The Long Beach COMMUNITY INVESTMENT Company 333 W. Ocean Blvd., 3rd Floor • Long Beach, CA 90802 • 562.570.6949 • lbcic.org

M E M O R A N D U M

DATE: September 17, 2014

TO: Board of Directors
The Long Beach Community Investment Company

FROM: Amy J. Bodek, President

SUBJECT: **Approval of Second Amendment to the Affordable Housing Regulatory Agreement for Puerto Del Sol Apartments at 745 W. 3rd Street (CD 1)**

RECOMMENDATION:

1. Approve a Second Amendment to the Puerto Del Sol Apartments Affordable Housing Regulatory Agreement with Jamboree Housing Corporation; and,

2. Authorize the President to execute any and all documents necessary to implement the Second Amendment.

DISCUSSION

On June 15, 2005, The Long Beach Community Investment Company (LBCIC), approved a loan of up to $12,000,000 to Jamboree Housing Corporation (Developer) for the development of Puerto Del Sol Apartments, which is located at 745 W. 3rd Street. A site map and photograph of the property are attached (Attachment A). Redevelopment Property Tax Increment Housing Set-Aside (Set-Aside) funds were used to fund the loan, so the project is subject to the requirements of the California Health and Safety Code (CAHSC). The project was also funded with Low- Income Housing Tax Credits (LIHTC), so it is also subject to federal LIHTC Regulations. A copy of the staff report is attached for your reference (Attachment B).

The development, which consists of a four-story 64-unit apartment building, and includes a community center with a kitchen, activity rooms, recreation areas, a computer-learning center, laundry rooms, and underground parking, was completed and occupied in 2008. The project's unit mix consists of 37 two-bedroom units, 15 three-bedroom units, and 11 four-bedroom units. The existing LBCIC Loan Agreement and Regulatory Agreement restrict all 64 units to very low-income households for a period of 55-years.

In 2013, the Developer informed staff that the property was experiencing cash flow issues resulting from the operating expenses being greater than the income generated by the project's cash flow (rent revenues). The operating expenses have been greater than anticipated due to a number of unforeseen challenges, including numerous pest infestations (specifically ongoing bed bug outbreaks), maintenance/janitorial issues, and security issues (theft, vagrancy and vandalism). Despite the implementation of a new bedbug policy and training, increased efforts to evict problem tenants, and replacement of coded keypads on the entry gates with remote entry devices (residents were continually giving the code to nonresidents), the challenges have continued. More recently the project has experienced a significant rodent problem.

The property is also in need of several important improvements and repairs, which have been delayed due to insufficient cash flow. Some examples include:

- An improved security camera system to detect issues around the building perimeter and interior corridors, and a night time security guard;
- A full-time, versus part-time, janitor and maintenance person;
- Additional power washing;
- Resurfacing of exterior stairs to prevent slips and injuries;
- Replacement of carpeting in the second floor corridor with a sealed, easy to clean surface;
- Modification to the community facilities to improve social service delivery; and,
- Exterior painting.

In addition to challenges with property maintenance, financial projections indicate that the outstanding deferred developer fee that is required to be repaid to the Developer by the end of the 10th year of operation (approximately $456,790), will not be able to be repaid, and will need to be written off by the Developer in 2017. In order to address the ongoing budget deficits, the Developer requested that the LBCIC consider an amendment to the Affordable Housing Regulatory Agreement to convert the income and rent restrictions on 20 units from very low-income to low-income.

Staff requested Keyser Marston Associates, Inc. (KMA) to prepare an analysis of the project's cash flow issues to determine the feasibility of modifying the current affordability structure. First, KMA evaluated the impacts of the proposed change to the proportionality restrictions contained in the CAHSC, which previously required that Set-Aside funds be spent on assisting very low-, low-, and moderate-income households in the same proportion as the number of units needed for each of those groups, as determined by the 2008 to 2014 Housing Element. The CAHSC required that these production requirements be documented in a five year Housing Implementation Plan and annual production reports. As part of their review, KMA reviewed the 2009-2014 Housing Implementation Plan (the last Housing Implementation Plan adopted by the former redevelopment agency), and the annual housing production reports submitted to the state as required by the CAHSC. KMA concluded that up to 20 very low-income units could be converted to low-income units without impacting compliance with the 2009-14 Housing Implementation Plan and annual reports. Second, KMA prepared cash flow analyses using two scenarios, a Base Scenario, which evaluated cash flow with the current affordability restrictions, and a Low-Income Scenario, which evaluates the effect of changing 20 very low-income units to low-income units. KMA's analysis supports the Developer's concern that the project requires modifications in order to generate positive cash flow throughout the affordability period, and indicates that the conversion to low-income units will generate positive cash flow until year 54 of the 55-year affordability period. A copy of the KMA analysis is attached (Attachment C).

The Developer has provided information to staff that indicates that there are at least 20 households occupying very low-income units that have had increases in income, some substantial, since they initially occupied their units. These 20 households are now paying less than 30% of their income for rent, and are able to afford a rent increase. The Developer is proposing that these 20 units be converted from very low- income to low-income. The attached Rent Comparison Chart provides income and rent information for these 20 households (Attachment D).

The information in Attachment D indicates that a number of households are over income for a very low- or a low-income restricted unit. The LIHTC Regulations do not allow tenants to be asked to vacate the unit or be evicted because they are over income. However, LIHTC Regulations do allow for rent adjustments when a project has multiple income and rent restrictions.

Staff recommends that 20 very low-income units be changed to low-income units, and that the Regulatory Agreement be amended to reflect that change. If approved, the total rent increase of 22% will occur incrementally over a two-year period. Each incremental increase will be no greater than 15% and all increases will be at least 6 months apart. It is important to note that, because incomes have risen since initial occupancy, none of the tenants will pay more than 33% of their total household income toward rent after the increase is fully implemented.

SUGGESTED ACTION:

Approve Recommendations.

AJB:PU:MS
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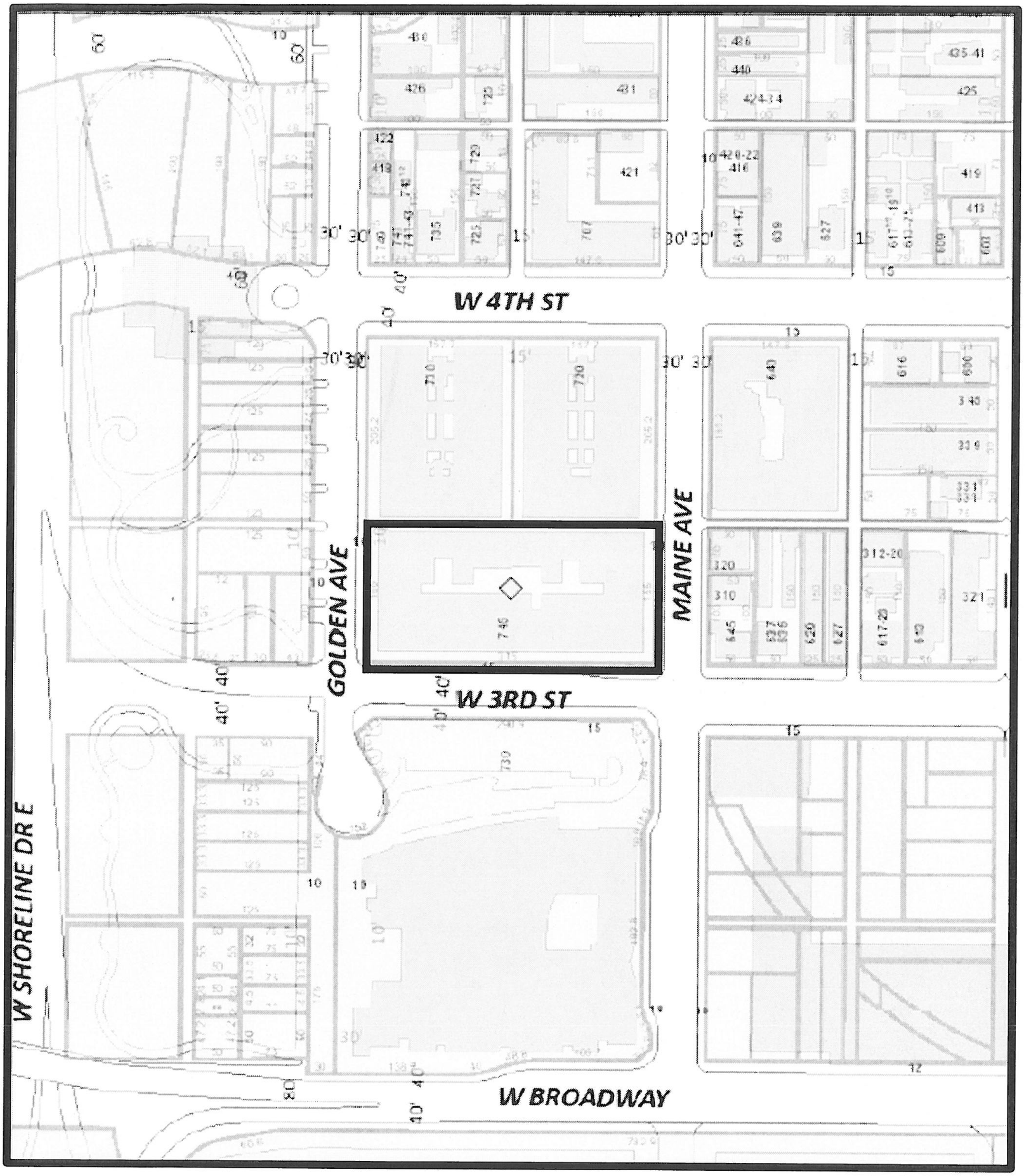
Attachments:
A. Site Map and Photograph
B. June 15, 2005 LBCIC Staff Report
C. KMA Analysis
D. Rent Comparison Chart

Attachment A

745 W. 3rd Street



745 W. 3rd Street

Attachment B

The Long Beach Housing Development Company

MEMORANDUM

DATE: June 15, 2005

TO: Board of Directors
The Long Beach Housing Development Company

FROM: Beth Stochl, Vice President Beth Stochl

SUBJECT: **Approval of Revised LBHDC Project Budget and Second Amendment to Affordable Housing Loan Agreement with Jamboree Housing Corporation for the Development of Puerto del Sol (District 1)**

BACKGROUND

On June 16, 2004, the LBHDC approved a revised project budget and an amendment to the Affordable Housing Loan Agreement with Jamboree Housing Corporation for the development of Puerto del Sol in the West Gateway. The Board's action brought the total LBHDC assistance to $10,283,025, including a loan to the developer of $9,392,725.

