LABARGE INDUSTRIES

January 14, 2019

Mr. John Dutrey
Project Manager
City of Rialto, Development Services Department
150 S. Palm Avenue, Rialto CA 92376

Re: Willow and Jackson:
New Development of 8-12 affordable apartment units.

Dear John,

Following our previous conversations regarding the urgent need for affordable apartment units within the City of Rialto, please consider the following proposal to develop and construct new affordable units on the property referenced.

Proposal to the Rialto Housing Authority:

In partnership with the City of Rialto Housing Authority (RHA), we propose the following:

- LaBarge Industries (LBI) shall enter into an Affordable Housing and Development Agreement with the RHA to develop affordable housing units on the property referenced above. Rents will be set as required by the NSP regulations.
- LBI shall purchase the property from the City of Rialto Successor Agency for $140,000.00.
- RHA shall contribute $1,640,000 of NSP and housing funds to the partnership as a Residual Receipt Loan at an interest rate of 0.25%.
- Approximately $765,000 of soft funding shall be assembled utilizing: Proposition 41 funds, MHSA funds, NPLH funds, County HOME funds, IEHP funds, PBS8 and VASH Vouchers, and or other funding sources available for the project.
- RHA shall provide a pre-development loan of $150,000.00. This advance will be included in the overall Residual Receipt Loan.
- LBI shall process a construction loan with permanent take out financing.
- LBI shall process all necessary land use entitlements.
- LBI shall contract with a city approved general contractor to complete the development.
- LBI shall be responsible for construction management of the project.
- LBI shall retain Quality Management Group to professionally manage the project.
- Veteran prospective residents shall be given a rental preference to occupy units within Fair Housing rules.

Please review this proposal. I look forward to speaking with you soon.

Sincerely,

Joshua LaBarge
President

3105 East Guasti Road, Suite 100 * Ontario, CA 91761
909-931-9763 * 909-982-0293 fax

Jackson Street: 12 UNIT PROFORMA
LaBarge Industries
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Project Data	
Project Type	Family
County	San Bernardino
Total Units	10
Parking Spaces	12
Land Area	0.40 Acres
Net Residential Area	6,400 SF
Retail Area	0 SF
Construction Period	10 Months
Units Per Acre	25.00
Donated Land Value	$0

Operating Economic Assumptions	
Residential Vacancy Rate	5.0%
Retail Vacancy Rate	10.0%
Income Inflator	3.0%
Expense Inflator	3.0%
CPI	3.0%
Cap Rate	7.5%

Construction Loan	
Loan Amount	$1,470,930
Loan Fee	1.00%
Interest Rate	6.50%

Permanent Loan	
Loan Amount	706,000
Loan Fee	1.00%
Interest Rate	5.50%
Amortization	30 Years

Stabilized Cash Flow		**Year 1**	**Per Unit**
Gross Scheduled Rent		$122,160	$12,216
Laundry Income		720	72
Other Income		0	0
Vacancy & Collection	@ 5.00%	(6,144)	(614)
Retail Income		0	0
Retail Vacancy	@ 10.00%	0	0
Effective Gross Income		116,736	11,674
Operating Expenses		(58,954)	(5,895)
Net Operating Income		57,782	5,778
Debt Service		(48,103)	(4,810)
Cash Flow		$9,679	$968
DCR		1.20	
Minimum Required DCR		1.20	

Permanent Sources		**Amount**	**Debt Service**
Permanent Financing		$706,000	$48,103
Residual Receipt Loan		1,640,000	n/a
Other Public Subsidy-TBD		764,930	n/a
	Total	$3,110,930	$48,103

Sources and Uses	
Total Permanent Sources	$3,110,930
Total Development Cost	3,110,930
Over/(Under)	$0

