$125,000	\$0	\$0	\$0	\$0	\$0	\$125,000
Onsite Improvements (d)	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
Landscaping/Irrigation System (b)	\$75,000	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
Off-Site Improvements (c)	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
General Conditions (i)	\$400,000	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
Subtotal:	<b>\$5,250,000</b>	<b>\$189,000</b>	<b>\$2,736,258</b>	<b>\$2,124,742</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$5,250,000</b>
Construction Contingency (k)	\$400,000	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
Subtotal:	<b>\$5,650,000</b>	<b>\$189,000</b>	<b>\$2,736,258</b>	<b>\$2,524,742</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$5,650,000</b>
Contractor's Overhead & Profit (h)	\$300,000	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>	<b>\$5,950,000</b>	<b>\$189,000</b>	<b>\$2,736,258</b>	<b>\$2,824,742</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$5,950,000</b>
<b>4. INDIRECT CONSTRUCTION COSTS</b>										
Developer's Fee (a)	\$761,414	\$0	\$0	\$253,805	\$0	\$0	\$0	\$0	\$507,609	\$761,414
Deferred Developer Fee (b)	\$238,586	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$238,586	\$238,586
Subtotal:	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$253,805</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$746,195</b>	<b>\$1,000,000</b>
Development Consultant (c)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Manager (d)	\$75,000	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
Builders Risk/Liability Insurance (e)	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Real Estate Taxes (f)	\$12,000	\$0	\$0	\$12,000	\$0	\$0	\$0	\$0	\$0	\$12,000
Legal - Organizational (g)	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
Legal - Syndication (h)	\$35,000	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$35,000
Post Construction Audit (i)	\$10,000	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000
Performance Bond (l)	\$52,000	\$51,000	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0	\$52,000
Relocation (j)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Construction Costs Contingency (k)	\$35,000	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$35,000
<b>TOTAL INDIRECT CONSTRUCTION COSTS</b>	<b>\$1,394,000</b>	<b>\$201,000</b>	<b>\$0</b>	<b>\$446,805</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$746,195</b>	<b>\$1,394,000</b>
<b>5. RENT-UP COSTS</b>										
Marketing/Advertising Expense (a)	\$40,000	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$40,000
Lease-up Costs (b)	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Capitalized Operating Reserve (c)	\$192,876	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$192,876	\$192,876
Common Area Furnishings (d)	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
<b>TOTAL RENT-UP/MARKETING COSTS</b>	<b>\$332,876</b>	<b>\$0</b>	<b>\$0</b>	<b>\$140,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$192,876</b>	<b>\$332,876</b>
<b>6. FINANCING COSTS</b>										
Construction Loan Interest (a)	\$611,550	\$0	\$0	\$611,550	\$0	\$0	\$0	\$0	\$0	\$611,550
Construction Loan Fees (b)	\$81,000	\$0	\$0	\$81,000	\$0	\$0	\$0	\$0	\$0	\$81,000
As-Built Appraisal (c)	\$12,500	\$0	\$0	\$12,500	\$0	\$0	\$0	\$0	\$0	\$12,500
Constr. Lender Legal (d)	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Permanent Loan Fees/Closing Costs (e)	\$267,250	\$0	\$0	\$267,250	\$0	\$0	\$0	\$0	\$0	\$267,250
Tax Credit Allocation Fee (f)	\$31,153	\$0	\$0	\$31,153	\$0	\$0	\$0	\$0	\$0	\$31,153
Syndication Costs (g)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bridge Loan Interest/Costs (h)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Title and Recording (Constr./Perm.) (i)	\$35,000	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$35,000
<b>TOTAL FINANCING COSTS</b>	<b>\$1,088,453</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,088,453</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,088,453</b>
<b>7. SUBTOTAL DEVELOPMENT COSTS</b>	<b>\$9,255,329</b>	<b>\$880,000</b>	<b>\$2,736,258</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$939,072</b>	<b>\$9,255,329</b>
<b>TOTAL LAND COSTS</b>	<b>\$720,000</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$720,000</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$9,975,329</b>	<b>\$1,600,000</b>	<b>\$2,736,258</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$939,072</b>	<b>\$9,975,329</b>