The financing for the project closed in December of 2004, and construction was scheduled to begin in March of 2004 after acquisition, relocation, and environmental remediation was complete, and the site was conveyed to the developer. At that time, construction costs were estimated at approximately $12.2 million. That estimate was based on 50% complete construction drawings

Staff has not been able to convey the site to the developer due to delays with property acquisition and site clearance. In particular, there were extensive delays associated with the relocation of a historic home from the site.

Jamboree Housing Corporation has not been able to enter into a contract for construction without site control. General Contractors will only hold their contract price for 30 to 60 days, and after that, the price is adjusted to reflect current costs. The delay in site transfer and increases in bids based on 100% complete construction drawings have resulted in an increase in construction costs of approximately $3.7 million, bringing the total construction costs to approximately $15.9 million.

DEVELOPER LOAN

The increased construction costs have been offset by savings in soft costs and increased tax credit equity to the project. The additional gap financing required to construct the project is approximately $2.6 million, which would bring the total LBHDC loan to the developer to approximately $12 million, or $187,500 per unit.

MAKING AFFORDABLE HOUSING HAPPEN

Mailing Address:
110 Pine Avenue
Suite 1200
Long Beach, CA 90802
Tel 562/570-6949
Fax 562/570-5921

ACQUISITION AND RELOCATION COSTS

The total LBHDC assistance is greater than the loan to the developer because the DDA and Affordable Housing Loan Agreement set the sales price of the site to the developer at $2,346,600. That amount was based on estimates for acquisition and relocation costs, and it was agreed that any increases to those costs would be absorbed by the LBHDC. Acquisition and relocation costs have increased substantially to $4,501,000, or $2,154,000 more that originally estimated. Therefore the total LBHDC assistance, including a $12 million loan to the developer, has increased to approximately $14,150,000, or $221,000 per unit. A summary of increased acquisition and total project costs is attached for your information.

PROJECT DESCRIPTION

The proposed project is located in Council District 1, and in the Central Redevelopment Project Area. The site is not located in a Housing Action Plan focus area. The proposed project includes the development of 64 rental units on West Gateway Site No. 1. Of the 64 units, 63 are to be affordable and occupied by qualified low-income households for a term of 60 years. The development consists of a secure 4-story building containing townhouse and flat type units over fully screened semi-subterranean parking. There will be an entry court surrounded by an office, lobby area, computer/recreation room, and a second floor community room adjacent to an interior courtyard and playground. Entrances to the residential units will be from the interior courtyard, with some of the townhouse units having a secondary entrance from a stoop slightly above street level, which will provide for a better relationship to the street and surrounding neighborhood.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve a revised LBHDC project budget of up to $14,150,000;

2. Authorize the President or designee to negotiate an amendment to the Affordable Housing Loan Agreement with Jamboree Housing Corporation, and approve a revised loan in an amount up to $12,000,000;

3. Authorize the President or designee to negotiate additional amendments to the Affordable Housing Loan Agreement with Jamboree Housing Corporation as necessary to meet requirements of the tax-exempt bond financing, or other funding applications or allocations, in an amount not to exceed the total project budget of $14,150,000; and

4. Authorize the President or designee to execute any and all documents necessary to implement the Affordable Housing Loan Agreement, and any other documents necessary to complete this transaction.

EBS:PCU:
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WEST GATEWAY SITE NO. 1
JAMBOREE HOUSING CORPORATION
June 15, 2005

Comparison of Original and Revised Acquisition Costs

	A	B	C	D
		4/03 Appraisal / Revised Acquisition	**6/05 Estimated Revised Acquisition**	**Total Additional Acquisition Costs**
1	Total Acquisition	1,816,000	3,100,000	1,284,000
2	Contingency (10% of total)	181,600	285,000	103,400
3	Legal/Consultants	0	175,000	175,000
4	**Subtotal Acquisition**	**1,997,600**	**3,560,000**	**1,562,400**
5	Relocation	349,000	941,000	592,000
6	**TOTAL**	**$ 2,346,600**	**4,501,000**	**2,154,400**

Summary of Increased Project Budget

	A	B	
7	Approved/Existing Loan	9,392,725	
8	Additional Gap	2,600,000	(1)
9	**Revised Loan to Developer**	**$ 11,992,725**	
10	Additional Acquisition Costs	2,154,400	
11	**Total Revised Project Budget**	**$ 14,147,125**	

Memo:
(1) Additional gap funds consist of:
Revised construction cost estimates using 100% complete plans.
Significant increases in construction labor and material, particularly lumber and steel, bond premiums, insurance, and construction interest.

Attachment C

Meggan Sorensen

From:	Tim Bretz <tbretz@keysermarston.com>
Sent:	Thursday, August 14, 2014 12:51 PM
To:	Patrick Ure; Meggan Sorensen
Cc:	Julie Romey
Subject:	Puerto Del Sol - KMA Analysis
Attachments:	Puerto del Sol - 8 13 14.pdf

Patrick and Meggan,

We have completed our analysis of the Puerto Del Sol Project (Project). The purpose of the KMA analysis is to evaluate a proposal to increase the Project's available cash flow. In addition, the KMA analysis demonstrates the repayment of the soft loans for the Project. The following is a summary of our analysis:

Background

The Project, which includes 64 apartment units, was developed by Jamboree Housing Corporation (Developer) and opened in 2008. The Project's unit mix consists of 37 two-bedroom units, 15 three-bedroom units, and 11 four bedroom units. All of the units are currently restricted to very-low income households per California Health and Safety Code (H&SC) requirements. Additionally, the Project receives income from eight Project-Based Section 8 Vouchers (PBVs).

In 2013, the Developer informed the City that the Project was experiencing cash flow issues. That is, the expenses generated by the Project were greater than the income generated by the Project's units. The Developer stated that the negative cash flow issues were causing operational issues for the Project. As such, KMA was tasked with evaluating potential options to increase the Projects rental income.

The options analyzed in 2013, included increasing the fair market rents (FMRs) for the PBVs. At that time, the FMRs were set at H&SC very-low income rents. Based on the KMA analysis in 2013, it was determined that it would be appropriate to increase the FMRs for the PBVs. This action was completed in 2014.

In addition to increasing the FMRs, the Developer also requested that a portion of the units be allowed to utilize the affordable rents published by the California Tax Credit Allocation Committee (TCAC). Thus, the City would change the income restrictions on some of the units from H&SC very-low income to H&SC low income. This request was not acted upon in 2013, and is the purpose of this KMA analysis.

Proposed Action

Based on discussions with the Developer, increasing the FMRs was not sufficient in generating enough rental income to cover the Project's operating expenses. As such, the Developer would like to change the income restrictions from very-low income H&SC to low income H&SC on 20 units in the Project. This change in affordability would allow the Developer to charge the higher TCAC rents for the Project.

Proportionality

The City's legal counsel opined that the Project must comply with the proportionality restrictions defined in H&SC. As such, KMA reviewed the 2009-2014 Implementation Plan (Implementation Plan) prepared for the former Long Beach Redevelopment Agency (Agency). The Implementation Plan identified that the Agency was required to expend at least 43% of the Agency's Property Tax Increment Housing Set-Aside (Set-Aside) funds on very-low income households as defined in H&SC. As of the end of the City's 2008 - 2009 Fiscal Year, the Agency had expended exactly 43% of its Set-Aside funds on very-low income households.

In order to determine whether it is possible to change the income restrictions on the Project's units, it was first necessary to determine if any additional Set-Aside funds were utilized for very-low income households in the years following the publication of the Implementation Plan. To that end, KMA reviewed the affordable housing reports the City prepared for the California Department of Housing and Community Development (HCD), as well as discussed additional affordable housing activities with City staff. Based on this review, KMA estimates that as of 2014, the Agency expended 46% of its Set-Aside funds on very-low income households. Consequently, approximately 3% of the Agency's very-low income expenditures can be changed to low income expenditures. Based on the information provided, KMA estimates that this equates to a change of approximately 20 units. Thus, up to 20 very-low income units in the Project could potentially be changed to low income units per H&SC.

<u>**Cash Flow Analyses**</u>

Once it was determined that the City had the capacity to modify the Project's affordability restrictions, KMA proceeded to analyze two different cash flow scenarios. The primary purpose of these alternative cash flow analyses was to estimate the effects that changing the affordability restrictions would have on the Project's available cash flow. In addition, the cash flows identify the estimated residual receipts payments that may be made to the City. The two scenarios are as follows:

- **Base Scenario**: The Base Scenario evaluates the current affordability restrictions, and utilizes the increased FMRs.

