



FINAL COST CERTIFICATION
AND
INDEPENDENT ACCOUNTANTS' REPORT

LIBERTY PLACE APARTMENTS LP
(Royal Oaks Apartments, FKA Liberty Place)

DECEMBER 31, 2016



LIBERTY PLACE APARTMENTS LP
(Royal Oaks Apartments FKA Liberty Place)

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INDEPENDENT ACCOUNTANTS' REPORT

To: Georgia Department of Community Affairs
c/o Office of Affordable Housing
60 Executive Park South, N.E.
Atlanta, GA 30329-2231

and

The Partners
Liberty Place Apartments LP (Owner)

Re: Royal Oaks Apartments, FKA Liberty Place

We have examined the accompanying Georgia Department of Community Affairs Final Cost Certification for Royal Oaks Apartments (Project), prepared by the management of Liberty Place Apartments LP (Owner) as of December 31, 2016. 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 examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Final Cost Certification and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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 forth by the Georgia Department of Community Affairs, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying Final Cost Certification presents fairly, in all material respects, the total development costs of \$13,413,888 and eligible basis of \$11,768,667 incurred by the Owner for the Project as of December 31, 2016, on the basis of accounting described above.



This report is intended solely for the information and use of the management of the Owner and the Georgia Department of Community Affairs. It is not intended to be and should not be used by anyone other than those specified parties.

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

Jeffrey Faile & Associates, P.C.

Woodstock, GA
February 3, 2017

PART FOUR - USES OF FUNDS - Royal Oaks Apartments, FKA Liberty Place - 2014-012

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					PRE-DEVELOPMENT COSTS		
Property Appraisal			11,400	11,400			
Market Study			4,600	4,600			
Environmental Report(s)			49,304	49,304			
Soil Borings			8,547	8,547			
Boundary and Topographical Survey			12,000	12,000			
Zoning/Site Plan Fees							
Other: _____							
		Subtotal	85,851	85,851	-	-	-
ACQUISITION					ACQUISITION		
Land			1,000,079				
Demolition			-				
Acquisition Legal Fees (if existing structures)			-				
Existing Structures			-				
		Subtotal	1,000,079		-		-
SITE IMPROVEMENTS					SITE IMPROVEMENTS		
Site Preparation (On-site)			1,100,475	1,032,975			
Site Preparation (Off-site)			-	-			
		Subtotal	1,100,475	1,032,975	-	-	-
UNIT/BUILDING CONSTRUCTION					UNIT/BUILDING CONSTRUCTION		
Unit/Building Construction/New Construction			6,925,474	6,917,584			
Unit/Building Construction/Rehab							
Project Amenities / Accessory Buildings							
Other: _____							
		Subtotal	6,925,474	6,917,584	-	-	-
CONTRACTOR SERVICES					CONTRACTOR SERVICES		
Builder's Overhead: 2.00%	160,519		160,515	160,515			
Builder Profit: 6.00%	481,557		481,556	481,556			
General Requirements 6.00%	481,557		481,553	481,553			
Payment/performance bond or letter-of-credit fee or premium			58,000	58,000			
		Subtotal	1,181,624	1,181,624	-	-	-
Total Construction Costs							
	126,131.14 per unit						
	9,207,573	128.41 per sq ft					

see independent accountants' report

PART FOUR - USES OF FUNDS - Royal Oaks Apartments, FKA Liberty Place - 2014-012

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
CONSTRUCTION PERIOD FINANCING		CONSTRUCTION PERIOD FINANCING			
Construction Loan Fee	6,195	4,648			
Construction Loan Interest	179,928	137,105			
Construction Legal Fees	65,422	65,422			
Construction Period Real Estate Tax	5,322	5,322			
Construction Insurance	68,184	40,694			
Bridge Loan Fee and Bridge Loan Interest	75,750	-			
Other: Construction Inspection	9,800	9,800			
Subtotal	410,601	262,991	-	-	-
PROFESSIONAL SERVICES		PROFESSIONAL SERVICES			
Architectural Fee - Design	145,691	145,691			
Architectural Fee - Supervision	11,000	11,000			
Engineering	46,997	46,997			
Real Estate Attorney					
Accounting	23,270	23,270			
Other: Developer Legal	45,482	45,482			
Subtotal	272,440	272,440	-	-	-
LOCAL GOVERNMENT FEES		LOCAL GOVERNMENT FEES			
Building Permits	42,680	42,680			
Impact Fees					
Water Tap Fees	306,545	306,545			
Sewer Tap Fees					
Real Estate Taxes					
Subtotal	349,225	349,225	-	-	-
PERMANENT FINANCING FEES		PERMANENT FINANCING FEES			
Permanent Loan Fees	15,000				
Permanent Loan Legal Fees	12,000				
Title and Recording Fees	17,178	15,897			
As-Built Survey					
Bond Issuance Premium					
Cost of Issuance / Underwriter's Discount	-	-			
Other:	-	-			
Subtotal	44,178	15,897	-	-	-