EXHIBIT 7  
SOURCES & USES - Permanent Phase

Project Name: Example Affordable Apartments  
Project Address: \_\_\_\_\_, Phoenix, AZ  
Developer: Arizona Affordability, Inc

	TOTAL COST	PHOENIX Permanent	TAX CREDIT EQUITY	Permanent Loan	Public Loan #1	Public Loan #2	Public Loan #3	AHP Loan	Deferred Fee	TOTAL
<b>1. LAND COSTS:</b>		\$1,600,000	\$6,458,000	\$1,470,000	\$0	\$0	\$0	\$200,000	\$238,586	\$9,966,586
Purchase Price (a)	\$700,000	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$700,000
Closing Costs (b)	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
Appraisal (c)	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Holding Costs (d)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL LAND COSTS</b>	<b>\$720,000</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$720,000</b>
<b>2. FEES/PERMITS &amp; STUDIES</b>										
Building Fees and Permits (a)	\$200,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
Surveys/Soils/Variance (b)	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Environmental Documentation/Toxic Report (c)	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Arch. & Engineering Fees										
Design (d)	\$240,000	\$240,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$240,000
Reimbursables (e)	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
<b>Subtotal:</b>	<b>\$265,000</b>	<b>\$265,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$265,000</b>
<b>TOTAL FEES/PERMITS &amp; STUDIES</b>	<b>\$490,000</b>	<b>\$490,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$490,000</b>
<b>3. DIRECT CONSTRUCTION COSTS:</b>										
Demolition (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Toxic Abatement (e)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Construction: Units (g)	\$4,500,000	\$89,000	\$2,741,000	\$1,470,000	\$0	\$0	\$0	\$200,000	\$0	\$4,500,000
Parking (f)	\$125,000	\$0	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
Onsite Improvements (d)	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
Landscaping/Irrigation System (b)	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000
Off-Site Improvements (c)	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
General Conditions (i)	\$400,000	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000
<b>Subtotal:</b>	<b>\$5,250,000</b>	<b>\$189,000</b>	<b>\$3,391,000</b>	<b>\$1,470,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$5,250,000</b>
Construction Contingency (k)	\$400,000	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000
<b>Subtotal:</b>	<b>\$5,650,000</b>	<b>\$189,000</b>	<b>\$3,791,000</b>	<b>\$1,470,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$5,650,000</b>
Contractor's Overhead & Profit (h)	\$300,000	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>	<b>\$5,950,000</b>	<b>\$189,000</b>	<b>\$4,091,000</b>	<b>\$1,470,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$5,950,000</b>
<b>4. INDIRECT CONSTRUCTION COSTS</b>										
Developer's Fee (a)	\$761,414	\$0	\$761,414	\$0	\$0	\$0	\$0	\$0	\$0	\$761,414
Deferred Developer Fee (b)	\$238,586	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$238,586	\$238,586
<b>Subtotal:</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$761,414</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$238,586</b>	<b>\$1,000,000</b>
Development Consultant (c)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Manager (d)	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000
Builders Risk/Liability Insurance (e)	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Real Estate Taxes (f)	\$12,000	\$0	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000
Legal - Organizational (g)	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
Legal - Syndication (h)	\$35,000	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
Post Construction Audit (i)	\$10,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Performance Bond (l)	\$52,000	\$51,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$52,000
Relocation (j)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Construction Costs Contingency (k)	\$35,000	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
<b>TOTAL INDIRECT CONSTRUCTION COSTS</b>	<b>\$1,394,000</b>	<b>\$201,000</b>	<b>\$954,414</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$238,586</b>	<b>\$1,394,000</b>
<b>5. RENT-UP COSTS</b>										
Marketing/Advertising Expense (a)	\$40,000	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000
Lease-up Costs (b)	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Capitalized Operating Reserve (c)	\$192,876	\$0	\$192,876	\$0	\$0	\$0	\$0	\$0	\$0	\$192,876
Common Area Furnishings (d)	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
<b>TOTAL RENT-UP/MARKETING COSTS</b>	<b>\$332,876</b>	<b>\$0</b>	<b>\$332,876</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$332,876</b>
<b>6. FINANCING COSTS</b>										
Construction Loan Interest (a)	\$611,550	\$0	\$611,550	\$0	\$0	\$0	\$0	\$0	\$0	\$611,550
Construction Loan Fees (b)	\$81,000	\$0	\$81,000	\$0	\$0	\$0	\$0	\$0	\$0	\$81,000
As-Built Appraisal (c)	\$12,500	\$0	\$12,500	\$0	\$0	\$0	\$0	\$0	\$0	\$12,500
Constr. Lender Legal (d)	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Permanent Loan Fees/Closing Costs (e)	\$267,250	\$0	\$267,250	\$0	\$0	\$0	\$0	\$0	\$0	\$267,250
Tax Credit Allocation Fee (f)	\$31,153	\$0	\$31,153	\$0	\$0	\$0	\$0	\$0	\$0	\$31,153
Syndication Costs (g)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bridge Loan Interest/Costs (h)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Title and Recording (Constr./Perm.) (i)	\$35,000	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
<b>TOTAL FINANCING COSTS</b>	<b>\$1,088,453</b>	<b>\$0</b>	<b>\$1,088,453</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,088,453</b>
<b>7. SUBTOTAL DEVELOPMENT COSTS</b>	<b>\$9,255,329</b>	<b>\$880,000</b>	<b>\$6,466,743</b>	<b>\$1,470,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$238,586</b>	<b>\$9,255,329</b>
<b>TOTAL LAND COSTS</b>	<b>\$720,000</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$720,000</b>
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$9,975,329</b>	<b>\$1,600,000</b>	<b>\$6,466,743</b>	<b>\$1,470,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$238,586</b>	<b>\$9,975,329</b>