- **Low Income Scenario**: The Low Income Scenario evaluates the effect of changing 20 H&SC very-low income units to H&SC low income units. This Scenario also utilizes the increased FMRs.

<u>**Base Scenario**</u>

As noted above, the Base Scenario estimates the current cash flow generated under the Project's existing affordability requirements. The Project's units are limited to the lesser of H&SC very-low income rents and the allowable TCAC rents for 40% and 50% Area Median Income (AMI). Based on typical underwriting assumptions and the existing affordability requirements, KMA estimates that the Project will exhibit negative cash flow in Year 47, which is eight years before the end of the City's 55-year affordability period. It is estimated that the City will receive residual receipts payments of $123,791 in net present value terms over the remaining affordability period. Thus, the KMA cash flow analysis of the Base Scenario supports the Developer's concern that the Project requires modifications in order to generate positive cash flow throughout the affordability period.

<u>**Low Income Scenario**</u>

The second scenario analyzed by KMA evaluates the impact of converting a number of very-low income units to low income units per H&SC definitions. Based on KMA's analysis of the City's proportionality restrictions, KMA estimates that 20 units can be converted from very-low income restrictions to low income restrictions. KMA assumed this would be allocated to nine two-bedroom units, six three-bedroom units, and five four-bedroom units. KMA estimates that the conversion to low income requirements will generate positive cash flow until Year 54, which is only one year prior to the end of the 55-year affordability period. Furthermore, it is estimates that the City will receive residual receipts payments of $244,271 in net present value terms over the remaining affordability period.

Conclusions

The following outlines the conclusions of the KMA analysis:

1. Based on the KMA analysis, the City may convert up to 20 very-low income units to low income units per H&SC requirements. The rents charged to these units would equate to the lesser of the applicable H&SC and TCAC rents.

2. The KMA analysis confirms the Developer's contention that the Project's long-term viability is in jeopardy. Thus, KMA agrees that the Project's affordability structure should be modified to support the higher operating incomes.

3. Based on the analysis, KMA concludes that converting up to 20 very-low income units to low income units would assist the Project in generating positive cash flow over the long term.

4. Based on the analysis and discussions with the Developer, it is unlikely that the deferred Developer Fee will be repaid within the IRS-mandated 10-year repayment period. The Developer anticipates writing off the remaining portion of the deferred Developer Fee in Year 10, which would convert the fee to a loan due from sales proceeds in the partnership. When the partnership is collapsed, this deferred Developer Fee Loan will be repaid the other lenders are repaid.

Please feel free to contact us if you have any questions.

Thanks,

Tim

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BASE SCENARIO
63 H&SC VERY-LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2014	2015	2016	2017	2018	2019	2020	2021	2022
			7	8	9	10	11	12	13	14	15
I.	Project Income										
	Gross Potential Income	102.0% /Year	$548,688	$559,662	$570,855	$582,272	$593,918	$605,796	$617,912	$630,270	$642,875
	FMR Section 8 Income	102.0% /Year	60,156	61,359	62,586	63,838	65,115	66,417	67,745	69,100	70,482
	Miscellaneous Income	102.0% /Year	11,508	11,738	11,973	12,212	12,457	12,706	12,960	13,219	13,483
	Gross Income		$620,352	$632,759	$645,414	$658,323	$671,489	$684,919	$698,617	$712,589	$726,841
	(Less) Vacancy & Collection	5.0% GI	(31,018)	(31,638)	(32,271)	(32,916)	(33,574)	(34,246)	(34,931)	(35,629)	(36,342)
	Effective Gross Income		**$589,334**	**$601,121**	**$613,144**	**$625,406**	**$637,915**	**$650,673**	**$663,686**	**$676,960**	**$690,499**
II.	Operating Expenses										
	General Operating Expenses	103.0% /Year	$346,972	$357,381	$368,103	$379,146	$390,520	$402,236	$414,303	$426,732	$439,534
	Social Services Expenses	103.0% /Year	28,104	28,947	29,816	30,710	31,631	32,580	33,558	34,564	35,601
	Property Taxes	102.0% /Year	9,600	9,792	9,988	10,188	10,391	10,599	10,811	11,027	11,248
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$432,676**	**$444,120**	**$455,906**	**$468,043**	**$480,543**	**$493,415**	**$506,672**	**$520,324**	**$534,383**
III.	**Net Operating Income**		**$156,658**	**$157,001**	**$157,238**	**$157,363**	**$157,372**	**$157,258**	**$157,015**	**$156,636**	**$156,116**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$72,298**	**$72,641**	**$72,878**	**$73,003**	**$73,012**	**$72,898**	**$72,655**	**$72,276**	**$71,756**
IV.	Deferred Developer Fee Pmt										
	Outstanding Balance		$653,291	$604,892	$556,151	$507,173	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	23,900	23,900	23,900	22,620	0	0	0	0	0
	(Less) Payment		(72,298)	(72,641)	(72,878)	(73,003)	0	0	0	0	0
	Ending Balance		**$604,892**	**$556,151**	**$507,173**	**$456,790**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	Net Cash Flow		$0	$0	$0	$0	$73,012	$72,898	$72,655	$72,276	$71,756
	(Less) Partnership Mgt Fees		0	0	0	0	(63,456)	(6,921)	(7,129)	(7,343)	(7,563)
	Cash Flow For Residual Receipts		**$0**	**$0**	**$0**	**$0**	**$9,556**	**$65,977**	**$65,526**	**$64,934**	**$64,193**
VI.	LBCIC Loan										
	Available Residual Receipts	38% RR Split	$0	$0	$0	$0	$3,583	$24,741	$24,572	$24,350	$24,072
	Outstanding Balance		11,818,000	11,818,000	11,818,000	11,818,000	11,818,000	11,814,417	11,789,675	11,765,103	11,740,753
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment	$123,791 NPV @ 10%	0	0	0	0	(3,583)	(24,741)	(24,572)	(24,350)	(24,072)
	Ending Balance		**$11,818,000**	**$11,818,000**	**$11,818,000**	**$11,818,000**	**$11,814,417**	**$11,789,675**	**$11,765,103**	**$11,740,753**	**$11,716,680**
VII.	MHP Loan										
	Available Residual Receipts	13% RR Split	$0	$0	$0	$0	$1,194	$8,247	$8,191	$8,117	$8,024
	Outstanding Balance		4,369,854	4,485,750	4,601,646	4,717,542	4,833,438	4,949,333	5,065,229	5,181,125	5,297,021
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$41,264 NPV @ 10%	0	0	0	0	(1,194)	(8,247)	(8,191)	(8,117)	(8,024)
	Ending Balance		**$4,485,750**	**$4,601,646**	**$4,717,542**	**$4,833,438**	**$4,949,333**	**$5,065,229**	**$5,181,125**	**$5,297,021**	**$5,412,917**
VIII.	**Cash Flow to Developer**	50% RR Split	**$0**	**$0**	**$0**	**$0**	**$4,778**	**$32,988**	**$32,763**	**$32,467**	**$32,097**

Prepared by: Keyser Marston Associates, Inc.
Filename: Puerto del Sol - 8 13 14; BASE_ w_Higher FMRs; trb

BASE SCENARIO
63 H&SC VERY-LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2023 16	2024 17	2025 18	2026 19	2027 20	2028 21	2029 22	2030 23	2031 24
I.	**Project Income**										
	Gross Potential Income	102.0% /Year	$655,733	$668,848	$682,225	$695,869	$709,786	$723,982	$738,462	$753,231	$768,296
	FMR Section 8 Income	102.0% /Year	71,892	73,330	74,796	76,292	77,818	79,375	80,962	82,581	84,233
	Miscellaneous Income	102.0% /Year	13,753	14,028	14,309	14,595	14,887	15,185	15,488	15,798	16,114
	Gross Income		$741,378	$756,206	$771,330	$786,756	$802,491	$818,541	$834,912	$851,610	$868,643
	(Less) Vacancy & Collection	5.0% GI	(37,069)	(37,810)	(38,566)	(39,338)	(40,125)	(40,927)	(41,746)	(42,581)	(43,432)
	Effective Gross Income		**$704,309**	**$718,395**	**$732,763**	**$747,419**	**$762,367**	**$777,614**	**$793,167**	**$809,030**	**$825,210**
II.	**Operating Expenses**										
	General Operating Expenses	103.0% /Year	$452,720	$466,301	$480,290	$494,699	$509,540	$524,826	$540,571	$556,788	$573,492
	Social Services Expenses	103.0% /Year	36,669	37,769	38,903	40,070	41,272	42,510	43,785	45,099	46,452
	Property Taxes	102.0% /Year	11,473	11,702	11,936	12,175	12,419	12,667	12,920	13,179	13,442
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$548,862**	**$563,773**	**$579,129**	**$594,944**	**$611,230**	**$628,003**	**$645,277**	**$663,066**	**$681,386**
III.	**Net Operating Income**		**$155,447**	**$154,622**	**$153,634**	**$152,475**	**$151,137**	**$149,611**	**$147,890**	**$145,964**	**$143,825**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$71,087**	**$70,262**	**$69,274**	**$68,115**	**$66,777**	**$65,251**	**$63,530**	**$61,604**	**$59,465**
IV.	**Deferred Developer Fee Pmt**										
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$71,087	$70,262	$69,274	$68,115	$66,777	$65,251	$63,530	$61,604	$59,465
	(Less) Partnership Mgt Fees		(7,790)	(8,024)	(8,264)	(8,512)	(8,768)	(9,031)	(9,301)	(9,581)	(9,868)
	Cash Flow For Residual Receipts		**$63,297**	**$62,239**	**$61,010**	**$59,603**	**$58,009**	**$56,221**	**$54,229**	**$52,024**	**$49,597**
VI.	**LBCIC Loan**										
	Available Residual Receipts	38% RR Split	$23,736	$23,340	$22,879	$22,351	$21,753	$21,083	$20,336	$19,509	$18,599
	Outstanding Balance		11,716,680	11,692,944	11,669,604	11,646,726	11,624,375	11,602,622	11,581,539	11,561,203	11,541,694
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment	$123,791 NPV @ 10%	(23,736)	(23,340)	(22,879)	(22,351)	(21,753)	(21,083)	(20,336)	(19,509)	(18,599)
	Ending Balance		**$11,692,944**	**$11,669,604**	**$11,646,726**	**$11,624,375**	**$11,602,622**	**$11,581,539**	**$11,561,203**	**$11,541,694**	**$11,523,095**
VII.	**MHP Loan**										
	Available Residual Receipts	13% RR Split	$7,912	$7,780	$7,626	$7,450	$7,251	$7,028	$6,779	$6,503	$6,200
	Outstanding Balance		5,412,917	5,528,813	5,644,709	5,760,605	5,876,500	5,992,396	6,108,292	6,224,188	6,340,084
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$41,264 NPV @ 10%	(7,912)	(7,780)	(7,626)	(7,450)	(7,251)	(7,028)	(6,779)	(6,503)	(6,200)
	Ending Balance		**$5,528,813**	**$5,644,709**	**$5,760,605**	**$5,876,500**	**$5,992,396**	**$6,108,292**	**$6,224,188**	**$6,340,084**	**$6,455,980**
VIII.	**Cash Flow to Developer**	50% RR Split	**$31,649**	**$31,119**	**$30,505**	**$29,801**	**$29,004**	**$28,110**	**$27,114**	**$26,012**	**$24,798**