UNIT DISTRIBUTION
Jackson 10

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Number Of Units	Income Category	SF	Gross Rent	Utility Allowance	Net Rent	Net Rent Per SqFt	Monthly Rent	Annual Rent	Unit %	Total Square Footage
Studio										
0	30% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	35% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	40% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	45% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	50% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	60% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	Market	0	$0	$0	0	n/a	$0	$0	0%	0
0	Manager	0	$0	$0	0	n/a	$0	$0	0%	0
0										
1 Bedroom										
8	30% TC	600	$1,035	$70	$965	$1.61	$7,720	$92,640	80%	4,800
0	35% TC	600	$0	$70	0	n/a	$0	$0	0%	0
0	40% TC	600	$0	$70	0	n/a	$0	$0	0%	0
0	45% TC	600	$0	$70	0	n/a	$0	$0	0%	0
0	50% TC	600	$0	$70	0	n/a	$0	$0	0%	0
0	60% TC	600	$0	$70	0	n/a	$0	$0	0%	0
0	80% TC	600	$0	$70	0	n/a	$0	$0	0%	0
0	Manager	600	$0	$0	0	n/a	$0	$0	0%	0
8										
2 Bedrooms										
2	30% TC	800	$1,320	$90	$1,230	$1.54	$2,460	$29,520	20%	1,600
0	35% TC	800	$0	$90	0	n/a	$0	$0	0%	0
0	40% TC	800	$0	$90	0	n/a	$0	$0	0%	0
0	45% TC	800	$0	$90	0	n/a	$0	$0	0%	0
0	50% TC	800	$0	$90	0	n/a	$0	$0	0%	0
0	60% TC	800	$0	$90	0	n/a	$0	$0	0%	0
0	FMR%	800	$0	$90	0	n/a	$0	$0	0%	0
0	Manager	800	$0	$0	0	n/a	$0	$0	0%	0
2										
3 Bedrooms										
0	30% TC	1,000	$0	$0	0	n/a	$0	$0	0%	0
0	35% TC	1,000	$0	$0	0	n/a	$0	$0	0%	0
0	40% TC	1,000	$0	$0	0	n/a	$0	$0	0%	0
0	45% TC	1,000	$0	$0	0	n/a	$0	$0	0%	0
0	50% TC	1,000	$0	$0	0	n/a	$0	$0	0%	0
0	60% TC	1,000	$0	$0	0	n/a	$0	$0	0%	0
0	80% TC	1,000	$0	$0	0	$1.09	$0	$0	0%	0
0	Manager	1,000	$0	$0	0	n/a	$0	$0	0%	0
0										
4 Bedrooms										
0	30% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	35% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	40% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	45% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	50% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	60% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	80% TC	0	$0	$0	0	n/a	$0	$0	0%	0
0	Manager	0	$0	$0	0	n/a	$0	$0	0%	0
0										

Unit Distribution Summary

Summary	
Total SF	6,400
Avg. Unit SF	640
Monthly Rent	$10,180
Annual Rent	$122,160
Avg. Rent (excl. manager's)	$1,018
Avg. Rent PSF (excl. manager's)	$1.59
Bedrooms	12

Income	Units	Total %
30% TC	10	100.0%
35% TC	0	0.0%
40% TC	0	0.0%
45% TC	0	0.0%
50% TC	0	0.0%
60% TC	0	0.0%
80% TC	0	0.0%
Subtotal	10	100.0%
Manager	0	
Total	10	

Unit Size	Units	Total %
Studio	0	0.0%
1 Bedroom	8	80.0%
2 Bedrooms	2	20.0%
3 Bedrooms	0	0.0%
4 Bedrooms	0	0.0%
Total	10	100.0%

ANNUAL OPERATING EXPENSE BUDGET
Jackson 10
LaBarge Industries
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		Project Budget (10 units)	Budget Per Unit
RENTING			
Advertising		$0	$0
Misc. Renting		600	60
TOTAL RENTING		600	60
ADMINISTRATION			
Office		1,000	100
Legal		2,500	250
Audit		0	0
Telephone/Computer		700	70
Tenant Relations		0	0
Misc. Administrative		200	20
TOTAL ADMINISTRATION		4,400	440
MANAGEMENT FEE			
Contract Management	6.0% of EGI	7,004	700
TOTAL MANAGEMENT		7,004	700
OPERATING			
Electricity		2,000	200
Water		1,500	150
Gas		3,000	300
Sewer		9,600	960
Exterminating		750	75
Rubbish Removal		3,600	360
Misc. Operating		2,000	200
TOTAL OPERATING		22,450	2,245
MAINTENANCE			
Security		0	0
Grounds		2,400	240
Repairs		800	80
Elevator		0	0
Unit Turns		0	0
Misc. Maintenance		0	0
TOTAL MAINTENANCE		3,200	320
SALARIES AND BENEFITS			
Office Salaries		0	0
Maintenance Salaries		12,500	1,250
Payroll Taxes and Benefits		0	0
TOTAL SALARIES AND BENEFITS		12,500	1,250
TAXES AND INSURANCE			
Real Estate Taxes	Supplementals Only	500	50
Business Taxes and Licenses		0	0
Insurance		3,300	330
Misc.Taxes and Insurance		0	0
TOTAL TAXES AND INSURANCE		3,800	380
RESERVES AND OTHER EXPENSES			
Replacement Reserves		5,000	500
Operating Reserves		0	0
Social Programs		0	0
TOTAL RESERVES AND OTHER COSTS		5,000	500
TOTAL OPERATING EXPENSES		$58,954	$5,895

