

Independent Auditor's Report
Certification of Actual Cost and Opinion as
to Eligible Basis, Owner's Certification of Funding
Sources and Project Subsidy
and
Building Allocation of Qualified Basis
New Columbia Forrest Heights, L.P.
December 31, 2014

New Columbia Forrest Heights, L.P.

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Independent Auditor's Report

Owner's Name: New Columbia Forrest Heights, L.P.
Project Name: Forrest Heights
Project Number: 2012-014

We have audited the costs included in the accompanying Georgia Department of Community Affairs ("DCA") Certification of Actual Cost and opinion as to Eligible Basis, the Owner's Certification of Funding Sources and Project Subsidy, and the building allocation of Qualified Basis Worksheet (the "Final Cost Certification") of New Columbia Forrest Heights, L.P. (the "Owner") for New Columbia Forrest Heights, L.P. ("the Project") as of December 31, 2014.

Management's Responsibility for the Final Cost Certification

Management is responsible for the preparation and fair presentation of the Final Cost Certification in accordance with financial reporting provisions and qualified allocation plan rules established by DCA. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Final Cost Certification that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Final Cost Certification based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Final Cost Certification is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Final Cost Certification. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Final Cost Certification, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Final Cost Certification in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Final Cost Certification.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Final Cost Certification referred to above presents fairly, in all material respects, the actual costs of \$13,260,177 and eligible basis of \$10,800,640 of the Owner for the Project as of December 31, 2014, in accordance with financial reporting provisions and qualified allocation plan rules established by DCA.

Basis of Accounting

We draw attention to the financial reporting provisions of DCA, which require the Owner to account for actual costs and adjusted eligible basis in accordance with the basis of accounting the Owner uses for income tax purposes and to comply with the provisions of DCA's qualified allocation plan, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of the Owner and DCA and is not intended to be and should not be used by anyone other than these specified parties.

Other

We have no financial interest in the Project other than in the practice of our profession.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Atlanta, Georgia
February 5, 2015

PART THREE - SOURCES OF FUNDS - Forrest Heights - 2012-014

I. PERMANENT FINANCING

Financing Type	Name of Financing Entity	Principal Amount	Interest Rate	Term (Years)	Amort. (Years)	Annual Debt Svc Per Terms Given	Loan Type	Balloon?
First Mortgage	Community and Southern Bank	1,000,000	6.000%	20	20	85,972	Amortizing	No
Second Mortgage	Georgia Housing and Finance Authority	1,500,000	0.000%	20	20	75,000	DCA HOME IPS	No
Third Mortgage	Housing Authority of DeKalb County	500,000	3.500%	42	42	22,740	Amortizing	No
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	New Affordable Housing Partners, LLC	6,498						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	Community Equity Fund XVII Limited Partnership	7,151,653						
State Housing Credit Equity	Georgia Fund 2012 VI, LLC	3,101,926						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify) General Partner		100						
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		13,260,177						
Total Development Costs from Development Cost Schedule:		13,260,177						
Surplus/(Shortage) of Permanent Funds to Development Costs:		0						

DCA HOME loan interest rate per Operating Year for Projects located in Rural Areas:

Year:	1-7	8	9	10	11	12	13	14	15
Rate:									

VII. OWNER COMMENTS AND CLARIFICATIONS

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
PRE-DEVELOPMENT COSTS					
Property Appraisal	4,500	4,500			-
Market Study	3,500	3,500			-
Environmental Report(s)	53,204	53,204			-
Soil Borings					
Boundary and Topographical Survey	10,400	10,400			-
Zoning/Site Plan Fees	30	30			-
Other: Landscaping, Permitting	133,836	133,836			-
Subtotal	205,470	205,470	-	-	-
ACQUISITION					
Land	1,316,336				1,316,336
Demolition	-				-
Acquisition Legal Fees (if existing structures)					
Existing Structures					
Subtotal	1,316,336		-		1,316,336
SITE IMPROVEMENTS					
Site Preparation (On-site)	1,453,740	1,191,500			262,240
Site Preparation (Off-site)					
Subtotal	1,453,740	1,191,500	-	-	262,240
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction	5,940,051	5,940,051			
Unit/Building Construction/Rehab					
Project Amenities / Accessory Buildings					
Other:					
Subtotal	5,940,051	5,940,051	-	-	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	147,876	142,750			
Builder Profit: 6.00%	443,627	407,142			
General Requirements 6.00%	443,627	381,523			
Payment/performance bond or letter-of-credit fee or premium					
Subtotal	931,415	931,415	-	-	-
<i>Total Construction Costs</i>	<i>104,065.08 per unit</i>				
<i>8,325,206</i>	<i>130.71 per sq ft</i>				