EXHIBIT 2  
RENT SCHEDULE

Project Name: *Example Affordable Apartments*  
 Project Address: \_\_\_\_\_, *Phoenix, AZ*  
 Developer Name: *Arizona Affordability, Inc.*

21-Oct-05

Unit Type	Percent Median	Monthly Gross Rent	Monthly Utility Allow.	Monthly Net Rent	Comparable Market Rent	Proposed Rent	Discount to Market	Number of Units	Total Monthly Rent	Total Annual Rent (\$)	Total # of Bdrms.
SINGLE ROOM OCCP	30%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	40%	\$410	\$0	\$410		\$410		0	\$0	\$0	0
	50%	\$476	\$0	\$476		\$476		0	\$0	\$0	0
	60%	\$505	\$0	\$505		\$505		0	\$0	\$0	0
	MKT	\$0	\$0	\$0	\$0	\$0		0	\$0	\$0	0
EFFICIENCY	30%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	40%	\$410	\$0	\$410		\$410		0	\$0	\$0	0
	50%	\$476	\$0	\$476		\$476		0	\$0	\$0	0
	60%	\$505	\$0	\$505		\$505		0	\$0	\$0	0
	MKT	\$0	\$0	\$0	\$0	\$0		0	\$0	\$0	0
ONE BEDROOM	30%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	40%	\$470	\$0	\$470		\$470	12.15%	5	\$2,350	\$28,200	5
	50%	\$544	\$0	\$544		\$544	-1.68%	5	\$2,720	\$32,640	5
	60%	\$579	\$0	\$579		\$579	-8.22%	5	\$2,895	\$34,740	5
	MKT	\$0	\$0	\$0	\$535	\$0		0	\$0	\$0	0
TWO BEDROOM	30%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	40%	\$530	\$0	\$530		\$530	18.46%	10	\$5,300	\$63,600	20
	50%	\$636	\$0	\$636		\$636	2.15%	10	\$6,360	\$76,320	20
	60%	\$686	\$0	\$686		\$686	-5.54%	10	\$6,860	\$82,320	20
	MKT	\$0	\$0	\$0	\$650	\$0		0	\$0	\$0	0
THREE BEDROOM	30%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	40%	\$590	\$0	\$590		\$590	26.25%	5	\$2,950	\$35,400	15
	50%	\$677	\$0	\$677		\$677	15.38%	5	\$3,385	\$40,620	15
	60%	\$751	\$0	\$751		\$751	6.13%	5	\$3,755	\$45,060	15
	MKT	\$0	\$0	\$0	\$800	\$0		0	\$0	\$0	0
FOUR BEDROOM	30%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	40%	\$630	\$0	\$630		\$630		0	\$0	\$0	0
	50%	\$740	\$0	\$740		\$740		0	\$0	\$0	0
	60%	\$842	\$0	\$842		\$842		0	\$0	\$0	0
	MKT	\$0	\$0	\$0	\$0	\$0		0	\$0	\$0	0
FIVE BEDROOM	30%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	40%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	50%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	60%	\$0	\$0	\$0		\$0		0	\$0	\$0	0
	MKT	\$0	\$0	\$0	\$0	\$0		0	\$0	\$0	0
MANAGER	60%	\$0	\$0	\$0		\$0		1	\$0	\$0	2
<b>Total Number of Units</b>								<b>61</b>	<b>\$36,575</b>	<b>\$438,900</b>	<b>122</b>
<b>Units @ or below 40% income criteria</b>								<b>20</b>	<i>32.79% of total units</i>		
<b>Units @ 50% criteria</b>								<b>20</b>	<i>32.79% of total units</i>		
<b>Units @ 60% criteria</b>								<b>21</b>	<i>34.43% of total units</i>		
<b>Non-LIHTC Qualifying Units</b>								<b>0</b>	<i>0.00% of total units</i>		