DEVELOPMENT COSTS & ELIGIBLE BASIS DETERMIN.

Jackson 10

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	10 units Budget
ACQUISITION COSTS	
Purchase Price	$140,000
Other Acquisition Costs	5,000
TOTAL ACQUISITION COSTS	145,000
PROFESSIONAL FEES	
Architecture & Engineering	223,000
Other Professional / Consulting	37,000
TOTAL PROFESSIONAL FEES	260,000
FEES AND PERMITS	
City/County Fees and Permits	328,800
Utility Fees/Costs	45,000
TOTAL FEES AND PERMITS	373,800
CONSTRUCTION COSTS	
Demolition	0
Offsite Improvements	0
Non-Residential Structures	0
Site Improvements	200,000
Parking Facilities	0
Landscaping / Common Areas	100,000
Residential Structures	1,088,000
Other Construction	0
Retail Core + Shell	0
General Conditions	69,400
Contractor Overhead	0
Contractor Profit	72,870
Contractor Insurance	15,303
Construction Bond Premiums	0
Construction Contingency	154,557
Residential Structures - Non GC	0
Predevelopment Onsite Construction Work	0
TOTAL CONSTRUCTION COSTS	1,700,130
FINANCING COSTS	
Acquisition Loan Costs	0
Construction Loan Costs	15,000
Construction Loan Fees	15,000
Construction Period Interest	40,000
Post Construction Interest	22,000
Permanent Loan Costs	0
Permanent Loan Fees	8,000
Misc. Finance Costs	0
TOTAL FINANCING COSTS	100,000
OTHER COSTS	
Furnishings, Fixtures & Equipment	5,000
Marketing Costs	3,000
Legal Fees	50,000
Property Taxes	2,000
Soft Cost Contingency	25,000
Accounting / Audit / Insurance	45,000
Developer Overhead	0
Developer Fees	300,000
Other Costs / Reserves	102,000
Other Public Subsidy Costs	0
TOTAL OTHER COSTS	532,000
TOTAL DEVELOPMENT COSTS	$3,110,930

SOURCES AND USES OF FUNDS
Jackson St. 10 Units

Construction Sources and Uses

Construction Sources		
Construction Loan		1,470,930
Residual Receipt Loan		1,640,000
	Total Construction Sources	3,110,930
Construction Uses		
Total Development Cost		3,110,930
Amount Over/(Under)		0

Permanent Sources and Uses

Sources		
Permanent Financing		706,000
Residual Receipt Loan		1,640,000
Other Public Subsidy-TBD		764,930
	Total Permanent Sources	3,110,930
Uses		
Total Development Cost		3,110,930
Amount Over/(Under)		0