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BASE SCENARIO
63 H&SC VERY-LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2032 25	2033 26	2034 27	2035 28	2036 29	2037 30	2038 31	2039 32	2040 33
I.	**Project Income**										
	Gross Potential Income	102.0% /Year	$783,662	$799,335	$815,322	$831,628	$848,260	$865,226	$882,530	$900,181	$918,184
	FMR Section 8 Income	102.0% /Year	85,918	87,636	89,389	91,176	93,000	94,860	96,757	98,692	100,666
	Miscellaneous Income	102.0% /Year	16,436	16,765	17,100	17,442	17,791	18,147	18,510	18,880	19,258
	Gross Income		$886,015	$903,736	$921,810	$940,247	$959,052	$978,233	$997,797	$1,017,753	$1,038,108
	(Less) Vacancy & Collection	5.0% GI	(44,301)	(45,187)	(46,091)	(47,012)	(47,953)	(48,912)	(49,890)	(50,888)	(51,905)
	Effective Gross Income		**$841,715**	**$858,549**	**$875,720**	**$893,234**	**$911,099**	**$929,321**	**$947,907**	**$966,866**	**$986,203**
II.	**Operating Expenses**										
	General Operating Expenses	103.0% /Year	$590,697	$608,418	$626,670	$645,470	$664,834	$684,779	$705,323	$726,482	$748,277
	Social Services Expenses	103.0% /Year	47,845	49,281	50,759	52,282	53,850	55,466	57,130	58,844	60,609
	Property Taxes	102.0% /Year	13,711	13,985	14,265	14,550	14,841	15,138	15,441	15,750	16,065
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$700,253**	**$719,683**	**$739,694**	**$760,302**	**$781,526**	**$803,383**	**$825,893**	**$849,076**	**$872,950**
III.	**Net Operating Income**		**$141,462**	**$138,866**	**$136,026**	**$132,932**	**$129,573**	**$125,938**	**$122,014**	**$117,790**	**$113,252**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$57,102**	**$54,506**	**$51,666**	**$48,572**	**$45,213**	**$41,578**	**$37,654**	**$33,430**	**$28,892**
IV.	**Deferred Developer Fee Pmt**										
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$57,102	$54,506	$51,666	$48,572	$45,213	$41,578	$37,654	$33,430	$28,892
	(Less) Partnership Mgt Fees		(10,164)	(10,469)	(10,783)	(11,106)	(11,440)	(11,783)	(12,136)	(12,500)	(12,875)
	Cash Flow For Residual Receipts		**$46,938**	**$44,037**	**$40,883**	**$37,466**	**$33,774**	**$29,795**	**$25,518**	**$20,929**	**$16,017**
VI.	**LBCIC Loan**										
	Available Residual Receipts	38% RR Split	$17,602	$16,514	$15,331	$14,050	$12,665	$11,173	$9,569	$7,849	$6,006
	Outstanding Balance		11,523,095	11,505,494	11,488,980	11,473,649	11,459,599	11,446,934	11,435,761	11,426,192	11,418,343
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment	$123,791 NPV @ 10%	(17,602)	(16,514)	(15,331)	(14,050)	(12,665)	(11,173)	(9,569)	(7,849)	(6,006)
	Ending Balance		**$11,505,494**	**$11,488,980**	**$11,473,649**	**$11,459,599**	**$11,446,934**	**$11,435,761**	**$11,426,192**	**$11,418,343**	**$11,412,337**
VII.	**MHP Loan**										
	Available Residual Receipts	13% RR Split	$5,867	$5,505	$5,110	$4,683	$4,222	$3,724	$3,190	$2,616	$2,002
	Outstanding Balance		6,455,980	6,571,876	6,687,772	6,803,667	6,919,563	7,035,459	7,151,355	7,267,251	7,383,147
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$41,264 NPV @ 10%	(5,867)	(5,505)	(5,110)	(4,683)	(4,222)	(3,724)	(3,190)	(2,616)	(2,002)
	Ending Balance		**$6,571,876**	**$6,687,772**	**$6,803,667**	**$6,919,563**	**$7,035,459**	**$7,151,355**	**$7,267,251**	**$7,383,147**	**$7,499,043**
VIII.	**Cash Flow to Developer**	50% RR Split	**$23,469**	**$22,018**	**$20,441**	**$18,733**	**$16,887**	**$14,897**	**$12,759**	**$10,465**	**$8,009**

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BASE SCENARIO
63 H&SC VERY-LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2041	2042	2043	2044	2045	2046	2047	2048	2049
			34	35	36	37	38	39	40	41	42
I.	Project Income										
	Gross Potential Income	102.0% /Year	$936,548	$955,279	$974,385	$993,872	$1,013,750	$1,034,025	$1,054,705	$1,075,799	$1,097,315
	FMR Section 8 Income	102.0% /Year	102,679	104,733	106,828	108,964	111,144	113,366	115,634	117,946	120,305
	Miscellaneous Income	102.0% /Year	19,643	20,036	20,436	20,845	21,262	21,687	22,121	22,563	23,015
	Gross Income		$1,058,870	$1,080,048	$1,101,649	$1,123,682	$1,146,155	$1,169,079	$1,192,460	$1,216,309	$1,240,635
	(Less) Vacancy & Collection	5.0% GI	(52,944)	(54,002)	(55,082)	(56,184)	(57,308)	(58,454)	(59,623)	(60,815)	(62,032)
	Effective Gross Income		**$1,005,927**	**$1,026,045**	**$1,046,566**	**$1,067,498**	**$1,088,848**	**$1,110,625**	**$1,132,837**	**$1,155,494**	**$1,178,604**
II.	Operating Expenses										
	General Operating Expenses	103.0% /Year	$770,725	$793,847	$817,662	$842,192	$867,458	$893,482	$920,286	$947,895	$976,331
	Social Services Expenses	103.0% /Year	62,427	64,300	66,229	68,216	70,262	72,370	74,541	76,777	79,081
	Property Taxes	102.0% /Year	16,386	16,714	17,048	17,389	17,737	18,092	18,453	18,822	19,199
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$897,538**	**$922,861**	**$948,939**	**$975,797**	**$1,003,457**	**$1,031,943**	**$1,061,281**	**$1,091,495**	**$1,122,611**
III.	**Net Operating Income**		**$108,389**	**$103,185**	**$97,627**	**$91,701**	**$85,391**	**$78,681**	**$71,556**	**$63,999**	**$55,992**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)							
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$24,029**	**$18,825**	**$81,402**	**$75,476**	**$69,166**	**$62,456**	**$55,331**	**$47,774**	**$39,767**
IV.	Deferred Developer Fee Pmt										
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	Net Cash Flow		$24,029	$18,825	$81,402	$75,476	$69,166	$62,456	$55,331	$47,774	$39,767
	(Less) Partnership Mgt Fees		(13,262)	(13,660)	(14,069)	(14,491)	(14,926)	(15,374)	(15,835)	(16,310)	(16,799)
	Cash Flow For Residual Receipts		**$10,767**	**$5,165**	**$67,333**	**$60,984**	**$54,240**	**$47,082**	**$39,496**	**$31,464**	**$22,968**
VI.	LBCIC Loan										
	Available Residual Receipts	38% RR Split	$4,038	$1,937	$25,250	$22,869	$20,340	$17,656	$14,811	$11,799	$8,613
	Outstanding Balance		11,412,337	11,408,299	11,406,362	11,381,113	11,358,244	11,337,904	11,320,248	11,305,437	11,293,638
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment	$123,791 NPV @ 10%	(4,038)	(1,937)	(25,250)	(22,869)	(20,340)	(17,656)	(14,811)	(11,799)	(8,613)
	Ending Balance		**$11,408,299**	**$11,406,362**	**$11,381,113**	**$11,358,244**	**$11,337,904**	**$11,320,248**	**$11,305,437**	**$11,293,638**	**$11,285,025**
VII.	MHP Loan										
	Available Residual Receipts	13% RR Split	$1,346	$646	$8,417	$7,623	$6,780	$5,885	$4,937	$3,933	$2,871
	Outstanding Balance		7,499,043	7,614,939	7,730,835	7,846,730	7,962,626	8,078,522	8,194,418	8,310,314	8,426,210
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$41,264 NPV @ 10%	(1,346)	(646)	(8,417)	(7,623)	(6,780)	(5,885)	(4,937)	(3,933)	(2,871)
	Ending Balance		**$7,614,939**	**$7,730,835**	**$7,846,730**	**$7,962,626**	**$8,078,522**	**$8,194,418**	**$8,310,314**	**$8,426,210**	**$8,542,106**
VIII.	**Cash Flow to Developer**	50% RR Split	**$5,383**	**$2,583**	**$33,666**	**$30,492**	**$27,120**	**$23,541**	**$19,748**	**$15,732**	**$11,484**

