



## MEMORANDUM

**DATE:** June 11, 2019

**TO:** CITY OF PORTLAND GROUP LIVING TECHNICAL ADVISORY COMMITTEE (TAC)

**FROM:** Jerry Johnson  
JOHNSON ECONOMICS LLC

**SUBJECT:** Portland Group Living and Code Audit and Update, Final Gap Analysis (Task 4)

### I. PROTOTYPES

Johnson Economics modeled the economic feasibility of a series of prototypical development types. A total of seven development prototypes were evaluated, six representing current zoning standards with an additional seventh under the proposed revised standards. The following are summary pro formas for these development forms.

EXAMPLE OF DEVELOPMENT PROTOTYPES, RENTAL RESIDENTIAL ANALYSIS

		RM2	CM2	CM2	R5	CM2	R5	CM2
		MULTIFAMILY - TRADITIONAL	MULTIFAMILY - SMALL UNIT	MODERN SRO - GROUP LIVING	DUPLEX - 6 BDRM/UNIT	MIXED USE - SMALL UNIT	TINY HOME VILLAGE	EFFICIENCY STUDIO
<b>PROGRAM</b>	<b>Property Assumptions</b>							
	Site Size (SF)	10,000	20,000	20,000	5,000	20,000	10,000	20,000
	Density - Units/Acre	82.8	326.7	612.0	17.4	300.6	34.8	612.0
	Unit Count	19	150	281	2	138	8	281
	Ave Unit Size	671	328	185	1,663	327	500	185
	Efficiency Ratio	85%	82%	65%	95%	82%	100%	65%
	Retail Square Feet	0	0	0	0	5,000	0	0
	Building Square Feet	15,000	80,000	80,000	3,500	80,000	4,000	80,000
	Stories	4.0	4.0	4.0	2.5	4.0	1.5	4.0
	Bldg Footprint	3,750	20,000	20,000	1,400	20,000	2,667	20,000
	FAR	1.50	4.00	4.00	0.70	4.00	0.40	4.00
	Parking Ratio/Unit	1.00	0.33	-	1.00	0.33	-	-
	Total Parking Spaces	19	50	0	2	46	0	0
	Parking Spaces - Surface	19.0	-	-	2.0	-	-	-
	Parking Spaces - Structure	-	50.0	-	-	46.0	-	-
Structured Parking %	0%	100%	0%	0%	100%	0%	0%	

Each of the prototypes was matched to a zoning designation. The following is a brief description of these prototypes:



Prototype	Description
<b>Multifamily Traditional</b>	This prototype reflects a market rate rental apartment development, which is wood frame with surface parking (1 space/unit). The project would be four stories, elevator served with interior corridors.
<b>Multifamily - Small Unit</b>	This prototype reflects micro apartments, with an assumed average unit size of 328 square feet. The structures are assumed to be four story and wood frame, with a parking ratio of 0.33/unit in a ground floor podium.
<b>Modern SRO – Group Living</b>	This prototype shows small units with shared bath and kitchen facilities. These would be categorized as group living under current zoning.
<b>Duplex – 6 Bedroom/Unit</b>	This product reflects a duplex unit with a total of six bedrooms per unit with shared bath and kitchen facilities. Under current zoning this product would be categorized as two residential units.
<b>Mixed-Use - Small Unit</b>	This product is also micro apartments, with an assumed ground floor retail component. The analysis does not assess the viability of the retail space but does factor in the loss in effective residential area.
<b>Tiny Home Village</b>	This prototype includes a cluster of small detached residences with shared open space.
<b>Efficiency Studio</b>	This prototype assumes that individual units have their own bathroom and kitchenette and are categorized as individual units under the proposed new zoning language.

Each of the prototypes is assumed to be negligibly impacted by inclusionary zoning requirements, with the units either priced consistent with the affordability criteria or the size of the project below the threshold. Construction of the modern SRO was assumed to be under prevailing wages, as BOLI has stated that prevailing wage requirement do apply to “dormitory like” SROs even though similarly situated “residential construction” would qualify for an exemption. The net impact of this is to increase construction costs an estimated 20%, which largely offsets the cost savings of the shared kitchens and bathrooms.

One of the key impacts of the proposed changes in the code language is the variance in System Development Charges (SDCs). The following table summarizes the assumed SDC charges associated with the seven prototypical development formats.

**ASSUMED SDC CHARGES BY PROTOTYPE**

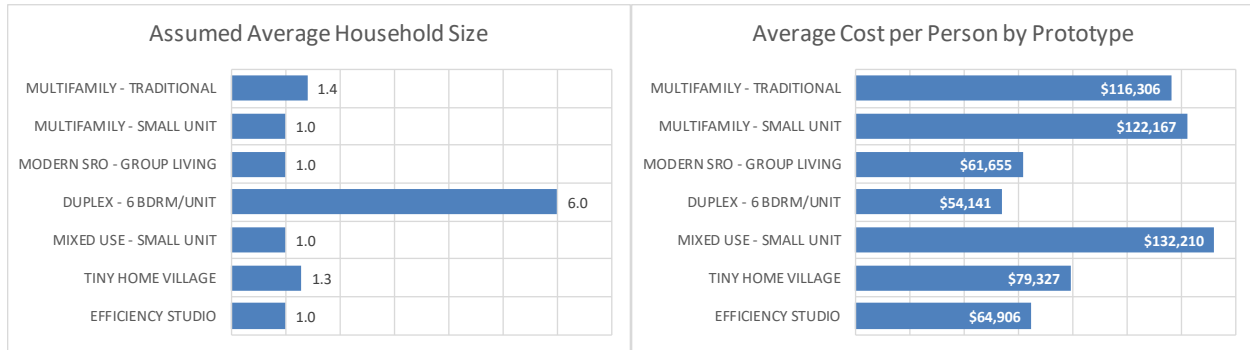
	MULTIFAMILY - TRADITIONAL	MULTIFAMILY - SMALL UNIT	MODERN SRO - GROUP LIVING	DUPLEX - 6 BDRM/UNIT	MIXED USE - SMALL UNIT	TINY HOME VILLAGE	EFFICIENCY STUDIO
<b>Sanitary Sewer SDC</b>	\$97,964	\$580,050	\$20,624	\$10,313	\$533,646	\$51,568	\$1,024,755
<b>Stormwater SDC</b>	\$2,280	\$4,560	\$4,560	\$1,105	\$4,560	\$8,840	\$4,560
<b>Transportation</b>	\$48,963	\$386,550	\$373,168	\$5,154	\$355,626	\$20,944	\$682,905
<b>Parks</b>	\$122,835	\$969,750	\$172,800	\$23,254	\$892,170	\$51,720	\$1,713,225
<b>Total/SDCs</b>	\$272,042	\$1,940,910	\$571,152	\$39,826	\$1,786,002	\$133,072	\$3,425,445
<b>SDCs/Unit</b>	\$14,318	\$12,939	\$2,033	\$19,913	\$12,942	\$16,634	\$12,926

Key variations are found between the Modern SRO/Group Living prototype under current and Efficiency Studio prototype proposed zoning. Under the current language, the sanitary charge for a group living floor would be \$5,156.



If categorized as a multifamily residential development, the charge is done at a rate of \$3,867 per unit. The Parks SDC is also significantly different if the project is categorized as a commercial use or residential units.

For each of the prototypes an average household size was assumed. This was used to calculate the average rent levels and viability gap as a per person level as well as at the unit level. The following is a summary of the assumed average household sizes used in this analysis, as well as the average cost per person by prototype (excluding land acquisition).



Except for the six-bedroom duplex units, most of the household sizes are relatively low. This reflects the relatively small size of the units in the prototypes. The small units are the most expensive of the prototypes to construct, largely due to the cost of structured parking.

Achievable pricing varies widely for residential units based on location within the City of Portland, and the financial characteristics of individual development forms will change with assumed achievable pricing.

## II. FINANCIAL OUTPUT

As noted previously, the output of our models varies significantly depending upon the assumed achievable pricing level. We have run the model at three alternative price points for testing:

Scenario	Avg. Rents
Urban	\$3.10 PSF
Close-In Neighborhoods	\$2.75 PSF
Outer Neighborhoods	\$2.25 PSF
Moderately Priced Markets	\$1.85 PSF

The naming of the pricing scenarios is intended to provide an indication of areas in which these price points are commonly found. The urban pricing scenario generally reflects the central city or CBD. The close-in neighborhoods reflect pricing more prevalent in closer in eastside and north neighborhoods. The outer neighborhoods pricing is common in more affluent or emerging neighborhoods such as Multnomah Village, Hillsdale, Sellwood, and Montevilla. The moderately priced markets are markets that have not seen as much development pressure, many of which are east of 82<sup>nd</sup> Avenue.



For each price point all seven prototypes were evaluated, with land values set by the development forms that supported the highest residual land values. This is intended to mimic the market, where pricing is set by the development form that can support the greatest land value. For this analysis we used the prototype that supported the second highest land value as the proxy to set land acquisition pricing. While some of the prototypes evaluated supported high residual land values, some of these such as modern SROs and efficiency apartments are specialty products, and the volume of these types of transactions is generally not sufficient to set land prices in the market.

Development cost assumptions are based on previous experience. Construction costs have been unusually volatile this cycle, and the development forms being evaluated are not widely seen. As a result, the cost estimations should be viewed as highly speculative.

Under each assumed price point, a series of output measures are generated. These include the average assumed rent per month, the “viability gap” per unit as well as a percent of overall cost.

## **URBAN PRICING ASSUMPTIONS**

In markets with higher achievable pricing, higher density development forms become the highest bidder for land. Under the urban pricing assumptions, small unit multifamily projects support the highest land values, with low-density formats such as duplexes and cottage cluster housing not competitive. As modeled, the higher density development forms can support land values approaching \$300 per square foot. While lower density options such as duplexes can support land values of \$70 per square feet with these rent assumptions, they cannot support the higher land values to compete.



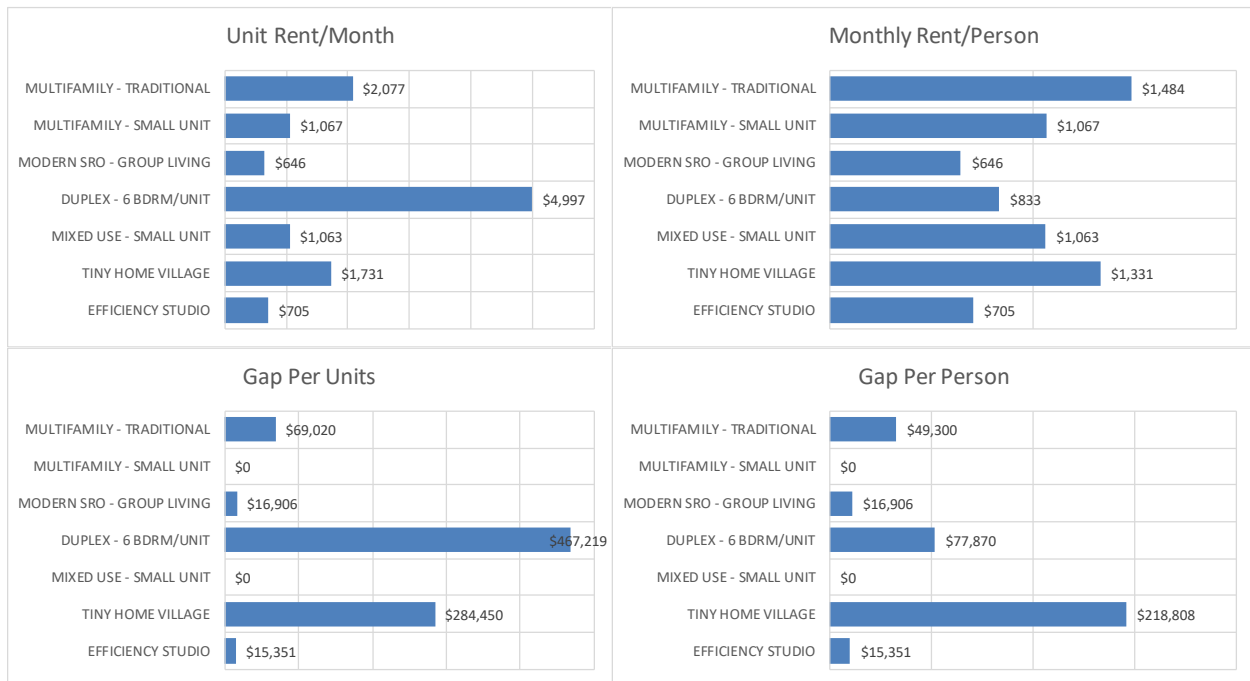
SUMMARY PRO FORMAS – URBAN PRICING SCENARIO

		RM2	CM2	CM2	R5	CM2	R5	CM2	
		MULTIFAMILY - TRADITIONAL	MULTIFAMILY - SMALL UNIT	MODERN SRO - GROUP LIVING	DUPLEX - 6 BDRM/UNIT	MIXED USE - SMALL UNIT	TINY HOME VILLAGE	EFFICIENCY STUDIO	
<b>PROGRAM</b>	<b>Property Assumptions</b>								
	Site Size (SF)	10,000	20,000	20,000	5,000	20,000	10,000	20,000	
	Density	82.76	326.70	612.02	17.42	300.56	34.85	577.17	
	Unit Count	19	150	281	2	138	8	265	
	Ave Unit Size	671	328	185	1,663	327	500	205	
	Efficiency Ratio	85%	82%	65%	95%	82%	100%	68%	
	Retail Square Feet	0	0	0	0	5,000	0	0	
	Building Square Feet	15,000	80,000	80,000	3,500	80,000	4,000	80,000	
	Stories	4.0	4.0	4.0	2.5	4.0	1.5	4.0	
	Bldg Footprint	3,750	20,000	20,000	1,400	20,000	2,667	20,000	
	FAR	1.50	4.00	4.00	0.70	4.00	0.40	4.00	
	Parking Ratio/Unit	1.00	0.33	-	1.00	0.33	-	-	
	Total Parking Spaces	19.0	50.0	-	2.0	46.0	-	-	
	Parking Spaces - Surface	19.0	-	-	2.0	-	-	-	
	Parking Spaces - Structure	-	50.0	-	-	46.0	-	-	
	Structured Parking %	0%	100%	0%	0%	100%	0%	0%	
	<b>Cost Assumptions</b>								
	Base Construction Cost/SF	\$206	\$206	\$206	\$206	\$206	\$206	\$206	
	Adjustment Factor	0%	5%	5%	-10%	5%	0%	4%	
	Construction Cost/SF	\$206	\$217	\$217	\$186	\$217	\$206	\$215	
Base Parking Costs/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000		
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%		
Parking Cost/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000		
<b>PROPERTY VALUATION</b>	<b>Income Assumptions</b>								
	Base Income/Sf/Mo.	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	\$3.10	
	Adjustment Factor	-0.2%	4.9%	12.6%	-3.0%	4.9%	11.7%	10.8%	
	Achievable Pricing	\$3.10	\$3.25	\$3.49	\$3.01	\$3.25	\$3.46	\$3.44	
	Parking Charges/Space/Mo	\$122	\$122	\$122	\$122	\$122	\$122	\$122	
	<b>Expenses</b>								
	Vacancy/Collection Loss	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
	Operating Expenses	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
	Adjustment Factor	0%	0%	0%	0%	0%	0%	0%	
	Operating Expenses	30%	30%	30%	30%	30%	30%	30%	
	Reserve & Replacement	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
	<b>Valuation</b>								
	Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%	
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%		
Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%		
<b>SUPPORTABLE PROPERTY VALUE</b>	<b>Cost</b>								
	Cost/Construct w/o prkg.	\$3,093,750	\$17,325,000	\$17,325,000	\$649,688	\$17,325,000	\$825,000	\$17,200,000	
	Total Parking Costs	\$0	\$1,000,000	\$0	\$0	\$920,000	\$0	\$0	
	Estimated Project Cost	\$3,093,750	\$18,325,000	\$17,325,000	\$649,688	\$18,245,000	\$825,000	\$17,200,000	
	<b>Income</b>								
	Annual Base Income	\$473,556	\$2,560,104	\$2,177,409	\$119,924	\$2,560,983	\$166,135	\$2,242,881	
	Annual Parking	\$0	\$73,200	\$0	\$0	\$67,344	\$0	\$0	
	Gross Annual Income	\$473,556	\$2,633,304	\$2,177,409	\$119,924	\$2,628,327	\$166,135	\$2,242,881	
	Less: Vacancy & CL	\$23,678	\$131,665	\$108,870	\$5,996	\$131,416	\$8,307	\$112,144	
	Effective Gross Income	\$449,878	\$2,501,639	\$2,068,539	\$113,927	\$2,496,911	\$157,828	\$2,130,737	
	Less Expenses:								
	Operating Expenses	\$134,963	\$750,492	\$620,562	\$34,178	\$749,073	\$47,349	\$639,221	
	Reserve & Replacement	\$13,496	\$75,049	\$62,056	\$3,418	\$74,907	\$4,735	\$63,922	
	Annual NOI	\$301,418	\$1,676,098	\$1,385,921	\$76,331	\$1,672,930	\$105,745	\$1,427,594	
	<b>Property Valuation</b>								
	Return on Cost	9.74%	9.15%	8.00%	11.75%	9.17%	12.82%	8.30%	
	Threshold Return on Cost	6.33%	6.90%	7.48%	6.33%	6.90%	6.90%	7.48%	
Residual Property Value	\$1,671,758	\$5,966,275	\$1,215,747	\$557,132	\$6,000,367	\$707,537	\$1,898,244		
<b>RPV/SF</b>	<b>\$167.18</b>	<b>\$298.31</b>	<b>\$60.79</b>	<b>\$111.43</b>	<b>\$300.02</b>	<b>\$70.75</b>	<b>\$94.91</b>		



The assumed residual land value in this scenario was \$298 per square foot. Under this relatively high assumed pricing environment, the small unit multifamily support the highest land values and are largely viable without market intervention. The higher supportable land values in this environment place less dense prototypes such as small cottage cluster and duplex units at a financial disadvantage. The following series of charts summarizes the assumed monthly rent and indicated viability gap per unit, as well as per person. The per person calculations are based on an assumed persons per household by unit type.