STABILIZED CASH FLOW ANALYSIS
Jackson St. 12 Units

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME															
Gross Rental Income	122,160	125,825	129,600	133,488	137,492	141,617	145,865	150,241	154,749	159,391	164,173	169,098	174,171	179,396	184,778
Laundry Income	720	742	764	787	810	835	860	886	912	939	968	997	1,027	1,057	1,089
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy @ 5.0%	(6,144)	(6,328)	(6,518)	(6,714)	(6,915)	(7,123)	(7,336)	(7,556)	(7,783)	(8,017)	(8,257)	(8,505)	(8,760)	(9,023)	(9,293)
Retail Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy @ 10.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	116,736	120,238	123,845	127,561	131,387	135,329	139,389	143,571	147,878	152,314	156,883	161,590	166,438	171,431	176,574
EXPENSES															
Administrative	(4,400)	(4,532)	(4,668)	(4,808)	(4,952)	(5,101)	(5,254)	(5,411)	(5,574)	(5,741)	(5,913)	(6,091)	(6,273)	(6,462)	(6,655)
Management Fee @ 6.0%	(7,004)	(7,214)	(7,431)	(7,654)	(7,883)	(8,120)	(8,363)	(8,614)	(8,873)	(9,139)	(9,413)	(9,695)	(9,986)	(10,286)	(10,594)
Operating	(22,450)	(23,124)	(23,817)	(24,532)	(25,268)	(26,026)	(26,806)	(27,611)	(28,439)	(29,292)	(30,171)	(31,076)	(32,008)	(32,969)	(33,958)
Maintenance	(3,200)	(3,296)	(3,395)	(3,497)	(3,602)	(3,710)	(3,821)	(3,936)	(4,054)	(4,175)	(4,301)	(4,430)	(4,562)	(4,699)	(4,840)
Salaries	(12,500)	(12,875)	(13,261)	(13,659)	(14,069)	(14,491)	(14,926)	(15,373)	(15,835)	(16,310)	(16,799)	(17,303)	(17,822)	(18,357)	(18,907)
Taxes (escalated at 2.00%)	(500)	(510)	(520)	(531)	(541)	(552)	(563)	(574)	(586)	(598)	(609)	(622)	(634)	(647)	(660)
Insurance	(3,300)	(3,399)	(3,501)	(3,606)	(3,714)	(3,826)	(3,940)	(4,059)	(4,180)	(4,306)	(4,435)	(4,568)	(4,705)	(4,846)	(4,992)
Renting	(600)	(618)	(637)	(656)	(675)	(696)	(716)	(738)	(760)	(783)	(806)	(831)	(855)	(881)	(908)
Social Programs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL OPERATING EXPENSES	(58,954)	(60,568)	(62,230)	(63,941)	(65,704)	(67,520)	(69,390)	(71,316)	(73,300)	(75,343)	(77,447)	(79,615)	(81,847)	(84,146)	(86,514)
NET OPERATING INCOME	57,782	59,670	61,616	63,619	65,683	67,809	69,999	72,254	74,578	76,971	79,436	81,975	84,591	87,285	90,060
DEBT SERVICE															
Permanent Financing	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)
Interest	(38,593)	(38,056)	(37,489)	(36,891)	(36,258)	(35,590)	(34,884)	(34,139)	(33,351)	(32,519)	(31,640)	(30,711)	(29,730)	(28,694)	(27,599)
Principle	(9,510)	(10,047)	(10,614)	(11,212)	(11,845)	(12,513)	(13,219)	(13,964)	(14,752)	(15,584)	(16,463)	(17,392)	(18,373)	(19,409)	(20,504)
Cash Flow After Debt Service	9,679	11,567	13,512	15,516	17,580	19,706	21,896	24,151	26,475	28,868	31,333	33,872	36,488	39,182	41,957
SLP Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Administration Fee	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)	(6,720)	(6,921)	(7,129)	(7,343)	(7,563)
Cash Flow After Fees	4,679	6,417	8,208	10,052	11,952	13,910	15,925	18,002	20,141	22,344	24,613	26,951	29,359	31,839	34,394
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest (AFR = 2.6%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Payment From Available Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow After Developer Fee Repayment	4,679	6,417	8,208	10,052	11,952	13,910	15,925	18,002	20,141	22,344	24,613	26,951	29,359	31,839	34,394
Cash Flow to Subsidy Provider (50%)	2,339	3,209	4,104	5,026	5,976	6,955	7,963	9,001	10,070	11,172	12,307	13,475	14,679	15,919	17,197
Residual Receipt Loan Repayment															
Beginning Loan Balance	1,640,000	1,641,761	1,642,652	1,642,648	1,641,722	1,639,846	1,636,990	1,633,120	1,628,202	1,622,202	1,615,086	1,606,817	1,597,358	1,586,672	1,574,720
Accrued Interest at 0.25%	4,100	4,100	4,100	4,100	4,100	4,100	4,092	4,083	4,071	4,056	4,038	4,017	3,993	3,967	3,937
Cash Flow Payment	(2,339)	(3,209)	(4,104)	(5,026)	(5,976)	(6,955)	(7,963)	(9,001)	(10,070)	(11,172)	(12,307)	(13,475)	(14,679)	(15,919)	(17,197)
Ending Loan Balance	1,641,761	1,642,652	1,642,648	1,641,722	1,639,846	1,636,990	1,633,120	1,628,202	1,622,202	1,615,086	1,606,817	1,597,358	1,586,672	1,574,720	1,561,460
Cash Flow to Partnership (50%)	2,339	3,209	4,104	5,026	5,976	6,955	7,963	9,001	10,070	11,172	12,307	13,475	14,679	15,919	17,197
Cumulative Cash Flow to Partnership	2,339	5,548	9,652	14,678	20,654	27,609	35,572	44,573	54,643	65,815	78,122	91,597	106,277	122,196	139,393
DCR	1.20	1.24	1.28	1.32	1.37	1.41	1.46	1.50	1.55	1.60	1.65	1.70	1.76	1.81	1.87

