



March 4, 2024

David A. Northern Sr.
President & CEO
Houston Housing Authority
2640 Fountain View Drive
Houston, Texas 77057

REASON: Financial Assessment Results for Orem Circle Engagement.

Mr. Northern,

PREFACE

Auxano Development LLC was retained to provide a financial assessment of Orem Circle, located on the southeast corner of Martin Luther King Boulevard and East Orem Street, Houston, Texas 77048, hereafter referred to as Orem Circle. The assessment is required as a condition of HB 2071 Enrolled enacted in the 88th Regular Session (2023), consistent with Section 6 (A). The corporation or corporation's sponsor conducts or obtains from a professional entity that has experience underwriting affordable multifamily residential developments and does not have a financial interest in the applicable development, developer, or public facility user an underwriting assessment of the proposed development that allows the corporation to make a good faith determination that: (ii) for a newly constructed multifamily residential development, the development would not be feasible without the participation of the corporation.

AUXANO BACKGROUND

Auxano Development was established 2018 as a Historically Underutilized Business and a Minority Business Enterprise to facilitate real estate development. As the managing member, Mr. Smith will utilize his 23-plus years of real estate development experience to create sustainable real estate development.

Mr. Smith has successfully represented some of the world's largest corporations, such as Bank of America and Paramount Financial Group, a subsidiary of GMACCH. Mr. Smith created multiple joint venture relationships with development groups in local markets nationwide. Having underwritten, assisted, or developed over \$1 Billion in various real estate projects, including multi-family housing developments. Working with non-profits, government agencies, and for-profit partners to create real estate projects that included but were not limited to public-private financial structuring, traditional bank financing, HUD, Freddie, Fannie, and loan assumptions.

INFORMATION ASSUMPTION

The baseline information utilized for our analysis is ascertained from a combination of third-party subject matter experts, the Houston Housing Authority (HHA), and the developer/sponsor of Orem Circle. The primary components of the analysis are rent analysis, operational expense analysis, financial capital terms of the developer, and ad valorem tax assumptions. As outlined below, we leveraged third-party information to determine feasibility in all areas where information is available and informative to the analysis of feasibility contained herein.

RENT ASSUMPTIONS

Auxano retained the services of an independent third-party market analysis to provide reasonableness to the developer-sponsor’s stated market rate rents and used the industry standard Novogradac Rent & Income Calculator for Harris County in the Metropolitan Statistical Area of Houston-The Woodlands-Sugar Land, TX HUD Metro FMR Area (**EXHIBIT 1**). Applicable income-restricted rents are included in our model and sourced as outlined above. Orem Circle concerns 1-, 2- and 3- bedroom rents at both 60% Area Median Income (AMI) and 80% AMI. Those monthly average rents are as follows:

Income Restricted Unit	Income Restricted Rent
1 bedroom unit at 60% AMI	\$1,119
2 bedroom unit at 60% AMI	\$1,258
3 bedroom unit at 60% AMI	\$1,398
1 bedroom unit at 80% AMI	\$1,491
2 bedroom unit at 80% AMI	\$1,668
3 bedroom unit at 80% AMI	\$1,864

Apartment MarketData, LLC, a Qualified Market Analyst for the Texas Department of Housing and Community Affairs, analyzed market rent data using six comparable multi-family properties in close proximity to the Orem Circle site (**EXHIBIT 2**). The resulting finding is a market rate rent of \$1,165 for a 1-bedroom unit at Orem Circle, \$1,565 for a 2-bedroom unit, and \$1,880 for a 3-bedroom unit.

As is evident, market-rate rents for the development are similar to income-restricted rents. We will evaluate the project's feasibility based on the development activity of both the private market and Houston Housing Authority in proximity to the proposed site. A lack of such development

activity would indicate the need for additional incentives to accomplish the corporation’s stated mission ‘to improve lives by providing quality, affordable housing options and promoting education and economic self-sufficiency.’

AUXANO METHODS AND MEANS

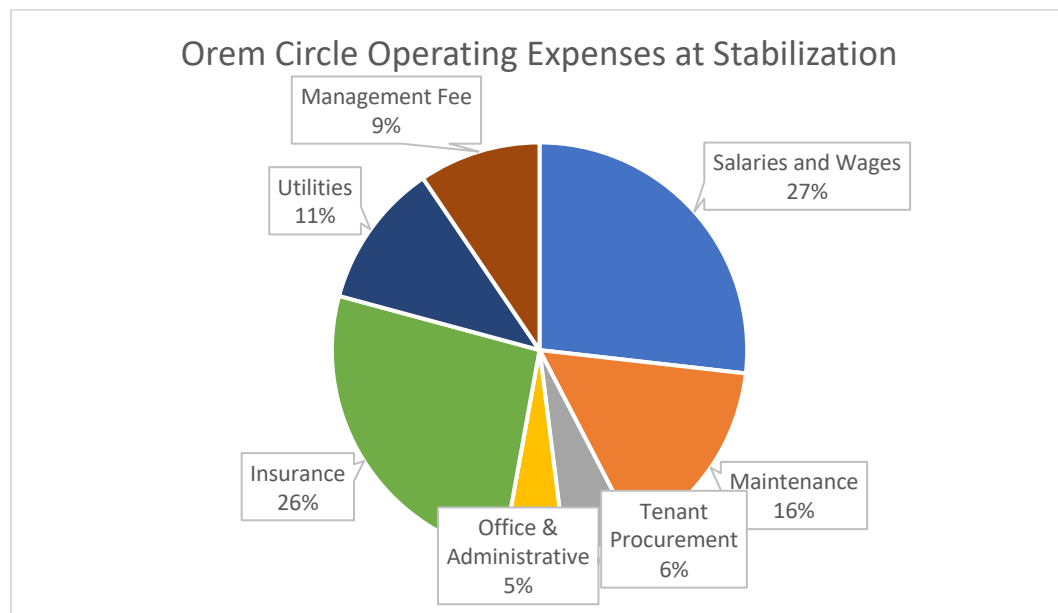
Auxano utilized the baseline analysis and applied various methods to produce logical outcomes consistent with industry standards.

Market Trends and Expense Assumptions

Our initial market trend and expense assumptions include the annual operating expenses of Orem Circle. To confirm that the developer-sponsor’s assumptions are reasonable, we received current operating expenses from a third party, Newmark Group, to provide current underwriting assumptions for similar multi-family properties in the proximity of Orem Circle (**EXHIBIT 3**). Newmark examined the current operating expenses of 5 properties similar in location and operational needs to Orem Circle and expressed those expenses in dollars per unit operated. These current industry average operating expenses are then grossed up for 270 units, the proposed size of Orem Circle, to arrive at annual operating expenses.

The lone exception to the use of third-party expense information is that of property-level insurance. As this is a knowable and verifiable expense, we used the quoted rate for insurance at Orem Circle (**EXHIBIT 4**).

Given these assumptions, the anticipated operating expense breakdown at Orem Circle at the point of stabilization is as follows:



Financial Assumptions for Ad Valorem Taxes and Capital

The financial feasibility of Orem Circle is fundamentally predicated on the amount of ad valorem taxes that would be otherwise payable absent a tax abatement provided in partnership with HHA. Determining taxable value is a critical step in this process of determining financial feasibility. Determining taxable value on an income-producing asset such as Orem Circle can occur in one of two ways. Either we can use cost to determine value, or we can use income and apply a market capitalization rate. To determine taxable value, we examined each of these methods at the asset's stabilization point.

The cost method is relatively straightforward.

Land Cost	Construction Hard Costs	Taxable Value Using Cost
\$ 2,602,292.00	\$ 38,217,414.00	\$ 40,819,706.00

Income-based Taxable Value is determined by subtracting estimated taxes from Net Operating Income and applying a market capitalization rate. For our analysis, and given that Orem Circle is new construction, we applied market capitalization rates of 4.5%, 5% and 5.5%. The results are as follows:

Net Operating Income less Estimated Taxes	Applied Capitalization Rate	Estimated Taxable Value
\$2,358,234	4.5%	\$ 51,238,893.87
\$2,358,234	5.0%	\$ 46,115,004.48
\$2,358,234	5.5%	\$ 41,922,731.35
Average		\$ 46,425,543.23

All of the estimated taxable values we calculated were reasonable, given assumptions related to cost and value. Because we assume value at the point of stabilization, we recognize a fair amount of uncertainty in using net operating income as a measure of value. While income as a measure of value is more accurate over more extended periods, the point at which we assess taxable value lends itself to cost as the most appropriate estimate of taxable value. We, therefore, have used \$40,819,706.00 as the estimated taxable value from which our underwriting began. Given that a cost valuation is also the lowest of the four methods, it is, therefore, the most conservative value for our feasibility analysis.

Upon determination of taxable value, we apply current millage rates of the appropriate taxing authorities given the location of Orem Circle found on the Harris County Appraisal District site. We determined those jurisdictions and millage rates to be as follows:

Taxing Jurisdiction	2023
Total	2.014811
Houston ISD	0.868300
Harris County	0.350070
Harris Co flood cont	0.031050
Port of Houston	0.005740
Harris Co Hosp	0.143430
Harris County Educ	0.004800
Houston Community College	0.092231
City of Houston	0.519190

At the total millage rate above, we estimate annual taxes to be \$822,440 for our feasibility analysis.