### SUMMARY OF CONCLUSIONS – URBAN PRICING SCENARIO



Under this scenario, the small unit multifamily were the most viable, in either an exclusively residential format or with ground floor retail space. The multifamily traditional prototype showed a significant “gap”, but this largely reflects the prototypes use of surface parking. While this form will work better in a lower-priced environment, the development yield would be improved with structured parking when rent levels and land values are this high. As noted previously, the viability gap calculation assumed that the land use with the second highest supportable residual land value would set the market clearing land value, and each of the prototypes were run assuming that price as the acquisition value.

### CLOSE IN NEIGHBORHOOD PRICING ASSUMPTIONS

When achievable pricing is reduced, we a similar pattern in terms of general viability, but a closer spread between the higher and lower density development forms. The small unit multifamily formats still provide the highest supportable land value at approximately \$165 per square foot, followed by the traditional multifamily prototype. All the prototypes except for the SRO format under the proposed zoning and efficiency studios can support positive land values, but they all have an indicated “gap” since they cannot support the assumed market clearing land value.



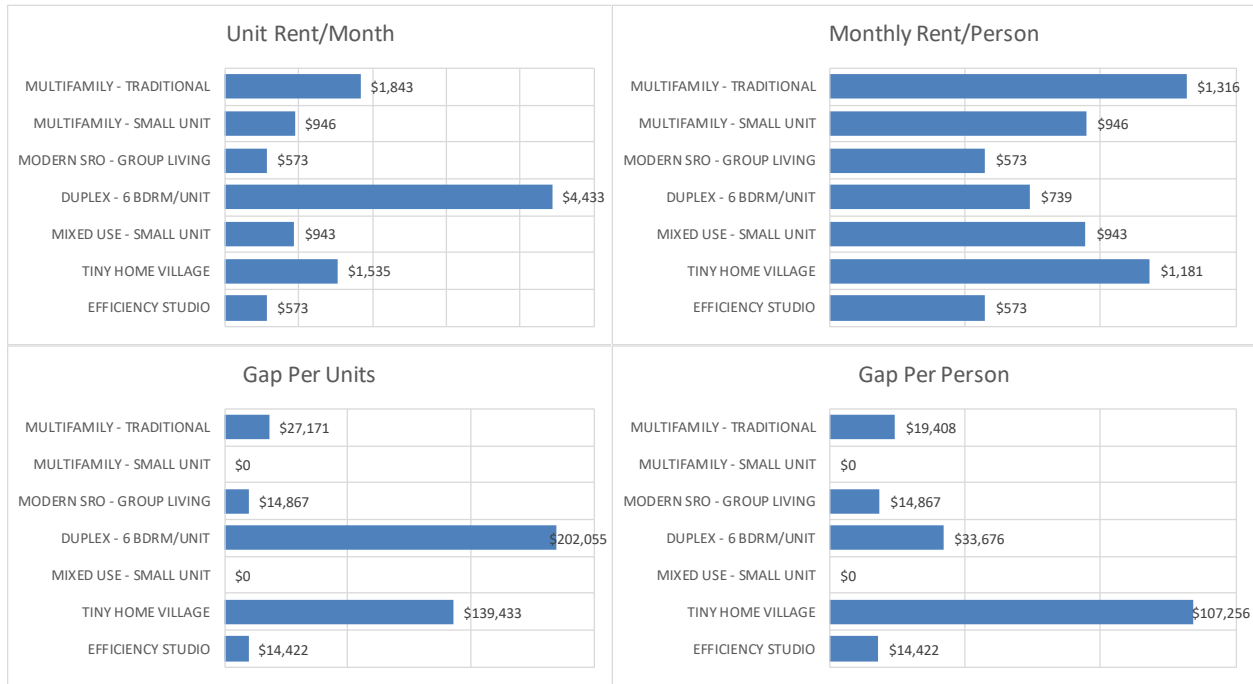
SUMMARY PRO FORMAS – CLOSE-IN NEIGHBORHOOD PRICING SCENARIO

		RM2	CM2	CM2	R5	CM2	R5	CM2	
		MULTIFAMILY - TRADITIONAL	MULTIFAMILY - SMALL UNIT	MODERN SRO - GROUP LIVING	DUPLEX - 6 BDRM/UNIT	MIXED USE - SMALL UNIT	TINY HOME VILLAGE	EFFICIENCY STUDIO	
<b>PROGRAM</b>	<b>Property Assumptions</b>								
	Site Size (SF)	10,000	20,000	20,000	5,000	20,000	10,000	20,000	
	Density	82.76	326.70	612.02	17.42	300.56	34.85	612.02	
	Unit Count	19	150	281	2	138	8	281	
	Ave Unit Size	671	328	185	1,663	327	500	185	
	Efficiency Ratio	85%	82%	65%	95%	82%	100%	65%	
	Retail Square Feet	0	0	0	0	5,000	0	0	
	Building Square Feet	15,000	80,000	80,000	3,500	80,000	4,000	80,000	
	Stories	4.0	4.0	4.0	2.5	4.0	1.5	4.0	
	Bldg Footprint	3,750	20,000	20,000	1,400	20,000	2,667	20,000	
	FAR	1.50	4.00	4.00	0.70	4.00	0.40	4.00	
	Parking Ratio/Unit	1.00	0.33	-	1.00	0.33	-	-	
	Total Parking Spaces	19.0	50.0	-	2.0	46.0	-	-	
	Parking Spaces - Surface	19.0	-	-	2.0	-	-	-	
	Parking Spaces - Structure	-	50.0	-	-	46.0	-	-	
	Structured Parking %	0%	100%	0%	0%	100%	0%	0%	
	<b>Cost Assumptions</b>								
	Base Construction Cost/SF	\$206	\$206	\$206	\$206	\$206	\$206	\$206	
	Adjustment Factor	0%	5%	5%	-10%	5%	0%	4%	
	Construction Cost/SF	\$206	\$217	\$217	\$186	\$217	\$206	\$215	
Base Parking Costs/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000		
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%		
Parking Cost/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000		
<b>PROPERTY VALUATION</b>	<b>Income Assumptions</b>								
	Base Income/Sf/Mo.	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	
	Adjustment Factor	-0.2%	4.9%	12.6%	-3.0%	4.9%	11.7%	12.6%	
	Achievable Pricing	\$2.75	\$2.88	\$3.10	\$2.67	\$2.89	\$3.07	\$3.10	
	Parking Charges/Space/Mo	\$122	\$122	\$122	\$122	\$122	\$122	\$122	
	<b>Expenses</b>								
	Vacancy/Collection Loss	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
	Operating Expenses	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
	Adjustment Factor	0%	0%	0%	0%	0%	0%	0%	
	Operating Expenses	30%	30%	30%	30%	30%	30%	30%	
	Reserve & Replacement	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
	<b>Valuation</b>								
	Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%	
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%		
Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%		
<b>SUPPORTABLE PROPERTY VALUE</b>	<b>Cost</b>								
	Cost/Construct w/o prkg.	\$3,093,750	\$17,325,000	\$17,325,000	\$649,688	\$17,325,000	\$825,000	\$17,200,000	
	Total Parking Costs	\$0	\$1,000,000	\$0	\$0	\$920,000	\$0	\$0	
	Estimated Project Cost	\$3,093,750	\$18,325,000	\$17,325,000	\$649,688	\$18,245,000	\$825,000	\$17,200,000	
	<b>Income</b>								
	Annual Base Income	\$420,090	\$2,271,060	\$1,931,573	\$106,384	\$2,271,840	\$147,378	\$1,931,573	
	Annual Parking	\$0	\$73,200	\$0	\$0	\$67,344	\$0	\$0	
	Gross Annual Income	\$420,090	\$2,344,260	\$1,931,573	\$106,384	\$2,339,184	\$147,378	\$1,931,573	
	Less: Vacancy & CL	\$21,005	\$117,213	\$96,579	\$5,319	\$116,959	\$7,369	\$96,579	
	Effective Gross Income	\$399,086	\$2,227,047	\$1,834,994	\$101,065	\$2,222,225	\$140,009	\$1,834,994	
	Less Expenses:								
	Operating Expenses	\$119,726	\$668,114	\$550,498	\$30,319	\$666,667	\$42,003	\$550,498	
	Reserve & Replacement	\$11,973	\$66,811	\$55,050	\$3,032	\$66,667	\$4,200	\$55,050	
	Annual NOI	\$267,387	\$1,492,121	\$1,229,446	\$67,713	\$1,488,891	\$93,806	\$1,229,446	
	<b>Property Valuation</b>								
	Return on Cost	8.64%	8.14%	7.10%	10.42%	8.16%	11.37%	7.15%	
	Threshold Return on Cost	6.33%	6.90%	7.48%	6.33%	6.90%	6.90%	7.48%	
Residual Property Value	\$1,133,717	\$3,299,949	(\$877,563)	\$420,878	\$3,333,125	\$534,509	(\$752,563)		
RPV/SF	\$113.37	\$165.00	(\$43.88)	\$84.18	\$166.66	\$53.45	(\$37.63)		



Under this assumed pricing, the small units continue to perform well, and traditional multifamily starts to become more viable. The assumed residual land value in this scenario was \$121 per square foot.

### SUMMARY OF CONCLUSIONS – CLOSE-IN PRICING SCENARIO



### OUTER NEIGHBORHOOD PRICING ASSUMPTIONS

As achievable pricing is reduced further, we see lower density development forms such as duplexes and traditional multifamily residential become the highest bidders for property and the prevailing predicted development form. The small unit multifamily and SRO options now require significant levels of subsidy in these locations. The supportable land value assumption in this scenario was \$37 per square foot, which is supported by the multifamily traditional prototype. The duplex room share concept performs very well under this pricing and supported the highest residual land value.



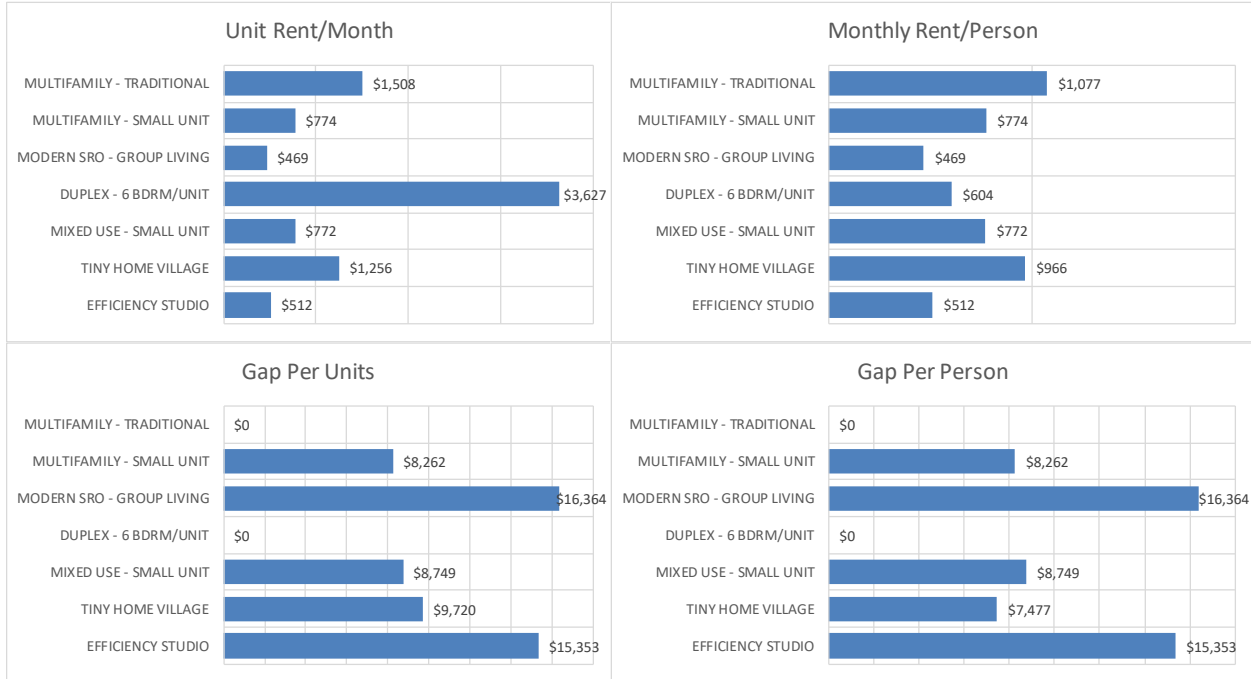


SUMMARY PRO FORMAS – OUTER NEIGHBORHOOD PRICING SCENARIO

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	Ave Unit Size	671	328	185	1,663	327	500	205
	Efficiency Ratio	85%	82%	65%	95%	82%	100%	68%
	Retail Square Feet	0	0	0	0	5,000	0	0
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	Stories	4.0	4.0	4.0	2.5	4.0	1.5	4.0
	Bldg Footprint	3,750	20,000	20,000	1,400	20,000	2,667	20,000
	FAR	1.50	4.00	4.00	0.70	4.00	0.40	4.00
	Parking Ratio/Unit	1.00	0.33	-	1.00	0.33	-	-
	Total Parking Spaces	19.0	50.0	-	2.0	46.0	-	-
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	Structured Parking %	0%	100%	0%	0%	100%	0%	0%
	<b>Cost Assumptions</b>							
	Base Construction Cost/SF	\$206	\$206	\$206	\$206	\$206	\$206	\$206
	Adjustment Factor	0%	5%	5%	-10%	5%	0%	4%
	Construction Cost/SF	\$206	\$217	\$217	\$186	\$217	\$206	\$215
Base Parking Costs/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%	
Parking Cost/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
<b>PROPERTY VALUATION</b>	<b>Income Assumptions</b>							
	Base Income/Sf/Mo.	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
	Adjustment Factor	-0.2%	4.9%	12.6%	-3.0%	4.9%	11.7%	10.8%
	Achievable Pricing	\$2.25	\$2.36	\$2.53	\$2.18	\$2.36	\$2.51	\$2.49
	Parking Charges/Space/Mo	\$122	\$122	\$122	\$122	\$122	\$122	\$122
	<b>Expenses</b>							
	Vacancy/Collection Loss	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	Operating Expenses	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
	Adjustment Factor	0%	0%	0%	0%	0%	0%	0%
	Operating Expenses	30%	30%	30%	30%	30%	30%	30%
	Reserve & Replacement	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	<b>Valuation</b>							
	Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%	
Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%	
<b>SUPPORTABLE PROPERTY VALUE</b>	<b>Cost</b>							
	Cost/Construct w/o prkg.	\$3,093,750	\$17,325,000	\$17,325,000	\$649,688	\$17,325,000	\$825,000	\$17,200,000
	Total Parking Costs	\$0	\$1,000,000	\$0	\$0	\$920,000	\$0	\$0
	Estimated Project Cost	\$3,093,750	\$18,325,000	\$17,325,000	\$649,688	\$18,245,000	\$825,000	\$17,200,000
	<b>Income</b>							
	Annual Base Income	\$343,710	\$1,858,140	\$1,580,378	\$87,041	\$1,858,778	\$120,582	\$1,627,898
	Annual Parking	\$0	\$73,200	\$0	\$0	\$67,344	\$0	\$0
	Gross Annual Income	\$343,710	\$1,931,340	\$1,580,378	\$87,041	\$1,926,122	\$120,582	\$1,627,898
	Less: Vacancy & CL	\$17,186	\$96,567	\$79,019	\$4,352	\$96,306	\$6,029	\$81,395
	Effective Gross Income	\$326,525	\$1,834,773	\$1,501,359	\$82,689	\$1,829,816	\$114,553	\$1,546,503
	Less Expenses:							
	Operating Expenses	\$97,957	\$550,432	\$450,408	\$24,807	\$548,945	\$34,366	\$463,951
	Reserve & Replacement	\$9,796	\$55,043	\$45,041	\$2,481	\$54,894	\$3,437	\$46,395
	Annual NOI	\$218,771	\$1,229,298	\$1,005,910	\$55,402	\$1,225,977	\$76,750	\$1,036,157
	<b>Property Valuation</b>							
	Return on Cost	7.07%	6.71%	5.81%	8.53%	6.72%	9.30%	6.02%
	Threshold Return on Cost	6.33%	6.90%	7.48%	6.33%	6.90%	6.90%	7.48%
Residual Property Value	\$365,087	(\$509,088)	(\$3,868,006)	\$226,230	(\$477,221)	\$287,325	(\$3,338,371)	
<b>RPV/SF</b>	<b>\$36.51</b>	<b>(\$25.45)</b>	<b>(\$193.40)</b>	<b>\$45.25</b>	<b>(\$23.86)</b>	<b>\$28.73</b>	<b>(\$166.92)</b>	



**SUMMARY OF CONCLUSIONS – OUTER NEIGHBORHOOD PRICING SCENARIO**



The likely dominant development form of the prototypes under this pricing would be a combination of traditional rental apartments, with the duplex room share prototype competitive for parcels. In a less urban setting, the higher intensity prototypes such as efficiency studios and SRO units are less viable.

**MODERATELY PRICED NEIGHBORHOOD ASSUMPTIONS**

At the lower price points, the only prototypes that support a positive residual land value are the six-bedroom duplex units and the tiny home village prototype. At this level of pricing only relatively low-cost construction provides an adequate yield to support new development. The gap to support the alternative prototypes is quite high as construction costs remain steady and the income from achievable rents is reduced.