STABILIZED CASH FLOW ANALYSIS
Jackson St. 12 Units

Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME															
Gross Rental Income	190,321	196,031	201,912	207,969	214,208	220,635	227,254	234,071	241,093	248,326	255,776	263,449	271,353	279,493	287,878
Laundry Income	1,122	1,155	1,190	1,226	1,263	1,300	1,339	1,380	1,421	1,464	1,508	1,553	1,599	1,647	1,697
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy @ 5.0%	(9,572)	(9,859)	(10,155)	(10,460)	(10,774)	(11,097)	(11,430)	(11,773)	(12,126)	(12,489)	(12,864)	(13,250)	(13,648)	(14,057)	(14,479)
Retail Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy @ 10.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	181,871	187,327	192,947	198,735	204,697	210,838	217,163	223,678	230,389	237,300	244,419	251,752	259,304	267,084	275,096
EXPENSES															
Administrative	(6,855)	(7,061)	(7,273)	(7,491)	(7,715)	(7,947)	(8,185)	(8,431)	(8,684)	(8,944)	(9,213)	(9,489)	(9,774)	(10,067)	(10,369)
Management Fee @ 6.0%	(10,912)	(11,240)	(11,577)	(11,924)	(12,282)	(12,650)	(13,030)	(13,421)	(13,823)	(14,238)	(14,665)	(15,105)	(15,558)	(16,025)	(16,506)
Operating	(34,976)	(36,026)	(37,106)	(38,220)	(39,366)	(40,547)	(41,764)	(43,017)	(44,307)	(45,636)	(47,005)	(48,415)	(49,868)	(51,364)	(52,905)
Maintenance	(4,985)	(5,135)	(5,289)	(5,448)	(5,611)	(5,780)	(5,953)	(6,132)	(6,315)	(6,505)	(6,700)	(6,901)	(7,108)	(7,321)	(7,541)
Salaries	(19,475)	(20,059)	(20,661)	(21,280)	(21,919)	(22,576)	(23,254)	(23,951)	(24,670)	(25,410)	(26,172)	(26,957)	(27,766)	(28,599)	(29,457)
Taxes (escalated at 2.00%)	(673)	(686)	(700)	(714)	(728)	(743)	(758)	(773)	(788)	(804)	(820)	(837)	(853)	(871)	(888)
Insurance	(5,141)	(5,296)	(5,454)	(5,618)	(5,787)	(5,960)	(6,139)	(6,323)	(6,513)	(6,708)	(6,909)	(7,117)	(7,330)	(7,550)	(7,777)
Renting	(935)	(963)	(992)	(1,021)	(1,052)	(1,084)	(1,116)	(1,150)	(1,184)	(1,220)	(1,256)	(1,294)	(1,333)	(1,373)	(1,414)
Social Programs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL OPERATING EXPENSES	(88,953)	(91,465)	(94,052)	(96,716)	(99,461)	(102,287)	(105,198)	(108,197)	(111,285)	(114,466)	(117,741)	(121,115)	(124,591)	(128,170)	(131,856)
NET OPERATING INCOME	92,918	95,862	98,895	102,019	105,237	108,551	111,965	115,482	119,104	122,835	126,678	130,636	134,714	138,914	143,240
DEBT SERVICE															
