

**Mercy Housing Georgia 12, L.P  
(dba Savannah Gardens Phase III)**

**Schedule of Actual Costs and  
Independent Auditors' Report**

**December 31, 2012**

## Independent Auditors' Report

Partnership Name: Mercy Housing Georgia 12, L.P.  
Project Name: Savannah Gardens Phase III  
Project Number: DCA Project # 2010-018

We have audited the costs included in Part Three and Part Four (“Development Sources and Uses Schedules”) of the accompanying Tax Credit Allocation Agency (“TCAA”) Final Cost Certification (the “Final Cost Certification”) of Mercy Housing Georgia 12, L.P. (the “Owner”) for Savannah Gardens Phase III (“the Project”) as of December 31, 2012. The Final Cost Certification is the responsibility of the Owner and the Owner’s management. 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 include that we plan and perform the audit to obtain reasonable assurance of whether the Final Cost Certification is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Final Cost Certification. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Final Cost Certification presentation. We believe our audit provides a reasonable basis for our opinion.

The Development Sources and Uses Schedules of the accompanying Final Cost Certification was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by TCAA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the Development Sources and Uses Schedules presents fairly the actual costs of \$12,193,335 and eligible costs of \$10,146,957 of the Owner for the Project as of December 31, 2012, on the basis of the accounting described above.

Parts One, Two, Five, Six, Seven, Eight, and Nine, which is the responsibility of management, is presented for purposes of additional analysis and is not a required pursuant to accounting practices prescribed by the Internal Revenue Service but is supplementary information required by Tax Credit Allocation Agency. The information in Part Eight was derived from and relates directly to the underlying accounting and other records used to prepare The Sources and Uses Schedules of the Final Cost Certification and has been subjected to the auditing procedures applied in the audit the Sources and Uses Schedules and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the Sources and Uses Schedules, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Part Eight is fairly stated in all material respects in relation to Sources and Uses Schedules as a whole. The information in Part One, Two, Five, Six and Nine has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with TCAA and should not be used for any other purpose.

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



Charlotte, North Carolina  
February 11, 2013

<b>Project Name</b>	<input type="text" value="Savannah Gardens Phase III"/>	<b>DCA Project Number</b>	<input type="text" value="2010-018"/>
Date of Final Allocation Application	<input type="text" value="2/11/13"/>	Date of Architectural Clearance	<input type="text"/>
Start of First Year of Credit	<input type="text" value="1/1/13"/>	Date of Compliance Clearance	<input type="text"/>

**Accountant Completing Cost Certification**

Name	<input type="text" value="Cristi Lewis"/>				
Address	<input type="text" value="525 N. Tryon St. Suite 1000"/>				
City	<input type="text" value="Charlotte"/>	State	<input type="text" value="NC"/>	Zip	<input type="text" value="28202"/>
Title	<input type="text" value="Principal"/>	E-mail	<input type="text" value="cristi.lewis@cohnreznick.com"/>		Direct Line
Office Phone	<input type="text" value="(704) 332-9100"/>	Ext.	<input type="text"/>	Fax	<input type="text" value="(704) 837-7380"/>

**Owner Contact for Application Review**

Name	<input type="text" value="Robin Haddock"/>				
Address	<input type="text" value="5520 Reynolds Street"/>				
City	<input type="text" value="Savannah"/>	State	<input type="text" value="GA"/>	Zip	<input type="text" value="31405"/>
Title	<input type="text" value="Manager"/>	E-mail	<input type="text" value="rhdevelopment@bellsouth.net"/>		Direct Line
Office Phone	<input type="text" value="(912) 691-1165"/>	Ext.	<input type="text"/>	Fax	<input type="text"/>
					Cellular
					<input type="text" value="(912) 308-4351"/>

**I. Project Location**

Street Address	<input type="text" value="500 Pennsylvania Avenue"/>			Scattered Site?	<input type="text" value="No"/>
City	<input type="text" value="Savannah"/>	Zip+4	<input type="text" value="31404"/>	Acreeage	<input type="text" value="3.176"/>
Within City Limits?	<input type="text" value="Yes"/>	County	<input type="text" value="Chatham"/>	Census Tract #	<input type="text" value="36.01"/>
In USDA Rural Area?	<input type="text" value="No"/>	MSA name, if applicable	<input type="text" value="Savannah"/>	QCT/DDA?	<input type="text" value="No"/>