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BASE SCENARIO
63 H&SC VERY-LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2050 43	2051 44	2052 45	2053 46	2054 47	2055 48	2056 49	2057 50	2058 51
I.	**Project Income**										
	Gross Potential Income	102.0% /Year	$1,119,262	$1,141,647	$1,164,480	$1,187,769	$1,211,525	$1,235,755	$1,260,470	$1,285,680	$1,311,393
	FMR Section 8 Income	102.0% /Year	122,711	125,166	127,669	130,222	132,827	135,483	138,193	140,957	143,776
	Miscellaneous Income	102.0% /Year	23,475	23,945	24,423	24,912	25,410	25,918	26,437	26,965	27,505
	Gross Income		$1,265,448	$1,290,757	$1,316,572	$1,342,904	$1,369,762	$1,397,157	$1,425,100	$1,453,602	$1,482,674
	(Less) Vacancy & Collection	5.0% GI	(63,272)	(64,538)	(65,829)	(67,145)	(68,488)	(69,858)	(71,255)	(72,680)	(74,134)
	Effective Gross Income		**$1,202,176**	**$1,226,219**	**$1,250,744**	**$1,275,759**	**$1,301,274**	**$1,327,299**	**$1,353,845**	**$1,380,922**	**$1,408,541**
II.	**Operating Expenses**										
	General Operating Expenses	103.0% /Year	$1,005,621	$1,035,790	$1,066,864	$1,098,870	$1,131,836	$1,165,791	$1,200,765	$1,236,788	$1,273,891
	Social Services Expenses	103.0% /Year	81,453	83,897	86,414	89,006	91,676	94,427	97,259	100,177	103,182
	Property Taxes	102.0% /Year	19,583	19,975	20,374	20,782	21,197	21,621	22,054	22,495	22,945
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$1,154,658**	**$1,187,661**	**$1,221,652**	**$1,256,657**	**$1,292,709**	**$1,329,839**	**$1,368,078**	**$1,407,459**	**$1,448,018**
III.	**Net Operating Income**		**$47,518**	**$38,558**	**$29,092**	**$19,101**	**$8,564**	**($2,539)**	**($14,232)**	**($26,537)**	**($39,478)**
	(Less) Annual 1st TD Debt Service										
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$31,293**	**$22,333**	**$12,867**	**$2,876**	**($7,661)**	**($18,764)**	**($30,457)**	**($42,762)**	**($55,703)**
IV.	**Deferred Developer Fee Pmt**										
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$31,293	$22,333	$12,867	$2,876	($7,661)	($18,764)	($30,457)	($42,762)	($55,703)
	(Less) Partnership Mgt Fees		(17,303)	(17,823)	(18,357)	(18,908)	0	0	0	0	0
	Cash Flow For Residual Receipts		**$13,990**	**$4,510**	**($5,490)**	**($16,032)**	**($7,661)**	**($18,764)**	**($30,457)**	**($42,762)**	**($55,703)**
VI.	**LBCIC Loan**										
	Available Residual Receipts	38% RR Split	$5,246	$1,691	$0	$0	$0	$0	$0	$0	$0
	Outstanding Balance		11,285,025	11,279,779	11,278,087	11,278,087	11,278,087	11,278,087	11,278,087	11,278,087	11,278,087
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0	0
	(Less) Payment	$123,791 NPV @ 10%	(5,246)	(1,691)	0	0	0	0	0	0	0
	Ending Balance		**$11,279,779**	**$11,278,087**	**$11,278,087**	**$11,278,087**	**$11,278,087**	**$11,278,087**	**$11,278,087**	**$11,278,087**	**$11,278,087**
VII.	**MHP Loan**										
	Available Residual Receipts	13% RR Split	$1,749	$564	$0	$0	$0	$0	$0	$0	$0
	Outstanding Balance		8,542,106	8,658,002	8,773,897	8,889,793	9,005,689	9,121,585	9,237,481	9,353,377	9,469,273
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$41,264 NPV @ 10%	(1,749)	(564)	0	0	0	0	0	0	0
	Ending Balance		**$8,658,002**	**$8,773,897**	**$8,889,793**	**$9,005,689**	**$9,121,585**	**$9,237,481**	**$9,353,377**	**$9,469,273**	**$9,585,169**
VIII.	**Cash Flow to Developer**	50% RR Split	**$6,995**	**$2,255**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

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BASE SCENARIO
63 H&SC VERY-LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

				2059	2060	2061	2062
				52	53	54	55
I.	**Project Income**						
	Gross Potential Income	102.0%	/Year	$1,337,621	$1,364,374	$1,391,661	$1,419,494
	FMR Section 8 Income	102.0%	/Year	146,652	149,585	152,576	155,628
	Miscellaneous Income	102.0%	/Year	28,055	28,616	29,188	29,772
	Gross Income			$1,512,328	$1,542,574	$1,573,426	$1,604,894
	(Less) Vacancy & Collection	5.0%	GI	(75,616)	(77,129)	(78,671)	(80,245)
	Effective Gross Income			**$1,436,711**	**$1,465,446**	**$1,494,754**	**$1,524,650**
II.	**Operating Expenses**						
	General Operating Expenses	103.0%	/Year	$1,312,108	$1,351,471	$1,392,015	$1,433,776
	Social Services Expenses	103.0%	/Year	106,278	109,466	112,750	116,133
	Property Taxes	102.0%	/Year	23,403	23,871	24,349	24,836
	Reserve Deposits	100.0%	/Year	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0%	/Year	0	0	0	0
	Total Operating Expenses			**$1,489,789**	**$1,532,809**	**$1,577,114**	**$1,622,744**
III.	**Net Operating Income**			**($53,078)**	**($67,363)**	**($82,360)**	**($98,095)**
	(Less) Annual 1st TD Debt Service						
	(Less) Annual MHP Debt Service			(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow			**($69,303)**	**($83,588)**	**($98,585)**	**($114,320)**
IV.	**Deferred Developer Fee Pmt**						
	Outstanding Balance			$0	$0	$0	$0
	Add: Interest	4.5%	/Year	0	0	0	0
	(Less) Payment			0	0	0	0
	Ending Balance			**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**			($69,303)	($83,588)	($98,585)	($114,320)
	(Less) Partnership Mgt Fees			0	0	0	0
	Cash Flow For Residual Receipts			**($69,303)**	**($83,588)**	**($98,585)**	**($114,320)**
VI.	**LBCIC Loan**						
	Available Residual Receipts	38%	RR Split	$0	$0	$0	$0
	Outstanding Balance			11,278,087	11,278,087	11,278,087	11,278,087
	Add: Interest	0.0%	/Year	0	0	0	0
	(Less) Payment	$123,791	NPV @ 10%	0	0	0	0
	Ending Balance			**$11,278,087**	**$11,278,087**	**$11,278,087**	**$11,278,087**
VII.	**MHP Loan**						
	Available Residual Receipts	13%	RR Split	$0	$0	$0	$0
	Outstanding Balance			9,585,169	9,701,064	9,816,960	9,932,856
	Add: Interest	3.0%	/Year	115,896	115,896	115,896	115,896
	(Less) Payment	$41,264	NPV @ 10%	0	0	0	0
	Ending Balance			**$9,701,064**	**$9,816,960**	**$9,932,856**	**$10,048,752**
VIII.	**Cash Flow to Developer**	50%	RR Split	**$0**	**$0**	**$0**	**$0**