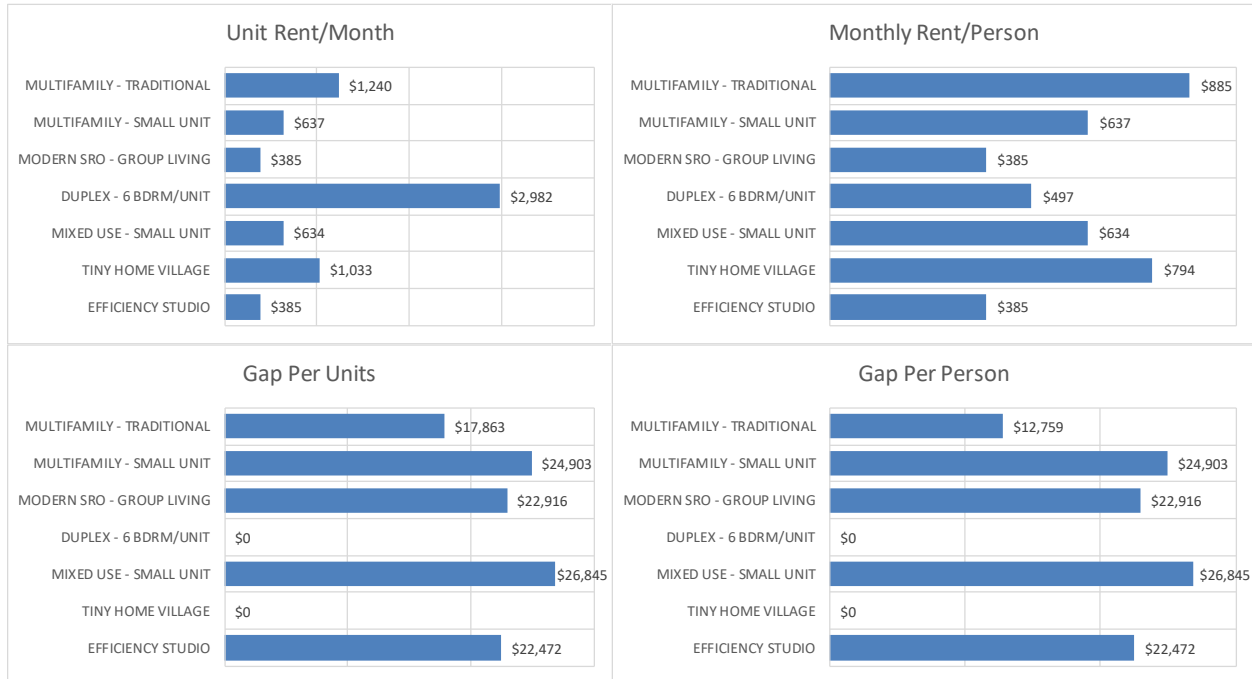
SUMMARY PRO FORMAS – MODERATELY PRICED NEIGHBORHOOD SCENARIO

		RM2	CM2	CM2	R5	CM2	R5	CM2
		MULTIFAMILY - TRADITIONAL	MULTIFAMILY - SMALL UNIT	MODERN SRO - GROUP LIVING	DUPLEX - 6 BDRM/UNIT	MIXED USE - SMALL UNIT	TINY HOME VILLAGE	EFFICIENCY STUDIO
<b>PROGRAM</b>	<b>Property Assumptions</b>							
	Site Size (SF)	10,000	20,000	20,000	5,000	20,000	10,000	20,000
	Density	82.8	326.7	612.0	17.4	300.6	34.8	612.0
	Unit Count	19	150	281	2	138	8	281
	Ave Unit Size	671	328	185	1,663	327	500	185
	Efficiency Ratio	85%	82%	65%	95%	82%	100%	65%
	Retail Square Feet	0	0	0	0	5,000	0	0
	Building Square Feet	15,000	80,000	80,000	3,500	80,000	4,000	80,000
	Stories	4.0	4.0	4.0	2.5	4.0	1.5	4.0
	Bldg Footprint	3,750	20,000	20,000	1,400	20,000	2,667	20,000
	FAR	1.50	4.00	4.00	0.70	4.00	0.40	4.00
	Parking Ratio/Unit	1.00	0.33	-	1.00	0.33	-	-
	Total Parking Spaces	19	50	-	2	46	-	-
	Parking Spaces - Surface	19	-	-	2	-	-	-
	Parking Spaces - Structure	-	50	-	-	46	-	-
	Structured Parking %	0%	100%	0%	0%	100%	0%	0%
	<b>Cost Assumptions</b>							
	Base Construction Cost/SF	\$206	\$206	\$206	\$206	\$206	\$206	\$206
	Adjustment Factor	0%	5%	5%	-10%	5%	0%	4%
	Construction Cost/SF	\$206	\$217	\$217	\$186	\$217	\$206	\$215
Base Parking Costs/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%	
Parking Cost/Space	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
<b>PROPERTY VALUATION</b>	<b>Income Assumptions</b>							
	Base Income/Sf/Mo.	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85
	Adjustment Factor	-0.2%	4.9%	12.6%	-3.0%	4.9%	11.7%	12.6%
	Achievable Pricing	\$1.85	\$1.94	\$2.08	\$1.79	\$1.94	\$2.07	\$2.08
	Parking Charges/Space/Mo	\$122	\$122	\$122	\$122	\$122	\$122	\$122
	<b>Expenses</b>							
	Vacancy/Collection Loss	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	Operating Expenses	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
	Adjustment Factor	0%	0%	0%	0%	0%	0%	0%
	Operating Expenses	30%	30%	30%	30%	30%	30%	30%
Reserve & Replacement	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
<b>Valuation</b>								
Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%	
Adjustment Factor	0%	0%	0%	0%	0%	0%	0%	
Capitalization Rate	5.50%	6.00%	6.50%	5.50%	6.00%	6.00%	6.50%	
<b>SUPPORTABLE PROPERTY VALUE</b>	<b>Cost</b>							
	Cost/Construct w/o prkg.	\$3,093,750	\$17,325,000	\$17,325,000	\$649,688	\$17,325,000	\$825,000	\$17,200,000
	Total Parking Costs	\$0	\$1,000,000	\$0	\$0	\$920,000	\$0	\$0
	Estimated Project Cost	\$3,093,750	\$18,325,000	\$17,325,000	\$649,688	\$18,245,000	\$825,000	\$17,200,000
	<b>Income</b>							
	Annual Base Income	\$282,606	\$1,527,804	\$1,299,422	\$71,567	\$1,528,329	\$99,145	\$1,299,422
	Annual Parking	\$0	\$73,200	\$0	\$0	\$67,344	\$0	\$0
	Gross Annual Income	\$282,606	\$1,601,004	\$1,299,422	\$71,567	\$1,595,673	\$99,145	\$1,299,422
	Less: Vacancy & CL	\$14,130	\$80,050	\$64,971	\$3,578	\$79,784	\$4,957	\$64,971
	Effective Gross Income	\$268,476	\$1,520,954	\$1,234,450	\$67,989	\$1,515,889	\$94,188	\$1,234,450
	Less Expenses:							
	Operating Expenses	\$80,543	\$456,286	\$370,335	\$20,397	\$454,767	\$28,256	\$370,335
	Reserve & Replacement	\$8,054	\$45,629	\$37,034	\$2,040	\$45,477	\$2,826	\$37,034
	Annual NOI	\$179,879	\$1,019,039	\$827,082	\$45,553	\$1,015,646	\$63,106	\$827,082
	<b>Property Valuation</b>							
Return on Cost	5.81%	5.56%	4.77%	7.01%	5.57%	7.65%	4.81%	
Threshold Return on Cost	6.33%	6.90%	7.48%	6.33%	6.90%	6.90%	7.48%	
Residual Property Value	(\$249,818)	(\$3,556,318)	(\$6,260,361)	\$70,511	(\$3,525,497)	\$89,579	(\$6,135,361)	
RPV/SF	(\$24.98)	(\$177.82)	(\$313.02)	\$14.10	(\$176.27)	\$8.96	(\$306.77)	



Per unit and per person pricing is quite low, which is good for affordability but also makes most of the prototypes not viable.

**SUMMARY OF CONCLUSIONS – MODERATELY-PRICED NEIGHBORHOOD PRICING SCENARIO**



### III. SUMMARY

The prototypes vary significantly in terms of their viability based on the assumed achievable pricing. In areas with higher assumed pricing levels, supportable residual land values are significantly higher and the most viable development forms are those with higher density solutions that deliver more leasable product and consume less land. The most affordable rent per person is in modern SRO units, particularly when they are categorized for SDC purposes as group living. While this format provides low rent levels, it is not considered to be competitive even in higher priced markets due to prevailing wage requirement. The efficiency studio prototype does not trigger prevailing wages but is subject to significantly higher SDCs.

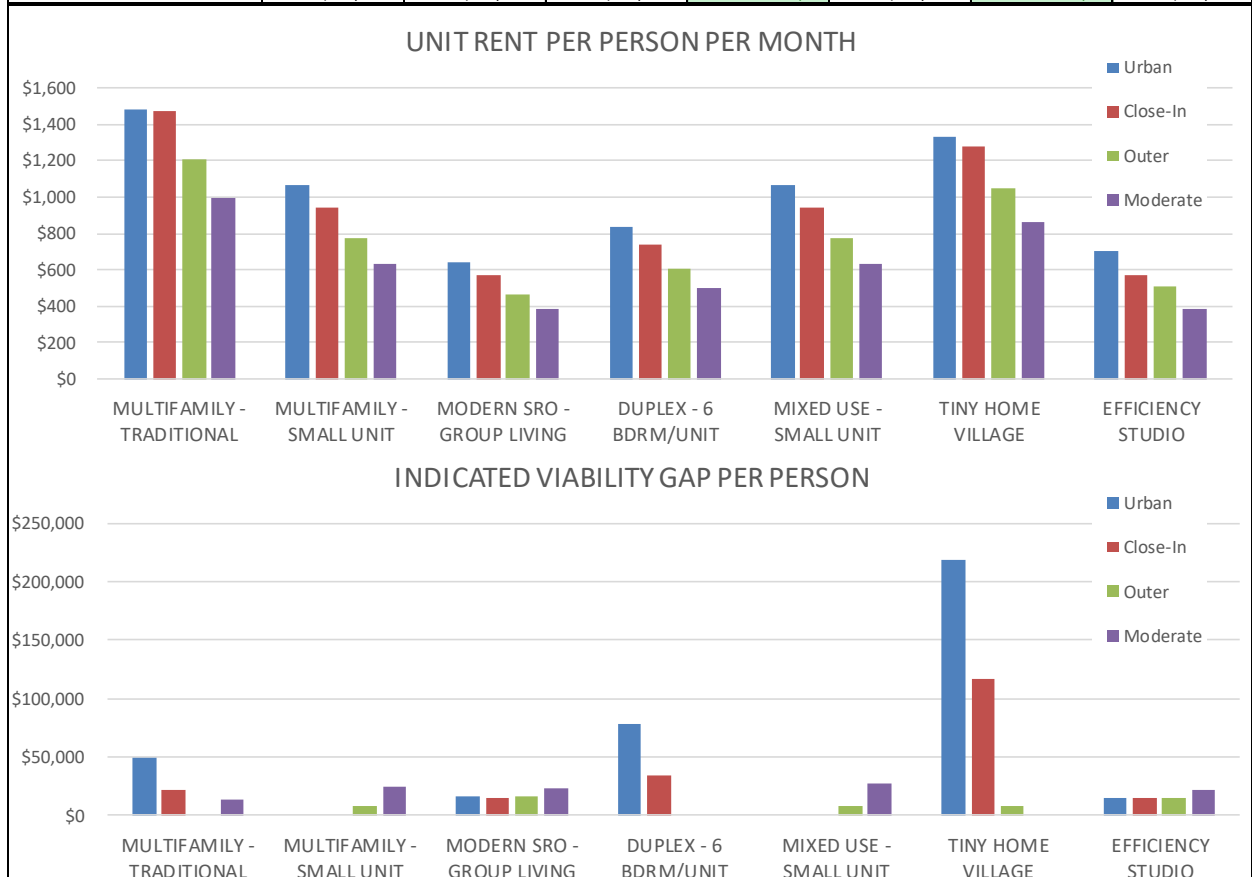
While the most affordable rents are found in less amenitized and marketable areas, the limited achievable rent levels limit the viability of new residential product, with most of the prototypes evaluated having an indicated “viability gap” under the assumed pricing.

The following table summarizes a few of the key metrics by pricing group and prototype product type:



SUMMARY OF CONCLUSIONS – KEY METRICS BY PRICING GROUP AND PROTOTYPE

PRICING GROUP	MULTIFAMILY - TRADITIONAL	MULTIFAMILY - SMALL UNIT	MODERN SRO - GROUP LIVING	DUPLEX - 6 BDRM/UNIT	MIXED USE - SMALL UNIT	TINY HOME VILLAGE	EFFICIENCY STUDIO
<b>Unit Rent/Month</b>							
Urban	\$2,077	\$1,067	\$646	\$4,997	\$1,063	\$1,731	\$705
Close-In	\$1,843	\$946	\$573	\$4,433	\$943	\$1,535	\$573
Outer	\$1,508	\$774	\$469	\$3,627	\$772	\$1,256	\$512
Moderate	\$1,240	\$637	\$385	\$2,982	\$634	\$1,033	\$385
<b>Monthly Rent/Person</b>							
Urban	\$1,484	\$1,067	\$646	\$833	\$1,063	\$1,331	\$705
Close-In	\$1,474	\$946	\$573	\$739	\$943	\$1,279	\$573
Outer	\$1,206	\$774	\$469	\$604	\$772	\$1,047	\$512
Moderate	\$992	\$637	\$385	\$497	\$634	\$861	\$385
<b>Gap Per Units</b>							
Urban	\$69,020	\$0	\$16,906	\$467,219	\$0	\$284,450	\$15,351
Close-In	\$27,171	\$0	\$14,867	\$202,055	\$0	\$139,433	\$14,422
Outer	\$0	\$8,262	\$16,364	\$0	\$8,749	\$9,720	\$15,353
Moderate	\$17,863	\$24,903	\$22,916	\$0	\$26,845	\$0	\$22,472
<b>Gap Per Person</b>							
Urban	\$49,300	\$0	\$16,906	\$77,870	\$0	\$218,808	\$15,351
Close-In	\$21,737	\$0	\$14,867	\$33,676	\$0	\$116,194	\$14,422
Outer	\$0	\$8,262	\$16,364	\$0	\$8,749	\$8,100	\$15,353
Moderate	\$14,290	\$24,903	\$22,916	\$0	\$26,845	\$0	\$22,472



SOURCE: Johnson Economics LLC



The following is a summary of key findings of the analysis:

- Converting modern SROs to efficiency studios significantly increases the parks and sanitary sewer SDCs.
- An SDC waiver would have a major impact on the viability of small affordable units, reducing the pricing necessary to support these types of units.
- The BOLI interpretation that “dormitory style” SRO housing is subject to prevailing wage requirements has a significantly detrimental impact on the viability of this development form’s ability to provide affordable housing solutions.
- In general, the higher density prototypes perform better in markets with higher achievable pricing, reflecting their more efficient use of land in areas with a higher supportable land value. The lower density prototypes tend to perform better in areas with more modest pricing assumptions.
- While rent levels in communities with a lower achievable price point are more affordable, many of the prototypes evaluated are increasingly not viable in these pricing conditions.

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon. The recommendations contained herein are the product of the consultant and resulted from technical assistance provided by the Oregon Department of Land Conservation and Development (DLCD) to review City code provisions regulating Group Living, Single Room Occupancy Living, Short Term Living and Mass Shelters. The recommendations are not a final determination, legal opinion or evaluation of these code provisions by DLCD. The recommendations have not been adopted by and are not a final decision of the City. The City is not obligated to initiate legislative action to adopt the recommendations; that any forthcoming code revisions are subject to the City’s legislative procedures.



## APPENDIX - ADDITIONAL FINANCIALS

Pricing Group:

**URBAN**

Project Name:

**MULTIFAMILY - TRADITIONAL**

Date:

June 10, 2019

### SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):		10,000		<b>Total Development Costs</b>			<b>\$6,093,933</b>
Building Size (SF):		15,000		(-) Permanent Loan			<b>(\$3,327,233)</b>
Residential Units:		19		<b>Net Permanent Loan Equity Required</b>	<b>45.4%</b>		<b>\$2,766,701</b>
FAR (Excluding Parking):		1.50		<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:		85%		Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):		12,750		Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	12,750	\$37.14	\$473,556	Stabilized NOI (Year 3)	\$301,418	\$301,418	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		5.50%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$3,327,233</b>	<b>\$4,110,251</b>	<b>\$4,265,753</b>
Operating Expenses/Residential		33.00%	<b>(\$148,460)</b>	<b>Annual Debt Service</b>	<b>\$251,182</b>	<b>\$310,294</b>	<b>\$322,034</b>
Vacancy/Collection		5.00%	<b>(\$23,678)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	<b>12,750</b>	<b>\$23.64</b>	<b>\$301,418</b>	Indicated Value @ Stabilization			\$5,480,334
<b>COST SUMMARY:</b>				Value/Net Cost			90%
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)			4.95%
Property Acquisition	\$300.02	\$157,904	\$3,000,183	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$206.25	\$162,829	\$3,093,750	Targeted Return on Cost/Income (ROC)			6.33%
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>			<b>\$1,328,425</b>
<b>TOTAL</b>	<b>\$406.26</b>		<b>\$6,093,933</b>	<b>Indicated Residual Value Per Square Foot</b>			<b>\$167.18</b>
				<b>Residual Land Value</b>			<b>\$1,671,758</b>



Pricing Group:

**URBAN**

Project Name:

**MULTIFAMILY - TRADITIONAL****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$473.6	\$473.6	\$473.6	\$483.0	\$492.7	\$502.5	\$512.6	\$522.8	\$533.3	\$544.0
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$150.7</b>	<b>\$301.4</b>	<b>\$307.4</b>	<b>\$313.6</b>	<b>\$319.9</b>	<b>\$326.3</b>	<b>\$332.8</b>	<b>\$339.4</b>	<b>\$346.2</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$3,327.2	\$3,264.4	\$3,198.0	\$3,127.8	\$3,053.5	\$2,974.9	\$2,891.8	\$2,804.0
Payment - Principal				\$62.8	\$66.4	\$70.2	\$74.3	\$78.6	\$83.1	\$87.8	\$92.9
Payment - Interest				\$188.37	\$184.76	\$180.94	\$176.90	\$172.63	\$168.11	\$163.34	\$158.28
Ending Balance				\$3,264.4	\$3,198.0	\$3,127.8	\$3,053.5	\$2,974.9	\$2,891.8	\$2,804.0	\$2,711.1
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$6,093.9)	\$0.0								
Loan Proceeds		\$3,327.2	\$0.0								
Net Operating Income		\$0.0	\$150.7	\$301.4	\$307.4	\$313.6	\$319.9	\$326.3	\$332.8	\$339.4	\$346.2
Debt Service		\$0.0	\$0.0	(\$251.2)	(\$251.2)	(\$251.2)	(\$251.2)	(\$251.2)	(\$251.2)	(\$251.2)	(\$251.2)
Reversion Value 1/ Less Sales Costs											\$5,326.7 (\$94.5)
Less Principal Payment											(\$2,711.1)
<b>Net Cash Flow</b>		<b>(\$2,766.7)</b>	<b>\$0.0</b>	<b>\$375.5</b>	<b>\$388.0</b>	<b>\$400.8</b>	<b>\$413.8</b>	<b>\$427.1</b>	<b>\$440.7</b>	<b>\$454.5</b>	<b>\$2,989.7</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>11.8%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **URBAN**  
 Project Name: **MULTIFAMILY - SMALL UNIT**  
 Date: **June 10, 2019**

## SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$24,325,367</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$11,436,769)</b>		
Residential Units:	150			<b>Net Permanent Loan Equity Required</b>	<b>53.0%</b>	<b>\$12,888,598</b>	
FAR (Excluding Parking):	4.00			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	62%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	49,200			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	49,200	\$39.03	\$1,920,078	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$1,036,072	\$1,036,072	
Parking			\$73,200	CAP Rate		6.00%	
Operating Expenses/Residential		44.35%	<b>(\$825,541)</b>	<b>Supportable Mortgage</b>	<b>\$11,436,769</b>	<b>\$12,950,900</b>	<b>\$17,027,757</b>
Vacancy/Collection		6.61%	<b>(\$131,665)</b>	<b>Annual Debt Service</b>	<b>\$863,393</b>	<b>\$977,699</b>	<b>\$1,285,472</b>
<b>TOTAL</b>	49,200	\$21.06	<b>\$1,036,072</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$17,267,867		
	Per SF	Per Unit	Total	Value/Net Cost	71%		
Property Acquisition	\$300.02	\$40,002	\$6,000,367	Return on Cost (ROC)	4.26%		
Construction Costs/Units	\$216.56	\$115,500	\$17,325,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$12.50	\$6,667	\$1,000,000	Targeted Return on Cost/Income (ROC)	6.90%		
<b>TOTAL</b>	\$304.07		<b>\$24,325,367</b>	<b>Overall Indicated Viability Gap</b>	<b>\$9,309,831</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$165.47)</b>		
				<b>Residual Land Value</b>	<b>(\$3,309,464)</b>		

Pricing Group:

**URBAN**

Project Name:

**MULTIFAMILY - SMALL UNIT****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,993.3	\$1,993.3	\$1,993.3	\$2,033.1	\$2,073.8	\$2,115.3	\$2,157.6	\$2,200.7	\$2,244.8	\$2,289.6
Operating Expenses		44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%
Vacancy/Collection Loss		100.0%	53.3%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$518.0</b>	<b>\$1,036.1</b>	<b>\$1,056.8</b>	<b>\$1,077.9</b>	<b>\$1,099.5</b>	<b>\$1,121.5</b>	<b>\$1,143.9</b>	<b>\$1,166.8</b>	<b>\$1,190.1</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$11,436.8	\$11,220.9	\$10,992.5	\$10,751.1	\$10,495.8	\$10,225.8	\$9,940.2	\$9,638.3
Payment - Principal				\$215.9	\$228.3	\$241.4	\$255.3	\$270.0	\$285.5	\$302.0	\$319.3
Payment - Interest				\$647.49	\$635.07	\$621.95	\$608.06	\$593.38	\$577.85	\$561.44	\$544.07
Ending Balance				\$11,220.9	\$10,992.5	\$10,751.1	\$10,495.8	\$10,225.8	\$9,940.2	\$9,638.3	\$9,318.9
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$24,325.4)	\$0.0								
Loan Proceeds		\$11,436.8	\$0.0								
Net Operating Income		\$0.0	\$518.0	\$1,036.1	\$1,056.8	\$1,077.9	\$1,099.5	\$1,121.5	\$1,143.9	\$1,166.8	\$1,190.1
Debt Service		\$0.0	\$0.0	(\$863.4)	(\$863.4)	(\$863.4)	(\$863.4)	(\$863.4)	(\$863.4)	(\$863.4)	(\$863.4)
Reversion Value 1/ Less Sales Costs											\$18,309.6 (\$94.5)
Less Principal Payment											(\$9,318.9)
<b>Net Cash Flow</b>		<b>(\$12,888.6)</b>	<b>\$0.0</b>	<b>\$497.9</b>	<b>\$525.1</b>	<b>\$552.9</b>	<b>\$581.2</b>	<b>\$610.1</b>	<b>\$639.6</b>	<b>\$669.7</b>	<b>\$9,596.4</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>	<b>0.8%</b>										

1/Assumes asset sale at end of Year 10.

Pricing Group: **URBAN**  
 Project Name: **MODERN SRO - GROUP LIVING**  
 Date: **June 10, 2019**

## SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$23,325,367</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$15,298,605)</b>		
Residential Units:	281			<b>Net Permanent Loan Equity Required</b>	<b>34.4%</b>	<b>\$8,026,762</b>	
FAR (Excluding Parking):	4.00			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	65%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	52,000			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	52,000	\$41.87	\$2,177,409	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$1,385,921	\$1,385,921	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$682,618)</b>	<b>Supportable Mortgage</b>	<b>\$15,298,605</b>	<b>\$15,991,394</b>	<b>\$16,327,757</b>
Vacancy/Collection		5.00%	<b>(\$108,870)</b>	<b>Annual Debt Service</b>	<b>\$1,154,934</b>	<b>\$1,207,235</b>	<b>\$1,232,628</b>
<b>TOTAL</b>	52,000	\$26.65	<b>\$1,385,921</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$21,321,859		
	Per SF	Per Unit	Total	Value/Net Cost	91%		
Property Acquisition	\$300.02	\$21,354	\$6,000,367	Return on Cost (ROC)	5.94%		
Construction Costs/Units	\$216.56	\$61,655	\$17,325,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	\$291.57		<b>\$23,325,367</b>	<b>Overall Indicated Viability Gap</b>	<b>\$4,784,620</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>\$60.79</b>		
				<b>Residual Land Value</b>	<b>\$1,215,747</b>		

Pricing Group: **URBAN**  
 Project Name: **MODERN SRO - GROUP LIVING**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$2,177.4	\$2,177.4	\$2,177.4	\$2,221.0	\$2,265.4	\$2,310.7	\$2,356.9	\$2,404.0	\$2,452.1	\$2,501.2
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$693.0</b>	<b>\$1,385.9</b>	<b>\$1,413.6</b>	<b>\$1,441.9</b>	<b>\$1,470.8</b>	<b>\$1,500.2</b>	<b>\$1,530.2</b>	<b>\$1,560.8</b>	<b>\$1,592.0</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$15,298.6	\$15,009.8	\$14,704.4	\$14,381.4	\$14,039.9	\$13,678.7	\$13,296.7	\$12,892.8
Payment - Principal				\$288.8	\$305.4	\$323.0	\$341.5	\$361.2	\$382.0	\$403.9	\$427.1
Payment - Interest				\$866.12	\$849.52	\$831.96	\$813.39	\$793.75	\$772.98	\$751.02	\$727.79
Ending Balance				\$15,009.8	\$14,704.4	\$14,381.4	\$14,039.9	\$13,678.7	\$13,296.7	\$12,892.8	\$12,465.6
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$23,325.4)	\$0.0								
Loan Proceeds		\$15,298.6	\$0.0								
Net Operating Income		\$0.0	\$693.0	\$1,385.9	\$1,413.6	\$1,441.9	\$1,470.8	\$1,500.2	\$1,530.2	\$1,560.8	\$1,592.0
Debt Service		\$0.0	\$0.0	(\$1,154.9)	(\$1,154.9)	(\$1,154.9)	(\$1,154.9)	(\$1,154.9)	(\$1,154.9)	(\$1,154.9)	(\$1,154.9)
Reversion Value 1/ Less Sales Costs											\$24,492.1 (\$94.5)
Less Principal Payment											(\$12,465.6)
<b>Net Cash Flow</b>		<b>(\$8,026.8)</b>	<b>\$0.0</b>	<b>\$556.2</b>	<b>\$590.4</b>	<b>\$625.4</b>	<b>\$661.0</b>	<b>\$697.3</b>	<b>\$734.3</b>	<b>\$772.1</b>	<b>\$12,742.6</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>10.4%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group:  
Project Name:  
Date:

**URBAN**  
**DUPLEX - 6 BDRM/UNIT**  
June 10, 2019

## SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	5,000			<b>Total Development Costs</b>	<b>\$2,149,779</b>		
Building Size (SF):	3,500			(-) Permanent Loan	<b>(\$842,590)</b>		
Residential Units:	2			<b>Net Permanent Loan Equity Required</b>	<b>60.8%</b>	<b>\$1,307,190</b>	
FAR (Excluding Parking):	0.70			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	95%			Interest Rate	DCR	LTV	LTC
Saleable and Leasable Area (SF):	3,325			Term (Years)	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	3,325	\$36.07	\$119,924	Stabilized NOI (Year 3)	\$76,331	\$76,331	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		5.50%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$842,590</b>	<b>\$1,040,881</b>	<b>\$1,504,845</b>
Operating Expenses/Residential		33.00%	<b>(\$37,596)</b>	<b>Annual Debt Service</b>	<b>\$63,609</b>	<b>\$78,579</b>	<b>\$113,605</b>
Vacancy/Collection		5.00%	<b>(\$5,996)</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
<b>TOTAL</b>	<b>3,325</b>	<b>\$22.96</b>	<b>\$76,331</b>	Indicated Value @ Stabilization	\$1,387,842		
COST SUMMARY:				Value/Net Cost	65%		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)	3.55%		
Property Acquisition	\$300.02	\$750,046	\$1,500,092	ESTIMATION OF VIABILITY GAP			
Construction Costs/Units	\$185.63	\$324,844	\$649,688	Targeted Return on Cost/Income (ROC)	6.33%		
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>	<b>\$942,960</b>		
<b>TOTAL</b>	<b>\$614.22</b>		<b>\$2,149,779</b>	<b>Indicated Residual Value Per Square Foot</b>	<b>\$111.43</b>		
				<b>Residual Land Value</b>	<b>\$557,132</b>		

Pricing Group:

**URBAN**

Project Name:

**DUPLEX - 6 BDRM/UNIT****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$119.9	\$119.9	\$119.9	\$122.3	\$124.8	\$127.3	\$129.8	\$132.4	\$135.1	\$137.8
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$38.2</b>	<b>\$76.3</b>	<b>\$77.9</b>	<b>\$79.4</b>	<b>\$81.0</b>	<b>\$82.6</b>	<b>\$84.3</b>	<b>\$86.0</b>	<b>\$87.7</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$842.6	\$826.7	\$809.9	\$792.1	\$773.3	\$753.4	\$732.3	\$710.1
Payment - Principal				\$15.9	\$16.8	\$17.8	\$18.8	\$19.9	\$21.0	\$22.2	\$23.5
Payment - Interest				\$47.70	\$46.79	\$45.82	\$44.80	\$43.72	\$42.57	\$41.36	\$40.08
Ending Balance				\$826.7	\$809.9	\$792.1	\$773.3	\$753.4	\$732.3	\$710.1	\$686.6
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$2,149.8)	\$0.0								
Loan Proceeds		\$842.6	\$0.0								
Net Operating Income		\$0.0	\$38.2	\$76.3	\$77.9	\$79.4	\$81.0	\$82.6	\$84.3	\$86.0	\$87.7
Debt Service		\$0.0	\$0.0	(\$63.6)	(\$63.6)	(\$63.6)	(\$63.6)	(\$63.6)	(\$63.6)	(\$63.6)	(\$63.6)
Reversion Value 1/ Less Sales Costs											\$1,348.9 (\$94.5)
Less Principal Payment											(\$686.6)
<b>Net Cash Flow</b>		<b>(\$1,307.2)</b>	<b>\$0.0</b>	<b>\$338.0</b>	<b>\$346.0</b>	<b>\$354.2</b>	<b>\$362.5</b>	<b>\$371.1</b>	<b>\$379.8</b>	<b>\$388.6</b>	<b>\$965.5</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>19.1%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **URBAN**  
 Project Name: **MIXED USE - SMALL UNIT**  
 Date: **June 10, 2019**

## SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$24,245,367</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$9,632,523)</b>		
Residential Units:	138			<b>Net Permanent Loan Equity Required</b>	<b>60.3%</b>	<b>\$14,612,843</b>	
FAR (Excluding Parking):	4.00			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	56%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	45,100			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	45,100	\$39.04	\$1,760,676	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$872,623	\$872,623	
Parking			\$67,344	CAP Rate		6.00%	
Operating Expenses/Residential		48.57%	<b>(\$823,981)</b>	<b>Supportable Mortgage</b>	<b>\$9,632,523</b>	<b>\$10,907,788</b>	<b>\$16,971,757</b>
Vacancy/Collection		7.19%	<b>(\$131,416)</b>	<b>Annual Debt Service</b>	<b>\$727,186</b>	<b>\$823,459</b>	<b>\$1,281,245</b>
<b>TOTAL</b>	45,100	\$19.35	<b>\$872,623</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$14,543,717		
	Per SF	Per Unit	Total	Value/Net Cost	60%		
Property Acquisition	\$300.02	\$43,481	\$6,000,367	Return on Cost (ROC)	3.60%		
Construction Costs/Units	\$216.56	\$125,543	\$17,325,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$11.50	\$6,667	\$920,000	Targeted Return on Cost/Income (ROC)	6.90%		
<b>TOTAL</b>	\$303.07		<b>\$24,245,367</b>	<b>Overall Indicated Viability Gap</b>	<b>\$11,598,656</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$279.91)</b>		
				<b>Residual Land Value</b>	<b>(\$5,598,289)</b>		



Pricing Group:

**URBAN**

Project Name:

**MIXED USE - SMALL UNIT****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,828.0	\$1,828.0	\$1,828.0	\$1,864.6	\$1,901.9	\$1,939.9	\$1,978.7	\$2,018.3	\$2,058.6	\$2,099.8
Operating Expenses		48.6%	48.6%	48.6%	48.6%	48.6%	48.6%	48.6%	48.6%	48.6%	48.6%
Vacancy/Collection Loss		100.0%	53.6%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$436.3</b>	<b>\$872.6</b>	<b>\$890.1</b>	<b>\$907.9</b>	<b>\$926.0</b>	<b>\$944.6</b>	<b>\$963.4</b>	<b>\$982.7</b>	<b>\$1,002.4</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$9,632.5	\$9,450.7	\$9,258.4	\$9,055.0	\$8,840.0	\$8,612.6	\$8,372.1	\$8,117.7
Payment - Principal				\$181.8	\$192.3	\$203.4	\$215.1	\$227.4	\$240.5	\$254.3	\$268.9
Payment - Interest				\$545.34	\$534.89	\$523.83	\$512.14	\$499.77	\$486.69	\$472.86	\$458.24
Ending Balance				\$9,450.7	\$9,258.4	\$9,055.0	\$8,840.0	\$8,612.6	\$8,372.1	\$8,117.7	\$7,848.8
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$24,245.4)	\$0.0								
Loan Proceeds		\$9,632.5	\$0.0								
Net Operating Income		\$0.0	\$436.3	\$872.6	\$890.1	\$907.9	\$926.0	\$944.6	\$963.4	\$982.7	\$1,002.4
Debt Service		\$0.0	\$0.0	(\$727.2)	(\$727.2)	(\$727.2)	(\$727.2)	(\$727.2)	(\$727.2)	(\$727.2)	(\$727.2)
Reversion Value 1/ Less Sales Costs											\$15,421.1 (\$94.5)
Less Principal Payment											(\$7,848.8)
<b>Net Cash Flow</b>		<b>(\$14,612.8)</b>	<b>\$0.0</b>	<b>\$470.7</b>	<b>\$494.6</b>	<b>\$519.1</b>	<b>\$544.0</b>	<b>\$569.4</b>	<b>\$595.4</b>	<b>\$621.8</b>	<b>\$8,126.6</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>-2.5%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **URBAN**  
 Project Name: **TINY HOME VILLAGE**  
 Date: **June 10, 2019**

## SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	10,000			<b>Total Development Costs</b>			<b>\$3,825,183</b>
Building Size (SF):	4,000			(-) Permanent Loan			<b>(\$1,167,276)</b>
Residential Units:	8			<b>Net Permanent Loan Equity Required</b>	<b>69.5%</b>		<b>\$2,657,908</b>
FAR (Excluding Parking):	0.40			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	100%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	4,000			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	4,000	\$41.53	\$166,135	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$105,745	\$105,745	
Parking			\$0	CAP Rate		6.00%	
Operating Expenses/Residential		33.00%	<b>(\$52,083)</b>	<b>Supportable Mortgage</b>	<b>\$1,167,276</b>	<b>\$1,321,813</b>	<b>\$2,677,628</b>
Vacancy/Collection		5.00%	<b>(\$8,307)</b>	<b>Annual Debt Service</b>	<b>\$88,121</b>	<b>\$99,787</b>	<b>\$202,142</b>
<b>TOTAL</b>	<b>4,000</b>	<b>\$26.44</b>	<b>\$105,745</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization			\$1,762,418
	Per SF	Per Unit	Total	Value/Net Cost			46%
Property Acquisition	\$300.02	\$375,023	\$3,000,183	Return on Cost (ROC)			2.76%
Construction Costs/Units	\$206.25	\$103,125	\$825,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)			6.90%
<b>TOTAL</b>	<b>\$956.30</b>		<b>\$3,825,183</b>	<b>Overall Indicated Viability Gap</b>			<b>\$2,292,646</b>
				<b>Indicated Residual Value Per Square Foot</b>			<b>\$70.75</b>
				<b>Residual Land Value</b>			<b>\$707,537</b>

Pricing Group:

**URBAN**

Project Name:

**TINY HOME VILLAGE****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$166.1	\$166.1	\$166.1	\$169.5	\$172.8	\$176.3	\$179.8	\$183.4	\$187.1	\$190.8
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$52.9</b>	<b>\$105.7</b>	<b>\$107.9</b>	<b>\$110.0</b>	<b>\$112.2</b>	<b>\$114.5</b>	<b>\$116.8</b>	<b>\$119.1</b>	<b>\$121.5</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$1,167.3	\$1,145.2	\$1,121.9	\$1,097.3	\$1,071.2	\$1,043.7	\$1,014.5	\$983.7
Payment - Principal				\$22.0	\$23.3	\$24.6	\$26.1	\$27.6	\$29.1	\$30.8	\$32.6
Payment - Interest				\$66.08	\$64.82	\$63.48	\$62.06	\$60.56	\$58.98	\$57.30	\$55.53
Ending Balance				\$1,145.2	\$1,121.9	\$1,097.3	\$1,071.2	\$1,043.7	\$1,014.5	\$983.7	\$951.1
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$3,825.2)	\$0.0								
Loan Proceeds		\$1,167.3	\$0.0								
Net Operating Income		\$0.0	\$52.9	\$105.7	\$107.9	\$110.0	\$112.2	\$114.5	\$116.8	\$119.1	\$121.5
Debt Service		\$0.0	\$0.0	(\$88.1)	(\$88.1)	(\$88.1)	(\$88.1)	(\$88.1)	(\$88.1)	(\$88.1)	(\$88.1)
Reversion Value 1/ Less Sales Costs											\$1,868.7 (\$94.5)
Less Principal Payment											(\$951.1)
<b>Net Cash Flow</b>		<b>(\$2,657.9)</b>	<b>\$0.0</b>	<b>\$342.9</b>	<b>\$351.5</b>	<b>\$360.3</b>	<b>\$369.2</b>	<b>\$378.4</b>	<b>\$387.7</b>	<b>\$397.2</b>	<b>\$1,230.1</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>	<b>6.0%</b>										

1/Assumes asset sale at end of Year 10.