All proposed rents are at least 10% below comparable market rates:

No

# EXHIBIT 3 OPERATING EXPENSES

Project Name: **Example Affordable Apartments**  
 Project Address: \_\_\_\_\_, Phoenix, AZ  
 Developer: **Arizona Affordability, Inc.**

21-Oct-05

	ANNUAL	MONTHLY	PER UNIT	UNIT/MO.	% TOTAL
<b>1. MANAGEMENT</b>					
Contract Management Fee (a)	\$25,000	\$2,083.33	\$409.84	\$34.15	11.66%
<b>TOTAL MANAGEMENT</b>	<b>\$25,000</b>	<b>\$2,083.33</b>	<b>\$409.84</b>	<b>\$34.15</b>	<b>11.66%</b>
<b>2. ADMINISTRATION</b>					
Marketing (a)	\$750	\$62.50	\$12.30	\$1.02	0.35%
Audit (b)	\$8,000	\$666.67	\$131.15	\$10.93	3.73%
Legal (c)	\$2,500	\$208.33	\$40.98	\$3.42	1.17%
Office Expenses (d)	\$17,030	\$1,419.17	\$279.18	\$23.27	7.94%
<b>TOTAL ADMINISTRATION</b>	<b>\$28,280</b>	<b>\$2,356.67</b>	<b>\$463.61</b>	<b>\$38.63</b>	<b>13.19%</b>
<b>3. SALARIES AND BENEFITS</b>					
On-Site Manager/Asst. Manager (a)	\$26,000	\$2,166.67	\$426.23	\$35.52	12.13%
Maintenance Personnel (b)	\$13,500	\$1,125.00	\$221.31	\$18.44	6.30%
Janitorial Personnel (c)	\$9,000	\$750.00	\$147.54	\$12.30	4.20%
Case Manager (d)	\$0	\$0.00	\$0.00	\$0.00	0.00%
Housekeepers (e)	\$0	\$0.00	\$0.00	\$0.00	0.00%
Payroll Txns, Ins & Wkr. Comp. (f)	\$8,000	\$666.67	\$131.15	\$10.93	3.73%
<b>TOTAL SALARIES</b>	<b>\$56,500</b>	<b>\$4,708.33</b>	<b>\$926.23</b>	<b>\$77.19</b>	<b>26.36%</b>
<b>4. MAINTENANCE</b>					
Supplies (a)	\$3,500	\$291.67	\$57.38	\$4.78	1.63%
Repairs Contract (b)	\$15,000	\$1,250.00	\$245.90	\$20.49	7.00%
Pest Control (c)	\$1,200	\$100.00	\$19.67	\$1.64	0.56%
Grounds Contract (d)	\$6,000	\$500.00	\$98.36	\$8.20	2.80%
Interior Painting (e)	\$4,500	\$375.00	\$73.77	\$6.15	2.10%
Other (f)	\$0	\$0.00	\$0.00	\$0.00	0.00%
<b>TOTAL MAINTENANCE</b>	<b>\$30,200</b>	<b>\$2,516.67</b>	<b>\$495.08</b>	<b>\$41.26</b>	<b>14.09%</b>
<b>5. UTILITIES NOT PAID BY TENANTS</b>					
Trash Removal (a)	\$5,000	\$416.67	\$81.97	\$6.83	2.33%
Electricity (b)	\$10,000	\$833.33	\$163.93	\$13.66	4.66%
Water/Sewer (c)	\$18,500	\$1,541.67	\$303.28	\$25.27	8.63%
Gas (d)	\$9,400	\$783.33	\$154.10	\$12.84	4.38%
<b>TOTAL UTILITIES</b>	<b>\$42,900</b>	<b>\$3,575.00</b>	<b>\$703.28</b>	<b>\$58.61</b>	<b>20.01%</b>