**II. Project Description**

**A. Type of Activity:** Indicate number of units in *each* category that applies:      New Construction     Acq/Rhb     Rehab

**B. Buildings**

Number of Residential Buildings	<input type="text" value="4"/>
Number of Non-Residential Buildings	<input type="text" value="-"/>
Total Number of Buildings	<input type="text" value="4"/>

**C. Unit Breakdown**

Number of Low Income Units	<input type="text" value="89"/>	(Include manager units that are income restricted)
Number of Market Rate Units	<input type="text" value="5"/>	
Total Residential Units	<input type="text" value="94"/>	
Common Space Units	<input type="text" value="-"/>	(no rent may be charged)
Total Units	<input type="text" value="94"/>	

**D. Unit Area**

Total Low Income Residential Square Footage	<input type="text" value="99,525"/>
Total Market Rate Residential Square Footage	<input type="text" value="5,376"/>
Total Residential Square Footage	<input type="text" value="104,901"/>
Total Common Space Square Footage	<input type="text" value="-"/>
Total Square Footage	<input type="text" value="104,901"/>

**E. Targeted Population**

	<input type="text" value="Family"/>
Number of Units Reserved for Special Needs	<input type="text" value="0"/>
Number of Units Equipped for Mobility Impaired	<input type="text" value="5"/>
Number of Units Equipped for Sight/Hearing Impaired	<input type="text" value="2"/>

**III. Tax Exempt Bond Financed Project**

Issuer:	<input type="text"/>
Inducement Date:	<input type="text"/>
Applicable QAP:	<input type="text"/>

**IV. Low Income Targeting**

Number of 30% Units	<input type="text" value="0"/>
Number of 50% Units	<input type="text" value="20"/>
Number of 60% Units	<input type="text" value="69"/>
Number of PBRA Units	<input type="text" value="0"/>

**V. Government Funding Sources (check all that apply)**

Tax Credits	<input checked="" type="checkbox"/>	USDA 515	<input type="text"/>	CDBG	<input checked="" type="checkbox"/>	AHP	<input type="text"/>	Historic Rehab Credits	<input type="text"/>
HOME	<input type="text"/>	USDA 538	<input type="text"/>	HUD	<input type="text"/>			FHA Insured Mortgage	<input type="text"/>
Tax Exempt Bonds	<input type="text"/>	FHLB	<input type="text"/>	Other	<input type="text"/>	(describe)	<input type="text"/>		
Taxable Bonds	<input type="text"/>	HOPE VI	<input type="text"/>	Other	<input type="text"/>	(describe)	<input type="text"/>		

**VI. Owner Certification**

Deeper Targeting	<input checked="" type="checkbox"/>
Government Financial Assistance	<input checked="" type="checkbox"/>

**VII. OWNER COMMENTS AND CLARIFICATIONS**

Please note that any of the above information that changed from the initial application must be noted in this box and must include the date that DCA approved the change. A summary of all changes should be included in the "Changes Narrative" Tab of this application.

I. OWNERSHIP INFORMATION

A. OWNERSHIP ENTITY

Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

Mercy Housing Georgia 12, LP				(Enter name as it will appear on all legal documents)			
260 Peachtree Street, Suite 1800				Federal Tax ID Nbr: 27-2987561			
Atlanta	State	GA	Zip	30303			
Jane Graf	Title	President		E-mail	jgraf@mercyhousing.org		
(404) 975-4199	Fax	(404) 881-1191	Direct Line	(415) 355-7146	Cellular	(415) 652-0522	

B. PARTNERSHIP INFORMATION

1. GENERAL PARTNER(S)

a. Managing Gen'l Partner  
Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

b. Other General Partner  
Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

MHSE Savannah Gardens Phase III GP, LLC				Federal Tax ID Nbr: 27-2884476			
260 Peachtree Street, Suite 1800							
Atlanta	State	GA	Zip	30303			
Jane Graf	Title	President		E-mail	jgraf@mercyhousing.org		
(404) 975-4199	Fax	(404) 881-1191	Direct Line	(415) 355-7146	Cellular	(415) 652-0522	