Pricing Group: **URBAN**  
 Project Name: **EFFICIENCY STUDIO**  
 Date: **June 10, 2019**

## SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$23,200,367</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$15,758,615)</b>		
Residential Units:	265			<b>Net Permanent Loan Equity Required</b>	<b>32.1%</b>	<b>\$7,441,752</b>	
FAR (Excluding Parking):	4.00			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	68%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	54,400			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	54,400	\$41.23	\$2,242,881	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$1,427,594	\$1,427,594	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$703,143)</b>	<b>Supportable Mortgage</b>	<b>\$15,758,615</b>	<b>\$16,472,236</b>	<b>\$16,240,257</b>
Vacancy/Collection		5.00%	<b>(\$112,144)</b>	<b>Annual Debt Service</b>	<b>\$1,189,661</b>	<b>\$1,243,535</b>	<b>\$1,226,022</b>
<b>TOTAL</b>	54,400	\$26.24	<b>\$1,427,594</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$21,962,981		
	Per SF	Per Unit	Total	Value/Net Cost	95%		
Property Acquisition	\$300.02	\$22,643	\$6,000,367	Return on Cost (ROC)	6.15%		
Construction Costs/Units	\$215.00	\$64,906	\$17,200,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	\$290.00		<b>\$23,200,367</b>	<b>Overall Indicated Viability Gap</b>	<b>\$4,102,123</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>\$94.91</b>		
				<b>Residual Land Value</b>	<b>\$1,898,244</b>		

Pricing Group: **URBAN**  
 Project Name: **EFFICIENCY STUDIO**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$2,242.9	\$2,242.9	\$2,242.9	\$2,287.7	\$2,333.5	\$2,380.2	\$2,427.8	\$2,476.3	\$2,525.8	\$2,576.4
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$713.8</b>	<b>\$1,427.6</b>	<b>\$1,456.1</b>	<b>\$1,485.3</b>	<b>\$1,515.0</b>	<b>\$1,545.3</b>	<b>\$1,576.2</b>	<b>\$1,607.7</b>	<b>\$1,639.9</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$15,758.6	\$15,461.1	\$15,146.5	\$14,813.8	\$14,462.0	\$14,090.0	\$13,696.5	\$13,280.5
Payment - Principal				\$297.5	\$314.6	\$332.7	\$351.8	\$372.0	\$393.4	\$416.1	\$440.0
Payment - Interest				\$892.17	\$875.06	\$856.97	\$837.84	\$817.61	\$796.22	\$773.60	\$749.67
Ending Balance				\$15,461.1	\$15,146.5	\$14,813.8	\$14,462.0	\$14,090.0	\$13,696.5	\$13,280.5	\$12,840.5
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$23,200.4)	\$0.0								
Loan Proceeds		\$15,758.6	\$0.0								
Net Operating Income		\$0.0	\$713.8	\$1,427.6	\$1,456.1	\$1,485.3	\$1,515.0	\$1,545.3	\$1,576.2	\$1,607.7	\$1,639.9
Debt Service		\$0.0	\$0.0	(\$1,189.7)	(\$1,189.7)	(\$1,189.7)	(\$1,189.7)	(\$1,189.7)	(\$1,189.7)	(\$1,189.7)	(\$1,189.7)
Reversion Value 1/ Less Sales Costs											\$25,228.6 (\$94.5)
Less Principal Payment											(\$12,840.5)
<b>Net Cash Flow</b>		<b>(\$7,441.8)</b>	<b>\$0.0</b>	<b>\$563.2</b>	<b>\$598.2</b>	<b>\$634.0</b>	<b>\$670.5</b>	<b>\$707.7</b>	<b>\$745.6</b>	<b>\$784.3</b>	<b>\$13,117.4</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>11.9%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**MULTIFAMILY - TRADITIONAL**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):		10,000		<b>Total Development Costs</b>			<b>\$4,760,312</b>
Building Size (SF):		15,000		(-) Permanent Loan			<b>(\$2,951,577)</b>
Residential Units:		19		<b>Net Permanent Loan Equity Required</b>	<b>38.0%</b>		<b>\$1,808,735</b>
FAR (Excluding Parking):		1.50		<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:		85%			<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):		12,750		Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	12,750	\$32.95	\$420,090	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$267,387	\$267,387	
Parking			\$0	CAP Rate		5.50%	
Operating Expenses/Residential		33.00%	<b>(\$131,698)</b>	<b>Supportable Mortgage</b>	<b>\$2,951,577</b>	<b>\$3,646,190</b>	<b>\$3,332,219</b>
Vacancy/Collection		5.00%	<b>(\$21,005)</b>	<b>Annual Debt Service</b>	<b>\$222,823</b>	<b>\$275,261</b>	<b>\$251,558</b>
<b>TOTAL</b>	12,750	\$20.97	<b>\$267,387</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization			\$4,861,587
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost			102%
Property Acquisition	\$166.66	\$87,714	\$1,666,562	Return on Cost (ROC)			5.62%
Construction Costs/Units	\$206.25	\$162,829	\$3,093,750	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)			6.33%
<b>TOTAL</b>	\$317.35		<b>\$4,760,312</b>	<b>Overall Indicated Viability Gap</b>			\$532,845
				<b>Indicated Residual Value Per Square Foot</b>			<b>\$113.37</b>
				<b>Residual Land Value</b>			<b>\$1,133,717</b>

Pricing Group: **CLOSE-IN**  
 Project Name: **MULTIFAMILY - TRADITIONAL**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$420.1	\$420.1	\$420.1	\$428.5	\$437.1	\$445.8	\$454.7	\$463.8	\$473.1	\$482.6
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$133.7</b>	<b>\$267.4</b>	<b>\$272.7</b>	<b>\$278.2</b>	<b>\$283.8</b>	<b>\$289.4</b>	<b>\$295.2</b>	<b>\$301.1</b>	<b>\$307.1</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$2,951.6	\$2,895.9	\$2,836.9	\$2,774.6	\$2,708.7	\$2,639.0	\$2,565.3	\$2,487.4
Payment - Principal				\$55.7	\$58.9	\$62.3	\$65.9	\$69.7	\$73.7	\$77.9	\$82.4
Payment - Interest				\$167.10	\$163.90	\$160.51	\$156.93	\$153.14	\$149.13	\$144.89	\$140.41
Ending Balance				\$2,895.9	\$2,836.9	\$2,774.6	\$2,708.7	\$2,639.0	\$2,565.3	\$2,487.4	\$2,405.0
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$4,760.3)	\$0.0								
Loan Proceeds		\$2,951.6	\$0.0								
Net Operating Income		\$0.0	\$133.7	\$267.4	\$272.7	\$278.2	\$283.8	\$289.4	\$295.2	\$301.1	\$307.1
Debt Service		\$0.0	\$0.0	(\$222.8)	(\$222.8)	(\$222.8)	(\$222.8)	(\$222.8)	(\$222.8)	(\$222.8)	(\$222.8)
Reversion Value 1/ Less Sales Costs											\$4,725.3 (\$94.5)
Less Principal Payment											(\$2,405.0)
<b>Net Cash Flow</b>		<b>(\$1,808.7)</b>	<b>\$0.0</b>	<b>\$369.8</b>	<b>\$381.7</b>	<b>\$393.7</b>	<b>\$406.1</b>	<b>\$418.7</b>	<b>\$431.5</b>	<b>\$444.6</b>	<b>\$2,683.7</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>18.9%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**MULTIFAMILY - SMALL UNIT**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$21,658,125</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$10,203,588)</b>		
Residential Units:	150			<b>Net Permanent Loan Equity Required</b>	<b>52.9%</b>	<b>\$11,454,537</b>	
FAR (Excluding Parking):	4.00			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	62%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	49,200			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	49,200	\$34.62	\$1,703,295	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$924,356	\$924,356	
Parking			\$73,200	CAP Rate		6.00%	
Operating Expenses/Residential		44.29%	<b>(\$734,926)</b>	<b>Supportable Mortgage</b>	<b>\$10,203,588</b>	<b>\$11,554,456</b>	<b>\$15,160,687</b>
Vacancy/Collection		6.60%	<b>(\$117,213)</b>	<b>Annual Debt Service</b>	<b>\$770,297</b>	<b>\$872,278</b>	<b>\$1,144,522</b>
<b>TOTAL</b>	49,200	\$18.79	<b>\$924,356</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$15,405,942		
	Per SF	Per Unit	Total	Value/Net Cost	71%		
Property Acquisition	\$166.66	\$22,221	\$3,333,125	Return on Cost (ROC)	4.27%		
Construction Costs/Units	\$216.56	\$115,500	\$17,325,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$12.50	\$6,667	\$1,000,000	Targeted Return on Cost/Income (ROC)	6.90%		
<b>TOTAL</b>	\$270.73		<b>\$21,658,125</b>	<b>Overall Indicated Viability Gap</b>	<b>\$8,261,654</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$246.43)</b>		
				<b>Residual Land Value</b>	<b>(\$4,928,529)</b>		



Pricing Group: **CLOSE-IN**  
 Project Name: **MULTIFAMILY - SMALL UNIT**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,776.5	\$1,776.5	\$1,776.5	\$1,812.0	\$1,848.3	\$1,885.2	\$1,922.9	\$1,961.4	\$2,000.6	\$2,040.6
Operating Expenses		44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%
Vacancy/Collection Loss		100.0%	53.3%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$462.2</b>	<b>\$924.4</b>	<b>\$942.8</b>	<b>\$961.7</b>	<b>\$980.9</b>	<b>\$1,000.6</b>	<b>\$1,020.6</b>	<b>\$1,041.0</b>	<b>\$1,061.8</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$10,203.6	\$10,011.0	\$9,807.3	\$9,591.8	\$9,364.0	\$9,123.1	\$8,868.4	\$8,599.0
Payment - Principal				\$192.6	\$203.7	\$215.4	\$227.8	\$240.9	\$254.8	\$269.4	\$284.9
Payment - Interest				\$577.67	\$566.60	\$554.88	\$542.50	\$529.40	\$515.55	\$500.90	\$485.41
Ending Balance				\$10,011.0	\$9,807.3	\$9,591.8	\$9,364.0	\$9,123.1	\$8,868.4	\$8,599.0	\$8,314.1
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$21,658.1)	\$0.0								
Loan Proceeds		\$10,203.6	\$0.0								
Net Operating Income		\$0.0	\$462.2	\$924.4	\$942.8	\$961.7	\$980.9	\$1,000.6	\$1,020.6	\$1,041.0	\$1,061.8
Debt Service		\$0.0	\$0.0	(\$770.3)	(\$770.3)	(\$770.3)	(\$770.3)	(\$770.3)	(\$770.3)	(\$770.3)	(\$770.3)
Reversion Value 1/ Less Sales Costs											\$16,335.3 (\$94.5)
Less Principal Payment											(\$8,314.1)
<b>Net Cash Flow</b>		<b>(\$11,454.5)</b>	<b>\$0.0</b>	<b>\$479.3</b>	<b>\$504.3</b>	<b>\$529.8</b>	<b>\$555.8</b>	<b>\$582.3</b>	<b>\$609.4</b>	<b>\$637.0</b>	<b>\$8,591.8</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>	<b>1.1%</b>										

1/Assumes asset sale at end of Year 10.

Project Name:

**MODERN SRO - GROUP LIVING**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$20,658,125</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$13,571,343)</b>		
Residential Units:	281			<b>Net Permanent Loan Equity Required</b>	<b>34.3%</b>	<b>\$7,086,782</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	65%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	52,000			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	52,000	\$37.15	\$1,931,573	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$1,229,446	\$1,229,446	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$605,548)</b>	<b>Supportable Mortgage</b>	<b>\$13,571,343</b>	<b>\$14,185,914</b>	<b>\$14,460,687</b>
Vacancy/Collection		5.00%	<b>(\$96,579)</b>	<b>Annual Debt Service</b>	<b>\$1,024,538</b>	<b>\$1,070,934</b>	<b>\$1,091,677</b>
<b>TOTAL</b>	<b>52,000</b>	<b>\$23.64</b>	<b>\$1,229,446</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$18,914,552		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	92%		
Property Acquisition	\$166.66	\$11,862	\$3,333,125	Return on Cost (ROC)	5.95%		
Construction Costs/Units	\$216.56	\$61,655	\$17,325,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	<b>\$258.23</b>		<b>\$20,658,125</b>	<b>Overall Indicated Viability Gap</b>	<b>\$4,210,688</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$43.88)</b>		
				<b>Residual Land Value</b>	<b>(\$877,563)</b>		

Pricing Group:

**CLOSE-IN**

Project Name:

**MODERN SRO - GROUP LIVING****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,931.6	\$1,931.6	\$1,931.6	\$1,970.2	\$2,009.6	\$2,049.8	\$2,090.8	\$2,132.6	\$2,175.3	\$2,218.8
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$614.7</b>	<b>\$1,229.4</b>	<b>\$1,254.0</b>	<b>\$1,279.1</b>	<b>\$1,304.7</b>	<b>\$1,330.8</b>	<b>\$1,357.4</b>	<b>\$1,384.6</b>	<b>\$1,412.2</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$13,571.3	\$13,315.1	\$13,044.2	\$12,757.7	\$12,454.7	\$12,134.3	\$11,795.5	\$11,437.2
Payment - Principal				\$256.2	\$270.9	\$286.5	\$303.0	\$320.4	\$338.8	\$358.3	\$378.9
Payment - Interest				\$768.34	\$753.60	\$738.03	\$721.55	\$704.13	\$685.71	\$666.22	\$645.62
Ending Balance				\$13,315.1	\$13,044.2	\$12,757.7	\$12,454.7	\$12,134.3	\$11,795.5	\$11,437.2	\$11,058.2
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$20,658.1)	\$0.0								
Loan Proceeds		\$13,571.3	\$0.0								
Net Operating Income		\$0.0	\$614.7	\$1,229.4	\$1,254.0	\$1,279.1	\$1,304.7	\$1,330.8	\$1,357.4	\$1,384.6	\$1,412.2
Debt Service		\$0.0	\$0.0	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)
Reversion Value 1/ Less Sales Costs											\$21,726.9 (\$94.5)
Less Principal Payment											(\$11,058.2)
<b>Net Cash Flow</b>		<b>(\$7,086.8)</b>	<b>\$0.0</b>	<b>\$530.1</b>	<b>\$561.2</b>	<b>\$593.0</b>	<b>\$625.3</b>	<b>\$658.3</b>	<b>\$692.0</b>	<b>\$726.3</b>	<b>\$11,335.4</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>10.9%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**DUPLEX - 6 BDRM/UNIT**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	5,000			<b>Total Development Costs</b>	<b>\$1,482,969</b>		
Building Size (SF):	3,500			(-) Permanent Loan	<b>(\$747,459)</b>		
Residential Units:	2			<b>Net Permanent Loan Equity Required</b>	<b>49.6%</b>	<b>\$735,510</b>	
FAR (Excluding Parking):	0.70			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	95%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	3,325			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	3,325	\$32.00	\$106,384	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$67,713	\$67,713	
Parking			\$0	CAP Rate		5.50%	
Operating Expenses/Residential		33.00%	<b>(\$33,351)</b>	<b>Supportable Mortgage</b>	<b>\$747,459</b>	<b>\$923,363</b>	<b>\$1,038,078</b>
Vacancy/Collection		5.00%	<b>(\$5,319)</b>	<b>Annual Debt Service</b>	<b>\$56,428</b>	<b>\$69,707</b>	<b>\$78,367</b>
<b>TOTAL</b>	<b>3,325</b>	<b>\$20.36</b>	<b>\$67,713</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$1,231,150		
	Per SF	Per Unit	Total	Value/Net Cost	83%		
Property Acquisition	\$166.66	\$416,641	\$833,281	Return on Cost (ROC)	4.57%		
Construction Costs/Units	\$185.63	\$324,844	\$649,688	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	6.33%		
<b>TOTAL</b>	<b>\$423.71</b>		<b>\$1,482,969</b>	<b>Overall Indicated Viability Gap</b>	<b>\$412,403</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>\$84.18</b>		
				<b>Residual Land Value</b>	<b>\$420,878</b>		