<b>6. INSURANCE</b>					
Property & Liability Insurance (a)	\$15,000	\$1,250.00	\$245.90	\$20.49	7.00%
<b>TOTAL INSURANCE</b>	<b>\$15,000</b>	<b>\$1,250.00</b>	<b>\$245.90</b>	<b>\$20.49</b>	<b>7.00%</b>
<b>7. TAXES</b>					
Real Estate Taxes (a)	\$4,500	\$375.00	\$73.77	\$6.15	2.10%
Business Tax and License (b)	\$800	\$66.67	\$13.11	\$1.09	0.37%
<b>TOTAL TAXES</b>	<b>\$5,300</b>	<b>\$441.67</b>	<b>\$86.89</b>	<b>\$7.24</b>	<b>2.47%</b>
<b>8. OTHER</b>					
Linens & Amenities (a)	\$0	\$0.00	\$0.00	\$0.00	0.00%
Support Services (b)	\$10,000	\$833.33	\$163.93	\$13.66	4.66%
Security (c)	\$1,200	\$100.00	\$19.67	\$1.64	0.56%
<b>TOTAL OTHER</b>	<b>\$11,200</b>	<b>\$933.33</b>	<b>\$183.61</b>	<b>\$15.30</b>	<b>5.22%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$214,380</b>	<b>\$17,865.00</b>	<b>\$3,514.43</b>	<b>\$292.87</b>	<b>100.00%</b>

EXHIBIT 4  
CASH FLOW ANALYSIS

Project Name: *Example Affordable Apartments*  
Project Address: \_\_\_\_\_, *Phoenix, AZ*  
Developer Name: *Arizona Affordability, Inc.*

21-Oct-05

**ASSUMPTIONS:**

Residential Income Infl. Rate:	2.50%	Operating Expense / Unit:	3,514	Min Required Debt Coverage Ratio:	1.17	<b>TOTAL DEV. COSTS:</b>	<b>Total</b>	<b>Per Unit</b>	<b>Percent</b>
Laundry & Misc. Infl. Factor:	2.50%	Annual Operating Reserve:	0.60%	Max Allowable Conventional Loan:	1,660,832	Conventional Loan	\$1,470,000	\$24,098	14.74%
Operating Expense Infl. Factor - Residential:	3.50%	Replacement Reserve / Unit:	300	Max Allowable City of Phoenix Loan:	2,000,000	City of Phoenix Loan	\$1,600,000	\$26,230	16.04%
Operating Expense Infl. Factor - Commercial:	2.00%	Reserve Trend Rate:	2.00%	Max City Loan at Min 1.10 DCR:	444,961	Public Loan #1	\$0	\$0	0.00%
Vacancy Rate - Residential:	10.00%	Laundry Income / Year:	6,588	Accum 15 yr Op Reserv:	\$43,138	Public Loan #2	\$0	\$0	0.00%
Vacancy Rate - Commercial:	50.00%	Real Estate Taxes Trend Rate:	3.50%	Capitalized Op Reserv:	\$192,876	Public Loan #3	\$0	\$0	0.00%
Number of Units:	61					AHP Loan	\$200,000	\$3,279	2.00%
						Deferred Developer Fee	\$238,586	\$3,911	2.39%
						LIHTC Equity	\$6,458,000	\$105,869	64.74%
						Borrower Equity Required	\$8,743	\$143	0.09%