Permanent Financing	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)	(48,103)
Interest	(26,442)	(25,220)	(23,930)	(22,566)	(21,126)	(19,604)	(17,996)	(16,298)	(14,504)	(12,609)	(10,606)	(8,491)	(6,257)	(3,897)	(1,403)
Principle	(21,661)	(22,883)	(24,173)	(25,537)	(26,978)	(28,499)	(30,107)	(31,805)	(33,599)	(35,494)	(37,497)	(39,612)	(41,846)	(44,207)	(46,700)
Cash Flow After Debt Service	44,815	47,759	50,792	53,916	57,134	60,448	63,862	67,378	71,001	74,732	78,575	82,533	86,611	90,811	95,137
SLP Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Administration Fee	(7,790)	(8,024)	(8,264)	(8,512)	(8,768)	(9,031)	(9,301)	(9,581)	(9,868)	(10,164)	(10,469)	(10,783)	(11,106)	(11,440)	(11,783)
Cash Flow After Fees	37,025	39,736	42,528	45,404	48,366	51,417	54,560	57,798	61,133	64,568	68,106	71,750	75,504	79,371	83,354
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest (AFR = 2.6%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Payment From Available Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow After Developer Fee Repayment	37,025	39,736	42,528	45,404	48,366	51,417	54,560	57,798	61,133	64,568	68,106	71,750	75,504	79,371	83,354
Cash Flow to Subsidy Provider (50%)	18,513	19,868	21,264	22,702	24,183	25,709	27,280	28,899	30,566	32,284	34,053	35,875	37,752	39,686	41,677
Residual Receipt Loan Repayment															
Beginning Loan Balance	1,561,460	1,546,851	1,530,850	1,513,413	1,494,495	1,474,048	1,452,024	1,428,374	1,403,046	1,375,987	1,347,144	1,316,458	1,283,874	1,249,332	1,212,770
Accrued Interest at 0.25%	3,904	3,867	3,827	3,784	3,736	3,685	3,630	3,571	3,508	3,440	3,368	3,291	3,210	3,123	3,032
Cash Flow Payment	(18,513)	(19,868)	(21,264)	(22,702)	(24,183)	(25,709)	(27,280)	(28,899)	(30,566)	(32,284)	(34,053)	(35,875)	(37,752)	(39,686)	(41,677)
Ending Loan Balance	1,546,851	1,530,850	1,513,413	1,494,495	1,474,048	1,452,024	1,428,374	1,403,046	1,375,987	1,347,144	1,316,458	1,283,874	1,249,332	1,212,770	1,174,125
Cash Flow to Partnership (50%)	18,513	19,868	21,264	22,702	24,183	25,709	27,280	28,899	30,566	32,284	34,053	35,875	37,752	39,686	41,677
Cumulative Cash Flow to Partnership	157,906	177,773	199,037	221,739	245,922	271,631	298,911	327,810	358,377	390,660	424,713	460,588	498,341	538,026	579,703
DCR	1.93	1.99	2.06	2.12	2.19	2.26	2.33	2.40	2.48	2.55	2.63	2.72	2.80	2.89	2.98