Another component that we address regarding the feasibility of Orem Circle is access to and cost of capital. Access and cost are inextricably linked to the idiosyncratic risk profile of the developer-sponsor. While we may apply industry-standard debt levels and cost of capital, the efficacy of such standards would be of limited use when applied to the developer-sponsor. Therefore, we are using the capital stack provided by the developer-sponsor and the cost of capital for which they have made good-faith performance assumptions.

For Orem Circle, that means we have modeled debt service on 54% of the total development costs, equaling \$24,491,823. Further, the developer-sponsor has procured a rate of SOFR + 7.50% for the construction loan on Orem Circle, which equates to an annualized rate of 12.80%. SOFR trends are attached (**EXHIBIT 5**).

Below is a chart of construction loan interest rates for multifamily new construction based on the sources of funds. This chart is a range provided from a national broker of debt and equity funds. Even a cursory review of prevailing interest rates for multi-family construction lending indicates that the developer-sponsor rate of 12.80% is higher than is customary.

Loan Program	Term	Adjustable Rate	Loan to Cost
FHA	24 Mo	6.53 - 6.93%	85%
Regional Bank	12 Mo	prime plus 1.50% 8.50 - 9.75%	65%
National Bank	18 Mo	SOFR plus 2.50 to 2.80% 7.50 - 7.85%	70%
Debt Fund	18 Mo	SOFR plus 5.00% 9.85%	75%
Life Company	18 Mo	SOFR plus 2.50 - 2.75% 7.50 - 7.85%	65%

<https://apartmentloanstore.com/houston/texas/multifamily-loan-rates>

We would not assign this differential to the source of funds because any source of funds in the summary chart is at least 295 basis points below the funding secured by the developer-sponsor.

Given that the permanent 30-year amortized loan has a rate of 5.25%, we would assign this discrepancy in construction lending to the additional risk of development in an area with limited multifamily residential new construction.

We will discuss the broader market forces below under 'Market Activity.' Still, the lending market forces indicate that this location warrants a rate indicative of a riskier asset and may require public intervention to facilitate housing units at the desired income levels.

Having established the amount and cost of debt, we turn our attention to assessing the annual service of the debt. Our analysis begins at stabilization. Thus, we have used a 3-year interest only and converted it to a 30-year amortized note (**EXHIBIT 6**).

The second component of the developer-sponsor's capital stack is equity, which comprises 46% of the total development costs. To attract capital, developer-sponsors will commit to a preferred return, the minimum return to investors before the developer-sponsor can participate in profitability. A preferred return is cumulative and is not paid as a regular periodic payment as debt is paid. However, because the preferred return represents an accumulated obligation to investors, we have modeled a preferred return as an annual obligation to investors as part of our feasibility analysis. Capital projects like Orem Circle are fundamentally not feasible without a return to investors.

We looked exclusively at similar social impact fund preferred returns to set our preferred return properly. Conventional market rate preferred returns are higher. But social impact investors will often forego higher monetary returns in favor of a holistic return to include a sometimes immeasurable public good. Given that this project is designed to further the public good, a social impact style return is most appropriate.

The funds below have a similar risk profile and social impact to Orem Circle. We simply mathematically averaged the preferred returns of these funds to arrive at an implied preferred return of 6.6%. Private Placement Memorandums (PPM) ultimately govern and confirm preferred returns to investors. However, PPMs are not publicly available in every case whereby we have used publicly available information that we reasonably expect to match the governing PPM as advertising fund information contrary to Securities and Exchange Commission (SEC) filings, which is a violation of federal securities laws.

The combined debt and equity cost of capital is modeled to determine the feasibility of attracting and deploying the needed capital for a project similar to Orem Circle.

Investment Fund	Source for Preferred Return	Preferred Return
Impact Housing REIT, LLC	Offering Circular	8%
Enterprise Renter Wealth Creation Fund	https://www.enterprisecommunity.org/impact-areas/upward-mobility/renter-wealth-creation PPM not publicly available	4%
ASI Multi-Family Impact Fund, LP	Prospectus	8%
National Equity Fund (a LISC affiliate) Workforce Housing Fund	https://www.nationalequityfund.org/media/s2pl2uqe/nef-wfh-fund-i-sept-5.pdf . PPM not publicly available	8%
Austin Housing Conservancy	https://www.austinhousingconservancy.com/campaign/ . PPM not publicly available	5%
Average		6.6%

Using a preferred return of 6.6%, we sought to forecast the amount of preferred return an investor would receive under the partnership with HHA and without the said partnership and paying full ad valorem taxes. Preferred returns accumulate, and the aggregate amount is ultimately due to the investor before paying other ownership interests. A 10-year forecast provides a sufficient forecast of preferred returns to determine the feasibility of Orem Circle.

In partnership with HHA, investors would receive 74.12% of their preferred returns, meaning that Orem Circle would deliver 74.12% of accrued preferred returns by year 10. The reasonable expectation to return a preferred return near 6.6% would attract equity capital to the development.

Conversely, Orem Circle, absent a tax abatement, would only deliver 31.12% of the aggregate preferred return to investors. Given that an annualized rate of return at 1.74% is well below the December 2023 annualized inflation rate of 3.4%, such a structure could not reasonably be expected to attract equity capital. Additional analysis is provided utilizing taxable values based on a 4.5%, 5%, and 5.5% capitalization rate delivering 10-year aggregate preferred returns of 18.49%, 24.49%, and 29.70%, respectively (**EXHIBIT 7**).

General Underwriting Assumptions

To determine the performance of Orem Circle, it is necessary to make assumptions for a period of feasibility and the trendlines for this same period of feasibility. We, therefore, used industry standard assumptions for conventional lending underwriting. Our feasibility period is 10 years, our income and rent growth is 2.5%, our operating expenses grow 3.5%, and our standing vacancy rate is 5%.

Market Activity

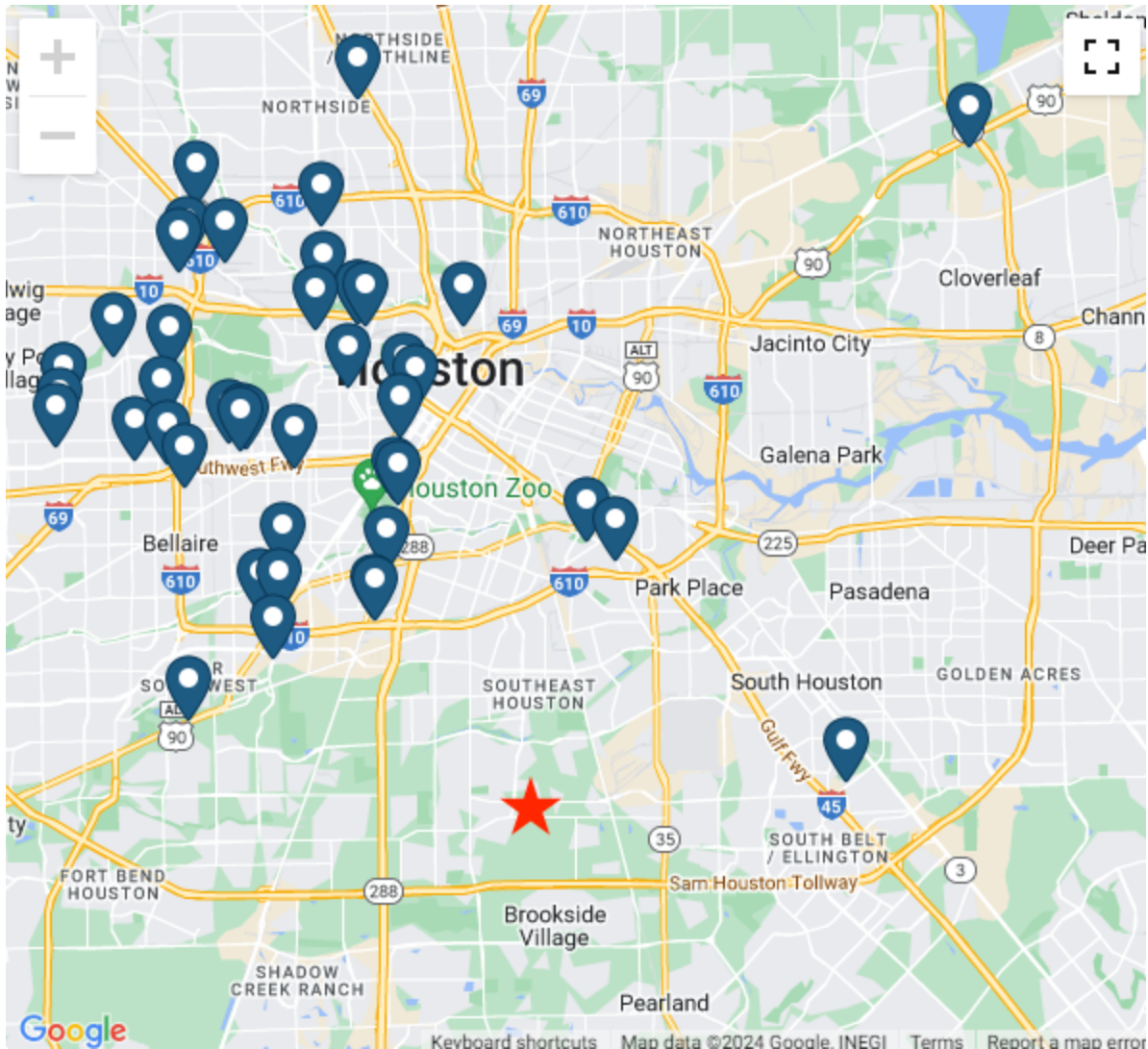
Based on the number of units put into service in the area surrounding Orem Circle, it is apparent that new Class A units like Orem Circle are a critical housing need. The preceding market rent analysis from Apartment MarketData, LLC identified 'superior locations' off Highway 288, approximately 4 miles west of the Orem Circle location. Therefore, our examination of multi-family housing options will use the boundaries of Cullen Boulevard, 1.5 miles to the west; Schumier Road, 1.3 miles to the south; Airport Boulevard, 1.5 miles to the north; and Mykawa Road, 2.8 miles to the east.