	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
Residential Income	\$438,900	\$449,873	\$461,119	\$472,647	\$484,463	\$496,575	\$508,989	\$521,714	\$534,757	\$548,126	\$561,829	\$575,875	\$590,272	\$605,028	\$620,154
Commercial Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laundry & Miscellaneous	\$6,588	\$6,753	\$6,922	\$7,095	\$7,272	\$7,454	\$7,640	\$7,831	\$8,027	\$8,228	\$8,433	\$8,644	\$8,860	\$9,082	\$9,309
<b>GROSS INCOME</b>	<b>\$445,488</b>	<b>\$456,625</b>	<b>\$468,041</b>	<b>\$479,742</b>	<b>\$491,735</b>	<b>\$504,029</b>	<b>\$516,630</b>	<b>\$529,545</b>	<b>\$542,784</b>	<b>\$556,353</b>	<b>\$570,262</b>	<b>\$584,519</b>	<b>\$599,132</b>	<b>\$614,110</b>	<b>\$629,463</b>
Vacancy - Commercial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy - Residential	(\$44,549)	(\$45,663)	(\$46,804)	(\$47,974)	(\$49,174)	(\$50,403)	(\$51,663)	(\$52,955)	(\$54,278)	(\$55,635)	(\$57,026)	(\$58,452)	(\$59,913)	(\$61,411)	(\$62,946)
<b>EFFECTIVE GROSS INCOME</b>	<b>\$400,939</b>	<b>\$410,963</b>	<b>\$421,237</b>	<b>\$431,768</b>	<b>\$442,562</b>	<b>\$453,626</b>	<b>\$464,967</b>	<b>\$476,591</b>	<b>\$488,505</b>	<b>\$500,718</b>	<b>\$513,236</b>	<b>\$526,067</b>	<b>\$539,219</b>	<b>\$552,699</b>	<b>\$566,517</b>
Operating Expenses - Residential	(\$208,680)	(\$215,984)	(\$223,543)	(\$231,367)	(\$239,465)	(\$247,846)	(\$256,521)	(\$265,499)	(\$274,792)	(\$284,409)	(\$294,364)	(\$304,666)	(\$315,330)	(\$326,366)	(\$337,789)
Operating Expenses - Commercial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	(\$4,500)	(\$4,658)	(\$4,821)	(\$4,989)	(\$5,164)	(\$5,345)	(\$5,532)	(\$5,725)	(\$5,926)	(\$6,133)	(\$6,348)	(\$6,570)	(\$6,800)	(\$7,038)	(\$7,284)
Operating Reserve	(\$2,406)	(\$2,466)	(\$2,527)	(\$2,591)	(\$2,655)	(\$2,722)	(\$2,790)	(\$2,860)	(\$2,931)	(\$3,004)	(\$3,079)	(\$3,156)	(\$3,235)	(\$3,316)	(\$3,399)
Replacement Reserve	(\$18,300)	(\$18,666)	(\$19,039)	(\$19,420)	(\$19,809)	(\$20,205)	(\$20,609)	(\$21,021)	(\$21,441)	(\$21,870)	(\$22,309)	(\$22,754)	(\$23,209)	(\$23,673)	(\$24,146)
<b>NOI BEFORE DEBT SERVICE</b>	<b>\$167,054</b>	<b>\$169,190</b>	<b>\$171,306</b>	<b>\$173,400</b>	<b>\$175,469</b>	<b>\$177,509</b>	<b>\$179,515</b>	<b>\$181,486</b>	<b>\$183,416</b>	<b>\$185,301</b>	<b>\$187,138</b>	<b>\$188,920</b>	<b>\$190,645</b>	<b>\$192,306</b>	<b>\$193,898</b>