  

				Federal Tax ID Nbr: _____			
	State		Zip				
	Title			E-mail			
	Fax		Direct Line		Cellular		

2. LIMITED PARTNERS

a. Federal Limited Partner  
Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

b. State Limited Partner  
Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

STCC Savannah Gardens III, L.L.C.				Federal Tax ID Nbr: 58-2391673			
1155 Peachtree Street, Suite 300							
Atlanta	State	GA	Zip	30309			
Brian Womble	Title	First Vice President		E-mail	brian.womble@suntrust.com		
(404) 588-8775	Fax	(404) 827-6025	Direct Line		Cellular		

  

STCC Savannah Gardens III, L.L.C.				Federal Tax ID Nbr: 58-2391673			
1155 Peachtree Street, Suite 300							
Atlanta	State	GA	Zip	30309			
Brian Womble	Title	First Vice President		E-mail	brian.womble@suntrust.com		
(404) 588-8775	Fax	(404) 827-6025	Direct Line		Cellular		

3. NONPROFIT SPONSOR

Nonprofit Sponsor\*  
Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

Mercy Community Housing Georgia, Inc.				Federal Tax ID Nbr: 58-2434289			
260 Peachtree Street, Suite 1800							
Atlanta	State	GA	Zip	30303			
Jane Graf	Title	President		E-mail	jgraf@mercyhousing.org		
(404) 975-4199	Fax	(404) 881-1191	Direct Line	(415) 355-7146	Cellular	(415) 652-0522	

II. DEVELOPER(S)

A. DEVELOPER

Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

Mercy Housing Southeast, Inc.				Federal Tax ID Nbr: 56-1993872			
260 Peachtree Street, Suite 1800							
Atlanta	State	GA	Zip	30303			
Jane Graf	Title	President		E-mail	jgraf@mercyhousing.org		
(404) 975-4199	Fax	(404) 881-1191	Direct Line	(415) 355-7146	Cellular	(415) 652-0522	

B. CO-DEVELOPER 1

Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

				Federal Tax ID Nbr: _____			
	State		Zip				
	Title			E-mail			
	Fax		Direct Line		Cellular		

C. CO-DEVELOPER 2

Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

				Federal Tax ID Nbr: _____			
	State		Zip				
	Title			E-mail			
	Fax		Direct Line		Cellular		

D. DEVELOPMENT CONSULTANT

Office Street Address  
City  
Name of Principal  
10-Digit Office Phone / Ext.

RLH Development, LLC				Federal Tax ID Nbr: 26-3761509			
5520 Reynolds Street							
Savannah	State	GA	Zip	31405			
Robin Haddock	Title	Manager		E-mail	rhhdevelopment@bellsouth.net		
(912) 691-1165	Fax		Direct Line		Cellular	(912) 308-4351	

**III. OTHER PROJECT TEAM MEMBERS**

**A. OWNERSHIP CONSULTANT**

Office Street Address				Federal Tax ID Nbr:	
City	State	Zip			
Name of Principal	Title			E-mail	
10-Digit Office Phone / Ext.	Fax	Direct Line	Cellular		

**B. GENERAL CONTRACTOR**

Office Street Address	NorSouth Construction Company of Georgia, Inc.			Federal Tax ID Nbr:	26-3189928
City	State	Zip	31406		
Name of Principal	Title	President		E-mail	billj@norsouth.com
10-Digit Office Phone / Ext.	Fax	(912) 352-3451	Direct Line	(912) 644-6969	Cellular

**C. MANAGEMENT COMPANY**

Office Street Address	Mercy Housing Management Group			Federal Tax ID Nbr:	82-0376108
City	State	Zip	30303		
Name of Principal	Title	Regional Vice President		E-mail	ssmitley@mercyhousing.org
10-Digit Office Phone / Ext.	Fax	(404) 975-4194	Direct Line	(404) 881-1191	Cellular

**D. ATTORNEY**

Office Street Address	Hunter Maclean			Federal Tax ID Nbr:	58-2211993
City	State	Zip	31401		
Name of Principal	Title	Partner		E-mail	thenneman@huntermaclean.com
10-Digit Office Phone / Ext.	Fax	(912) 236-0261	Direct Line	(912) 944-1635	Cellular