Within these boundaries, there are 8 multi-family properties, as described in the chart below:

Name	Address	Year Built
Villa Americana	5901 Selinsky Rd, Houston, TX 77048	1972
Crystal Springs	5900 Selinsky Rd, Houston, TX 77048	1974
Pointe at Crestmont	5602 Selinsky Rd, Houston, TX 77048	2018 (Tax Credit)
The Park at Sutton Hill	11911 Martin Luther King Blvd, Houston, TX 77048	1970
Villas at Sandrock	12000 Martin Luther King Blvd, Houston, TX 77048	1971
George B Lindler	4107 Almeda Genoa Rd, Houston, TX 77048	1999
Smart Living at Cullen	13555 Cullen Blvd, Houston, TX 77047	2019
Cypress Creek at Fayridge Drive	14155 Fayridge Dr, Houston, TX 77048	2011 (Tax Credit)

The area around the location of Orem Circle is one of aged and aging housing stock or tax credits that facilitated new construction. The market is limited, and market forces are insufficient to address the housing needs in the surrounding area.

When examining public partnerships, the location still has a significant gap in constructing new housing units. Below is a map of the nearest Houston Housing Authority properties. The red star indicates the location of Orem Circle. The closest property to the Orem Circle site is 7.6 miles away.



The limited market-rate construction in the immediate area combined with public investment limited to tax credits in the immediate vicinity of Orem Circle combine to create a challenging housing environment in an area characterized by incomes below the area’s median income. This unfortunate housing situation is unlikely to change without public entities’ intervention.

CONCLUSION

Based on the various analyses provided herein, It is our statement of opinion that but for the tax abatement provided by the Lakeside Public Facility Corporation, Orem Circle would not be able to provide the level of affordability as proposed.

Disclaimer – This assessment was performed utilizing current and historical market information. Given the pragmatic economic environment, Auxano makes no assertions on future economic conditions or impact on this development.

Exhibit 1



If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at thomas.stagg@novoco.com.

Click on the icons below to view historical charts.

Program and Location Information

HUD Published Income Limits for 2023 (with no adjustments)

Display Income Limits Hide Income Limits

Affordable Housing Program	Other Federal, State, or Local Program (non-LIHTC)
Year	2023 (effective 05/15/23)
State	TX
County	Harris County
MSA	Houston-The Woodlands-Sugar Land, TX HUD Metro FMR Area
Rent Calculation Based on	AMI
Persons / Bedroom	1 Person / Bedroom + 1
4-person AMI 	\$93,200
National Non-Metropolitan Median Income	\$76,800
HUD Published 50% National Non-Metropolitan Median Income	\$37,750

Income Limits for 2023
(Based on 2023 AMI Income Limits)

	Charts	60.00%	80.00%
1 Person		39,120	52,160
2 Person		44,760	59,680
3 Person		50,340	67,120
4 Person		55,920	74,560
5 Person		60,420	80,560
6 Person		64,860	86,480
7 Person		69,360	92,480
8 Person		73,800	98,400
9 Person		78,300	104,400
10 Person		82,740	110,320
11 Person		87,240	116,320
12 Person		91,680	122,240

Rent Limits for 2023
(Based on 2023 AMI Income Limits)

Bedrooms (People)	Charts	60.00%	80.00%	FMR
Efficiency (1.0)		978	1,304	1,030
1 Bedroom (2.0)		1,119	1,492	1,095
2 Bedrooms (3.0)		1,258	1,678	1,307
3 Bedrooms (4.0)		1,398	1,864	1,722
4 Bedrooms (5.0)		1,510	2,014	2,226
5 Bedrooms (6.0)		1,621	2,162	

Before using the numbers from the Rent & Income Limit Calculator©, we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.

Please note the following for households over 8 people. Per the HUD briefing material “HUD does not include income limits for families with more than eight persons in the printed lists because of space limitations. For each person over eight-persons, the four-person income limit should be multiplied by an additional 8 percent. (For example, the nine-person limit equals 140 percent [132 + 8] of the relevant four-person income limit.) HUD rounds income limits up to the nearest \$50. Local agencies may round income limits for nine or more persons to the nearest \$50, or they may use the un-rounded numbers.” To account for areas that may round to the nearest \$50, the calculator also rounds to the nearest \$50 for these household sizes as this will always result in a lower amount than rounding up. If you are qualifying a household over 8 people please check with your local agency for what their policy is in relation to rounding.

These rent & income results are for other programs (non-LIHTC/tax-exempt bond). The results require you to have in-depth knowledge of the property's particular rent & income level requirements.

You may choose which HUD published AMI % to use as the basis for calculating rent and income limits. The Rent & Income Limit Calculator© starts by default with the HUD published 50% VLI (Very low income), but this can be changed to AMI (Area median income), 30% Median, or 80% Low, if necessary (See Step 2). You may also choose the imputed persons per bedroom for the rent calculations or directly input the imputed persons per bedroom if they have other imputed persons per bedroom requirements not listed in the choices (See Step 2). The Rent & Income Limit Calculator© starts by default with 1 person/bedroom plus 1; but this can be changed to 1.5 persons per bedroom or other imputed persons per bedroom if necessary (See Step 2). Although the Rent & Income Limit Calculator© is flexible, it may not accommodate all scenarios; therefore you will have to manually calculate rent and income levels for some scenarios.

(1) The Consolidated Appropriations Act of 2014 changed how the 30% income limits is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ('VLI') published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:

<https://www.huduser.gov/portal/datasets/mtsp.html>

Terms of Use:

Utility allowances are input by the user and are not reviewed or verified by Novogradac & Company LLP. Novogradac & Company LLP provides no assurance of the accuracy of the particular results you may obtain from the Rent & Income Limit Calculator©; which is designed only to be a quick reference tool and is no substitute for professional tax and accounting advice. The Rent & Income Limit Calculator© should not be used for any final financial decisions. IRS guidelines and actual HUD amounts should be used for any final decisions. Novogradac & Company LLP does not guarantee the accuracy of the amounts shown above. As consideration for your use of this tool, free of any requirement to pay any related monetary compensation to Novogradac & Company LLP, you agree to hold Novogradac & Company LLP harmless from any damages and claims related to use of the Rent & Income Limit Calculator©. If you do not agree with the terms of this paragraph, you may not use the Rent & Income Limit Calculator©.

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Exhibit 2

I APARTMENT MARKETDATA, LLC

CONSULTANTS, ECONOMISTS, ANALYSTS

February 3, 2024

Darren Smith
Auxano Development LLC
8506 Carrie Lane
Rowlett, Texas 75089

Re: Rent Analysis
Orem Circle
Houston, Texas

Greetings:

Apartment MarketData, LLC is a Qualified Market Analyst for the Texas Department of Housing and Community affairs. Apartment MarketData, LLC is a disinterested party and will not materially benefit from the Development in any other way than receiving a fee for performing this analysis, and the fee is in no way contingent upon the outcome of the analysis.

Per your request, we conducted an analysis to determine achievable rents for the proposed development of Orem Circle in Houston, Texas.

The following market rate comparable projects were used in determining the achievable rents for the subject.

