

PART FOUR - USES OF FUNDS - Fairfield Apartments - 2014-510

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

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	0	1,401,643	2,020,220
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	1,401,643	2,020,220
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	1,401,643	2,020,220
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	1,401,643	2,020,220
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	45,133	65,051
Total Basis Method Tax Credit Calculation		110,184	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation			
Total Development Cost	4,022,827		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	3,073,074		
Equity Gap	949,753		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	94,975		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.8187	=	Federal
Total Gap Method Tax Credit Calculation	116,007		State
			0.6175 + 0.2012

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

110,184

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

VIENNA FAIRFIELD PHASE I, LP

**INDEPENDENT AUDITORS' 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
AND
50% CALCULATION**

DECEMBER 1, 2015



INDEPENDENT AUDITOR'S REPORT

Owner's Name: Vienna Fairfield Phase I, LP
Project Name: Fairfield Apartments
Project Number: TCAA # 2014-510

To the Partners
Vienna Fairfield Phase I, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Vienna Fairfield Phase I, LP (the "Owner") for Fairfield Apartments ("the Project") as of December 1, 2015.

Owner and Owner Management's Responsibility for the Schedule

The Owner and the Owner's management are responsible for the preparation and fair presentation of the Final Cost Certification in accordance with contractual agreements with the TCAA; this includes 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 the Owner and Owner's 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 opinion.

Opinion

In our opinion, the Final Cost Certification presents fairly, in all material respects, the actual costs of \$4,022,827 and eligible basis of \$3,421,863, and that fifty-six and eight-tenths percent 56.8% of the aggregate basis of the building and the land of \$3,499,936 were financed with tax-exempt bond proceeds of \$1,988,885 by the Owner for the Project as of December 1, 2015, on the basis of accounting described below.

Basis of Accounting

The Final Cost Certification is 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 basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the contractual agreements with TCAA, referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

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 the Project other than in the practice of our profession.

A handwritten signature in cursive script that reads "Halley, Aronoff & Partners, LLP".

Atlanta, Georgia

March 10, 2016

PART FOUR - USES OF FUNDS - Fairfield Apartments - 2014-510

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	7,742			7,742	
Market Study	7,000			7,000	
Environmental Report(s)	13,000			13,000	
Soil Borings				-	
Boundary and Topographical Survey	14,900			14,900	
Zoning/Site Plan Fees				-	
Other: Accessibility Review	10,500			10,500	
Subtotal	53,142	-	-	53,142	-
ACQUISITION					
Land	78,073				78,073
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	1,218,820		1,218,820		
Subtotal	1,296,893	-	1,218,820	-	78,073
SITE IMPROVEMENTS					
Site Preparation (On-site)	139,990			139,990	
Site Preparation (Off-site)					
Subtotal	139,990	-	-	139,990	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	1,181,641			1,181,641	
Project Amenities / Accessory Buildings					
Other:					
Subtotal	1,181,641	-	-	1,181,641	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	26,433			26,433	
Builder Profit: 6.00%	79,298			79,084	
General Requirements 6.00%	79,298			79,298	
Payment/performance bond or letter-of-credit fee or premium	11,908			11,908	
Subtotal	196,723	-	-	196,723	-
Total Construction Costs	31,632.38 per unit				
1,518,354	39.34 per sq ft				

PART FOUR - USES OF FUNDS - Fairfield Apartments - 2014-510

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	-			-	
Construction Loan Interest				-	
Construction Legal Fees	-			-	
Construction Period Real Estate Tax				-	
Construction Insurance				-	
Bridge Loan Fee and Bridge Loan Interest	1,000			1,000	
Other: <u>Rehab Inspections/accessibility inspection</u>	16,696			16,696	
Subtotal	17,696	-	-	17,696	-
PROFESSIONAL SERVICES			PROFESSIONAL SERVICES		
Architectural Fee - Design	23,400			23,400	
Architectural Fee - Supervision					
Engineering					
Real Estate Attorney	28,500			28,500	
Accounting	15,000			15,000	
Other: _____				-	
Subtotal	66,900	-	-	66,900	-
LOCAL GOVERNMENT FEES			LOCAL GOVERNMENT FEES		
Building Permits	3,901			3,901	
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	3,901	-	-	3,901	-
PERMANENT FINANCING FEES			PERMANENT FINANCING FEES		
Permanent Loan Fees	54,369				54,369
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	13,798			13,798	
As-Built Survey					
Bond Issuance Premium	-				-
Cost of Issuance / Underwriter's Discount	48,712				48,712
Other: _____					
Subtotal	131,712	-	-	13,798	117,914