**E. ACCOUNTANT**

Office Street Address	CohnReznick LLP			Federal Tax ID Nbr:	58-0946915
City	State	Zip	28202		
Name of Principal	Title	Principal		E-mail	cristi.lewis@cohnreznick.com
10-Digit Office Phone / Ext.	Fax	(704) 332-9100	Direct Line	(704) 332-6444	Cellular

**F. ARCHITECT**

Office Street Address	Martin Riley Associates - Architects, PC			Federal Tax ID Nbr:	58-1476866
City	State	Zip	30030		
Name of Principal	Title	Vice President		E-mail	mriley@martinriley.com
10-Digit Office Phone / Ext.	Fax	(404) 373-2800	Direct Line	(404) 373-2888	Cellular

**IV. OTHER REQUIRED INFORMATION (Answer each of the 6 questions below for each participant listed below.)**

Participant	1. Is this entity a MBE / WBE?	2. Has any person, principal, or agent for this entity ever been convicted of a felony (Yes or No)? If yes, attach explanation.	3. Does this entity have an identity of interest with any other entity in this chart? If yes, attach explanation.	4. Does this entity have an identity of interest with any member, officer, or employee of DCA? If yes, attach explanation.	5. Has this entity ever been debarred or suspended from any local, state, or federal housing program? If yes, attach explanation.	6. Applicable Organizational Type (For Profit, Nonprofit, CHDO)	7. Project Ownership Percentage
Managing General Partner	No	No	Yes	No	No	For Profit	0.010%
Other General Partner 1							
Other General Partner 2							
Federal Limited Partner	No	No	No	No	No	For Profit	99.980%
State Limited Partner	No	No	No	No	No	For Profit	0.010%
Nonprofit Sponsor	No	No	Yes	No	No	Nonprofit	0.000%
Developer	No	No	Yes	No	No	Nonprofit	0.000%
Co-Developer 1							
Co-Developer 2							
Owner Consultant							
Developer Consultant	Yes	No	No	No	No	For Profit	0.000%
Contractor	No	No	No	No	Yes	For Profit	0.000%
Management Company	No	No	Yes	No	No	Nonprofit	0.000%

**V. OWNER COMMENTS AND CLARIFICATIONS**

There should be no change in the Development Team unless the Owner has received prior written approval from DCA.

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	Bank of America	2,334,499	6.340%	18	30	174,130	Amortizing	No
Second Mortgage	Community Housing Services Agency,	500,000	3.000%	20			Cash Flow	No
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Mercy Housing Southeast, Inc.	0						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	STCC Savannah Gardens III, LLC	6,974,900						
State Housing Credit Equity	STCC Savannah Gardens III, LLC	2,383,826						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify) GP Equity	MHSE Savannah Gardens Phase III G	100						
Other Source (specify) Special LP	CDC Special Limited Parnter, LLC	10						
Other Source (specify)								
Total Permanent Financing:		<b>12,193,335</b>						
Total Development Costs from Development Cost Schedule:		<b>12,193,335</b>						
Surplus/(Shortage) of Permanent Funds to Development Costs:		<b>0</b>						

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
<b>PRE-DEVELOPMENT COSTS</b>					
Property Appraisal	5,500	5,500			
Market Study	5,680	5,680			
Environmental Report(s)	7,650	7,650			
Soil Borings	4,920	4,920			
Boundary and Topographical Survey	650	650			
Zoning/Site Plan Fees	30	30			
Other:	-	-			
<b>Subtotal</b>	<b>24,430</b>	<b>24,430</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ACQUISITION</b>					
Land	940,000				940,000
Demolition	2,685				2,685
Acquisition Legal Fees (if existing structures)	-				-
Existing Structures	-				-
<b>Subtotal</b>	<b>942,685</b>		<b>-</b>		<b>942,685</b>
<b>SITE IMPROVEMENTS</b>					
Site Preparation (On-site)	1,005,296	917,152			88,144
Site Preparation (Off-site)	-	-			-
<b>Subtotal</b>	<b>1,005,296</b>	<b>917,152</b>	<b>-</b>	<b>-</b>	<b>88,144</b>
<b>UNIT/BUILDING CONSTRUCTION</b>					
Unit/Building Construction/New Construction	5,995,389	5,995,389			
Unit/Building Construction/Rehab	-	-			-
Project Amenities / Accessory Buildings	-	-			-
Other:	-	-			-
<b>Subtotal</b>	<b>5,995,389</b>	<b>5,995,389</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CONTRACTOR SERVICES</b>					
Builder's Overhead: 2.00%	140,014	139,764			
Builder Profit: 6.00%	420,041	419,293			
General Requirements 6.00%	420,041	340,796			
Payment/performance bond or letter-of-credit fee or premium	69,474	69,474			
<b>Subtotal</b>	<b>969,327</b>	<b>969,327</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total Construction Costs 84,787.36 per unit</i>					
<i>7,970,012 75.98 per sq ft</i>					