Cityscape
Meridian City South
Smart Living on Cullen

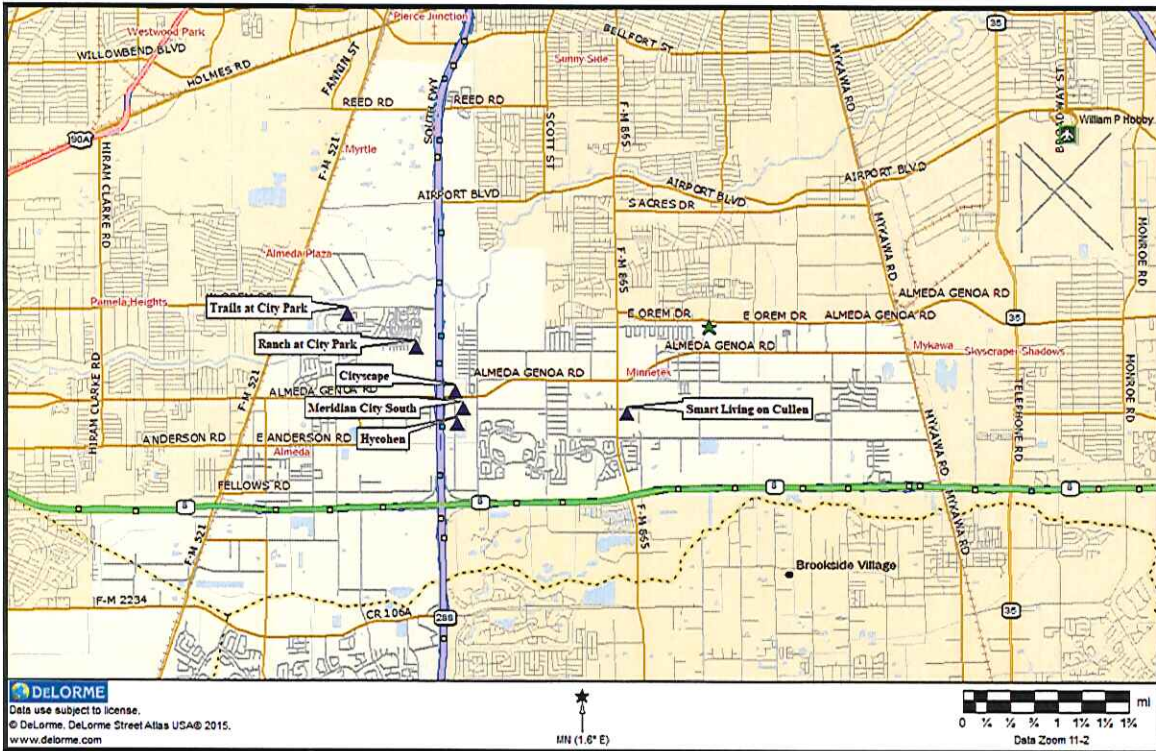
Hycohen
Ranch at City Park
Trails at City Park



20540 State H. 46 West
(210) 530-0040

Suite 115 - PMB 416
Fax (210) 340-5830

Spring Branch, Texas 78070
www.aptmktdata.com



The projects used in this analysis are all three-story garden style apartment communities constructed between 2005 and 2024.

Based on our analysis, the following table provides the average, minimum, and maximum adjusted rent at the comparable projects for each unit type.

SUMMARY OF ANALYZED RENTS

Subject Unit Type	Subject Average SF	Average Adjusted Rent	Minimum Adjusted Rent	Maximum Adjusted Rent
1BR	705	\$1,318	\$1,189	\$1,414
2BR	1,082	\$1,647	\$1,530	\$1,915
3BR	1,224	\$1,843	\$1,556	\$2,028

Two of the rent comparables, Hycohen and Meridian City South, have yet to open and represented their estimated opening rents. CityScape, Ranch at City Park and Trails at City Park have superior locations, being located off Highway 288. Smart Living on Cullen is most similar in location and neighbor aesthetics. As such, they best represent the achievable rents for a similar product type and location.

The following table gives our best estimate of achievable rents for the subject's units based on the current rent being charged by Smart Living on Cullen.

CONCLUDED MARKET RENTS

Subject Unit Type	Subject Average SF	Smart Living Rents	Proforma Rent
1BR	627	\$1,165	\$1,543
2BR	799	\$1,565	\$1,925
3BR	1,191	\$1,880	\$2,129

If you have any questions or need anything further, please contact me directly.

Sincerely,



Kirt Shell
Analyst

Exhibit 3

Property	YOC	Units	Repairs &						Management Fee
			Maintenance	Payroll	Administrative	Marketing	Utilities	Insurance	%
Property 1	2007	360	\$878	\$1,511	\$228	\$199	\$659	\$743	2.99%
Property 2	2013	257	\$805	\$1,237	\$288	\$309	\$743	\$802	3.00%
Property 3	2015	330	\$768	\$1,320	\$241	\$287	\$419	\$383	3.02%
Property 4	2004	252	\$987	\$1,584	\$244	\$335	\$490	\$641	3.00%
Property 5	2009	264	\$703	\$1,466	\$303	\$406	\$715	\$545	2.75%
Grand Total	2010	293	\$828	\$1,424	\$258	\$299	\$601	\$619	2.95%

NEWMARK

Exhibit 4

Saturday, March 2, 2024 at 13:05:59 Central Standard Time

Subject: Re: Orem Circle
Date: Friday, March 1, 2024 at 11:34:42 AM Central Standard Time
From: Holder, Chris
To: Danna Sivan
CC: Avishai Sivan, Ron Yudovich, Darren Smith

Danna,

I apologize for the delay, my wife went into labor late Sunday/early Monday morning and we were not ready.

We wrapped up our internal benchmarking and have received some preliminary verbal quotes from a couple of the markets this morning. We are going to receive some more feedback from additional markets this afternoon.

We are anticipating the pricing to come it right around \$1400 a door which comes out to around \$378,000 total. The team is pushing and expediting this process as fast as they can.

Once again, I apologize for the delay. I will be on touch this afternoon

Best,
Chris Holder
Lockton Companies
832-971-5227

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From: Danna Sivan <d@texasgp.com>
Sent: Thursday, February 29, 2024 2:20:19 PM
To: Holder, Chris <CHolder@lockton.com>
Cc: Avishai Sivan <a@texasgp.com>; Ron Yudovich <ron@texasgp.com>; Darren Smith <darren.smith@auxanodevelopment.com>
Subject: Re: Orem Circle

You don't often get email from d@texasgp.com. [Learn why this is important](#)

Hey Chris,

Hoping for some feedback.

How's it looking?

Thanks,
Danna Sivan

Exhibit 5

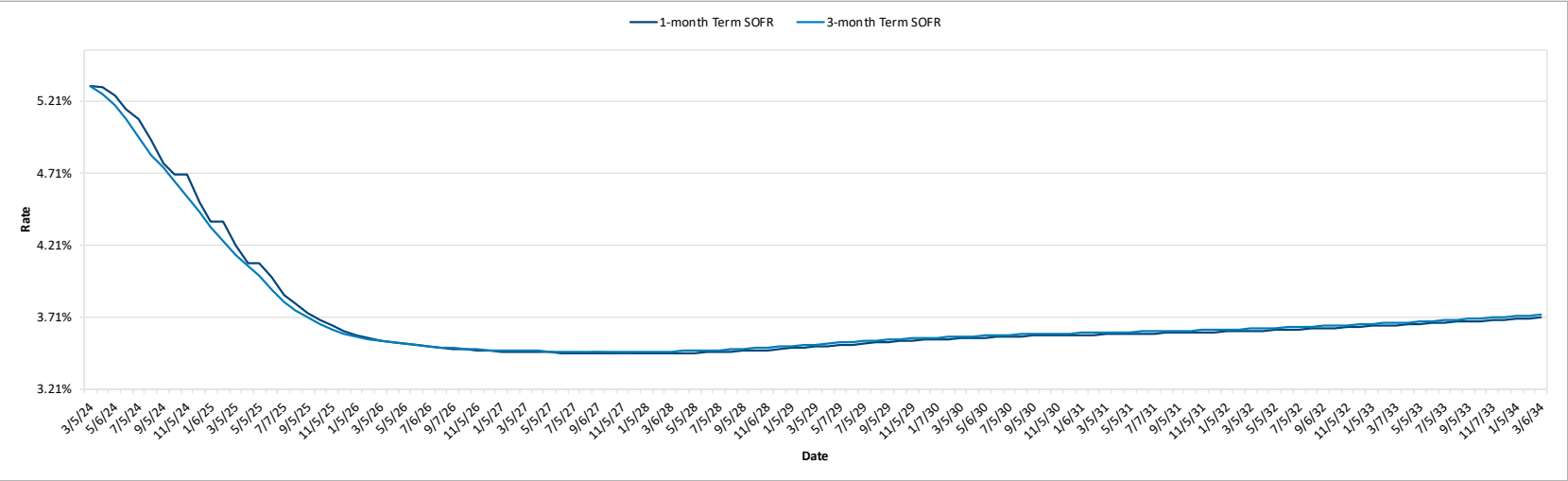
Secured Overnight Financing Rate (SOFR)