Pricing Group:

**CLOSE-IN**

Project Name:

**DUPLEX - 6 BDRM/UNIT**

### TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$106.4	\$106.4	\$106.4	\$108.5	\$110.7	\$112.9	\$115.2	\$117.5	\$119.8	\$122.2
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$33.9</b>	<b>\$67.7</b>	<b>\$69.1</b>	<b>\$70.4</b>	<b>\$71.9</b>	<b>\$73.3</b>	<b>\$74.8</b>	<b>\$76.3</b>	<b>\$77.8</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$747.5	\$733.3	\$718.4	\$702.6	\$686.0	\$668.3	\$649.6	\$629.9
Payment - Principal				\$14.1	\$14.9	\$15.8	\$16.7	\$17.6	\$18.7	\$19.7	\$20.9
Payment - Interest				\$42.32	\$41.51	\$40.65	\$39.74	\$38.78	\$37.77	\$36.69	\$35.56
Ending Balance				\$733.3	\$718.4	\$702.6	\$686.0	\$668.3	\$649.6	\$629.9	\$609.0
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$1,483.0)	\$0.0								
Loan Proceeds		\$747.5	\$0.0								
Net Operating Income		\$0.0	\$33.9	\$67.7	\$69.1	\$70.4	\$71.9	\$73.3	\$74.8	\$76.3	\$77.8
Debt Service		\$0.0	\$0.0	(\$56.4)	(\$56.4)	(\$56.4)	(\$56.4)	(\$56.4)	(\$56.4)	(\$56.4)	(\$56.4)
Reversion Value 1/ Less Sales Costs											\$1,196.6 (\$94.5)
Less Principal Payment											(\$609.0)
<b>Net Cash Flow</b>		<b>(\$735.5)</b>	<b>\$0.0</b>	<b>\$336.5</b>	<b>\$344.4</b>	<b>\$352.4</b>	<b>\$360.6</b>	<b>\$368.9</b>	<b>\$377.4</b>	<b>\$386.1</b>	<b>\$888.0</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>34.0%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**MIXED USE - SMALL UNIT**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):		20,000		<b>Total Development Costs</b>			<b>\$21,578,125</b>
Building Size (SF):		80,000		(-) Permanent Loan			<b>(\$8,598,402)</b>
Residential Units:		138		<b>Net Permanent Loan Equity Required</b>	<b>60.2%</b>		<b>\$12,979,723</b>
FAR (Excluding Parking):		4.00		<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:		56%		Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):		45,100		Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	45,100	\$34.63	\$1,561,890	Stabilized NOI (Year 3)	\$778,941	\$778,941	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		6.00%	
Parking			\$67,344	<b>Supportable Mortgage</b>	<b>\$8,598,402</b>	<b>\$9,736,758</b>	<b>\$15,104,687</b>
Operating Expenses/Residential		48.49%	<b>(\$733,334)</b>	<b>Annual Debt Service</b>	<b>\$649,117</b>	<b>\$735,055</b>	<b>\$1,140,295</b>
Vacancy/Collection		7.18%	<b>(\$116,959)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	45,100	\$17.27	<b>\$778,941</b>	Indicated Value @ Stabilization			\$12,982,344
<b>COST SUMMARY:</b>				Value/Net Cost			60%
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)			3.61%
Property Acquisition	\$166.66	\$24,153	\$3,333,125	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$216.56	\$125,543	\$17,325,000	Targeted Return on Cost/Income (ROC)			6.90%
Construction Costs/Parking	\$11.50	\$6,667	\$920,000	<b>Overall Indicated Viability Gap</b>			\$10,289,130
<b>TOTAL</b>	\$269.73		<b>\$21,578,125</b>	<b>Indicated Residual Value Per Square Foot</b>			<b>(\$347.80)</b>
				<b>Residual Land Value</b>			<b>(\$6,956,006)</b>

Pricing Group: **CLOSE-IN**  
 Project Name: **MIXED USE - SMALL UNIT**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,629.2	\$1,629.2	\$1,629.2	\$1,661.8	\$1,695.1	\$1,729.0	\$1,763.5	\$1,798.8	\$1,834.8	\$1,871.5
Operating Expenses		48.5%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%	48.5%
Vacancy/Collection Loss		100.0%	53.6%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$389.5</b>	<b>\$778.9</b>	<b>\$794.5</b>	<b>\$810.4</b>	<b>\$826.6</b>	<b>\$843.2</b>	<b>\$860.0</b>	<b>\$877.2</b>	<b>\$894.8</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$8,598.4	\$8,436.1	\$8,264.4	\$8,082.9	\$7,890.9	\$7,687.9	\$7,473.3	\$7,246.2
Payment - Principal				\$162.3	\$171.7	\$181.5	\$192.0	\$203.0	\$214.7	\$227.0	\$240.1
Payment - Interest				\$486.80	\$477.46	\$467.59	\$457.15	\$446.12	\$434.44	\$422.10	\$409.05
Ending Balance				\$8,436.1	\$8,264.4	\$8,082.9	\$7,890.9	\$7,687.9	\$7,473.3	\$7,246.2	\$7,006.2
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$21,578.1)	\$0.0								
Loan Proceeds		\$8,598.4	\$0.0								
Net Operating Income		\$0.0	\$389.5	\$778.9	\$794.5	\$810.4	\$826.6	\$843.2	\$860.0	\$877.2	\$894.8
Debt Service		\$0.0	\$0.0	(\$649.1)	(\$649.1)	(\$649.1)	(\$649.1)	(\$649.1)	(\$649.1)	(\$649.1)	(\$649.1)
Reversion Value 1/ Less Sales Costs											\$13,765.5 (\$94.5)
Less Principal Payment											(\$7,006.2)
<b>Net Cash Flow</b>		<b>(\$12,979.7)</b>	<b>\$0.0</b>	<b>\$455.1</b>	<b>\$477.1</b>	<b>\$499.7</b>	<b>\$522.6</b>	<b>\$546.1</b>	<b>\$570.0</b>	<b>\$594.4</b>	<b>\$7,284.1</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>-2.2%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**TINY HOME VILLAGE**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):		10,000		<b>Total Development Costs</b>			<b>\$2,491,562</b>
Building Size (SF):		4,000		(-) Permanent Loan			<b>(\$1,035,487)</b>
Residential Units:		8		<b>Net Permanent Loan Equity Required</b>	<b>58.4%</b>		<b>\$1,456,076</b>
FAR (Excluding Parking):		0.40		<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:		100%		Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):		4,000		Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	4,000	\$36.84	\$147,378	Stabilized NOI (Year 3)	\$93,806	\$93,806	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		6.00%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$1,035,487</b>	<b>\$1,172,576</b>	<b>\$1,744,094</b>
Operating Expenses/Residential		33.00%	<b>(\$46,203)</b>	<b>Annual Debt Service</b>	<b>\$78,172</b>	<b>\$88,521</b>	<b>\$131,666</b>
Vacancy/Collection		5.00%	<b>(\$7,369)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	<b>4,000</b>	<b>\$23.45</b>	<b>\$93,806</b>	Indicated Value @ Stabilization			\$1,563,435
<b>COST SUMMARY:</b>				Value/Net Cost			63%
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)			3.76%
Property Acquisition	\$166.66	\$208,320	\$1,666,562	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$206.25	\$103,125	\$825,000	Targeted Return on Cost/Income (ROC)			6.90%
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>			\$1,132,054
<b>TOTAL</b>	<b>\$622.89</b>		<b>\$2,491,562</b>	<b>Indicated Residual Value Per Square Foot</b>			<b>\$53.45</b>
				<b>Residual Land Value</b>			<b>\$534,509</b>



Pricing Group: **CLOSE-IN**  
 Project Name: **TINY HOME VILLAGE**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$147.4	\$147.4	\$147.4	\$150.3	\$153.3	\$156.4	\$159.5	\$162.7	\$166.0	\$169.3
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$46.9</b>	<b>\$93.8</b>	<b>\$95.7</b>	<b>\$97.6</b>	<b>\$99.5</b>	<b>\$101.5</b>	<b>\$103.6</b>	<b>\$105.6</b>	<b>\$107.8</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$1,035.5	\$1,015.9	\$995.3	\$973.4	\$950.3	\$925.8	\$900.0	\$872.6
Payment - Principal				\$19.5	\$20.7	\$21.9	\$23.1	\$24.4	\$25.9	\$27.3	\$28.9
Payment - Interest				\$58.62	\$57.50	\$56.31	\$55.05	\$53.72	\$52.32	\$50.83	\$49.26
Ending Balance				\$1,015.9	\$995.3	\$973.4	\$950.3	\$925.8	\$900.0	\$872.6	\$843.7
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$2,491.6)	\$0.0								
Loan Proceeds		\$1,035.5	\$0.0								
Net Operating Income		\$0.0	\$46.9	\$93.8	\$95.7	\$97.6	\$99.5	\$101.5	\$103.6	\$105.6	\$107.8
Debt Service		\$0.0	\$0.0	(\$78.2)	(\$78.2)	(\$78.2)	(\$78.2)	(\$78.2)	(\$78.2)	(\$78.2)	(\$78.2)
Reversion Value 1/ Less Sales Costs											\$1,657.7 (\$94.5)
Less Principal Payment											(\$843.7)
<b>Net Cash Flow</b>		<b>(\$1,456.1)</b>	<b>\$0.0</b>	<b>\$340.9</b>	<b>\$349.3</b>	<b>\$357.8</b>	<b>\$366.5</b>	<b>\$375.4</b>	<b>\$384.5</b>	<b>\$393.7</b>	<b>\$1,122.7</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>17.4%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**EFFICIENCY STUDIO**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$20,533,125</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$13,571,343)</b>		
Residential Units:	281			<b>Net Permanent Loan Equity Required</b>	<b>33.9%</b>	<b>\$6,961,782</b>	
FAR (Excluding Parking):	4.00			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	65%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	52,000			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	52,000	\$37.15	\$1,931,573	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$1,229,446	\$1,229,446	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$605,548)</b>	<b>Supportable Mortgage</b>	<b>\$13,571,343</b>	<b>\$14,185,914</b>	<b>\$14,373,187</b>
Vacancy/Collection		5.00%	<b>(\$96,579)</b>	<b>Annual Debt Service</b>	<b>\$1,024,538</b>	<b>\$1,070,934</b>	<b>\$1,085,072</b>
<b>TOTAL</b>	52,000	\$23.64	<b>\$1,229,446</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$18,914,552		
	Per SF	Per Unit	Total	Value/Net Cost	92%		
Property Acquisition	\$166.66	\$11,862	\$3,333,125	Return on Cost (ROC)	5.99%		
Construction Costs/Units	\$215.00	\$61,210	\$17,200,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	\$256.66		<b>\$20,533,125</b>	<b>Overall Indicated Viability Gap</b>	<b>\$4,085,688</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$37.63)</b>		
				<b>Residual Land Value</b>	<b>(\$752,563)</b>		

Pricing Group: **CLOSE-IN**  
 Project Name: **EFFICIENCY STUDIO**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,931.6	\$1,931.6	\$1,931.6	\$1,970.2	\$2,009.6	\$2,049.8	\$2,090.8	\$2,132.6	\$2,175.3	\$2,218.8
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$614.7</b>	<b>\$1,229.4</b>	<b>\$1,254.0</b>	<b>\$1,279.1</b>	<b>\$1,304.7</b>	<b>\$1,330.8</b>	<b>\$1,357.4</b>	<b>\$1,384.6</b>	<b>\$1,412.2</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$13,571.3	\$13,315.1	\$13,044.2	\$12,757.7	\$12,454.7	\$12,134.3	\$11,795.5	\$11,437.2
Payment - Principal				\$256.2	\$270.9	\$286.5	\$303.0	\$320.4	\$338.8	\$358.3	\$378.9
Payment - Interest				\$768.34	\$753.60	\$738.03	\$721.55	\$704.13	\$685.71	\$666.22	\$645.62
Ending Balance				\$13,315.1	\$13,044.2	\$12,757.7	\$12,454.7	\$12,134.3	\$11,795.5	\$11,437.2	\$11,058.2
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$20,533.1)	\$0.0								
Loan Proceeds		\$13,571.3	\$0.0								
Net Operating Income		\$0.0	\$614.7	\$1,229.4	\$1,254.0	\$1,279.1	\$1,304.7	\$1,330.8	\$1,357.4	\$1,384.6	\$1,412.2
Debt Service		\$0.0	\$0.0	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)	(\$1,024.5)
Reversion Value 1/ Less Sales Costs											\$21,726.9 (\$94.5)
Less Principal Payment											(\$11,058.2)
<b>Net Cash Flow</b>		<b>(\$6,961.8)</b>	<b>\$0.0</b>	<b>\$530.1</b>	<b>\$561.2</b>	<b>\$593.0</b>	<b>\$625.3</b>	<b>\$658.3</b>	<b>\$692.0</b>	<b>\$726.3</b>	<b>\$11,335.4</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>11.2%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**MULTIFAMILY - TRADITIONAL**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):		10,000		<b>Total Development Costs</b>			<b>\$3,546,209</b>
Building Size (SF):		15,000		(-) Permanent Loan			<b>(\$2,414,927)</b>
Residential Units:		19		<b>Net Permanent Loan Equity Required</b>	<b>31.9%</b>		<b>\$1,131,282</b>
FAR (Excluding Parking):		1.50		<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:		85%		Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):		12,750		Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	12,750	\$26.96	\$343,710	Stabilized NOI (Year 3)	\$218,771	\$218,771	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		5.50%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$2,414,927</b>	<b>\$2,983,247</b>	<b>\$2,482,346</b>
Operating Expenses/Residential		33.00%	<b>(\$107,753)</b>	<b>Annual Debt Service</b>	<b>\$182,310</b>	<b>\$225,214</b>	<b>\$187,399</b>
Vacancy/Collection		5.00%	<b>(\$17,186)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	12,750	\$17.16	<b>\$218,771</b>	Indicated Value @ Stabilization			\$3,977,662
<b>COST SUMMARY:</b>				Value/Net Cost			112%
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)			6.17%
Property Acquisition	\$45.25	\$23,814	\$452,459	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$206.25	\$162,829	\$3,093,750	Targeted Return on Cost/Income (ROC)			6.33%
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>			\$87,373
<b>TOTAL</b>	\$236.41		<b>\$3,546,209</b>	<b>Indicated Residual Value Per Square Foot</b>			<b>\$36.51</b>
				<b>Residual Land Value</b>			<b>\$365,087</b>

Pricing Group:

OUTER NEIGHBORHOODS

Project Name:

MULTIFAMILY - TRADITIONAL

**TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$343.7	\$343.7	\$343.7	\$350.6	\$357.6	\$364.7	\$372.0	\$379.5	\$387.1	\$394.8
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$109.4</b>	<b>\$218.8</b>	<b>\$223.1</b>	<b>\$227.6</b>	<b>\$232.2</b>	<b>\$236.8</b>	<b>\$241.5</b>	<b>\$246.4</b>	<b>\$251.3</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$2,414.9	\$2,369.3	\$2,321.1	\$2,270.1	\$2,216.2	\$2,159.2	\$2,098.9	\$2,035.2
Payment - Principal				\$45.6	\$48.2	\$51.0	\$53.9	\$57.0	\$60.3	\$63.8	\$67.4
Payment - Interest				\$136.72	\$134.10	\$131.33	\$128.40	\$125.30	\$122.02	\$118.55	\$114.88
Ending Balance				\$2,369.3	\$2,321.1	\$2,270.1	\$2,216.2	\$2,159.2	\$2,098.9	\$2,035.2	\$1,967.7
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$3,546.2)	\$0.0								
Loan Proceeds		\$2,414.9	\$0.0								
Net Operating Income		\$0.0	\$109.4	\$218.8	\$223.1	\$227.6	\$232.2	\$236.8	\$241.5	\$246.4	\$251.3
Debt Service		\$0.0	\$0.0	(\$182.3)	(\$182.3)	(\$182.3)	(\$182.3)	(\$182.3)	(\$182.3)	(\$182.3)	(\$182.3)
Reversion Value 1/ Less Sales Costs											\$3,866.1 (\$94.5)
Less Principal Payment											(\$1,967.7)
<b>Net Cash Flow</b>		<b>(\$1,131.3)</b>	<b>\$0.0</b>	<b>\$361.7</b>	<b>\$372.6</b>	<b>\$383.7</b>	<b>\$395.0</b>	<b>\$406.5</b>	<b>\$418.3</b>	<b>\$430.3</b>	<b>\$2,246.5</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>27.9%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**MULTIFAMILY - SMALL UNIT**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$19,229,918</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$8,441,900)</b>		
Residential Units:	150			<b>Net Permanent Loan Equity Required</b>	<b>56.1%</b>	<b>\$10,788,018</b>	
FAR (Excluding Parking):	4.00			PERMANENT FINANCING ASSUMPTIONS:			
Building Efficiency:	62%				DCR	LTV	LTC
Saleable and Leasable Area (SF):	49,200			Interest Rate	5.75%	5.75%	5.75%
INCOME COMPONENT SUMMARY:				Term (Years)	25	25	25
	Leasable SF	Average Rent/SF	Income	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	49,200	\$28.33	\$1,393,605	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$764,763	\$764,763	
Parking			\$73,200	CAP Rate		6.00%	
Operating Expenses/Residential		44.19%	<b>(\$605,475)</b>	<b>Supportable Mortgage</b>	<b>\$8,441,900</b>	<b>\$9,559,536</b>	<b>\$13,460,943</b>
Vacancy/Collection		6.58%	<b>(\$96,567)</b>	<b>Annual Debt Service</b>	<b>\$637,302</b>	<b>\$721,676</b>	<b>\$1,016,204</b>
<b>TOTAL</b>	49,200	\$15.54	<b>\$764,763</b>	MEASURES OF RETURN, INCOME COMPONENTS:			
COST SUMMARY:				Indicated Value @ Stabilization	\$12,746,049		
	Per SF	Per Unit	Total	Value/Net Cost	66%		
Property Acquisition	\$45.25	\$6,033	\$904,918	Return on Cost (ROC)	3.98%		
Construction Costs/Units	\$216.56	\$115,500	\$17,325,000	ESTIMATION OF VIABILITY GAP			
Construction Costs/Parking	\$12.50	\$6,667	\$1,000,000	Targeted Return on Cost/Income (ROC)	6.90%		
<b>TOTAL</b>	\$240.37		<b>\$19,229,918</b>	<b>Overall Indicated Viability Gap</b>	<b>\$8,146,398</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$362.07)</b>		
				<b>Residual Land Value</b>	<b>(\$7,241,480)</b>		