I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non Depreciable Basis
<b>CONSTRUCTION PERIOD FINANCING</b>					
Construction Loan Fee	61,982	3,586			58,396
Construction Loan Interest	129,836	53,225			76,611
Construction Legal Fees	98,000	5,670			92,330
Construction Period Real Estate Tax	1,575	1,575			-
Construction Insurance	77,536	66,019			11,517
Bridge Loan Fee and Bridge Loan Interest	-	-			-
Other: <u>Lender's Inspection Fees</u>	36,737	36,737			-
<b>Subtotal</b>	<b>405,666</b>	<b>166,812</b>	<b>-</b>	<b>-</b>	<b>238,854</b>
<b>PROFESSIONAL SERVICES</b>					
Architectural Fee - Design	138,800	138,800			
Architectural Fee - Supervision	34,700	34,700			
Engineering	44,786	44,786			
Real Estate Attorney	5,000				5,000
Accounting	37,909	16,800			21,109
Other: <u>Materials Testing, EarthCraft and Accessibility</u>	39,188	39,188			-
<b>Subtotal</b>	<b>300,383</b>	<b>274,274</b>	<b>-</b>	<b>-</b>	<b>26,109</b>
<b>LOCAL GOVERNMENT FEES</b>					
Building Permits	49,823	49,823			
Impact Fees	-	-			-
Water Tap Fees <i>waived?</i>	-	-			-
Sewer Tap Fees <i>waived?</i>	-	-			-
Real Estate Taxes	-	-			-
<b>Subtotal</b>	<b>49,823</b>	<b>49,823</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PERMANENT FINANCING FEES</b>					
Permanent Loan Fees	36,260				36,260
Permanent Loan Legal Fees	5,000				5,000
Title and Recording Fees	17,954	518			17,436
As-Built Survey	8,175	8,175			-
Bond Issuance Premium	-	-			-
Cost of Issuance / Underwriter's Discount	-	-			-
Other:	-	-			-
<b>Subtotal</b>	<b>67,389</b>	<b>8,693</b>	<b>-</b>	<b>-</b>	<b>58,696</b>

**PART FOUR - USES OF FUNDS - Savannah Gardens Phase III - 2010-018**

I. DEVELOPMENT COST SCHEDULE		New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
	<b>TOTAL COST</b>				
<b>DCA-RELATED COSTS</b>					
DCA Loan Application Fee	-				-
Tax Credit Application Fee	3,000				3,000
DCA Waiver Fees	-				-
LIHTC Allocation Processing Fee	60,526	61,809			61,809
LIHTC Compliance Monitoring Fee	56,400	65,800			65,800
DCA Front End Analysis Fee (when ID of Interest)	-				-
DCA Final Inspection Fee	3,000				3,000
Other:	-				-
<b>Subtotal</b>	<b>133,609</b>				<b>133,609</b>
<b>EQUITY COSTS</b>					
Partnership Organization Fees	1,573				1,573
Tax Credit Legal Opinion	63,500				63,500
Other: Other Legal	-				-
<b>Subtotal</b>	<b>65,073</b>				<b>65,073</b>
<b>DEVELOPER'S FEE</b>					
Developer's Overhead	-				-
Consultant's Fee	-				-
Developer's Fee	1,496,300	1,463,153			33,147
<b>Subtotal</b>	<b>1,496,300</b>	<b>1,463,153</b>			<b>33,147</b>
<b>START-UP AND RESERVES</b>					
Marketing	-				-
Rent -Up Reserves	-				-
Operating Deficit Reserve:	329,550				329,550
Replacement Reserve	23,500				23,500
Furniture, Fixtures and Equipment	185,308	185,308			-
Other:	-				-
<b>Subtotal</b>	<b>538,358</b>	<b>185,308</b>			<b>353,050</b>
<b>OTHER COSTS</b>					
Relocation	-				-
Other: Rent - Up Expenses	199,607	92,596			107,011
Other:	-				-
<b>Subtotal</b>	<b>199,607</b>	<b>92,596</b>			<b>107,011</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>12,193,335</b>	<b>10,146,957</b>			<b>2,046,378</b>
Per Unit	129,716.33				
Per Square Foot	116.24				