3/1/24

		3-month Term SOFR
3/1/24	5.32%	5.32%
4/1/24	5.31%	5.26%
5/1/24	5.25%	5.19%
6/1/24	5.16%	5.09%
7/1/24	5.09%	4.96%
8/1/24	4.95%	4.83%
9/1/24	4.78%	4.75%
10/1/24	4.71%	4.65%
11/1/24	4.71%	4.55%
12/1/24	4.51%	4.44%
1/1/25	4.38%	4.33%
2/1/25	4.38%	4.24%
3/1/25	4.21%	4.14%
4/1/25	4.09%	4.07%
5/1/25	4.09%	4.00%
6/1/25	3.99%	3.91%
7/1/25	3.87%	3.82%
8/1/25	3.81%	3.76%
9/1/25	3.75%	3.71%
10/1/25	3.69%	3.66%
11/1/25	3.65%	3.63%
12/1/25	3.63%	3.60%
1/1/26	3.59%	3.58%
2/1/26	3.57%	3.56%
3/1/26	3.55%	3.55%
4/1/26	3.54%	3.54%
5/1/26	3.53%	3.53%
6/1/26	3.52%	3.52%
7/1/26	3.51%	3.51%
8/1/26	3.50%	3.51%
9/1/26	3.49%	3.50%
10/1/26	3.49%	3.49%
11/1/26	3.48%	3.49%
12/1/26	3.48%	3.49%
1/1/27	3.47%	3.48%
2/1/27	3.47%	3.48%
3/1/27	3.47%	3.48%
4/1/27	3.47%	3.48%
5/1/27	3.47%	3.48%
6/1/27	3.47%	3.48%
7/1/27	3.46%	3.47%
8/1/27	3.46%	3.47%
9/1/27	3.46%	3.47%
10/1/27	3.46%	3.47%
11/1/27	3.46%	3.47%
12/1/27	3.46%	3.47%
1/1/28	3.46%	3.47%
2/1/28	3.46%	3.47%
3/1/28	3.46%	3.48%
4/1/28	3.47%	3.48%
5/1/28	3.47%	3.48%
6/1/28	3.47%	3.48%
7/1/28	3.47%	3.49%
8/1/28	3.47%	3.49%
9/1/28	3.48%	3.49%
10/1/28	3.48%	3.50%
11/1/28	3.49%	3.50%
12/1/28	3.49%	3.51%
1/1/29	3.50%	3.51%
2/1/29	3.50%	3.52%
3/1/29	3.51%	3.52%
4/1/29	3.51%	3.53%
5/1/29	3.52%	3.54%
6/1/29	3.52%	3.54%
7/1/29	3.53%	3.55%
8/1/29	3.54%	3.55%
9/1/29	3.54%	3.56%
10/1/29	3.54%	3.56%
11/1/29	3.55%	3.56%
12/1/29	3.55%	3.57%
1/1/30	3.56%	3.57%
2/1/30	3.56%	3.58%
3/1/30	3.57%	3.58%
4/1/30	3.57%	3.58%
5/1/30	3.57%	3.59%
6/1/30	3.58%	3.59%
7/1/30	3.58%	3.59%
8/1/30	3.58%	3.59%
9/1/30	3.58%	3.60%
10/1/30	3.59%	3.60%
11/1/30	3.59%	3.60%
12/1/30	3.59%	3.60%
1/1/31	3.59%	3.60%
2/1/31	3.59%	3.60%
3/1/31	3.59%	3.61%
4/1/31	3.60%	3.61%
5/1/31	3.60%	3.61%
6/1/31	3.60%	3.61%
7/1/31	3.60%	3.61%
8/1/31	3.60%	3.62%
9/1/31	3.60%	3.62%
10/1/31	3.61%	3.62%
11/1/31	3.61%	3.62%
12/1/31	3.61%	3.62%
1/1/32	3.61%	3.63%
2/1/32	3.62%	3.63%
3/1/32	3.62%	3.63%
4/1/32	3.62%	3.64%
5/1/32	3.62%	3.64%
6/1/32	3.63%	3.64%
7/1/32	3.63%	3.64%
8/1/32	3.63%	3.65%
9/1/32	3.64%	3.65%
10/1/32	3.64%	3.65%
11/1/32	3.64%	3.66%
12/1/32	3.65%	3.66%
1/1/33	3.65%	3.67%
2/1/33	3.65%	3.67%
3/1/33	3.66%	3.67%
4/1/33	3.66%	3.68%
5/1/33	3.67%	3.68%
6/1/33	3.67%	3.69%
7/1/33	3.67%	3.69%
8/1/33	3.68%	3.70%
9/1/33	3.68%	3.70%
10/1/33	3.69%	3.70%
11/1/33	3.69%	3.71%
12/1/33	3.70%	3.71%
1/1/34	3.70%	3.72%
2/1/34	3.71%	3.72%
3/1/34	3.71%	3.73%

Secured Overnight Financing Rate (SOFR)

3/1/24



For the latest rates, please visit:
<https://chathamdirect.com/rates>

Exhibit 6

Orem Circle - Restricted Income Rent Analysis

Total Units	270
Unit Type	Total
1 Bedroom	138
2 Bedroom	114
3 Bedroom	18
	270

	60% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
1 BD	\$ 1,119.00	28	4%	\$ 1,288.00	\$ 15,456.00
2 BD	\$ 1,258.00	23	20%	\$ 7,061.00	\$ 84,732.00
3 BD	\$ 1,398.00	3	11%	\$ 1,446.00	\$ 17,352.00
Total/Avg		54	12%	\$ 8,349.00	\$ 100,188.00
% of Units		20%			

	80% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
	\$ 1,491.00	41	-28%	\$ -	\$ -
	\$ 1,678.00	34	-7%	\$ -	\$ -
	\$ 1,864.00	6	-19%	\$ -	\$ -
Total/Avg		81	-18%	\$ -	\$ -
% of Units		30%			

Market Rents	
Avg. Rent	Units
\$ 1,165.00	69
\$ 1,565.00	57
\$ 1,880.00	9
47%	126
Rent	\$ 2,238,120.00

100% Market Rents		
Units	Monthly	Annually
138	160,770	\$ 1,929,240.00
114	178,410	\$ 2,140,920.00
18	33,840	\$ 406,080.00
270		\$ 4,070,160.00

Number of Workforce Units	135
Annual Reduced Rent \$	100,188.00

Orem Circle - 10 Year P&L

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

Rent trending percentage 2.5%
At Stabilization

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)
Utility Income	\$153,600	\$157,440	\$161,376	\$165,410	\$169,546	\$173,784	\$178,129	\$182,582	\$187,147	\$191,825	\$196,621
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	\$85,760	\$87,904	\$90,102	\$92,354	\$94,663	\$97,030	\$99,455	\$101,942	\$104,490	\$107,102	\$109,780
EGI	\$4,356,121	\$4,465,024	\$4,576,649	\$4,691,066	\$4,808,342	\$4,928,551	\$5,051,765	\$5,178,059	\$5,307,510	\$5,440,198	\$5,576,203
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262
Franchise & Excise Taxes	-	\$14,779	\$15,149	\$15,527	\$15,916	\$16,314	\$16,721	\$17,139	\$17,568	\$18,007	\$18,457
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898
Management Fee	\$128,506	\$131,718	\$135,011	\$138,386	\$141,846	\$145,392	\$149,027	\$152,753	\$156,572	\$160,486	\$164,498
Total Operating Expenses	\$1,427,206	\$1,490,652	\$1,541,360	\$1,593,806	\$1,648,050	\$1,704,154	\$1,762,182	\$1,822,201	\$1,884,279	\$1,948,488	\$2,014,900
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$2,875,365	\$2,919,483	\$2,979,029	\$3,039,592	\$3,101,183	\$3,163,810	\$3,227,481	\$3,292,203	\$3,357,985	\$3,424,834	\$3,492,755
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)
HHA Origination Payment	(\$392,731)										
HHA Cash Flow Share	-	\$40,083	\$31,423	(\$201,786)	(\$210,733)	(\$219,826)	(\$229,065)	(\$238,451)	(\$247,984)	(\$257,666)	(\$267,496)
HHA Asset Management Fee	(\$50,000)	(\$51,750)	(\$53,561)	(\$55,436)	(\$57,376)	(\$59,384)	(\$61,463)	(\$63,614)	(\$65,840)	(\$68,145)	(\$70,530)
Preferred Return	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)
Income	(\$1,868,325)	(\$1,393,143)	(\$1,344,069)	(\$22,553)	\$28,150	\$79,676	\$132,030	\$185,215	\$239,238	\$294,100	\$349,805
Preferred Return Running Balance	\$ (1,868,325)	\$ (3,261,468)	\$ (4,605,536)	\$ (4,628,089)	\$ (4,599,938)	\$ (4,520,262)	\$ (4,388,233)	\$ (4,203,017)	\$ (3,963,780)	\$ (3,669,680)	\$ (3,319,874)
Preferred Return Earned over 10 years		74.12%									

NOTE:

Use same trending method for both Market Rents and Program Rents and state your trending percentage