Pricing Group:

**OUTER NEIGHBORHOODS**

Project Name:

**MULTIFAMILY - SMALL UNIT****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,466.8	\$1,466.8	\$1,466.8	\$1,496.1	\$1,526.1	\$1,556.6	\$1,587.7	\$1,619.5	\$1,651.9	\$1,684.9
Operating Expenses		44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%	44.2%
Vacancy/Collection Loss		100.0%	53.3%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$382.4</b>	<b>\$764.8</b>	<b>\$780.1</b>	<b>\$795.7</b>	<b>\$811.6</b>	<b>\$827.8</b>	<b>\$844.4</b>	<b>\$861.2</b>	<b>\$878.5</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$8,441.9	\$8,282.5	\$8,114.0	\$7,935.8	\$7,747.3	\$7,548.0	\$7,337.2	\$7,114.4
Payment - Principal				\$159.4	\$168.5	\$178.2	\$188.5	\$199.3	\$210.8	\$222.9	\$235.7
Payment - Interest				\$477.93	\$468.77	\$459.08	\$448.83	\$438.00	\$426.54	\$414.42	\$401.60
Ending Balance				\$8,282.5	\$8,114.0	\$7,935.8	\$7,747.3	\$7,548.0	\$7,337.2	\$7,114.4	\$6,878.6
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$19,229.9)	\$0.0								
Loan Proceeds		\$8,441.9	\$0.0								
Net Operating Income		\$0.0	\$382.4	\$764.8	\$780.1	\$795.7	\$811.6	\$827.8	\$844.4	\$861.2	\$878.5
Debt Service		\$0.0	\$0.0	(\$637.3)	(\$637.3)	(\$637.3)	(\$637.3)	(\$637.3)	(\$637.3)	(\$637.3)	(\$637.3)
Reversion Value 1/ Less Sales Costs											\$13,515.0 (\$94.5)
Less Principal Payment											(\$6,878.6)
<b>Net Cash Flow</b>		<b>(\$10,788.0)</b>	<b>\$0.0</b>	<b>\$452.7</b>	<b>\$474.5</b>	<b>\$496.7</b>	<b>\$519.4</b>	<b>\$542.6</b>	<b>\$566.1</b>	<b>\$590.2</b>	<b>\$7,156.6</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>0.0%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**MODERN SRO - GROUP LIVING**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$18,229,918</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$11,103,826)</b>		
Residential Units:	281			<b>Net Permanent Loan Equity Required</b>	<b>39.1%</b>	<b>\$7,126,092</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	65%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	52,000			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	52,000	\$30.39	\$1,580,378	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$1,005,910	\$1,005,910	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$495,448)</b>	<b>Supportable Mortgage</b>	<b>\$11,103,826</b>	<b>\$11,606,657</b>	<b>\$12,760,943</b>
Vacancy/Collection		5.00%	<b>(\$79,019)</b>	<b>Annual Debt Service</b>	<b>\$838,259</b>	<b>\$876,219</b>	<b>\$963,359</b>
<b>TOTAL</b>	52,000	\$19.34	<b>\$1,005,910</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$15,475,543		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	85%		
Property Acquisition	\$45.25	\$3,220	\$904,918	Return on Cost (ROC)	5.52%		
Construction Costs/Units	\$216.56	\$61,655	\$17,325,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	\$227.87		<b>\$18,229,918</b>	<b>Overall Indicated Viability Gap</b>	<b>\$4,772,925</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$193.40)</b>		
				<b>Residual Land Value</b>	<b>(\$3,868,006)</b>		



Pricing Group:

OUTER NEIGHBORHOODS

Project Name:

MODERN SRO - GROUP LIVING

**TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,580.4	\$1,580.4	\$1,580.4	\$1,612.0	\$1,644.2	\$1,677.1	\$1,710.7	\$1,744.9	\$1,779.8	\$1,815.4
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$503.0</b>	<b>\$1,005.9</b>	<b>\$1,026.0</b>	<b>\$1,046.5</b>	<b>\$1,067.5</b>	<b>\$1,088.8</b>	<b>\$1,110.6</b>	<b>\$1,132.8</b>	<b>\$1,155.5</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$11,103.8	\$10,894.2	\$10,672.5	\$10,438.1	\$10,190.2	\$9,928.1	\$9,650.8	\$9,357.7
Payment - Principal				\$209.6	\$221.7	\$234.4	\$247.9	\$262.2	\$277.2	\$293.2	\$310.0
Payment - Interest				\$628.64	\$616.59	\$603.84	\$590.36	\$576.11	\$561.03	\$545.09	\$528.23
Ending Balance				\$10,894.2	\$10,672.5	\$10,438.1	\$10,190.2	\$9,928.1	\$9,650.8	\$9,357.7	\$9,047.6
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$18,229.9)	\$0.0								
Loan Proceeds		\$11,103.8	\$0.0								
Net Operating Income		\$0.0	\$503.0	\$1,005.9	\$1,026.0	\$1,046.5	\$1,067.5	\$1,088.8	\$1,110.6	\$1,132.8	\$1,155.5
Debt Service		\$0.0	\$0.0	(\$838.3)	(\$838.3)	(\$838.3)	(\$838.3)	(\$838.3)	(\$838.3)	(\$838.3)	(\$838.3)
Reversion Value 1/ Less Sales Costs											\$17,776.5 (\$94.5)
Less Principal Payment											(\$9,047.6)
<b>Net Cash Flow</b>		<b>(\$7,126.1)</b>	<b>\$0.0</b>	<b>\$492.9</b>	<b>\$519.5</b>	<b>\$546.7</b>	<b>\$574.4</b>	<b>\$602.6</b>	<b>\$631.4</b>	<b>\$660.8</b>	<b>\$9,325.2</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>8.5%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**DUPLEX - 6 BDRM/UNIT**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):			5,000	<b>Total Development Costs</b>			<b>\$875,917</b>
Building Size (SF):			3,500	(-) Permanent Loan			<b>(\$611,557)</b>
Residential Units:			2	<b>Net Permanent Loan Equity Required</b>	<b>30.2%</b>		<b>\$264,360</b>
FAR (Excluding Parking):			0.70	<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:			95%	Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):			3,325	Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	3,325	\$26.18	\$87,041	Stabilized NOI (Year 3)	\$55,402	\$55,402	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		5.50%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$611,557</b>	<b>\$755,478</b>	<b>\$613,142</b>
Operating Expenses/Residential		33.00%	<b>(\$27,287)</b>	<b>Annual Debt Service</b>	<b>\$46,168</b>	<b>\$57,033</b>	<b>\$46,288</b>
Vacancy/Collection		5.00%	<b>(\$4,352)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	3,325	\$16.66	<b>\$55,402</b>	Indicated Value @ Stabilization			\$1,007,305
<b>COST SUMMARY:</b>				Value/Net Cost			115%
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)			6.33%
Property Acquisition	\$45.25	\$113,115	\$226,230	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$185.63	\$324,844	\$649,688	Targeted Return on Cost/Income (ROC)			6.33%
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>			<b>(\$0)</b>
<b>TOTAL</b>	\$250.26		<b>\$875,917</b>	<b>Indicated Residual Value Per Square Foot</b>			<b>\$45.25</b>
				<b>Residual Land Value</b>			<b>\$226,230</b>

Pricing Group:  
Project Name:

**OUTER NEIGHBORHOODS**  
**DUPLEX - 6 BDRM/UNIT**

## TEN YEAR FINANCIAL PROJECTIONS

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$87.0	\$87.0	\$87.0	\$88.8	\$90.6	\$92.4	\$94.2	\$96.1	\$98.0	\$100.0
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$27.7</b>	<b>\$55.4</b>	<b>\$56.5</b>	<b>\$57.6</b>	<b>\$58.8</b>	<b>\$60.0</b>	<b>\$61.2</b>	<b>\$62.4</b>	<b>\$63.6</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$611.6	\$600.0	\$587.8	\$574.9	\$561.2	\$546.8	\$531.5	\$515.4
Payment - Principal				\$11.5	\$12.2	\$12.9	\$13.7	\$14.4	\$15.3	\$16.1	\$17.1
Payment - Interest				\$34.62	\$33.96	\$33.26	\$32.51	\$31.73	\$30.90	\$30.02	\$29.09
Ending Balance				\$600.0	\$587.8	\$574.9	\$561.2	\$546.8	\$531.5	\$515.4	\$498.3
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$875.9)	\$0.0								
Loan Proceeds		\$611.6	\$0.0								
Net Operating Income		\$0.0	\$27.7	\$55.4	\$56.5	\$57.6	\$58.8	\$60.0	\$61.2	\$62.4	\$63.6
Debt Service		\$0.0	\$0.0	(\$46.2)	(\$46.2)	(\$46.2)	(\$46.2)	(\$46.2)	(\$46.2)	(\$46.2)	(\$46.2)
Reversion Value 1/ Less Sales Costs											\$979.1 (\$94.5)
Less Principal Payment											(\$498.3)
<b>Net Cash Flow</b>		<b>(\$264.4)</b>	<b>\$0.0</b>	<b>\$334.5</b>	<b>\$342.1</b>	<b>\$349.9</b>	<b>\$357.8</b>	<b>\$365.9</b>	<b>\$374.1</b>	<b>\$382.5</b>	<b>\$777.3</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>74.5%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**MIXED USE - SMALL UNIT**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$19,149,918</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$7,121,086)</b>		
Residential Units:	138			<b>Net Permanent Loan Equity Required</b>	<b>62.8%</b>	<b>\$12,028,832</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	56%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	45,100			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	45,100	\$28.34	\$1,277,910	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$645,109	\$645,109	
Parking			\$67,344	CAP Rate		6.00%	
Operating Expenses/Residential		48.35%	<b>(\$603,839)</b>	<b>Supportable Mortgage</b>	<b>\$7,121,086</b>	<b>\$8,063,857</b>	<b>\$13,404,943</b>
Vacancy/Collection		7.16%	<b>(\$96,306)</b>	<b>Annual Debt Service</b>	<b>\$537,590</b>	<b>\$608,763</b>	<b>\$1,011,976</b>
<b>TOTAL</b>	45,100	\$14.30	<b>\$645,109</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$10,751,810		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	56%		
Property Acquisition	\$45.25	\$6,557	\$904,918	Return on Cost (ROC)	3.37%		
Construction Costs/Units	\$216.56	\$125,543	\$17,325,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$11.50	\$6,667	\$920,000	Targeted Return on Cost/Income (ROC)	6.90%		
<b>TOTAL</b>	\$239.37		<b>\$19,149,918</b>	<b>Overall Indicated Viability Gap</b>	<b>\$9,800,519</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$444.78)</b>		
				<b>Residual Land Value</b>	<b>(\$8,895,600)</b>		

Pricing Group:

OUTER NEIGHBORHOODS

Project Name:

MIXED USE - SMALL UNIT

**TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,345.3	\$1,345.3	\$1,345.3	\$1,372.2	\$1,399.6	\$1,427.6	\$1,456.1	\$1,485.3	\$1,515.0	\$1,545.3
Operating Expenses		48.3%	48.3%	48.3%	48.3%	48.3%	48.3%	48.3%	48.3%	48.3%	48.3%
Vacancy/Collection Loss		100.0%	53.6%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$322.6</b>	<b>\$645.1</b>	<b>\$658.0</b>	<b>\$671.2</b>	<b>\$684.6</b>	<b>\$698.3</b>	<b>\$712.3</b>	<b>\$726.5</b>	<b>\$741.0</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$7,121.1	\$6,986.7	\$6,844.5	\$6,694.2	\$6,535.2	\$6,367.0	\$6,189.3	\$6,001.2
Payment - Principal				\$134.4	\$142.2	\$150.3	\$159.0	\$168.1	\$177.8	\$188.0	\$198.8
Payment - Interest				\$403.16	\$395.43	\$387.25	\$378.61	\$369.47	\$359.80	\$349.58	\$338.77
Ending Balance				\$6,986.7	\$6,844.5	\$6,694.2	\$6,535.2	\$6,367.0	\$6,189.3	\$6,001.2	\$5,802.4
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$19,149.9)	\$0.0								
Loan Proceeds		\$7,121.1	\$0.0								
Net Operating Income		\$0.0	\$322.6	\$645.1	\$658.0	\$671.2	\$684.6	\$698.3	\$712.3	\$726.5	\$741.0
Debt Service		\$0.0	\$0.0	(\$537.6)	(\$537.6)	(\$537.6)	(\$537.6)	(\$537.6)	(\$537.6)	(\$537.6)	(\$537.6)
Reversion Value 1/ Less Sales Costs											\$11,400.4 (\$94.5)
Less Principal Payment											(\$5,802.4)
<b>Net Cash Flow</b>		<b>(\$12,028.8)</b>	<b>\$0.0</b>	<b>\$432.8</b>	<b>\$452.2</b>	<b>\$472.0</b>	<b>\$492.2</b>	<b>\$512.7</b>	<b>\$533.8</b>	<b>\$555.2</b>	<b>\$6,080.5</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		0.00%	0.43%	0.14%	0.16%	0.18%	0.20%	0.22%	0.23%	0.25%	0.27%
<b>Internal Rate of Return</b>		<b>-3.0%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**TINY HOME VILLAGE**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):			10,000	<b>Total Development Costs</b>			<b>\$1,277,459</b>
Building Size (SF):			4,000	(-) Permanent Loan			<b>(\$847,216)</b>
Residential Units:			8	<b>Net Permanent Loan Equity Required</b>	<b>33.7%</b>		<b>\$430,243</b>
FAR (Excluding Parking):			0.40	<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:			100%	Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):			4,000	Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	4,000	\$30.15	\$120,582	Stabilized NOI (Year 3)	\$76,750	\$76,750	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		6.00%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$847,216</b>	<b>\$959,381</b>	<b>\$894,221</b>
Operating Expenses/Residential		33.00%	<b>(\$37,802)</b>	<b>Annual Debt Service</b>	<b>\$63,959</b>	<b>\$72,426</b>	<b>\$67,507</b>
Vacancy/Collection		5.00%	<b>(\$6,029)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	4,000	\$19.19	<b>\$76,750</b>	Indicated Value @ Stabilization			\$1,279,174
<b>COST SUMMARY:</b>				Value/Net Cost			100%
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)			6.01%
Property Acquisition	\$45.25	\$56,557	\$452,459	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$206.25	\$103,125	\$825,000	Targeted Return on Cost/Income (ROC)			6.90%
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>			\$165,134
<b>TOTAL</b>	\$319.36		<b>\$1,277,459</b>	<b>Indicated Residual Value Per Square Foot</b>			<b>\$28.73</b>
				<b>Residual Land Value</b>			<b>\$287,325</b>

Pricing Group:

OUTER NEIGHBORHOODS

Project Name:

TINY HOME VILLAGE

**TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$120.6	\$120.6	\$120.6	\$123.0	\$125.5	\$128.0	\$130.5	\$133.1	\$135.8	\$138.5
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$38.4</b>	<b>\$76.8</b>	<b>\$78.3</b>	<b>\$79.9</b>	<b>\$81.4</b>	<b>\$83.1</b>	<b>\$84.7</b>	<b>\$86.4</b>	<b>\$88.2</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$847.2	\$831.2	\$814.3	\$796.4	\$777.5	\$757.5	\$736.4	\$714.0
Payment - Principal				\$16.0	\$16.9	\$17.9	\$18.9	\$20.0	\$21.2	\$22.4	\$23.7
Payment - Interest				\$47.96	\$47.05	\$46.07	\$45.04	\$43.96	\$42.81	\$41.59	\$40.30
Ending Balance				\$831.2	\$814.3	\$796.4	\$777.5	\$757.5	\$736.4	\$714.0	\$690.3
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$1,277.5)	\$0.0								
Loan Proceeds		\$847.2	\$0.0								
Net Operating Income		\$0.0	\$38.4	\$76.8	\$78.3	\$79.9	\$81.4	\$83.1	\$84.7	\$86.4	\$88.2
Debt Service		\$0.0	\$0.0	(\$64.0)	(\$64.0)	(\$64.0)	(\$64.0)	(\$64.0)	(\$64.0)	(\$64.0)	(\$64.0)
Reversion Value 1/ Less Sales Costs											\$1,356.3 (\$94.5)
Less Principal Payment											(\$690.3)
<b>Net Cash Flow</b>		<b>(\$430.2)</b>	<b>\$0.0</b>	<b>\$338.0</b>	<b>\$346.1</b>	<b>\$354.3</b>	<b>\$362.6</b>	<b>\$371.2</b>	<b>\$379.9</b>	<b>\$388.7</b>	<b>\$969.3</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>53.1%</b>									

1/Assumes asset sale at end of Year 10.