II. TAX CREDIT CALCULATION - BASIS METHOD		New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
<b>Subtractions From Eligible Basis</b>				
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:				
<b>Total Subtractions From Basis:</b>		<b>0</b>		<b>0</b>
<b>Eligible Basis Calculation</b>				
Total Basis		10,146,957	0	0
Less Total Subtractions From Basis (see above)		0	0	0
Total Eligible Basis		10,146,957	0	0
Eligible Basis Adjustment for DDA/QCT Location		100.00%	0	100.00%
Adjusted Eligible Basis		10,146,957	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction		94.68%	94.68%	94.68%
Qualified Basis		9,607,225	0	0
Multiply Qualified Basis by Applicable Credit Percentage		9.00%	0.00%	0.00%
Maximum Tax Credit Amount		864,650	0	0
<b>Total Basis Method Tax Credit Calculation</b>		<b>864,650</b>	<b>864,650</b>	<b>0</b>

III. TAX CREDIT CALCULATION - GAP METHOD				
<b>Equity Gap Calculation</b>				
Total Development Cost		12,193,335		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds		2,834,609		
Equity Gap		9,358,726		
Divide Equity Gap by 10		/ 10		
Annual Equity Required		935,873		
Enter Final Federal and State Equity Factors (not including GP contribution)		1.0500	=	Federal 0.7900 + State 0.2700
<b>Total Gap Method Tax Credit Calculation</b>		<b>882,839</b>		

IV. TAX CREDIT CARRYOVER ALLOCATION	Allocation Year	
	2010	882,987
<b>V. FINAL TAX CREDIT ALLOCATION REQUEST</b>		<b>864,650</b>

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: *Jane M. Graf* Name - Please Type: JANE M. GRAF Date: 2/11/13

VI. OWNER COMMENTS AND CLARIFICATIONS

Note: construction loan interest line includes \$76,605 of post-construction interest expected to be drawn using development funds.

I. UTILITY ALLOWANCE SCHEDULE #1

Source of Utility Allowances   
 Date of Utility Allowances

Utility	Fuel	Paid By (check one):		Tenant-Paid Utility Allowances by Unit Size					
		Tenant	Owner	0 BR	1 BR	2 BR	3 BR	4 BR	
Heat	Natural Gas								
Heat	Electric								
Heat	Propane								
Heat	78% + AFUE Gas								
Heat	Electric Heat Pump	X			2	2	3		
Air Conditioning	Electric	X			11	13	16		
Cooking	Natural Gas								
Cooking	Electric	X			6	6	7		
Cooking	Propane								
Hot Water	Natural Gas								
Hot Water	Electric	X			24	28	35		
Hot Water	Propane								
Lights	Electric	X			31	35	41		
Water & Sewer	Submetered?	No	X		33	41	55		
Refuse Collection			X						
<b>Total Utility Allowance by Unit Size</b>					<b>0</b>	<b>107</b>	<b>125</b>	<b>157</b>	<b>0</b>

Election to use Electric Utility Provider's Allowance as outlined in the QAP (TAX CREDIT ONLY)  
*\*Elderly allowances cannot be used except at properties that have 100% PBRA and satisfy the DCA definition of "elderly"*