Please provide RR supporting Acquisition Market Rents

Assume a vacancy factor 5%

Debt = 5 year interest only on 54% of development costs

Orem Circle - 10 Year P&L

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

At Stabilization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)
Other Income	\$389,470	\$399,207	\$409,187	\$419,417	\$429,902	\$440,650	\$451,666	\$462,957	\$474,531	\$486,395	\$498,555
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Parking Income	\$110,400	\$113,160	\$115,989	\$118,889	\$121,861	\$124,907	\$128,030	\$131,231	\$134,512	\$137,874	\$141,321
EGI	\$4,616,631	\$4,732,047	\$4,850,348	\$4,971,606	\$5,095,897	\$5,223,294	\$5,353,876	\$5,487,723	\$5,624,916	\$5,765,539	\$5,909,678
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262
Franchise & Excise Taxes	-	\$15,663	\$16,055	\$16,456	\$16,867	\$17,289	\$17,721	\$18,164	\$18,618	\$19,084	\$19,561
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898
Management Fee	\$136,191	\$139,595	\$143,085	\$146,662	\$150,329	\$154,087	\$157,939	\$161,888	\$165,935	\$170,083	\$174,335
Total Operating Expenses	\$1,434,891	\$1,499,413	\$1,550,340	\$1,603,010	\$1,657,484	\$1,713,824	\$1,772,095	\$1,832,361	\$1,894,693	\$1,959,162	\$2,025,841
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$3,128,190	\$3,177,745	\$3,243,747	\$3,310,929	\$3,379,303	\$3,448,883	\$3,519,680	\$3,591,708	\$3,664,977	\$3,739,500	\$3,815,288
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)
Real Estate Taxes	(\$822,440)	(\$851,225)	(\$881,018)	(\$911,854)	(\$943,769)	(\$976,801)	(\$1,010,989)	(\$1,046,373)	(\$1,082,996)	(\$1,120,901)	(\$1,160,133)
Preferred Return	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)
Income	(\$2,200,974)	(\$2,180,205)	(\$2,143,996)	(\$611,614)	(\$575,155)	(\$538,607)	(\$501,997)	(\$465,354)	(\$428,708)	(\$392,090)	(\$355,534)
Preferred Return Running Balance	\$ (2,200,974.41)	\$ (4,381,179.54)	\$ (6,525,175.48)	\$ (7,136,789.68)	\$ (7,711,944.48)	\$ (8,250,551.49)	\$ (8,752,548.95)	\$ (9,217,903.34)	\$ (9,646,611.19)	\$ (10,038,700.87)	\$ (10,394,234.53)
Preferred Return Earned over 10 years											31.12%

NOTE:
 Use same trending method for both Market Rents and Program Rents and state your trending percentage
 Please provide RR supporting Acquisition Market Rents
 Assume a vacancy factor 5%

Beginning Taxable Value Assumptions

Exhibit 7

Orem Circle - Restricted Income Rent Analysis

Total Units	270	
Unit Type	Total	
1 Bedroom	138	
2 Bedroom	114	
3 Bedroom	18	
	270	

	60% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
1 BD	\$ 1,119.00	28	4%	\$ 1,288.00	\$ 15,456.00
2 BD	\$ 1,258.00	23	20%	\$ 7,061.00	\$ 84,732.00
3 BD	\$ 1,398.00	3	11%	\$ 1,446.00	\$ 17,352.00
Total/Avg		54	12%	\$ 8,349.00	\$ 100,188.00
% of Units		20%			

	80% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
	\$ 1,491.00	41	-28%	\$ -	\$ -
	\$ 1,678.00	34	-7%	\$ -	\$ -
	\$ 1,864.00	6	-19%	\$ -	\$ -
Total/Avg		81	-18%	\$ -	\$ -
% of Units		30%			

Market Rents	
Avg. Rent	Units
\$ 1,165.00	69
\$ 1,565.00	57
\$ 1,880.00	9
47%	126
Rent	\$ 2,238,120.00

100% Market Rents		
Units	Monthly	Annually
138	160,770	\$ 1,929,240.00
114	178,410	\$ 2,140,920.00
18	33,840	\$ 406,080.00
270		\$ 4,070,160.00

Number of Workforce Units	135
Annual Reduced Rent \$	100,188.00

Orem Circle - 10 Year P&L 4.5% Capitalization Rate

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

Rent trending percentage 2.5%

	At Stabilization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)
Utility Income	\$153,600	\$157,440	\$161,376	\$165,410	\$169,546	\$173,784	\$178,129	\$182,582	\$187,147	\$191,825	\$196,621
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	\$85,760	\$87,904	\$90,102	\$92,354	\$94,663	\$97,030	\$99,455	\$101,942	\$104,490	\$107,102	\$109,780
EGI	\$4,356,121	\$4,465,024	\$4,576,649	\$4,691,066	\$4,808,342	\$4,928,551	\$5,051,765	\$5,178,059	\$5,307,510	\$5,440,198	\$5,576,203
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262
Franchise & Excise Taxes	-	\$14,779	\$15,149	\$15,527	\$15,916	\$16,314	\$16,721	\$17,139	\$17,568	\$18,007	\$18,457
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898
Management Fee	\$128,506	\$131,718	\$135,011	\$138,386	\$141,846	\$145,392	\$149,027	\$152,753	\$156,572	\$160,486	\$164,498
Total Operating Expenses	\$1,427,206	\$1,490,652	\$1,541,360	\$1,593,806	\$1,648,050	\$1,704,154	\$1,762,182	\$1,822,201	\$1,884,279	\$1,948,488	\$2,014,900
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$2,875,365	\$2,919,483	\$2,979,029	\$3,039,592	\$3,101,183	\$3,163,810	\$3,227,481	\$3,292,203	\$3,357,985	\$3,424,834	\$3,492,755
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)
HHA Origination Payment	(\$392,731)										
HHA Cash Flow Share	-	\$40,083	\$31,423	(\$201,786)	(\$210,733)	(\$219,826)	(\$229,065)	(\$238,451)	(\$247,984)	(\$257,666)	(\$267,496)
HHA Asset Management Fee	(\$50,000)	(\$51,750)	(\$53,561)	(\$55,436)	(\$57,376)	(\$59,384)	(\$61,463)	(\$63,614)	(\$65,840)	(\$68,145)	(\$70,530)
Preferred Return	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)
Income	(\$1,868,325)	(\$1,393,143)	(\$1,344,069)	(\$22,553)	\$28,150	\$79,676	\$132,030	\$185,215	\$239,238	\$294,100	\$349,805
Preferred Return Running Balance	\$ (1,868,325)	\$ (3,261,468)	\$ (4,605,536)	\$ (4,628,089)	\$ (4,599,938)	\$ (4,520,262)	\$ (4,388,233)	\$ (4,203,017)	\$ (3,963,780)	\$ (3,669,680)	\$ (3,319,874)
Preferred Return Earned over 10 years		74.12%									

NOTE:

Use same trending method for both Market Rents and Program Rents and state your trending percentage

Please provide RR supporting Acquisition Market Rents

Assume a vacancy factor 5%

Debt = 5 year interest only on 54% of development costs

Orem Circle - 10 Year P&L 4.5% Capitalization Rate

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

Rent trending percentage		2.5%										
	At Stabilization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565	
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)	
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)	
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)	
Other Income	\$389,470	\$399,207	\$409,187	\$419,417	\$429,902	\$440,650	\$451,666	\$462,957	\$474,531	\$486,395	\$498,555	
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-	
Parking Income	\$110,400	\$113,160	\$115,989	\$118,889	\$121,861	\$124,907	\$128,030	\$131,231	\$134,512	\$137,874	\$141,321	
EGI	\$4,616,631	\$4,732,047	\$4,850,348	\$4,971,606	\$5,095,897	\$5,223,294	\$5,353,876	\$5,487,723	\$5,624,916	\$5,765,539	\$5,909,678	
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347	
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353	
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878	
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262	
Franchise & Excise Taxes	-	\$15,663	\$16,055	\$16,456	\$16,867	\$17,289	\$17,721	\$18,164	\$18,618	\$19,084	\$19,561	
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206	
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898	
Management Fee	\$136,191	\$139,595	\$143,085	\$146,662	\$150,329	\$154,087	\$157,939	\$161,888	\$165,935	\$170,083	\$174,335	
Total Operating Expenses	\$1,434,891	\$1,499,413	\$1,550,340	\$1,603,010	\$1,657,484	\$1,713,824	\$1,772,095	\$1,832,361	\$1,894,693	\$1,959,162	\$2,025,841	
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549	
NOI	\$3,128,190	\$3,177,745	\$3,243,747	\$3,310,929	\$3,379,303	\$3,448,883	\$3,519,680	\$3,591,708	\$3,664,977	\$3,739,500	\$3,815,288	
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	
Real Estate Taxes	(\$967,444)	(\$1,001,304)	(\$1,036,350)	(\$1,072,622)	(\$1,110,164)	(\$1,149,019)	(\$1,189,235)	(\$1,230,858)	(\$1,273,938)	(\$1,318,526)	(\$1,364,675)	
Preferred Return	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	
Income	(\$2,345,978)	(\$2,330,284)	(\$2,299,327)	(\$772,382)	(\$741,550)	(\$710,826)	(\$680,244)	(\$649,840)	(\$619,650)	(\$589,715)	(\$560,076)	
Preferred Return Running Balance	\$ (2,345,978.04)	\$ (4,676,261.93)	\$ (6,975,589.38)	\$ (7,747,971.70)	\$ (8,489,521.50)	\$ (9,200,347.34)	\$ (9,880,591.27)	\$ (10,530,430.78)	\$ (11,150,080.72)	\$ (11,739,795.47)	\$ (12,299,871.07)	
Preferred Return Earned over 10 years											18.49%	