Cash Available for Debt Service at Min. DCR	\$142,781	\$144,606	\$146,416	\$148,206	\$149,974	\$151,717	\$153,432	\$155,116	\$156,766	\$158,377	\$159,947	\$161,470	\$162,944	\$164,364	\$165,725
Perm Loan Debt Service	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375	\$126,375
Required City of Phoenix Debt Service	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492
<i>Debt Coverage Ratio - Combined</i>	<i>1.10</i>	<i>1.11</i>	<i>1.13</i>	<i>1.14</i>	<i>1.16</i>	<i>1.17</i>	<i>1.18</i>	<i>1.20</i>	<i>1.21</i>	<i>1.22</i>	<i>1.23</i>	<i>1.24</i>	<i>1.26</i>	<i>1.27</i>	<i>1.28</i>
<i>DCR - First Mortgage</i>	<i>1.32</i>	<i>1.34</i>	<i>1.36</i>	<i>1.37</i>	<i>1.39</i>	<i>1.40</i>	<i>1.42</i>	<i>1.44</i>	<i>1.45</i>	<i>1.47</i>	<i>1.48</i>	<i>1.49</i>	<i>1.51</i>	<i>1.52</i>	<i>1.53</i>
<b>CASH FLOW AFTER DEBT SERVICE</b>	<b>15,187</b>	<b>17,323</b>	<b>19,439</b>	<b>21,534</b>	<b>23,602</b>	<b>25,642</b>	<b>27,648</b>	<b>29,619</b>	<b>31,549</b>	<b>33,434</b>	<b>35,271</b>	<b>37,054</b>	<b>38,778</b>	<b>40,439</b>	<b>42,031</b>
Deferred Developer Fee	15,187	17,323	19,439	21,534	23,602	25,642	27,648	29,619	31,549	33,434	35,271	37,054	38,778	40,439	42,031
<b>CASH AVAILABLE FOR DISTRIBUTION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,391</b>	<b>\$35,271</b>	<b>\$37,054</b>	<b>\$38,778</b>	<b>\$40,439</b>	<b>\$42,031</b>
<b>City of Phoenix - 50% of Residual Receipts</b>															
Annual Residual Receipts Payment (50%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,195	\$17,635	\$18,527	\$19,389	\$20,219	\$21,015
Annual Priority Payment	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492	\$25,492
Annual Interest Payment Due	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000	\$64,000
Cumulative City Loan Balance	\$1,638,508	\$1,677,016	\$1,715,525	\$1,754,033	\$1,792,541	\$1,831,049	\$1,869,558	\$1,908,066	\$1,946,574	\$1,985,082	\$2,023,590	\$2,062,098	\$2,100,606	\$2,139,114	\$2,177,622
<b>BORROWER - 50% OF CASH AVAILABLE FOR DISTRIBUTION</b>															
Annual Cash to Borrower	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,195	\$17,635	\$18,527	\$19,389	\$20,219	\$21,015
Cumulative Cash to Borrower	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,195	\$20,831	\$39,357	\$58,746	\$78,966	\$99,981