OWNER COMMENTS AND CLARIFICATIONS

II. UTILITY ALLOWANCE SCHEDULE #2

Source of Utility Allowances   
 Date of Utility Allowances

Utility	Fuel	Paid By (check one):		Tenant-Paid Utility Allowances by Unit Size					
		Tenant	Owner	0 BR	1 BR	2 BR	3 BR	4 BR	
Heat	Natural Gas								
Heat	Electric								
Heat	Propane								
Heat	78% + AFUE Gas								
Heat	Electric Heat Pump								
Air Conditioning	Electric								
Cooking	Natural Gas								
Cooking	Electric								
Cooking	Propane								
Hot Water	Natural Gas								
Hot Water	Electric								
Hot Water	Propane								
Lights	Electric								
Water & Sewer	Submetered?								
Refuse Collection									
<b>Total Utility Allowance by Unit Size</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Election to use Electric Utility Provider's Allowance as outlined in the QAP (TAX CREDIT ONLY)  
*\*Elderly allowances cannot be used except at properties that have 100% PBRA and satisfy the DCA definition of "elderly"*

OWNER COMMENTS AND CLARIFICATIONS



**PART SIX - PROJECTED REVENUES & EXPENSES - Savannah Gardens Phase III - 2010-018**

**IV. ANNUAL OPERATING EXPENSE BUDGET**

**On-Site Staff Costs**

Management Salaries & Benefits	58,569
Maintenance Salaries & Benefits	44,580
Support Services Salaries & Benefits	
Other Taxes & Benefits	31,434
<b>Subtotal</b>	<b>134,583</b>

**On-Site Office Costs**

Office Supplies & Postage	23,886
Telephone	
Travel	1,730
Leased Furniture / Equipment	
Activities Supplies / Overhead Cost	
Other	
<b>Subtotal</b>	<b>25,616</b>

**Maintenance Expenses**

Contracted Repairs	8,382
General Repairs	17,033
Grounds Maintenance	22,980
Extermination	2,820
Maintenance Supplies	
Elevator Maintenance	
Redecorating	
Other	
<b>Subtotal</b>	<b>51,215</b>

**On-Site Security**

Contracted Guard	
Electronic Alarm System	
<b>Subtotal</b>	<b>0</b>

**Professional Services**

Legal	
Accounting	22,518
Advertising	948
Other	
<b>Subtotal</b>	<b>23,466</b>

**Utilities**

Electricity	21,600
Natural Gas	
Water & Sewer	12,660
Trash Collection	
Other Cable	1,740
<b>Subtotal</b>	<b>36,000</b>

**Taxes and Insurance**

Real Estate Taxes	111,982
Insurance	37,740
Other	
<b>Subtotal</b>	<b>149,722</b>

**Management Fee**

	40,342
--	--------

**Other**

	0
--	---

**TOTAL OPERATING EXPENSES**      4,903.66 per unit      **460,944**

**Replacement Reserve**      250.00 per unit      **23,500**

**TOTAL ANNUAL EXPENSES**      **484,444**

**V. OWNER COMMENTS AND CLARIFICATIONS**

1.)

**PART SEVEN - OPERATING PRO FORMA - Savannah Gardens Phase III - 2010-018**

**I. OPERATING ASSUMPTIONS**

Revenue Growth	2.00%	Asset Management Fee	4,700	Yr 1 Asset Mgt Fee Percentage of EGI:	-0.006407684
Expense Growth	3.00%	Incentive Management Fee		Yr 1 Incent Mgt Fee Percentage of EGI:	0
Reserves Growth	3.00%	Property Mgt Fee Growth (choose only one option):		Yr 1 Prop Mgt Fee Percentage of EGI:	-0.05499974
Vacancy & Collection Loss	7.00%	Expense Growth Rate (3.00%)	No	If Percent of EGI, indicate percentage:	5.500%
Ancillary Income Limit	2.00%	Percent of Effective Gross Income	Yes		