STABILIZED CASH FLOW ANALYSIS
Jackson St. 12 Units

Year	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47
INCOME																	
Gross Rental Income	296,514	305,410	314,572	324,009	333,730	343,741	354,054	364,675	375,616	386,884	398,491	410,445	422,759	435,441	448,505	461,960	475,819
Laundry Income	1,748	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349	2,419	2,492	2,566	2,643	2,723	2,804
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy @ 5.0%	(14,913)	(15,360)	(15,821)	(16,296)	(16,785)	(17,288)	(17,807)	(18,341)	(18,891)	(19,458)	(20,042)	(20,643)	(21,263)	(21,900)	(22,557)	(23,234)	(23,931)
Retail Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy @ 10.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	283,349	291,849	300,605	309,623	318,912	328,479	338,333	348,483	358,938	369,706	380,797	392,221	403,988	416,107	428,591	441,448	454,692
EXPENSES																	
Administrative	(10,680)	(11,000)	(11,330)	(11,670)	(12,020)	(12,381)	(12,752)	(13,135)	(13,529)	(13,935)	(14,353)	(14,784)	(15,227)	(15,684)	(16,154)	(16,639)	(17,138)
Management Fee @ 6.0%	(17,001)	(17,511)	(18,036)	(18,577)	(19,135)	(19,709)	(20,300)	(20,909)	(21,536)	(22,182)	(22,848)	(23,533)	(24,239)	(24,966)	(25,715)	(26,487)	(27,282)
Operating	(54,492)	(56,127)	(57,811)	(59,545)	(61,331)	(63,171)	(65,066)	(67,018)	(69,029)	(71,100)	(73,233)	(75,430)	(77,693)	(80,023)	(82,424)	(84,897)	(87,444)
Maintenance	(7,767)	(8,000)	(8,240)	(8,487)	(8,742)	(9,004)	(9,274)	(9,553)	(9,839)	(10,134)	(10,439)	(10,752)	(11,074)	(11,406)	(11,749)	(12,101)	(12,464)
Salaries	(30,341)	(31,251)	(32,189)	(33,154)	(34,149)	(35,173)	(36,228)	(37,315)	(38,435)	(39,588)	(40,775)	(41,999)	(43,259)	(44,556)	(45,893)	(47,270)	(48,688)
Taxes (escalated at 2.00%)	(906)	(924)	(942)	(961)	(980)	(1,000)	(1,020)	(1,040)	(1,061)	(1,082)	(1,104)	(1,126)	(1,149)	(1,172)	(1,195)	(1,219)	(1,243)
Insurance	(8,010)	(8,250)	(8,498)	(8,753)	(9,015)	(9,286)	(9,564)	(9,851)	(10,147)	(10,451)	(10,765)	(11,088)	(11,420)	(11,763)	(12,116)	(12,479)	(12,854)
Renting	(1,456)	(1,500)	(1,545)	(1,591)	(1,639)	(1,688)	(1,739)	(1,791)	(1,845)	(1,900)	(1,957)	(2,016)	(2,076)	(2,139)	(2,203)	(2,269)	(2,337)
Social Programs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL OPERATING EXPENSES	(135,653)	(139,563)	(143,591)	(147,739)	(152,012)	(156,413)	(160,945)	(165,613)	(170,421)	(175,373)	(180,474)	(185,727)	(191,137)	(196,710)	(202,449)	(208,361)	(214,450)
NET OPERATING INCOME	147,696	152,286	157,014	161,884	166,900	172,066	177,388	182,870	188,517	194,333	200,324	206,494	212,851	219,398	226,141	233,087	240,242
DEBT SERVICE																	
Permanent Financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Debt Service	147,696	152,286	157,014	161,884	166,900	172,066	177,388	182,870	188,517	194,333	200,324	206,494	212,851	219,398	226,141	233,087	240,242
SLP Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Administration Fee	(12,136)	(12,500)	(12,875)	(13,262)	(13,660)	(14,069)	(14,491)	(14,926)	(15,374)	(15,835)	(16,310)	(16,799)	(17,303)	(17,823)	(18,357)	(18,908)	(19,475)
Cash Flow After Fees	135,560	139,785	144,138	148,622	153,240	157,997	162,897	167,944	173,143	178,498	184,014	189,695	195,547	201,575	207,784	214,179	220,767
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest (AFR = 2.6%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Payment From Available Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow After Developer Fee Repayment	135,560	139,785	144,138	148,622	153,240	157,997	162,897	167,944	173,143	178,498	184,014	189,695	195,547	201,575	207,784	214,179	220,767
Cash Flow to Subsidy Provider (50%)	67,780	69,893	72,069	74,311	76,620	78,999	81,449	83,972	86,571	89,249	92,007	94,847	97,774	100,788	103,892	0	0
Residual Receipt Loan Repayment																	
Beginning Loan Balance	1,174,125	1,109,280	1,042,161	972,697	900,818	826,450	749,517	669,943	587,645	502,543	414,550	323,580	229,542	132,342	31,885	0	0
Accrued Interest at 0.25%	2,935	2,773	2,605	2,432	2,252	2,066	1,874	1,675	1,469	1,256	1,036	809	574	331	80	0	0
Cash Flow Payment	(67,780)	(69,893)	(72,069)	(74,311)	(76,620)	(78,999)	(81,449)	(83,972)	(86,571)	(89,249)	(92,007)	(94,847)	(97,774)	(100,788)	(31,965)	0	0
Ending Loan Balance	1,109,280	1,042,161	972,697	900,818	826,450	749,517	669,943	587,645	502,543	414,550	323,580	229,542	132,342	31,885	0	0	0
Cash Flow to Partnership (50%)	67,780	69,893	72,069	74,311	76,620	78,999	81,449	83,972	86,571	89,249	92,007	94,847	97,774	100,788	103,892	214,179	220,767
Cumulative Cash Flow to Partnership	647,483	717,376	789,445	863,756	940,376	1,019,374	1,100,823	1,184,795	1,271,366	1,360,615	1,452,622	1,547,470	1,645,243	1,746,031	1,921,850	2,136,029	2,356,796
DCR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