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
CONSTRUCTION PERIOD FINANCING					
Construction Loan Fee	185,747	7,261			178,486
Construction Loan Interest	127,139	74,292			52,847
Construction Legal Fees					
Construction Period Real Estate Tax	141,102	137,790			3,312
Construction Insurance	102,739	102,712			27
Bridge Loan Fee and Bridge Loan Interest					
Other: Inspection Fees	28,459	28,459			-
Subtotal	585,186	350,514	-	-	234,672
PROFESSIONAL SERVICES					
Architectural Fee - Design	340,796	340,796			-
Architectural Fee - Supervision					
Engineering	81,058	81,058			-
Real Estate Attorney	126,152	94,614			31,538
Accounting	54,550	54,550			
Other: Arborist, Tree Recomense, Security System	11,890	11,890			-
Subtotal	614,446	582,908	-	-	31,538
LOCAL GOVERNMENT FEES					
Building Permits	7,565	7,565			-
Impact Fees	16,963	16,963			-
Water Tap Fees <i>waived?</i>	14,207	14,207			-
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	38,735	38,735	-	-	-
PERMANENT FINANCING FEES					
Permanent Loan Fees					
Permanent Loan Legal Fees					
Title and Recording Fees	54,677	48,536			6,141
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount					
Other:					
Subtotal	54,677	48,536	-	-	6,141

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
DCA-RELATED COSTS					
DCA Loan Application Fee	1,000				1,000
Tax Credit Application Fee	6,500				6,500
DCA Waiver Fees	1,500				1,500
LIHTC Allocation Processing Fee	54,379 62,147				62,147
LIHTC Compliance Monitoring Fee	56,000 64,000				64,000
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	3,000				3,000
Other: _____					
Subtotal	138,147				138,147
EQUITY COSTS					
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other: _____					
Subtotal	-	-	-	-	-
DEVELOPER'S FEE					
Developer's Overhead	1,190,000	1,190,000			
Consultant's Fee					
Developer's Fee					
Subtotal	1,190,000	1,190,000	-	-	-
START-UP AND RESERVES					
Marketing	58,913				58,913
Rent -Up Reserves	150,000				150,000
Operating Deficit Reserve:	261,550				261,550
Replacement Reserve					
Furniture, Fixtures and Equipment	274,176	274,176			-
Other: _____					
Subtotal	744,639	274,176	-	-	470,463
OTHER COSTS					
Relocation					
Other: Green Building Consultant Fee, Permitting, Carrying Costs	23,080	23,080			
Other: Green Building Program Certification Fee (LEED or Earthcraft)	24,255	24,255			
Subtotal	47,335	47,335	-	-	-
TOTAL DEVELOPMENT COST	13,260,177	10,800,640	-	-	2,459,537
Per Unit	165,752.21				
Per Square Foot	208.20				

II. TAX CREDIT CALCULATION - BASIS METHOD

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
Subtractions From Eligible Basis			
Amount of federal grant(s) used to finance qualifying development costs			
Amount of federal below market rate loan			
Amount of nonqualified nonrecourse financing			
Costs of Nonqualifying units of higher quality			
Nonqualifying excess portion of higher quality units			
Historic Tax Credit (Residential Portion Only)			
Other			
Total Subtractions From Basis:	0		0
Eligible Basis Calculation			
Total Basis	10,800,640	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	10,800,640	0	0
Eligible Basis Adjustment for DDA/QCT Location	100.00%		
Adjusted Eligible Basis	10,800,640	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	87.28%	87.28%	87.28%
Qualified Basis	9,426,459	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	848,381	0	0
Total Basis Method Tax Credit Calculation	848,381		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	13,260,177		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	3,000,100		
Equity Gap	10,260,077		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	1,026,008		
Enter Final Federal and State Equity Factors (not including GP contribution)	1.3200	=	Federal
Total Gap Method Tax Credit Calculation	777,279		State
			0.9300 + 0.3900

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

I certify that all information provided above is true, correct, complete and reflects the full extent of all project costs and eligible basis which apply (or are expected to apply) to the above-mentioned development.

Owner Signature _____

Name - Please Type _____

Date _____

PART EIGHT - BUILDING BY BUILDING CREDIT ALLOCATION - Forrest Heights - 2012-014

Cost Certification Date: 12/31/2014 Carryover Allocation Date: 2012 Project Address: 1004 Columbia Drive , Decatur GA 30030-4725
 Type of Activity: New Construction

Please do NOT include common space employee units!

Building Address	Building Identification Number	Total Nbr of Residential Units	Total Residential Square Footage	Nbr of Low Income Units	Low Income Square Footage	Building's Eligible Basis	QCT/DDA Boost	Building's Adjusted Basis	Building's Applicable Fraction	Building's Qualified Basis	Date Placed In Service	Applic. Credit %	Tax Credit Amount	FINAL Tax Credit Allocation Request	
														Building's Qualified Basis	Tax Credit Amount
1004 Columbia Drive	GA-13-21401	80	63,019	71	55,001	10,800,640	100%	10,800,640	87.28%	9,426,459	10/17/2014	9.00%	848,381	8,631,567	776,841
		80	63,019	71	55,001	10,800,640		10,800,640		9,426,459			848,381	8,631,567	776,841