NOTE:
 Use same trending method for both Market Rents and Program Rents and state your trending percentage
 Please provide RR supporting Acquisition Market Rents
 Assume a vacancy factor 5%

Beginning Taxable Value Assumptions

Orem Circle - Restricted Income Rent Analysis

Total Units	270
Unit Type	Total
1 Bedroom	138
2 Bedroom	114
3 Bedroom	18
	270

	60% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
1 BD	\$ 1,119.00	28	4%	\$ 1,288.00	\$ 15,456.00
2 BD	\$ 1,258.00	23	20%	\$ 7,061.00	\$ 84,732.00
3 BD	\$ 1,398.00	3	11%	\$ 1,446.00	\$ 17,352.00
Total/Avg		54	12%	\$ 8,349.00	\$ 100,188.00
% of Units		20%			

	80% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
	\$ 1,491.00	41	-28%	\$ -	\$ -
	\$ 1,678.00	34	-7%	\$ -	\$ -
	\$ 1,864.00	6	-19%	\$ -	\$ -
Total/Avg		81	-18%	\$ -	\$ -
% of Units		30%			

Market Rents	
Avg. Rent	Units
\$ 1,165.00	69
\$ 1,565.00	57
\$ 1,880.00	9
47%	126
Rent	\$ 2,238,120.00

100% Market Rents		
Units	Monthly	Annually
138	160,770	\$ 1,929,240.00
114	178,410	\$ 2,140,920.00
18	33,840	\$ 406,080.00
270		\$ 4,070,160.00

Number of Workforce Units	135
Annual Reduced Rent \$	100,188.00

Orem Circle - 10 Year P&L 5.0% Capitalization Rate

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

Rent trending percentage 2.5%

	At Stabilization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)
Utility Income	\$153,600	\$157,440	\$161,376	\$165,410	\$169,546	\$173,784	\$178,129	\$182,582	\$187,147	\$191,825	\$196,621
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	\$85,760	\$87,904	\$90,102	\$92,354	\$94,663	\$97,030	\$99,455	\$101,942	\$104,490	\$107,102	\$109,780
EGI	\$4,356,121	\$4,465,024	\$4,576,649	\$4,691,066	\$4,808,342	\$4,928,551	\$5,051,765	\$5,178,059	\$5,307,510	\$5,440,198	\$5,576,203
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262
Franchise & Excise Taxes	-	\$14,779	\$15,149	\$15,527	\$15,916	\$16,314	\$16,721	\$17,139	\$17,568	\$18,007	\$18,457
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898
Management Fee	\$128,506	\$131,718	\$135,011	\$138,386	\$141,846	\$145,392	\$149,027	\$152,753	\$156,572	\$160,486	\$164,498
Total Operating Expenses	\$1,427,206	\$1,490,652	\$1,541,360	\$1,593,806	\$1,648,050	\$1,704,154	\$1,762,182	\$1,822,201	\$1,884,279	\$1,948,488	\$2,014,900
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$2,875,365	\$2,919,483	\$2,979,029	\$3,039,592	\$3,101,183	\$3,163,810	\$3,227,481	\$3,292,203	\$3,357,985	\$3,424,834	\$3,492,755
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)
HHA Origination Payment	(\$392,731)										
HHA Cash Flow Share	-	\$40,083	\$31,423	(\$201,786)	(\$210,733)	(\$219,826)	(\$229,065)	(\$238,451)	(\$247,984)	(\$257,666)	(\$267,496)
HHA Asset Management Fee	(\$50,000)	(\$51,750)	(\$53,561)	(\$55,436)	(\$57,376)	(\$59,384)	(\$61,463)	(\$63,614)	(\$65,840)	(\$68,145)	(\$70,530)
Preferred Return	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)
Income	(\$1,868,325)	(\$1,393,143)	(\$1,344,069)	(\$22,553)	\$28,150	\$79,676	\$132,030	\$185,215	\$239,238	\$294,100	\$349,805
Preferred Return Running Balance	\$ (1,868,325)	\$ (3,261,468)	\$ (4,605,536)	\$ (4,628,089)	\$ (4,599,938)	\$ (4,520,262)	\$ (4,388,233)	\$ (4,203,017)	\$ (3,963,780)	\$ (3,669,680)	\$ (3,319,874)
Preferred Return Earned over 10 years		74.12%									

NOTE:

Use same trending method for both Market Rents and Program Rents and state your trending percentage

Please provide RR supporting Acquisition Market Rents

Assume a vacancy factor 5%

Debt = 5 year interest only on 54% of development costs

Orem Circle - 10 Year P&L 5.0% Capitalization Rate

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

Rent trending percentage		2.5%										
At Stabilization		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565	
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)	
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)	
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)	
Other Income	\$389,470	\$399,207	\$409,187	\$419,417	\$429,902	\$440,650	\$451,666	\$462,957	\$474,531	\$486,395	\$498,555	
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-	
Parking Income	\$110,400	\$113,160	\$115,989	\$118,889	\$121,861	\$124,907	\$128,030	\$131,231	\$134,512	\$137,874	\$141,321	
EGI	\$4,616,631	\$4,732,047	\$4,850,348	\$4,971,606	\$5,095,897	\$5,223,294	\$5,353,876	\$5,487,723	\$5,624,916	\$5,765,539	\$5,909,678	
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347	
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353	
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878	
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262	
Franchise & Excise Taxes	-	\$15,663	\$16,055	\$16,456	\$16,867	\$17,289	\$17,721	\$18,164	\$18,618	\$19,084	\$19,561	
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206	
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898	
Management Fee	\$136,191	\$139,595	\$143,085	\$146,662	\$150,329	\$154,087	\$157,939	\$161,888	\$165,935	\$170,083	\$174,335	
Total Operating Expenses	\$1,434,891	\$1,499,413	\$1,550,340	\$1,603,010	\$1,657,484	\$1,713,824	\$1,772,095	\$1,832,361	\$1,894,693	\$1,959,162	\$2,025,841	
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549	
NOI	\$3,128,190	\$3,177,745	\$3,243,747	\$3,310,929	\$3,379,303	\$3,448,883	\$3,519,680	\$3,591,708	\$3,664,977	\$3,739,500	\$3,815,288	
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	
Real Estate Taxes	(\$898,486)	(\$929,933)	(\$962,481)	(\$996,168)	(\$1,031,034)	(\$1,067,120)	(\$1,104,469)	(\$1,143,126)	(\$1,183,135)	(\$1,224,545)	(\$1,267,404)	
Preferred Return	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	
Income	(\$2,277,021)	(\$2,258,913)	(\$2,225,459)	(\$695,928)	(\$662,420)	(\$628,926)	(\$595,478)	(\$562,107)	(\$528,846)	(\$495,733)	(\$462,805)	
Preferred Return Running Balance	\$ (2,277,020.83)	\$ (4,535,934.01)	\$ (6,761,392.78)	\$ (7,457,321.01)	\$ (8,119,740.83)	\$ (8,748,667.13)	\$ (9,344,145.06)	\$ (9,906,251.73)	\$ (10,435,098.20)	\$ (10,930,831.35)	\$ (11,393,636.01)	
Preferred Return Earned over 10 years											24.49%	

NOTE:
 Use same trending method for both Market Rents and Program Rents and state your trending percentage
 Please provide RR supporting Acquisition Market Rents
 Assume a vacancy factor 5%

Beginning Taxable Value Assumptions

Orem Circle - Restricted Income Rent Analysis

Total Units	270
Unit Type	Total
1 Bedroom	138
2 Bedroom	114
3 Bedroom	18
	270

	60% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
1 BD	\$ 1,119.00	28	4%	\$ 1,288.00	\$ 15,456.00
2 BD	\$ 1,258.00	23	20%	\$ 7,061.00	\$ 84,732.00
3 BD	\$ 1,398.00	3	11%	\$ 1,446.00	\$ 17,352.00
Total/Avg		54	12%	\$ 8,349.00	\$ 100,188.00
% of Units		20%			

	80% AMI			Rent Savings	
	Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
	\$ 1,491.00	41	-28%	\$ -	\$ -
	\$ 1,678.00	34	-7%	\$ -	\$ -
	\$ 1,864.00	6	-19%	\$ -	\$ -
Total/Avg		81	-18%	\$ -	\$ -
% of Units		30%			

Market Rents	
Avg. Rent	Units
\$ 1,165.00	69
\$ 1,565.00	57
\$ 1,880.00	9
47%	126
Rent	\$ 2,238,120.00