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LOW INCOME SCENARIO
43 H&SC VERY-LOW INCOME UNITS & 20 H&SC LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2014 7	2015 8	2016 9	2017 10	2018 11	2019 12	2020 13	2021 14
I.	**Project Income**									
	Gross Potential Income	102.0% /Year	$587,832	$599,589	$611,580	$623,812	$636,288	$649,014	$661,994	$675,234
	FMR Section 8 Income	102.0% /Year	60,156	61,359	62,586	63,838	65,115	66,417	67,745	69,100
	Miscellaneous Income	102.0% /Year	11,508	11,738	11,973	12,212	12,457	12,706	12,960	13,219
	Gross Income		$659,496	$672,686	$686,140	$699,862	$713,860	$728,137	$742,700	$757,554
	(Less) Vacancy & Collection	5.0% GI	(32,975)	(33,634)	(34,307)	(34,993)	(35,693)	(36,407)	(37,135)	(37,878)
	Effective Gross Income		**$626,521**	**$639,052**	**$651,833**	**$664,869**	**$678,167**	**$691,730**	**$705,565**	**$719,676**
II.	**Operating Expenses**									
	General Operating Expenses	103.0% /Year	$346,972	$357,381	$368,103	$379,146	$390,520	$402,236	$414,303	$426,732
	Social Services Expenses	103.0% /Year	28,104	28,947	29,816	30,710	31,631	32,580	33,558	34,564
	Property Taxes	102.0% /Year	9,600	9,792	9,988	10,188	10,391	10,599	10,811	11,027
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$432,676**	**$444,120**	**$455,906**	**$468,043**	**$480,543**	**$493,415**	**$506,672**	**$520,324**
III.	**Net Operating Income**		**$193,845**	**$194,931**	**$195,927**	**$196,826**	**$197,624**	**$198,315**	**$198,893**	**$199,352**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$109,485**	**$110,571**	**$111,567**	**$112,466**	**$113,264**	**$113,955**	**$114,533**	**$114,992**
IV.	**Deferred Developer Fee Pmt**									
	Outstanding Balance		$653,291	$567,705	$481,034	$390,921	$0	$0	$0	$0
	Add: Interest	4.5% /Year	23,900	23,900	21,454	17,435	0	0	0	0
	(Less) Payment		(109,485)	(110,571)	(111,567)	(112,466)	0	0	0	0
	Ending Balance		**$567,705**	**$481,034**	**$390,921**	**$295,890**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$0	$0	$0	$0	$113,264	$113,955	$114,533	$114,992
	(Less) Partnership Mgt Fees		0	0	0	0	(63,456)	(6,921)	(7,129)	(7,343)
	Cash Flow For Residual Receipts		**$0**	**$0**	**$0**	**$0**	**$49,808**	**$107,034**	**$107,404**	**$107,650**
VI.	**LBCIC Loan**									
	Available Residual Receipts	38% RR Split	$0	$0	$0	$0	$18,678	$40,138	$40,277	$40,369
	Outstanding Balance		11,818,000	11,818,000	11,818,000	11,818,000	11,818,000	11,799,322	11,759,184	11,718,908
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0
	(Less) Payment	$245,101 NPV @ 10%	0	0	0	0	(18,678)	(40,138)	(40,277)	(40,369)
	Ending Balance		**$11,818,000**	**$11,818,000**	**$11,818,000**	**$11,818,000**	**$11,799,322**	**$11,759,184**	**$11,718,908**	**$11,678,539**
VII.	**MHP Loan**									
	Available Residual Receipts	13% RR Split	$0	$0	$0	$0	$6,226	$13,379	$13,426	$13,456
	Outstanding Balance		4,369,854	4,485,750	4,601,646	4,717,542	4,833,438	4,949,333	5,065,229	5,181,125
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$81,700 NPV @ 10%	0	0	0	0	(6,226)	(13,379)	(13,426)	(13,456)
	Ending Balance		**$4,485,750**	**$4,601,646**	**$4,717,542**	**$4,833,438**	**$4,949,333**	**$5,065,229**	**$5,181,125**	**$5,297,021**
VIII.	**Cash Flow to Developer**	50% RR Split	**$0**	**$0**	**$0**	**$0**	**$24,904**	**$53,517**	**$53,702**	**$53,825**

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LOW INCOME SCENARIO
43 H&SC VERY-LOW INCOME UNITS & 20 H&SC LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2022 15	2023 16	2024 17	2025 18	2026 19	2027 20	2028 21	2029 22
I.	**Project Income**									
	Gross Potential Income	102.0% /Year	$688,739	$702,514	$716,564	$730,895	$745,513	$760,423	$775,632	$791,144
	FMR Section 8 Income	102.0% /Year	70,482	71,892	73,330	74,796	76,292	77,818	79,375	80,962
	Miscellaneous Income	102.0% /Year	13,483	13,753	14,028	14,309	14,595	14,887	15,185	15,488
	Gross Income		$772,705	$788,159	$803,922	$820,000	$836,400	$853,128	$870,191	$887,595
	(Less) Vacancy & Collection	5.0% GI	(38,635)	(39,408)	(40,196)	(41,000)	(41,820)	(42,656)	(43,510)	(44,380)
	Effective Gross Income		**$734,069**	**$748,751**	**$763,726**	**$779,000**	**$794,580**	**$810,472**	**$826,681**	**$843,215**
II.	**Operating Expenses**									
	General Operating Expenses	103.0% /Year	$439,534	$452,720	$466,301	$480,290	$494,699	$509,540	$524,826	$540,571
	Social Services Expenses	103.0% /Year	35,601	36,669	37,769	38,903	40,070	41,272	42,510	43,785
	Property Taxes	102.0% /Year	11,248	11,473	11,702	11,936	12,175	12,419	12,667	12,920
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$534,383**	**$548,862**	**$563,773**	**$579,129**	**$594,944**	**$611,230**	**$628,003**	**$645,277**
III.	**Net Operating Income**		**$199,686**	**$199,889**	**$199,953**	**$199,871**	**$199,637**	**$199,242**	**$198,678**	**$197,939**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$115,326**	**$115,529**	**$115,593**	**$115,511**	**$115,277**	**$114,882**	**$114,318**	**$113,579**
IV.	**Deferred Developer Fee Pmt**									
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$115,326	$115,529	$115,593	$115,511	$115,277	$114,882	$114,318	$113,579
	(Less) Partnership Mgt Fees		(7,563)	(7,790)	(8,024)	(8,264)	(8,512)	(8,768)	(9,031)	(9,301)
	Cash Flow For Residual Receipts		**$107,764**	**$107,739**	**$107,569**	**$107,247**	**$106,764**	**$106,114**	**$105,288**	**$104,277**
VI.	**LBCIC Loan**									
	Available Residual Receipts	38% RR Split	$40,411	$40,402	$40,338	$40,218	$40,037	$39,793	$39,483	$39,104
	Outstanding Balance		11,678,539	11,638,128	11,597,726	11,557,387	11,517,170	11,477,133	11,437,340	11,397,857
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0
	(Less) Payment	$245,101 NPV @ 10%	(40,411)	(40,402)	(40,338)	(40,218)	(40,037)	(39,793)	(39,483)	(39,104)
	Ending Balance		**$11,638,128**	**$11,597,726**	**$11,557,387**	**$11,517,170**	**$11,477,133**	**$11,437,340**	**$11,397,857**	**$11,358,753**
VII.	**MHP Loan**									
	Available Residual Receipts	13% RR Split	$13,470	$13,467	$13,446	$13,406	$13,346	$13,264	$13,161	$13,035
	Outstanding Balance		5,297,021	5,412,917	5,528,813	5,644,709	5,760,605	5,876,500	5,992,396	6,108,292
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$81,700 NPV @ 10%	(13,470)	(13,467)	(13,446)	(13,406)	(13,346)	(13,264)	(13,161)	(13,035)
	Ending Balance		**$5,412,917**	**$5,528,813**	**$5,644,709**	**$5,760,605**	**$5,876,500**	**$5,992,396**	**$6,108,292**	**$6,224,188**
VIII.	**Cash Flow to Developer**	50% RR Split	**$53,882**	**$53,869**	**$53,785**	**$53,623**	**$53,382**	**$53,057**	**$52,644**	**$52,139**

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LOW INCOME SCENARIO
43 H&SC VERY-LOW INCOME UNITS & 20 H&SC LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2030 23	2031 24	2032 25	2033 26	2034 27	2035 28	2036 29	2037 30
I.	**Project Income**									
	Gross Potential Income	102.0% /Year	$806,967	$823,107	$839,569	$856,360	$873,487	$890,957	$908,776	$926,952
	FMR Section 8 Income	102.0% /Year	82,581	84,233	85,918	87,636	89,389	91,176	93,000	94,860
	Miscellaneous Income	102.0% /Year	15,798	16,114	16,436	16,765	17,100	17,442	17,791	18,147
	Gross Income		$905,347	$923,454	$941,923	$960,761	$979,976	$999,576	$1,019,567	$1,039,959
	(Less) Vacancy & Collection	5.0% GI	(45,267)	(46,173)	(47,096)	(48,038)	(48,999)	(49,979)	(50,978)	(51,998)
	Effective Gross Income		**$860,079**	**$877,281**	**$894,827**	**$912,723**	**$930,978**	**$949,597**	**$968,589**	**$987,961**
II.	**Operating Expenses**									
	General Operating Expenses	103.0% /Year	$556,788	$573,492	$590,697	$608,418	$626,670	$645,470	$664,834	$684,779
	Social Services Expenses	103.0% /Year	45,099	46,452	47,845	49,281	50,759	52,282	53,850	55,466
	Property Taxes	102.0% /Year	13,179	13,442	13,711	13,985	14,265	14,550	14,841	15,138
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$663,066**	**$681,386**	**$700,253**	**$719,683**	**$739,694**	**$760,302**	**$781,526**	**$803,383**
III.	**Net Operating Income**		**$197,014**	**$195,895**	**$194,574**	**$193,040**	**$191,283**	**$189,295**	**$187,063**	**$184,578**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)	(68,135)
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$112,654**	**$111,535**	**$110,214**	**$108,680**	**$106,923**	**$104,935**	**$102,703**	**$100,218**
IV.	**Deferred Developer Fee Pmt**									
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$112,654	$111,535	$110,214	$108,680	$106,923	$104,935	$102,703	$100,218
	(Less) Partnership Mgt Fees		(9,581)	(9,868)	(10,164)	(10,469)	(10,783)	(11,106)	(11,440)	(11,783)
	Cash Flow For Residual Receipts		**$103,073**	**$101,667**	**$100,050**	**$98,211**	**$96,141**	**$93,828**	**$91,264**	**$88,435**
VI.	**LBCIC Loan**									
	Available Residual Receipts	38% RR Split	$38,652	$38,125	$37,519	$36,829	$36,053	$35,186	$34,224	$33,163
	Outstanding Balance		11,358,753	11,320,101	11,281,976	11,244,457	11,207,628	11,171,575	11,136,390	11,102,166
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0
	(Less) Payment	$245,101 NPV @ 10%	(38,652)	(38,125)	(37,519)	(36,829)	(36,053)	(35,186)	(34,224)	(33,163)
	Ending Balance		**$11,320,101**	**$11,281,976**	**$11,244,457**	**$11,207,628**	**$11,171,575**	**$11,136,390**	**$11,102,166**	**$11,069,003**
VII.	**MHP Loan**									
	Available Residual Receipts	13% RR Split	$12,884	$12,708	$12,506	$12,276	$12,018	$11,729	$11,408	$11,054
	Outstanding Balance		6,224,188	6,340,084	6,455,980	6,571,876	6,687,772	6,803,667	6,919,563	7,035,459
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$81,700 NPV @ 10%	(12,884)	(12,708)	(12,506)	(12,276)	(12,018)	(11,729)	(11,408)	(11,054)
	Ending Balance		**$6,340,084**	**$6,455,980**	**$6,571,876**	**$6,687,772**	**$6,803,667**	**$6,919,563**	**$7,035,459**	**$7,151,355**
VIII.	**Cash Flow to Developer**	50% RR Split	**$51,537**	**$50,834**	**$50,025**	**$49,105**	**$48,070**	**$46,914**	**$45,632**	**$44,217**

