

PART FOUR - USES OF FUNDS - Pigeon Bluff Apartments - 2014-519

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	443,668	743,257
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	443,668	743,257
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	443,668	743,257
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	443,668	743,257
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	14,286	23,933
Total Basis Method Tax Credit Calculation		38,219	

III. TAX CREDIT CALCULATION - GAP METHOD

Equity Gap Calculation

Total Development Cost	1,566,850		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,335,738		
Equity Gap	231,113		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	23,111		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.5137	=	Federal
Total Gap Method Tax Credit Calculation	44,990		State
			0.2829 + 0.2308

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2015

V. FINAL TAX CREDIT ALLOCATION REQUEST

38,219

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 _____

MANCHESTER PIGEON BLUFF, 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



Certified Public Accountants and Business Advisors

INDEPENDENT AUDITOR'S REPORT

Owner's Name: Manchester Pigeon Bluff, LP
Project Name: Pigeon Bluff
Project Number: TCAA # 2014-519

To the Partners
Manchester Pigeon Bluff, LP

We have audited the costs included in the accompanying Tax Credit Allocation Agency ("TCAA") Final Cost Certification (the "Final Cost Certification") of Manchester Pigeon Bluff, LP (the "Owner") for Pigeon Bluff ("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 \$1,566,850 and eligible basis of \$1,186,925, and that fifty eight and two-tenths percent 58.2% of the aggregate basis of the building and the land of \$1,255,595 were financed with tax-exempt bond proceeds of \$730,466 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 black ink that reads "Halaj, Aronoff & Partners, LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia

March 10, 2016

PART FOUR - USES OF FUNDS - Pigeon Bluff Apartments - 2014-519

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	5,371			5,371	
Market Study	5,100			5,100	
Environmental Report(s)	5,950			5,950	
Soil Borings					
Boundary and Topographical Survey	7,197			7,197	
Zoning/Site Plan Fees					
Other: Accessibility Inspection	5,250			5,250	
Subtotal	28,868	-	-	28,868	-
ACQUISITION					
Land	68,670				68,670
Demolition					
Acquisition Legal Fees (if existing structures)					
Existing Structures	385,799		385,799		
Subtotal	454,469	-	385,799	-	68,670
SITE IMPROVEMENTS					
Site Preparation (On-site)	46,382			46,382	
Site Preparation (Off-site)					
Subtotal	46,382	-	-	46,382	-
UNIT/BUILDING CONSTRUCTION					
Unit/Building Construction/New Construction					
Unit/Building Construction/Rehab	385,017			385,017	
Project Amenities / Accessory Buildings					
Other:					
Subtotal	385,017	-	-	385,017	-
CONTRACTOR SERVICES					
Builder's Overhead: 2.00%	8,628			8,628	
Builder Profit: 6.00%	25,884			25,884	
General Requirements 6.00%	25,884			25,884	
Payment/performance bond or letter-of-credit fee or premium	5,062			5,062	
Subtotal	65,458	-	-	65,458	-
Total Construction Costs	27,603.17 per unit				
	496,857				
	31.96 per sq ft				

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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	17,267				17,267
Construction Legal Fees	-				
Construction Period Real Estate Tax					
Construction Insurance					
Bridge Loan Fee and Bridge Loan Interest	1,000			1,000	
Other: Green Rebate Costs/Rehab inspection fees	13,203			13,203	
Subtotal	31,470	-	-	14,203	17,267
PROFESSIONAL SERVICES				PROFESSIONAL SERVICES	
Architectural Fee - Design	14,880			14,880	
Architectural Fee - Supervision	3,720			3,720	
Engineering					
Real Estate Attorney	18,500			18,500	-
Accounting	15,000			15,000	
Other:					
Subtotal	52,100	-	-	52,100	-
LOCAL GOVERNMENT FEES				LOCAL GOVERNMENT FEES	
Building Permits	3,155			3,155	
Impact Fees					
Water Tap Fees <i>waived?</i>					
Sewer Tap Fees <i>waived?</i>					
Real Estate Taxes					
Subtotal	3,155	-	-	3,155	-
PERMANENT FINANCING FEES				PERMANENT FINANCING FEES	
Permanent Loan Fees	32,733				32,733
Permanent Loan Legal Fees	14,833				14,833
Title and Recording Fees	5,921			5,921	
As-Built Survey					
Bond Issuance Premium	-			-	-
Cost of Issuance / Underwriter's Discount	30,112			-	30,112
Other:					
Subtotal	83,599	-	-	5,921	77,678