**II. OPERATING PRO FORMA**

Year	1	2	3	4	5	6	7	8	9	10
Revenues	758,592	773,764	789,239	805,024	821,124	837,547	854,298	871,384	888,811	906,588
Ancillary Income	15,172	15,475	15,785	16,100	16,422	16,751	17,086	17,428	17,776	18,132
Vacancy	(54,163)	(55,247)	(56,352)	(57,479)	(58,628)	(59,801)	(60,997)	(62,217)	(63,461)	(64,730)
Other Income	13,894	14,409	14,939	15,486	16,048	13,302	13,780	10,704	7,389	3,825
Expenses less Mgt Fee	(420,602)	(433,220)	(446,217)	(459,603)	(473,391)	(487,593)	(502,221)	(517,287)	(532,806)	(548,790)
Property Mgmt	(40,342)	(41,162)	(41,999)	(42,852)	(43,723)	(44,429)	(45,329)	(46,051)	(46,778)	(47,510)
Reserves	(23,500)	(24,205)	(24,931)	(25,679)	(26,449)	(27,243)	(28,060)	(28,902)	(29,769)	(30,662)
NOI	249,050	249,814	250,464	250,997	251,403	248,534	248,557	245,058	241,162	236,852
D/S First Mortgage	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)
D/S Second Mortgage	-	-	-	-	-	-	-	-	-	-
D/S Third Mortgage	-	-	-	-	-	-	-	-	-	-
D/S	-	-	-	-	-	-	-	-	-	-
D/S	-	-	-	-	-	-	-	-	-	-
DCA HOME Cash Reserv.										
DDF	-	-	-	-	-	-	-	-	-	-
Asset Mgmt	(4,700)	(4,841)	(4,986)	(5,136)	(5,290)	(5,449)	(5,612)	(5,780)	(5,954)	(6,132)
Incentive Mgmt	-	-	-	-	-	-	-	-	-	-
Cash Flow	70,220	70,843	71,348	71,732	71,983	68,955	68,815	65,148	61,079	56,589
DCR First Mortgage	1.43	1.43	1.44	1.44	1.44	1.43	1.43	1.41	1.38	1.36
DCR Second Mortgage										
DCR Third Mortgage										
DCR										
DCR										
First Mortgage Balance	2,307,604	2,278,953	2,248,431	2,215,918	2,181,282	2,144,385	2,105,080	2,063,209	2,018,605	1,971,090
Second Mortgage Balance	515,208	530,879	547,026	563,664	580,808	598,474	616,677	635,434	654,762	674,677
Third Mortgage Balance										
Balance										
Balance										
DDF Balance	-	-	-	-	-	-	-	-	-	-

Year	11	12	13	14	15
Revenues	924,719	943,214	962,078	981,320	1,000,946
Ancillary Income	18,494	18,864	19,242	19,626	20,019
Vacancy	(66,025)	(67,345)	(68,692)	(70,066)	(71,468)
Other Income	-	-	-	-	-
Expenses less Mgt Fee	(565,254)	(582,212)	(599,678)	(617,668)	(636,198)
Property Mgmt	(48,245)	(49,210)	(50,194)	(51,198)	(52,222)
Reserves	(31,582)	(32,529)	(33,505)	(34,511)	(35,546)
NOI	232,108	230,782	229,250	227,503	225,531
D/S First Mortgage	(174,130)	(174,130)	(174,130)	(174,130)	(174,130)
D/S Second Mortgage	-	-	-	-	-
D/S Third Mortgage	-	-	-	-	-
D/S	-	-	-	-	-
D/S	-	-	-	-	-
DCA HOME Cash Reserv.					
DDF	-	-	-	-	-
Asset Mgmt	(6,316)	(6,506)	(6,701)	(6,902)	(7,109)
Incentive Mgmt	-	-	-	-	-
Cash Flow	51,661	50,146	48,419	46,471	44,292
DCR First Mortgage	1.33	1.33	1.32	1.31	1.30
DCR Second Mortgage					
DCR Third Mortgage					
DCR					
DCR					
First Mortgage Balance	1,920,473	1,866,552	1,809,111	1,747,921	1,682,737
Second Mortgage Balance	695,198	716,343	738,131	760,582	783,716
Third Mortgage Balance					
Balance					
Balance					
DDF Balance					

**III. OWNER COMMENTS AND CLARIFICATIONS**



Project Name: Savannah Gardens Phase III

DCA Project Nbr: 2010-018

Provide a narrative description of significant changes that have occurred in the project since full application.

**Development Costs**

Describe circumstances that caused significant cost overruns. For example, start of construction delayed (give reason), storm water regulatory changes, building code changes, impervious surface or open space ordinance changes.

**Operating Costs**

Describe circumstances that caused a significant increase in expense items or introduced expenses not originally projected. For example, large increase in property taxes or insurance, or property now paying for water and sewer.