# EXHIBIT 5 TAX CREDIT ANALYSIS

Project Name: *Example Affordable Apartments*  
 Project Address: \_\_\_\_\_, *Phoenix, AZ*  
 Developer Name: *Arizona Affordability, Inc.*

	Project Costs	Rehab / New 9% Basis	Rehab / New 4% Basis	Acquisition 4% Basis
Land Acquisition	\$720,000			
Building Acquisition (Meets 10 year hold)				\$300,000
Fees / Permits / Studies	\$490,000	\$490,000	\$490,000	
Direct Construction	\$6,002,000	\$5,952,000	\$5,952,000	
In-Direct Construction	\$342,000	\$342,000	\$342,000	
Developer Fee	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Rent Up / Marketing	\$332,876	\$0	\$0	
Financing	\$1,088,453	\$563,500	\$563,500	
<b>TOTAL PROJECT COSTS</b>	<b>\$9,975,329</b>	<b>\$8,347,500</b>	<b>\$8,347,500</b>	<b>\$300,000</b>
BMR Federal Loan Used to Finance Costs in 9% Basis		\$0		
TOTAL ELIGIBLE BASIS		\$8,347,500	\$8,347,500	\$300,000
Less: Historic Tax Credits		\$0	\$0	
Less: Voluntary Basis Exclusion		\$0	\$0	\$0
TOTAL REQUESTED BASIS		\$8,347,500	\$8,347,500	\$300,000
High Cost Area Adjustment (DDA/QCT)		100.00%	100.00%	100.00%
TOTAL ADJUSTED ELIGIBLE BASIS		\$8,347,500	\$8,347,500	\$300,000
Ratio of LIHTC Qualifying units to total		100%	100%	100%
TOTAL QUALIFIED BASIS		\$8,347,500	\$8,347,500	\$300,000
Applicable Federal Tax Credit Factor		8.02%	3.44%	3.44%
TOTAL ANNUAL FEDERAL CREDIT		\$669,470	\$287,154	\$10,320
x 10 yrs		10	10	10
MAXIMUM FEDERAL CREDIT		\$6,694,695	\$2,871,540	\$103,200
FEDERAL CREDITS ALLOCATED		\$6,694,695	\$2,871,540	\$103,200
x Tax Credit Factor (cents on the \$)		\$0.950		
Estimated Syndication Net Proceeds		\$6,359,960	\$2,727,963	\$98,040
Est Federal Proceeds (9% Deal)		\$6,458,000		
Est Federal Proceeds (4% Deal)		\$2,826,003		
Est Historic Syndication Net Proceeds		\$0		
<b>HISTORIC TAX CREDITS</b>				
Residential Basis - HTC Allowable		\$0		
Tax Credit Factor		20%		
Credits Allowed - Residential		0		
x tax credit factor		\$0.95		
net proceeds raised		\$0		
Commercial Basis - HTC Allowable		\$0		
Tax Credit Factor		20%		
Credits Allowed - Commercial		0		
x tax credit factor		\$0.95		
net proceeds raised		\$0		

EXHIBIT 8

Maximum City of Phoenix Loan

Project Name: *Example Affordable Apartments*  
 Project Address: \_\_\_\_\_, *Phoenix, AZ*  
 Developer Name: *Arizona Affordability, Inc.*

21-Oct-05

Unit Type	Percent Median	Total # of Units	# of Assisted Units	Per Unit Eligible Assistance	Total Eligible Assistance
SINGLE ROOM OCCP	30%	0	0	\$69,000	\$0
	40%	0	0	\$69,000	\$0
	50%	0	0	\$69,000	\$0
	60%	0	0	\$69,000	\$0
	MKT	0			
EFFICIENCY	30%	0	0	\$69,000	\$0
	40%	0	0	\$69,000	\$0
	50%	0	0	\$69,000	\$0
	60%	0	0	\$69,000	\$0
	MKT	0			
ONE BEDROOM	30%	0	0	\$86,000	\$0
	40%	5	3	\$86,000	\$258,000
	50%	5	3	\$86,000	\$258,000
	60%	5	2	\$86,000	\$172,000
	MKT	0			
TWO BEDROOM	30%	0	0	\$98,000	\$0
	40%	10	5	\$98,000	\$490,000
	50%	10	5	\$98,000	\$490,000
	60%	10	3	\$98,000	\$294,000
	MKT	0			
THREE BEDROOM	30%	0	0	\$110,000	\$0
	40%	5	4	\$110,000	\$440,000
	50%	5	4	\$110,000	\$440,000
	60%	5	3	\$110,000	\$330,000
	MKT	0			
FOUR BEDROOM	30%	0	0	\$116,000	\$0
	40%	0	0	\$116,000	\$0
	50%	0	0	\$116,000	\$0
	60%	0	0	\$116,000	\$0
	MKT	0			
FIVE BEDROOM	30%	0	0	\$0	\$0
	40%	0	0	\$0	\$0
	50%	0	0	\$0	\$0
	60%	0	0	\$0	\$0
	MKT	0			
MANAGER	60%	1	0	\$1	\$0
<b>Total</b>		<b>61</b>	<b>32</b>		<b>\$3,172,000</b>

% of Assisted Units <=50% AMI: **75.00%** (Must be at least 20%)

Project Located in DDA or QCT: **Y** Max Program Limit: **\$2,000,000**

Max Allowable Loan Request: **\$2,000,000**