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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	2,675 3,272				3,272
LIHTC Compliance Monitoring Fee	12,600 7,200				7,200
DCA Front End Analysis Fee (when ID of Interest)					
DCA Final Inspection Fee	-				-
Other:					
Subtotal	18,472				18,472
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	23,000			23,000	
Developer's Fee	168,563		57,869	110,694	
Subtotal	191,563	-	57,869	133,694	-
START-UP AND RESERVES		START-UP AND RESERVES			
Marketing					
Rent -Up Reserves	-				-
Operating Deficit Reserve:	61,000				61,000
Replacement Reserve	69,512				69,512
Furniture, Fixtures and Equipment					-
Other: Rental assistance/required RD operating funds	52,326				52,326
Subtotal	182,838	-	-	-	182,838
OTHER COSTS		OTHER COSTS			
Relocation	8,459			8,459	
Other:	-				
Other:					
Subtotal	8,459	-	-	8,459	-
TOTAL DEVELOPMENT COST	1,566,850	-	443,668	743,257	379,925
Per Unit	87,047.24				
Per Square Foot	100.79				

PART FOUR - USES OF FUNDS - Pigeon Bluff Apartments - 2014-519

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	443,668	743,257
Less Total Subtractions From Basis (see above)	0		0
Total Eligible Basis	0	443,668	743,257
Eligible Basis Adjustment for DDA/QCT Location			100.00%
Adjusted Eligible Basis	0	443,668	743,257
Multiply Adjusted Eligible Basis by Applicable Fraction	100.00%	100.00%	100.00%
Qualified Basis	0	443,668	743,257
Multiply Qualified Basis by Applicable Credit Percentage		3.22%	3.22%
Maximum Tax Credit Amount	0	14,286	23,933
Total Basis Method Tax Credit Calculation		38,219	

III. TAX CREDIT CALCULATION - GAP METHOD

See modified version

Equity Gap Calculation			
Total Development Cost	1,566,850		
Subtract Non-LIHTC (excluding deferred fee) Source of Funds	1,335,738		
Equity Gap	231,113		
Divide Equity Gap by 10	/ 10		
Annual Equity Required	23,111		
Enter Final Federal and State Equity Factors (not including GP contribution)	0.5600	=	Federal
Total Gap Method Tax Credit Calculation	41,270		0.3200
		+	State
			0.2400

IV. TAX CREDIT CARRYOVER ALLOCATION

Allocation Year 2015

V. FINAL TAX CREDIT ALLOCATION REQUEST

38,219

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 - Pigeon Bluff Apartments - 2014-519

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 Loan	775,900	4.800%	40	40	43,670	Amortizing	
Second Mortgage	515 USDA Loan	546,788	3.375%	30	50	22,655	Amortizing	
Third Mortgage								
Other Source (specify)								
Other Source (specify)								
Deferred Developer Fees	Rea Ventures Group, LLC	34,744						
Federal Grant								
State, Local, or Private Grant								
Federal Housing Credit Equity	CSG MT I, LLC	108,140						
State Housing Credit Equity	CGS SLP, LLC	88,229						
Historic Credit Equity								
Investment Earnings from Tax-Exempt Bonds								
Investment Earnings from Taxable Bonds								
Income from Operations								
Other Source (specify) Ga Power Rebate		13,050						
Other Source (specify)								
Other Source (specify)								
Total Permanent Financing:		1,566,850						
Total Development Costs from Development Cost Schedule:		1,566,850						
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 - Pigeon Bluff Apartments - 2014-519

Project Name: Pigeon Bluff Apartments DCA Project Nbr: 2014-519

1.) Tax-exempt bond proceeds:	730466
2.) Aggregate basis of building and land:	1255595
3.) Percentage of aggregate basis financed by tax-exempt bonds:	58.2%