see independent accountants' report

PART FOUR - USES OF FUNDS - Royal Oaks Apartments, FKA Liberty Place - 2014-012

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I. DEVELOPMENT COST SCHEDULE

	TOTAL COST	New Construction Basis	Acquisition Basis	Rehabilitation Basis	Amortizable or Non-Depreciable Basis
		DCA-RELATED COSTS			
DCA-RELATED COSTS					
DCA Loan Application Fee					
Tax Credit Application Fee	6,500				
DCA Waiver Fees					
LIHTC Allocation Processing Fee	65,100 74,400				
LIHTC Compliance Monitoring Fee	51,100 57,600				
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee					
Other:	-				
Subtotal	138,500				-
		EQUITY COSTS			
EQUITY COSTS					
Partnership Organization Fees	10,632				
Tax Credit Legal Opinion	10,278				
Other: State Investor Fee	15,000	-			
Subtotal	35,910	-	-	-	-
		DEVELOPER'S FEE			
DEVELOPER'S FEE					
Developer's Overhead	-	-			
Consultant's Fee	-	-			
Developer's Fee	1,556,373	1,556,373			
Subtotal	1,556,373	1,556,373	-	-	-
		START-UP AND RESERVES			
START-UP AND RESERVES					
Marketing	18,451				
Rent -Up Reserves	-				
Operating Deficit Reserve:	180,000				
Replacement Reserve	18,000				
Furniture, Fixtures and Equipment	70,527	70,527			
Other:					
Subtotal	286,978	70,527	-	-	-
		OTHER COSTS			
OTHER COSTS					
Relocation	3,000	-			
Other: Security Services	23,180	23,180			
Other:					
Subtotal	26,180	23,180	-	-	-
TOTAL DEVELOPMENT COST	13,413,888	11,768,667	-	-	-
Per Unit	183,751.89				
Per Square Foot	187.08				

see independent accountants' report

PART FOUR - USES OF FUNDS - Royal Oaks Apartments, FKA Liberty Place - 2014-012

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

II. TAX CREDIT CALCULATION - BASIS METHOD

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

	New Construction Basis	4% Acquisition Basis	Rehabilitation Basis
	0		
	0		
	0		
	0		
	0		
	0		
	0		
Total Subtractions From Basis:	0		0

Eligible Basis Calculation

Total Basis
 Less Total Subtractions From Basis (see above)
 Total Eligible Basis
 Eligible Basis Adjustment for DDA/QCT Location
 Adjusted Eligible Basis
 Multiply Adjusted Eligible Basis by Applicable Fraction
 Qualified Basis
 Multiply Qualified Basis by Applicable Credit Percentage
 Maximum Tax Credit Amount
 Total Basis Method Tax Credit Calculation

Total Basis	11,768,667	0	0
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	11,768,667	0	0
Eligible Basis Adjustment for DDA/QCT Location	130.00%		
Adjusted Eligible Basis	15,299,267	0	0
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	15,299,267	0	0
Multiply Qualified Basis by Applicable Credit Percentage	9.00%		
Maximum Tax Credit Amount	1,376,934	0	0
Total Basis Method Tax Credit Calculation	1,376,934		

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost
 Subtract Non-LIHTC (excluding deferred fee) Source of Funds
 Equity Gap
 Divide Equity Gap by 10
 Annual Equity Required
 Enter Final Federal and State Equity Factors (**not including GP contribution**)
 Total Gap Method Tax Credit Calculation

	13,413,888			
	625,000			
	12,788,888			
	/ 10			
	1,278,889			
	1.3650	=	Federal	State
	936,915		0.9250	+ 0.4400

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2014

930,000

V. FINAL TAX CREDIT ALLOCATION REQUEST

930,000

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

 Brian Parent
 Name - Please Type

 2/14/17
 Date

see independent accountants' report

