

DEVELOPMENT PRO FORMA

USES OF FUNDS

| Item | Amount | Notes |
|--|----------------------|--|
| Acquisition | | |
| Land Cost | \$622,120 | See acquisition assumption |
| Transfer Cost | 31,106 | |
| Sub-Total | \$653,226 | |
| Construction Costs | | |
| Construction | \$11,934,000 | (56 Units X \$65 X1800s/f) & (69 units X \$65 X1200s/f) 5% of Construction only |
| Contingency | \$596,700 | |
| Sub-Total | \$12,530,700 | |
| Professional & Management Costs | | |
| Architect | \$36,000 | Pattern Book/6000; UK Design/20000; Design Interp/10000 |
| Legal | \$15,000 | Agreement review |
| Home Buyer Education | \$31,000 | |
| Developer Fee | \$443,342 | Staff cost/cost allocation to the project |
| Construction & Sales Consultant | \$360,000 | Per HPI's Contract |
| Consultant | \$30,000 | Contract services for MBE monitoring/training |
| Marketing | \$79,000 | Per HPI's Contract where did it come from what is your pan??? |
| Contingency | \$29,830 | Assumed 3% contingency. |
| Sub-Total* | \$1,024,173 | |
| Holding Costs | | |
| Model village operations | \$100,000 | Model village operations, security, taxes, insurance, maintenance 3-years |
| Sub-Total* | \$100,000 | See Model Village Operating Schedule |
| Equity Financing Costs | | |
| Points | \$0 | |
| Interest | \$ 69,750 | |
| Appraisal | \$0 | |
| Title Insurance | \$0 | |
| Recording Fees & Closing Costs | \$0 | |
| Other (i.e. Inspections, Misc. Closing) | \$0 | |
| Sub-Total* | \$69,750 | |
| TOTAL | \$ 14,377,849 | |

Construction Sources

| | | |
|----------------------|----------------------|--|
| Loans | | |
| HUD Section 108 Loan | \$ 12,530,700 | Construction Lending provided by LREDC |
| Sale of Lots | | |
| | \$ 653,226 | Paid for from sale of Home |
| Sudsidy* | | |
| | \$ 1,193,923 | Project Delivery Cost |
| TOTAL | \$ 14,377,849 | |

HOME SALE ANALYSIS PROFORMA

SOURCES, SALES PRICE AND LOAN AMOUNT

| | | |
|------------------------|----------------|------|
| Development Cost | <u>115,023</u> | |
| Subsidy Write-down | <u>12,500</u> | |
| Sale Price | <u>102,523</u> | |
| 2nd Mortgage Incentive | <u>12,500</u> | |
| Downpayment | <u>2,701</u> | 3% |
| Loan Amount | <u>87,322</u> | |
| Appraised Value | <u>106,000</u> | Est. |
| Loan / Value Ratio | <u>82%</u> | |

CASH NEEDED FOR SALE

| | | |
|----------------------|--------------|---------------------|
| Downpayment | <u>2,701</u> | |
| Closing Costs | <u>2,183</u> | 2.5% of Loan Amount |
| Cash Needed for Sale | <u>4,884</u> | |

MONTHLY MORTGAGE PAYMENT

| | | |
|----------------------------|------------|---------------------|
| Loan | <u>641</u> | |
| Taxes | <u>143</u> | .00124 per thousand |
| Homeowner's Insurance | <u>42</u> | |
| Private Mortgage Insurance | <u>0</u> | |
| Total Monthly Payment | <u>825</u> | |

AFFORDABILITY

| | |
|---------------------------------|---------------|
| 100% Median Income, family of 4 | <u>42,700</u> |
| Maximum Housing Cost Allowance | <u>30%</u> |
| % of Median Income Served | <u>77%</u> |

INCOME QUALIFICATION

| | |
|--|--|
| Minimum Income Required to Carry Monthly Payment | <u>33,001</u> total monthly pmt. / 30% x 12 months |
|--|--|

PARK DUVALLE HOMEOWNERSHIP PROGRAM DEVELOPMENT PROFORMA

BASIC ASSUMPTIONS

| | | |
|---|----|--------------------|
| Production Goal | | 125 Units |
| Average Cost of Lot* | \$ | 5,226 |
| # of lots Sold | | 125 Units |
| Average Construction Cost per square foot | \$ | 65 Includes profit |
| Average Home for 115% of Median Income | | 1800 s/f |
| Average Home for 80% of Median Income | | 1200 s/f |
| Total contract Period | | 36 months |
| Total 2nd Mortgage Incentive per Unit | \$ | 12,500 |

RESULTS

| | | |
|--|----|----------------------------|
| Total Development Cost | \$ | 14,377,849 |
| Total Development Cost per Unit | \$ | 115,023 |
| Total Construction Cost | \$ | 11,934,000 w/o contingency |
| Average Construction Cost per Unit | \$ | 95,472 w/o contingency |
| Total Subsidy per Unit | \$ | 12,500 |
| % of Developer Fee per Total Development | | 3% |

| ACQUISITION ASSUMPTION: | | | |
|--|------|----|---------|
| 100% or above median income must pay MSD | | \$ | 4,180 |
| Infrastructure Cost applied all lots | | \$ | 1,200 |
| Land Cost: | | | |
| 40 | lots | \$ | 1 |
| 85 | lots | \$ | 2,800 |
| Total Acquisition: | | \$ | 622,120 |

| INCOME GOALS: | | | |
|---------------|-----------|------------------|--|
| 80% | 115% | of Median Income | |
| 69 | 56 | # of units | |
| \$ 34,150 | \$ 48,875 | Income amount | |

| SALES ASSUMPTION: | | | |
|-------------------|-----------------------|------------|-------------|
| \$ 34,150 | Income Equals a maxim | \$ 93,913 | Sales Price |
| \$ 48,875 | Income Equals a maxim | \$ 122,188 | Sales Price |

Model Village Construction Assumption:

- 8 Model Homes
- 4 Month Construction Schedule
- \$ 95,000 Average Construction Loan
- 7.75% Rate of Return to Investor
- \$ 900,000 Equity Investment