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LOW INCOME SCENARIO
43 H&SC VERY-LOW INCOME UNITS & 20 H&SC LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2038 31	2039 32	2040 33	2041 34	2042 35	2043 36	2044 37	2045 38
I.	**Project Income**									
	Gross Potential Income	102.0% /Year	$945,491	$964,401	$983,689	$1,003,362	$1,023,430	$1,043,898	$1,064,776	$1,086,072
	FMR Section 8 Income	102.0% /Year	96,757	98,692	100,666	102,679	104,733	106,828	108,964	111,144
	Miscellaneous Income	102.0% /Year	18,510	18,880	19,258	19,643	20,036	20,436	20,845	21,262
	Gross Income		$1,060,758	$1,081,973	$1,103,613	$1,125,685	$1,148,198	$1,171,162	$1,194,586	$1,218,477
	(Less) Vacancy & Collection	5.0% GI	(53,038)	(54,099)	(55,181)	(56,284)	(57,410)	(58,558)	(59,729)	(60,924)
	Effective Gross Income		**$1,007,720**	**$1,027,874**	**$1,048,432**	**$1,069,401**	**$1,090,789**	**$1,112,604**	**$1,134,856**	**$1,157,554**
II.	**Operating Expenses**									
	General Operating Expenses	103.0% /Year	$705,323	$726,482	$748,277	$770,725	$793,847	$817,662	$842,192	$867,458
	Social Services Expenses	103.0% /Year	57,130	58,844	60,609	62,427	64,300	66,229	68,216	70,262
	Property Taxes	102.0% /Year	15,441	15,750	16,065	16,386	16,714	17,048	17,389	17,737
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$825,893**	**$849,076**	**$872,950**	**$897,538**	**$922,861**	**$948,939**	**$975,797**	**$1,003,457**
III.	**Net Operating Income**		**$181,827**	**$178,799**	**$175,481**	**$171,862**	**$167,928**	**$163,665**	**$159,059**	**$154,097**
	(Less) Annual 1st TD Debt Service		(68,135)	(68,135)	(68,135)	(68,135)	(68,135)			
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$97,467**	**$94,439**	**$91,121**	**$87,502**	**$83,568**	**$147,440**	**$142,834**	**$137,872**
IV.	**Deferred Developer Fee Pmt**									
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$97,467	$94,439	$91,121	$87,502	$83,568	$147,440	$142,834	$137,872
	(Less) Partnership Mgt Fees		(12,136)	(12,500)	(12,875)	(13,262)	(13,660)	(14,069)	(14,491)	(14,926)
	Cash Flow For Residual Receipts		**$85,330**	**$81,938**	**$78,246**	**$74,241**	**$69,908**	**$133,371**	**$128,343**	**$122,945**
VI.	**LBCIC Loan**									
	Available Residual Receipts	38% RR Split	$31,999	$30,727	$29,342	$27,840	$26,216	$50,014	$48,129	$46,105
	Outstanding Balance		11,069,003	11,037,004	11,006,277	10,976,935	10,949,095	10,922,879	10,872,865	10,824,736
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0
	(Less) Payment	$245,101 NPV @ 10%	(31,999)	(30,727)	(29,342)	(27,840)	(26,216)	(50,014)	(48,129)	(46,105)
	Ending Balance		**$11,037,004**	**$11,006,277**	**$10,976,935**	**$10,949,095**	**$10,922,879**	**$10,872,865**	**$10,824,736**	**$10,778,632**
VII.	**MHP Loan**									
	Available Residual Receipts	13% RR Split	$10,666	$10,242	$9,781	$9,280	$8,739	$16,671	$16,043	$15,368
	Outstanding Balance		7,151,355	7,267,251	7,383,147	7,499,043	7,614,939	7,730,835	7,846,730	7,962,626
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$81,700 NPV @ 10%	(10,666)	(10,242)	(9,781)	(9,280)	(8,739)	(16,671)	(16,043)	(15,368)
	Ending Balance		**$7,267,251**	**$7,383,147**	**$7,499,043**	**$7,614,939**	**$7,730,835**	**$7,846,730**	**$7,962,626**	**$8,078,522**
VIII.	**Cash Flow to Developer**	50% RR Split	**$42,665**	**$40,969**	**$39,123**	**$37,120**	**$34,954**	**$66,685**	**$64,172**	**$61,473**

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LOW INCOME SCENARIO
43 H&SC VERY-LOW INCOME UNITS & 20 H&SC LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2046 39	2047 40	2048 41	2049 42	2050 43	2051 44	2052 45	2053 46
I.	Project Income									
	Gross Potential Income	102.0% /Year	$1,107,793	$1,129,949	$1,152,548	$1,175,599	$1,199,111	$1,223,093	$1,247,555	$1,272,506
	FMR Section 8 Income	102.0% /Year	113,366	115,634	117,946	120,305	122,711	125,166	127,669	130,222
	Miscellaneous Income	102.0% /Year	21,687	22,121	22,563	23,015	23,475	23,945	24,423	24,912
	Gross Income		$1,242,847	$1,267,704	$1,293,058	$1,318,919	$1,345,298	$1,372,203	$1,399,648	$1,427,641
	(Less) Vacancy & Collection	5.0% GI	(62,142)	(63,385)	(64,653)	(65,946)	(67,265)	(68,610)	(69,982)	(71,382)
	Effective Gross Income		**$1,180,705**	**$1,204,319**	**$1,228,405**	**$1,252,973**	**$1,278,033**	**$1,303,593**	**$1,329,665**	**$1,356,258**
II.	Operating Expenses									
	General Operating Expenses	103.0% /Year	$893,482	$920,286	$947,895	$976,331	$1,005,621	$1,035,790	$1,066,864	$1,098,870
	Social Services Expenses	103.0% /Year	72,370	74,541	76,777	79,081	81,453	83,897	86,414	89,006
	Property Taxes	102.0% /Year	18,092	18,453	18,822	19,199	19,583	19,975	20,374	20,782
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$1,031,943**	**$1,061,281**	**$1,091,495**	**$1,122,611**	**$1,154,658**	**$1,187,661**	**$1,221,652**	**$1,256,657**
III.	**Net Operating Income**		**$148,761**	**$143,038**	**$136,910**	**$130,362**	**$123,375**	**$115,932**	**$108,014**	**$99,601**
	(Less) Annual 1st TD Debt Service									
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$132,536**	**$126,813**	**$120,685**	**$114,137**	**$107,150**	**$99,707**	**$91,789**	**$83,376**
IV.	Deferred Developer Fee Pmt									
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	Net Cash Flow		$132,536	$126,813	$120,685	$114,137	$107,150	$99,707	$91,789	$83,376
	(Less) Partnership Mgt Fees		(15,374)	(15,835)	(16,310)	(16,799)	(17,303)	(17,823)	(18,357)	(18,908)
	Cash Flow For Residual Receipts		**$117,162**	**$110,978**	**$104,375**	**$97,337**	**$89,847**	**$81,884**	**$73,431**	**$64,468**
VI.	LBCIC Loan									
	Available Residual Receipts	38% RR Split	$43,936	$41,617	$39,141	$36,502	$33,692	$30,707	$27,537	$24,176
	Outstanding Balance		10,778,632	10,734,696	10,693,079	10,653,938	10,617,437	10,583,744	10,553,038	10,525,501
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0
	(Less) Payment	$245,101 NPV @ 10%	(43,936)	(41,617)	(39,141)	(36,502)	(33,692)	(30,707)	(27,537)	(24,176)
	Ending Balance		**$10,734,696**	**$10,693,079**	**$10,653,938**	**$10,617,437**	**$10,583,744**	**$10,553,038**	**$10,525,501**	**$10,501,325**
VII.	MHP Loan									
	Available Residual Receipts	13% RR Split	$14,645	$13,872	$13,047	$12,167	$11,231	$10,236	$9,179	$8,059
	Outstanding Balance		8,078,522	8,194,418	8,310,314	8,426,210	8,542,106	8,658,002	8,773,897	8,889,793
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$81,700 NPV @ 10%	(14,645)	(13,872)	(13,047)	(12,167)	(11,231)	(10,236)	(9,179)	(8,059)
	Ending Balance		**$8,194,418**	**$8,310,314**	**$8,426,210**	**$8,542,106**	**$8,658,002**	**$8,773,897**	**$8,889,793**	**$9,005,689**
VIII.	**Cash Flow to Developer**	50% RR Split	**$58,581**	**$55,489**	**$52,188**	**$48,669**	**$44,923**	**$40,942**	**$36,716**	**$32,234**