100% Market Rents		
Units	Monthly	Annually
138	160,770	\$ 1,929,240.00
114	178,410	\$ 2,140,920.00
18	33,840	\$ 406,080.00
270		\$ 4,070,160.00

Number of Workforce Units	135
Annual Reduced Rent	\$ 100,188.00

Orem Circle - 10 Year P&L 5.5% Capitalization Rate

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

Rent trending percentage 2.5%
At Stabilization

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)
Utility Income	\$153,600	\$157,440	\$161,376	\$165,410	\$169,546	\$173,784	\$178,129	\$182,582	\$187,147	\$191,825	\$196,621
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	\$85,760	\$87,904	\$90,102	\$92,354	\$94,663	\$97,030	\$99,455	\$101,942	\$104,490	\$107,102	\$109,780
EGI	\$4,356,121	\$4,465,024	\$4,576,649	\$4,691,066	\$4,808,342	\$4,928,551	\$5,051,765	\$5,178,059	\$5,307,510	\$5,440,198	\$5,576,203
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262
Franchise & Excise Taxes	-	\$14,779	\$15,149	\$15,527	\$15,916	\$16,314	\$16,721	\$17,139	\$17,568	\$18,007	\$18,457
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898
Management Fee	\$128,506	\$131,718	\$135,011	\$138,386	\$141,846	\$145,392	\$149,027	\$152,753	\$156,572	\$160,486	\$164,498
Total Operating Expenses	\$1,427,206	\$1,490,652	\$1,541,360	\$1,593,806	\$1,648,050	\$1,704,154	\$1,762,182	\$1,822,201	\$1,884,279	\$1,948,488	\$2,014,900
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$2,875,365	\$2,919,483	\$2,979,029	\$3,039,592	\$3,101,183	\$3,163,810	\$3,227,481	\$3,292,203	\$3,357,985	\$3,424,834	\$3,492,755
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)
HHA Origination Payment	(\$392,731)										
HHA Cash Flow Share	-	\$40,083	\$31,423	(\$201,786)	(\$210,733)	(\$219,826)	(\$229,065)	(\$238,451)	(\$247,984)	(\$257,666)	(\$267,496)
HHA Asset Management Fee	(\$50,000)	(\$51,750)	(\$53,561)	(\$55,436)	(\$57,376)	(\$59,384)	(\$61,463)	(\$63,614)	(\$65,840)	(\$68,145)	(\$70,530)
Preferred Return	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)	(\$1,166,006)
Income	(\$1,868,325)	(\$1,393,143)	(\$1,344,069)	(\$22,553)	\$28,150	\$79,676	\$132,030	\$185,215	\$239,238	\$294,100	\$349,805
Preferred Return Running Balance	\$ (1,868,325)	\$ (3,261,468)	\$ (4,605,536)	\$ (4,628,089)	\$ (4,599,938)	\$ (4,520,262)	\$ (4,388,233)	\$ (4,203,017)	\$ (3,963,780)	\$ (3,669,680)	\$ (3,319,874)
Preferred Return Earned over 10 years		74.12%									

NOTE:

Use same trending method for both Market Rents and Program Rents and state your trending percentage

Please provide RR supporting Acquisition Market Rents

Assume a vacancy factor 5%

Debt = 5 year interest only on 54% of development costs

Orem Circle - 10 Year P&L 5.5% Capitalization Rate

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Gross Potential 60% AMI Rent	\$773,520	\$792,858	\$812,679	\$832,996	\$853,821	\$875,167	\$897,046	\$919,472	\$942,459	\$966,020	\$990,171
Current Gross Potential 80% AMI Rent	\$1,418,196	\$1,453,651	\$1,489,992	\$1,527,242	\$1,565,423	\$1,604,559	\$1,644,673	\$1,685,789	\$1,727,934	\$1,771,132	\$1,815,411
Current Gross Potential Market Rent	\$2,238,120	\$2,294,073	\$2,351,425	\$2,410,210	\$2,470,466	\$2,532,227	\$2,595,533	\$2,660,421	\$2,726,932	\$2,795,105	\$2,864,983

At Stabilization	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Potential Rent - Program Rent	\$4,429,836	\$4,540,582	\$4,654,096	\$4,770,449	\$4,889,710	\$5,011,953	\$5,137,252	\$5,265,683	\$5,397,325	\$5,532,258	\$5,670,565
Vacancy	(\$221,492)	(\$227,029)	(\$232,705)	(\$238,522)	(\$244,486)	(\$250,598)	(\$256,863)	(\$263,284)	(\$269,866)	(\$276,613)	(\$283,528)
Non-Revenue	(\$50,000)	(\$51,250)	(\$52,531)	(\$53,845)	(\$55,191)	(\$56,570)	(\$57,985)	(\$59,434)	(\$60,920)	(\$62,443)	(\$64,004)
Bad Debt	(\$41,583)	(\$42,623)	(\$43,689)	(\$44,781)	(\$45,900)	(\$47,048)	(\$48,224)	(\$49,430)	(\$50,665)	(\$51,932)	(\$53,230)
Other Income	\$389,470	\$399,207	\$409,187	\$419,417	\$429,902	\$440,650	\$451,666	\$462,957	\$474,531	\$486,395	\$498,555
Utility Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Parking Income	\$110,400	\$113,160	\$115,989	\$118,889	\$121,861	\$124,907	\$128,030	\$131,231	\$134,512	\$137,874	\$141,321
EGI	\$4,616,631	\$4,732,047	\$4,850,348	\$4,971,606	\$5,095,897	\$5,223,294	\$5,353,876	\$5,487,723	\$5,624,916	\$5,765,539	\$5,909,678
Salaries and Wages	\$384,480	\$397,937	\$411,865	\$426,280	\$441,200	\$456,642	\$472,624	\$489,166	\$506,287	\$524,007	\$542,347
Maintenance	\$223,560	\$231,385	\$239,483	\$247,865	\$256,540	\$265,519	\$274,812	\$284,431	\$294,386	\$304,689	\$315,353
Tenant Procurement	\$80,730	\$83,556	\$86,480	\$89,507	\$92,640	\$95,882	\$99,238	\$102,711	\$106,306	\$110,027	\$113,878
Office & Administrative	\$69,660	\$72,098	\$74,622	\$77,233	\$79,936	\$82,734	\$85,630	\$88,627	\$91,729	\$94,939	\$98,262
Franchise & Excise Taxes	-	\$15,663	\$16,055	\$16,456	\$16,867	\$17,289	\$17,721	\$18,164	\$18,618	\$19,084	\$19,561
Insurance	\$378,000	\$391,230	\$404,923	\$419,095	\$433,764	\$448,945	\$464,659	\$480,922	\$497,754	\$515,175	\$533,206
Utilities	\$162,270	\$167,949	\$173,828	\$179,912	\$186,209	\$192,726	\$199,471	\$206,453	\$213,679	\$221,157	\$228,898
Management Fee	\$136,191	\$139,595	\$143,085	\$146,662	\$150,329	\$154,087	\$157,939	\$161,888	\$165,935	\$170,083	\$174,335
Total Operating Expenses	\$1,434,891	\$1,499,413	\$1,550,340	\$1,603,010	\$1,657,484	\$1,713,824	\$1,772,095	\$1,832,361	\$1,894,693	\$1,959,162	\$2,025,841
Capital Reserves	\$53,550	\$54,889	\$56,261	\$57,667	\$59,109	\$60,587	\$62,102	\$63,654	\$65,245	\$66,877	\$68,549
NOI	\$3,181,740	\$3,232,634	\$3,299,008	\$3,370,596	\$3,438,413	\$3,512,470	\$3,591,781	\$3,676,362	\$3,766,223	\$3,861,376	\$3,962,837
Less: Debt	(\$3,134,953)	(\$3,134,953)	(\$3,134,953)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)	(\$1,638,918)
Real Estate Taxes	(\$838,705)	(\$868,060)	(\$898,442)	(\$929,888)	(\$962,434)	(\$996,119)	(\$1,030,983)	(\$1,067,067)	(\$1,104,415)	(\$1,143,069)	(\$1,183,077)
Preferred Return	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)	(\$1,371,771)
Income	(\$2,217,240)	(\$2,197,040)	(\$2,161,420)	(\$629,648)	(\$593,820)	(\$557,925)	(\$521,992)	(\$486,049)	(\$450,126)	(\$414,258)	(\$378,478)
Preferred Return Running Balance	\$ (2,217,239.80)	\$ (4,414,279.60)	\$ (6,575,699.43)	\$ (7,205,347.37)	\$ (7,799,167.07)	\$ (8,357,092.26)	\$ (8,879,084.03)	\$ (9,365,132.53)	\$ (9,815,258.79)	\$ (10,229,516.53)	\$ (10,607,994.13)
Preferred Return Earned over 10 years											29.70%

NOTE:
 Use same trending method for both Market Rents and Program Rents and state your trending percentage
 Please provide RR supporting Acquisition Market Rents
 Assume a vacancy factor 5%

Beginning Taxable Value Assumptions