PART FOUR - USES OF FUNDS - Fairfield Apartments - 2014-510

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
DCA-RELATED COSTS		DCA-RELATED COSTS			
DCA Loan Application Fee	-				-
Tax Credit Application Fee	5,000				5,000
DCA Waiver Fees	3,000				3,000
LIHTC Allocation Processing Fee	7,713 9,203				9,203
LIHTC Compliance Monitoring Fee	33,600 19,200				19,200
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee					
Other:					
Subtotal	36,403				36,403
EQUITY COSTS		EQUITY COSTS			
Partnership Organization Fees					
Tax Credit Legal Opinion					
Other: Due Diligence Fee	15,000			-	15,000
Subtotal	15,000	-	-	-	15,000
DEVELOPER'S FEE		DEVELOPER'S FEE			
Developer's Overhead					
Consultant's Fee	33,000			33,000	
Developer's Fee	468,643		182,823	285,820	
Subtotal	501,643	-	182,823	318,820	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					
Rent -Up Reserves	-				-
Operating Deficit Reserve:	185,843				185,843
Replacement Reserve	87,230				87,230
Furniture, Fixtures and Equipment	9,600			9,600	
Other: Rd operating cash required/debt service reserve	80,501				80,501
Subtotal	363,174	-	-	9,600	353,574
OTHER COSTS		OTHER COSTS			
Relocation	18,009			18,009	
Other:					
Other:					
Subtotal	18,009	-	-	18,009	-
TOTAL DEVELOPMENT COST	4,022,827	-	1,401,643	2,020,220	600,964
Per Unit	83,808.89				
Per Square Foot	104.22				

PART FOUR - USES OF FUNDS - Fairfield Apartments - 2014-510

CERTIFICATION OF ACTUAL COST AND OPINION AS TO ELIGIBLE BASIS

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	0	1,401,643	2,020,220
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	1,401,643	2,020,220
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	1,401,643	2,020,220
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	1,401,643	2,020,220
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	45,133	65,051
Total Basis Method Tax Credit Calculation		110,184	

III. TAX CREDIT CALCULATION - GAP METHOD

See modified version

Equity Gap Calculation			
Total Development Cost	4,022,827		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	3,073,074		
Equity Gap	949,753		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	94,975		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.8380	=	Federal
Total Gap Method Tax Credit Calculation	113,336		0.6300 + State
			0.2080

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year

V. FINAL TAX CREDIT ALLOCATION REQUEST

110,184

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 THREE - SOURCES OF FUNDS - Fairfield Apartments - 2014-510

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	538 Debt	1,791,000	4.800%	40	40	100,803	Amortizing	
Second Mortgage	515 Debt	1,238,124	3.375%	30	50	51,298	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	47,646						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	680,408						
State Housing Credit Equity	CSG SLP, LLC	221,699						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify)	GA Power Rebates	43,950						
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		4,022,827						
Total Development Costs from Development Cost Schedule:		4,022,827						
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

The equity calculation reported in the sources of funds above is based on the blended rate in article v of the partnership agreement.

PART ELEVEN - 50% TEST - Fairfield Apartments - 2014-510

Project Name: Fairfield Apartments DCA Project Nbr: 2014-510

1.) Tax-exempt bond proceeds:	1988885
2.) Aggregate basis of building and land:	3499936
3.) Percentage of aggregate basis financed by tax-exempt bonds:	56.8%