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LOW INCOME SCENARIO
43 H&SC VERY-LOW INCOME UNITS & 20 H&SC LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2054	2055	2056	2057	2058	2059	2060	2061
			47	48	49	50	51	52	53	54
I.	**Project Income**									
	Gross Potential Income	102.0% /Year	$1,297,956	$1,323,915	$1,350,394	$1,377,402	$1,404,950	$1,433,049	$1,461,710	$1,490,944
	FMR Section 8 Income	102.0% /Year	132,827	135,483	138,193	140,957	143,776	146,652	149,585	152,576
	Miscellaneous Income	102.0% /Year	25,410	25,918	26,437	26,965	27,505	28,055	28,616	29,188
	Gross Income		$1,456,193	$1,485,317	$1,515,024	$1,545,324	$1,576,230	$1,607,755	$1,639,910	$1,672,708
	(Less) Vacancy & Collection	5.0% GI	(72,810)	(74,266)	(75,751)	(77,266)	(78,812)	(80,388)	(81,996)	(83,635)
	Effective Gross Income		**$1,383,384**	**$1,411,051**	**$1,439,272**	**$1,468,058**	**$1,497,419**	**$1,527,367**	**$1,557,915**	**$1,589,073**
II.	**Operating Expenses**									
	General Operating Expenses	103.0% /Year	$1,131,836	$1,165,791	$1,200,765	$1,236,788	$1,273,891	$1,312,108	$1,351,471	$1,392,015
	Social Services Expenses	103.0% /Year	91,676	94,427	97,259	100,177	103,182	106,278	109,466	112,750
	Property Taxes	102.0% /Year	21,197	21,621	22,054	22,495	22,945	23,403	23,871	24,349
	Reserve Deposits	100.0% /Year	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
	Capital Expenditures	103.0% /Year	0	0	0	0	0	0	0	0
	Total Operating Expenses		**$1,292,709**	**$1,329,839**	**$1,368,078**	**$1,407,459**	**$1,448,018**	**$1,489,789**	**$1,532,809**	**$1,577,114**
III.	**Net Operating Income**		**$90,674**	**$81,213**	**$71,195**	**$60,598**	**$49,401**	**$37,578**	**$25,106**	**$11,959**
	(Less) Annual 1st TD Debt Service									
	(Less) Annual MHP Debt Service		(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)	(16,225)
	Available Cash Flow		**$74,449**	**$64,988**	**$54,970**	**$44,373**	**$33,176**	**$21,353**	**$8,881**	**($4,266)**
IV.	**Deferred Developer Fee Pmt**									
	Outstanding Balance		$0	$0	$0	$0	$0	$0	$0	$0
	Add: Interest	4.5% /Year	0	0	0	0	0	0	0	0
	(Less) Payment		0	0	0	0	0	0	0	0
	Ending Balance		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
V.	**Net Cash Flow**		$74,449	$64,988	$54,970	$44,373	$33,176	$21,353	$8,881	($4,266)
	(Less) Partnership Mgt Fees		(19,475)	(20,059)	(20,661)	(21,281)	(21,920)	(22,577)	(23,254)	0
	Cash Flow For Residual Receipts		**$54,974**	**$44,928**	**$34,309**	**$23,092**	**$11,256**	**($1,224)**	**($14,374)**	**($4,266)**
VI.	**LBCIC Loan**									
	Available Residual Receipts	38% RR Split	$20,615	$16,848	$12,866	$8,660	$4,221	$0	$0	$0
	Outstanding Balance		10,501,325	10,480,710	10,463,862	10,450,996	10,442,337	10,438,115	10,438,115	10,438,115
	Add: Interest	0.0% /Year	0	0	0	0	0	0	0	0
	(Less) Payment	$245,101 NPV @ 10%	(20,615)	(16,848)	(12,866)	(8,660)	(4,221)	0	0	0
	Ending Balance		**$10,480,710**	**$10,463,862**	**$10,450,996**	**$10,442,337**	**$10,438,115**	**$10,438,115**	**$10,438,115**	**$10,438,115**
VII.	**MHP Loan**									
	Available Residual Receipts	13% RR Split	$6,872	$5,616	$4,289	$2,887	$1,407	$0	$0	$0
	Outstanding Balance		9,005,689	9,121,585	9,237,481	9,353,377	9,469,273	9,585,169	9,701,064	9,816,960
	Add: Interest	3.0% /Year	115,896	115,896	115,896	115,896	115,896	115,896	115,896	115,896
	(Less) Payment	$81,700 NPV @ 10%	(6,872)	(5,616)	(4,289)	(2,887)	(1,407)	0	0	0
	Ending Balance		**$9,121,585**	**$9,237,481**	**$9,353,377**	**$9,469,273**	**$9,585,169**	**$9,701,064**	**$9,816,960**	**$9,932,856**
VIII.	**Cash Flow to Developer**	50% RR Split	**$27,487**	**$22,464**	**$17,154**	**$11,546**	**$5,628**	**$0**	**$0**	**$0**

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LOW INCOME SCENARIO
43 H&SC VERY-LOW INCOME UNITS & 20 H&SC LOW INCOME UNITS
PUERTO DEL SOL APARTMENTS
LONG BEACH, CALIFORNIA

			2062 55
I.	**Project Income**		
	Gross Potential Income	102.0% /Year	$1,520,763
	FMR Section 8 Income	102.0% /Year	155,628
	Miscellaneous Income	102.0% /Year	29,772
	Gross Income		$1,706,163
	(Less) Vacancy & Collection	5.0% GI	(85,308)
	Effective Gross Income		**$1,620,854**
II.	**Operating Expenses**		
	General Operating Expenses	103.0% /Year	$1,433,776
	Social Services Expenses	103.0% /Year	116,133
	Property Taxes	102.0% /Year	24,836
	Reserve Deposits	100.0% /Year	48,000
	Capital Expenditures	103.0% /Year	0
	Total Operating Expenses		**$1,622,744**
III.	**Net Operating Income**		**($1,890)**
	(Less) Annual 1st TD Debt Service		
	(Less) Annual MHP Debt Service		(16,225)
	Available Cash Flow		**($18,115)**
IV.	**Deferred Developer Fee Pmt**		
	Outstanding Balance		$0
	Add: Interest	4.5% /Year	0
	(Less) Payment		0
	Ending Balance		**$0**
V.	**Net Cash Flow**		($18,115)
	(Less) Partnership Mgt Fees		0
	Cash Flow For Residual Receipts		**($18,115)**
VI.	**LBCIC Loan**		
	Available Residual Receipts	38% RR Split	$0
	Outstanding Balance		10,438,115
	Add: Interest	0.0% /Year	0
	(Less) Payment	$245,101 NPV @ 10%	0
	Ending Balance		**$10,438,115**
VII.	**MHP Loan**		
	Available Residual Receipts	13% RR Split	$0
	Outstanding Balance		9,932,856
	Add: Interest	3.0% /Year	115,896
	(Less) Payment	$81,700 NPV @ 10%	0
	Ending Balance		**$10,048,752**
VIII.	**Cash Flow to Developer**	50% RR Split	**$0**

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Puerto Del Sol Apatrments
Rent Comparison Chart for Effected Households

Unit Size	Household Income	Current Rent	Current Rent- % of Household Income	Proposed Rent	Dollar Increase	% Increase	Proposed Rent – % of Household Income
4BD	$ 133,829	$845	8%	$1,033	$188	22%	9%
3BD	$ 83,069	$771	11%	$ 939	$168	22%	14%
3BD	$ 76,093	$771	12%	$ 939	$168	22%	15%
3BD	$ 67,402	$771	14%	$ 939	$168	22%	17%
3BD	$ 65,023	$771	14%	$ 939	$168	22%	17%
4BD	$ 61,003	$845	17%	$1,033	$188	22%	20%
2BD	$ 46,098	$672	17%	$ 818	$146	22%	21%
2BD	$ 45,006	$672	18%	$ 818	$146	22%	22%
2BD	$ 44,547	$672	18%	$ 818	$146	22%	22%
3BD	$ 43,617	$771	21%	$ 939	$168	22%	26%
4BD	$ 46,684	$845	22%	$1,033	$188	22%	27%
4BD	$ 46,097	$845	22%	$1,033	$188	22%	27%
2BD	$ 35,970	$672	22%	$ 818	$146	22%	27%
3BD	$ 38,770	$771	24%	$ 939	$168	22%	29%
2BD	$ 33,031	$672	24%	$ 818	$146	22%	30%
2BD	$ 32,562	$672	25%	$ 818	$146	22%	30%
2BD	$ 32,406	$672	25%	$ 818	$146	22%	30%
2BD	$ 31,970	$672	25%	$ 818	$146	22%	31%
2BD	$ 30,106	$672	27%	$ 818	$146	22%	33%
4BD	$ 37,352	$845	27%	$1,033	$188	22%	33%