STABILIZED CASH FLOW ANALYSIS
Jackson St. 12 Units

Year	48	49	50	51	52	53	54	55
INCOME								
Gross Rental Income	490,093	504,796	519,940	535,538	551,604	568,152	585,197	602,753
Laundry Income	2,889	2,975	3,064	3,156	3,251	3,349	3,449	3,553
Other Income	0	0	0	0	0	0	0	0
Vacancy @ 5.0%	(24,649)	(25,389)	(26,150)	(26,935)	(27,743)	(28,575)	(29,432)	(30,315)
Retail Income	0	0	0	0	0	0	0	0
Vacancy @ 10.0%	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	468,333	482,383	496,854	511,760	527,112	542,926	559,214	575,990
EXPENSES								
Administrative	(17,652)	(18,182)	(18,727)	(19,289)	(19,868)	(20,464)	(21,078)	(21,710)
Management Fee @ 6.0%	(28,100)	(28,943)	(29,811)	(30,706)	(31,627)	(32,576)	(33,553)	(34,559)
Operating	(90,067)	(92,769)	(95,552)	(98,419)	(101,371)	(104,412)	(107,545)	(110,771)
Maintenance	(12,838)	(13,223)	(13,620)	(14,028)	(14,449)	(14,883)	(15,329)	(15,789)
Salaries	(50,149)	(51,653)	(53,203)	(54,799)	(56,443)	(58,136)	(59,880)	(61,677)
Taxes (escalated at 2.00%)	(1,268)	(1,294)	(1,319)	(1,346)	(1,373)	(1,400)	(1,428)	(1,457)
Insurance	(13,239)	(13,636)	(14,046)	(14,467)	(14,901)	(15,348)	(15,808)	(16,283)
Renting	(2,407)	(2,479)	(2,554)	(2,630)	(2,709)	(2,791)	(2,874)	(2,960)
Social Programs	0	0	0	0	0	0	0	0
Replacement Reserves	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL OPERATING EXPENSES	(220,721)	(227,180)	(233,832)	(240,684)	(247,741)	(255,009)	(262,496)	(270,206)
NET OPERATING INCOME	247,612	255,203	263,022	271,076	279,372	287,916	296,718	305,784
DEBT SERVICE								
Permanent Financing	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0
Principle	0	0	0	0	0	0	0	0
Cash Flow After Debt Service	247,612	255,203	263,022	271,076	279,372	287,916	296,718	305,784
SLP Fee	-	-	-	-	-	-	-	-
Partnership Administration Fee	(20,059)	(20,661)	(21,281)	(21,920)	(22,577)	(23,254)	(23,952)	(24,671)
Cash Flow After Fees	227,552	234,542	241,741	249,156	256,794	264,662	272,766	281,113
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0
Interest (AFR = 2.6%)	0	0	0	0	0	0	0	0
Less: Payment From Available Cash Flow	0	0	0	0	0	0	0	0
Developer Fee Amount Remaining	0	0	0	0	0	0	0	0
Net Cash Flow After Developer Fee Repayment	227,552	234,542	241,741	249,156	256,794	264,662	272,766	281,113
Cash Flow to Subsidy Provider (50%)	0	0	0	0	0	0	0	0
Residual Receipt Loan Repayment								
Beginning Loan Balance	0	0	0	0	0	0	0	0
Accrued Interest at 0.25%	0	0	0	0	0	0	0	0
Cash Flow Payment	0	0	0	0	0	0	0	0
Ending Loan Balance	0	0	0	0	0	0	0	0
Cash Flow to Partnership (50%)	227,552	234,542	241,741	249,156	256,794	264,662	272,766	281,113
Cumulative Cash Flow to Partnership	2,584,349	2,818,890	3,060,631	3,309,788	3,566,582	3,831,244	4,104,010	4,385,123
DCR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00