Project Name:

**EFFICIENCY STUDIO**

Date:

June 10, 2019

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$18,104,918</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$11,437,704)</b>		
Residential Units:	265			<b>Net Permanent Loan Equity Required</b>	<b>36.8%</b>	<b>\$6,667,214</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	68%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	54,400			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	54,400	\$29.92	\$1,627,898	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$1,036,157	\$1,036,157	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$510,346)</b>	<b>Supportable Mortgage</b>	<b>\$11,437,704</b>	<b>\$11,955,655</b>	<b>\$12,673,443</b>
Vacancy/Collection		5.00%	<b>(\$81,395)</b>	<b>Annual Debt Service</b>	<b>\$863,464</b>	<b>\$902,565</b>	<b>\$956,753</b>
<b>TOTAL</b>	54,400	\$19.05	<b>\$1,036,157</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$15,940,873		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	88%		
Property Acquisition	\$45.25	\$3,415	\$904,918	Return on Cost (ROC)	5.72%		
Construction Costs/Units	\$215.00	\$64,906	\$17,200,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	\$226.31		<b>\$18,104,918</b>	<b>Overall Indicated Viability Gap</b>	<b>\$4,243,289</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$166.92)</b>		
				<b>Residual Land Value</b>	<b>(\$3,338,371)</b>		



Pricing Group:

OUTER NEIGHBORHOODS

Project Name:

EFFICIENCY STUDIO

**TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,627.9	\$1,627.9	\$1,627.9	\$1,660.5	\$1,693.7	\$1,727.5	\$1,762.1	\$1,797.3	\$1,833.3	\$1,869.9
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$518.1</b>	<b>\$1,036.2</b>	<b>\$1,056.9</b>	<b>\$1,078.0</b>	<b>\$1,099.6</b>	<b>\$1,121.6</b>	<b>\$1,144.0</b>	<b>\$1,166.9</b>	<b>\$1,190.2</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$11,437.7	\$11,221.8	\$10,993.4	\$10,752.0	\$10,496.6	\$10,226.6	\$9,941.0	\$9,639.0
Payment - Principal				\$215.9	\$228.3	\$241.5	\$255.4	\$270.0	\$285.6	\$302.0	\$319.3
Payment - Interest				\$647.54	\$635.13	\$622.00	\$608.11	\$593.43	\$577.90	\$561.48	\$544.12
Ending Balance				\$11,221.8	\$10,993.4	\$10,752.0	\$10,496.6	\$10,226.6	\$9,941.0	\$9,639.0	\$9,319.7
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$18,104.9)	\$0.0								
Loan Proceeds		\$11,437.7	\$0.0								
Net Operating Income		\$0.0	\$518.1	\$1,036.2	\$1,056.9	\$1,078.0	\$1,099.6	\$1,121.6	\$1,144.0	\$1,166.9	\$1,190.2
Debt Service		\$0.0	\$0.0	(\$863.5)	(\$863.5)	(\$863.5)	(\$863.5)	(\$863.5)	(\$863.5)	(\$863.5)	(\$863.5)
Reversion Value 1/ Less Sales Costs											\$18,311.1 (\$94.5)
Less Principal Payment											(\$9,319.7)
<b>Net Cash Flow</b>		<b>(\$6,667.2)</b>	<b>\$0.0</b>	<b>\$497.9</b>	<b>\$525.2</b>	<b>\$552.9</b>	<b>\$581.3</b>	<b>\$610.2</b>	<b>\$639.6</b>	<b>\$669.7</b>	<b>\$9,597.2</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>9.8%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **MODERATE NEIGHBORHOODS**  
 Project Name: **MULTIFAMILY - TRADITIONAL**  
 Date: **June 10, 2019**

### SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	10,000			<b>Total Development Costs</b>	<b>\$3,234,772</b>		
Building Size (SF):	15,000			(-) Permanent Loan	<b>(\$1,985,607)</b>		
Residential Units:	19			<b>Net Permanent Loan Equity Required</b>	<b>38.6%</b>	<b>\$1,249,165</b>	
FAR (Excluding Parking):	1.50			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	85%			Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	12,750			Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations	<b>1.20</b>	<b>75%</b>	<b>70%</b>
Residential: Market Rate	12,750	\$22.17	\$282,606	Stabilized NOI (Year 3)	\$179,879	\$179,879	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		5.50%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$1,985,607</b>	<b>\$2,452,892</b>	<b>\$2,264,340</b>
Operating Expenses/Residential		33.00%	<b>(\$88,597)</b>	<b>Annual Debt Service</b>	<b>\$149,899</b>	<b>\$185,176</b>	<b>\$170,941</b>
Vacancy/Collection		5.00%	<b>(\$14,130)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	<b>12,750</b>	<b>\$14.11</b>	<b>\$179,879</b>	Indicated Value @ Stabilization	\$3,270,522		
<b>COST SUMMARY:</b>				Value/Net Cost	101%		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)	5.56%		
Property Acquisition	\$14.10	\$7,422	\$141,022	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$206.25	\$162,829	\$3,093,750	Targeted Return on Cost/Income (ROC)	6.33%		
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>	<b>\$390,840</b>		
<b>TOTAL</b>	<b>\$215.65</b>		<b>\$3,234,772</b>	<b>Indicated Residual Value Per Square Foot</b>	<b>(\$24.98)</b>		
				<b>Residual Land Value</b>	<b>(\$249,818)</b>		

Checksums	
Gross Income	0.05
Net Income	0.05
Costs	0.05

**\$282,606**

**(\$193,160)**

**(\$249,818)**

**-\$2,188,410**

Pricing Group:

**MODERATE NEIGHBORHOODS**

Project Name:

**MULTIFAMILY - TRADITIONAL****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$282.6	\$282.6	\$282.6	\$288.3	\$294.0	\$299.9	\$305.9	\$312.0	\$318.3	\$324.6
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$89.9</b>	<b>\$179.9</b>	<b>\$183.5</b>	<b>\$187.1</b>	<b>\$190.9</b>	<b>\$194.7</b>	<b>\$198.6</b>	<b>\$202.6</b>	<b>\$206.6</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$1,985.6	\$1,948.1	\$1,908.5	\$1,866.6	\$1,822.2	\$1,775.4	\$1,725.8	\$1,673.4
Payment - Principal				\$37.5	\$39.6	\$41.9	\$44.3	\$46.9	\$49.6	\$52.4	\$55.4
Payment - Interest				\$112.41	\$110.26	\$107.98	\$105.57	\$103.02	\$100.32	\$97.47	\$94.46
Ending Balance				\$1,948.1	\$1,908.5	\$1,866.6	\$1,822.2	\$1,775.4	\$1,725.8	\$1,673.4	\$1,617.9
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$3,234.8)	\$0.0								
Loan Proceeds		\$1,985.6	\$0.0								
Net Operating Income		\$0.0	\$89.9	\$179.9	\$183.5	\$187.1	\$190.9	\$194.7	\$198.6	\$202.6	\$206.6
Debt Service		\$0.0	\$0.0	(\$149.9)	(\$149.9)	(\$149.9)	(\$149.9)	(\$149.9)	(\$149.9)	(\$149.9)	(\$149.9)
Reversion Value 1/ Less Sales Costs											\$3,178.8 (\$94.5)
Less Principal Payment											(\$1,617.9)
<b>Net Cash Flow</b>		<b>(\$1,249.2)</b>	<b>\$0.0</b>	<b>\$355.2</b>	<b>\$365.3</b>	<b>\$375.6</b>	<b>\$386.1</b>	<b>\$396.9</b>	<b>\$407.8</b>	<b>\$418.9</b>	<b>\$1,896.7</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>24.2%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **MODERATE NEIGHBORHOODS**  
 Project Name: **MULTIFAMILY - SMALL UNIT**  
 Date: **June 10, 2019**

### SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$18,607,044</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$7,032,550)</b>		
Residential Units:	150			<b>Net Permanent Loan Equity Required</b>	<b>62.2%</b>	<b>\$11,574,493</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	62%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	49,200			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	49,200	\$23.29	\$1,145,853	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$637,088	\$637,088	
Parking			\$73,200	CAP Rate		6.00%	
Operating Expenses/Residential		44.07%	<b>(\$501,915)</b>	<b>Supportable Mortgage</b>	<b>\$7,032,550</b>	<b>\$7,963,601</b>	<b>\$13,024,931</b>
Vacancy/Collection		6.57%	<b>(\$80,050)</b>	<b>Annual Debt Service</b>	<b>\$530,907</b>	<b>\$601,194</b>	<b>\$983,288</b>
<b>TOTAL</b>	<b>49,200</b>	<b>\$12.95</b>	<b>\$637,088</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$10,618,134		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	57%		
Property Acquisition	\$14.10	\$1,880	\$282,044	Return on Cost (ROC)	3.42%		
Construction Costs/Units	\$216.56	\$115,500	\$17,325,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$12.50	\$6,667	\$1,000,000	Targeted Return on Cost/Income (ROC)	6.90%		
<b>TOTAL</b>	<b>\$232.59</b>		<b>\$18,607,044</b>	<b>Overall Indicated Viability Gap</b>	<b>\$9,373,884</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$454.59)</b>		
				<b>Residual Land Value</b>	<b>(\$9,091,840)</b>		

Checksums	
Gross Income	0.05
Net Income	0.05
Costs	0.05

**\$1,219,053**

**\$8,789,884**

**(\$3,556,318)**

**-\$2,188,410**

Pricing Group:

**MODERATE NEIGHBORHOODS**

Project Name:

**MULTIFAMILY - SMALL UNIT****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,219.1	\$1,219.1	\$1,219.1	\$1,243.4	\$1,268.3	\$1,293.7	\$1,319.5	\$1,345.9	\$1,372.9	\$1,400.3
Operating Expenses		44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%
Vacancy/Collection Loss		100.0%	53.3%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$318.5</b>	<b>\$637.1</b>	<b>\$649.8</b>	<b>\$662.8</b>	<b>\$676.1</b>	<b>\$689.6</b>	<b>\$703.4</b>	<b>\$717.5</b>	<b>\$731.8</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$7,032.6	\$6,899.8	\$6,759.4	\$6,610.9	\$6,453.9	\$6,287.9	\$6,112.3	\$5,926.6
Payment - Principal				\$132.8	\$140.4	\$148.5	\$157.0	\$166.0	\$175.6	\$185.7	\$196.4
Payment - Interest				\$398.15	\$390.51	\$382.44	\$373.90	\$364.87	\$355.33	\$345.23	\$334.55
Ending Balance				\$6,899.8	\$6,759.4	\$6,610.9	\$6,453.9	\$6,287.9	\$6,112.3	\$5,926.6	\$5,730.3
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$18,607.0)	\$0.0								
Loan Proceeds		\$7,032.6	\$0.0								
Net Operating Income		\$0.0	\$318.5	\$637.1	\$649.8	\$662.8	\$676.1	\$689.6	\$703.4	\$717.5	\$731.8
Debt Service		\$0.0	\$0.0	(\$530.9)	(\$530.9)	(\$530.9)	(\$530.9)	(\$530.9)	(\$530.9)	(\$530.9)	(\$530.9)
Reversion Value 1/ Less Sales Costs											\$11,258.7 (\$94.5)
Less Principal Payment											(\$5,730.3)
<b>Net Cash Flow</b>		<b>(\$11,574.5)</b>	<b>\$0.0</b>	<b>\$431.4</b>	<b>\$450.7</b>	<b>\$470.3</b>	<b>\$490.3</b>	<b>\$510.7</b>	<b>\$531.6</b>	<b>\$552.8</b>	<b>\$6,008.4</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>-2.6%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **MODERATE NEIGHBORHOODS**  
 Project Name: **MODERN SRO - GROUP LIVING**  
 Date: **June 10, 2019**

### SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$17,607,044</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$9,129,813)</b>		
Residential Units:	281			<b>Net Permanent Loan Equity Required</b>	<b>48.1%</b>	<b>\$8,477,231</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	65%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	52,000			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	52,000	\$24.99	\$1,299,422	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$827,082	\$827,082	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$407,369)</b>	<b>Supportable Mortgage</b>	<b>\$9,129,813</b>	<b>\$9,543,251</b>	<b>\$12,324,931</b>
Vacancy/Collection		5.00%	<b>(\$64,971)</b>	<b>Annual Debt Service</b>	<b>\$689,235</b>	<b>\$720,446</b>	<b>\$930,443</b>
<b>TOTAL</b>	<b>52,000</b>	<b>\$15.91</b>	<b>\$827,082</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$12,724,335		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	72%		
Property Acquisition	\$14.10	\$1,004	\$282,044	Return on Cost (ROC)	4.70%		
Construction Costs/Units	\$216.56	\$61,655	\$17,325,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	<b>\$220.09</b>		<b>\$17,607,044</b>	<b>Overall Indicated Viability Gap</b>	<b>\$6,542,405</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$313.02)</b>		
				<b>Residual Land Value</b>	<b>(\$6,260,361)</b>		

Checksums	
Gross Income	0.05
Net Income	0.05
Costs	0.05

**\$1,299,422**

**\$5,958,405**

**(\$6,260,361)**

**-\$2,188,410**

Pricing Group:

**MODERATE NEIGHBORHOODS**

Project Name:

**MODERN SRO - GROUP LIVING****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,299.4	\$1,299.4	\$1,299.4	\$1,325.4	\$1,351.9	\$1,379.0	\$1,406.5	\$1,434.7	\$1,463.4	\$1,492.6
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$413.5</b>	<b>\$827.1</b>	<b>\$843.6</b>	<b>\$860.5</b>	<b>\$877.7</b>	<b>\$895.3</b>	<b>\$913.2</b>	<b>\$931.4</b>	<b>\$950.1</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$9,129.8	\$8,957.5	\$8,775.2	\$8,582.4	\$8,378.6	\$8,163.1	\$7,935.1	\$7,694.1
Payment - Principal				\$172.4	\$182.3	\$192.7	\$203.8	\$215.5	\$227.9	\$241.0	\$254.9
Payment - Interest				\$516.88	\$506.97	\$496.49	\$485.41	\$473.69	\$461.29	\$448.19	\$434.33
Ending Balance				\$8,957.5	\$8,775.2	\$8,582.4	\$8,378.6	\$8,163.1	\$7,935.1	\$7,694.1	\$7,439.2
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$17,607.0)	\$0.0								
Loan Proceeds		\$9,129.8	\$0.0								
Net Operating Income		\$0.0	\$413.5	\$827.1	\$843.6	\$860.5	\$877.7	\$895.3	\$913.2	\$931.4	\$950.1
Debt Service		\$0.0	\$0.0	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)
Reversion Value 1/ Less Sales Costs											\$14,616.3 (\$94.5)
Less Principal Payment											(\$7,439.2)
<b>Net Cash Flow</b>		<b>(\$8,477.2)</b>	<b>\$0.0</b>	<b>\$463.1</b>	<b>\$486.1</b>	<b>\$509.6</b>	<b>\$533.6</b>	<b>\$558.1</b>	<b>\$583.0</b>	<b>\$608.5</b>	<b>\$7,717.0</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>4.0%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **MODERATE NEIGHBORHOODS**  
 Project Name: **DUPLEX - 6 BDRM/UNIT**  
 Date: **June 10, 2019**

### SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	5,000			<b>Total Development Costs</b>	<b>\$720,198</b>		
Building Size (SF):	3,500			(-) Permanent Loan	<b>(\$502,836)</b>		
Residential Units:	2			<b>Net Permanent Loan Equity Required</b>	<b>30.2%</b>	<b>\$217,363</b>	
FAR (Excluding Parking):	0.70			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	95%			Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	3,325				5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	3,325	\$21.52	\$71,567	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$45,553	\$45,553	
Parking			\$0	CAP Rate		5.50%	
Operating Expenses/Residential		33.00%	<b>(\$22,436)</b>	<b>Supportable Mortgage</b>	<b>\$502,836</b>	<b>\$621,171</b>	<b>\$504,139</b>
Vacancy/Collection		5.00%	<b>(\$3,578)</b>	<b>Annual Debt Service</b>	<b>\$37,960</b>	<b>\$46,894</b>	<b>\$38,059</b>
<b>TOTAL</b>	<b>3,325</b>	<b>\$13.70</b>	<b>\$45,553</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$828,228		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	115%		
Property Acquisition	\$14.10	\$35,255	\$70,511	Return on Cost (ROC)	6.33%		
Construction Costs/Units	\$185.63	\$324,844	\$649,688	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	6.33%		
<b>TOTAL</b>	<b>\$205.77</b>		<b>\$720,198</b>	<b>Overall Indicated Viability Gap</b>	<b>\$0</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>\$14.10</b>		
				<b>Residual Land Value</b>	<b>\$70,511</b>		

Checksums	
Gross Income	0.05
Net Income	0.05
Costs	0.05

\$71,567

**(\$584,000)**

\$70,511

**-\$2,188,410**



Pricing Group:

**MODERATE NEIGHBORHOODS**

Project Name:

**DUPLEX - 6 BDRM/UNIT****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$71.6	\$71.6	\$71.6	\$73.0	\$74.5	\$75.9	\$77.5	\$79.0	\$80.6	\$82.2
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$22.8</b>	<b>\$45.6</b>	<b>\$46.5</b>	<b>\$47.4</b>	<b>\$48.3</b>	<b>\$49.3</b>	<b>\$50.3</b>	<b>\$51.3</b>	<b>\$52.3</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$502.8	\$493.3	\$483.3	\$472.7	\$461.5	\$449.6	\$437.0	\$423.8
Payment - Principal				\$9.5	\$10.0	\$10.6	\$11.2	\$11.9	\$12.6	\$13.3	\$14.0
Payment - Interest				\$28.47	\$27.92	\$27.34	\$26.73	\$26.09	\$25.41	\$24.68	\$23.92
Ending Balance				\$493.3	\$483.3	\$472.7	\$461.5	\$449.6	\$437.0	\$423.8	\$409.7
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$720.2)	\$0.0								
Loan Proceeds		\$502.8	\$0.0								
Net Operating Income		\$0.0	\$22.8	\$45.6	\$46.5	\$47.4	\$48.3	\$49.3	\$50.3	\$51.3	\$52.3
Debt Service		\$0.0	\$0.0	(\$38.0)	(\$38.0)	(\$38.0)	(\$38.0)	(\$38.0)	(\$38.0)	(\$38.0)	(\$38.0)
Reversion Value 1/ Less Sales Costs											\$805.0 (\$94.5)
Less Principal Payment											(\$409.7)
<b>Net Cash Flow</b>		<b>(\$217.4)</b>	<b>\$0.0</b>	<b>\$332.8</b>	<b>\$340.2</b>	<b>\$347.8</b>	<b>\$355.5</b>	<b>\$363.4</b>	<b>\$371.4</b>	<b>\$379.6</b>	<b>\$688.7</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>84.8%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **MODERATE NEIGHBORHOODS**  
 Project Name: **MIXED USE - SMALL UNIT**  
 Date: **June 10, 2019**

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$18,527,044</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$5,939,233)</b>		
Residential Units:	138			<b>Net Permanent Loan Equity Required</b>	<b>67.9%</b>	<b>\$12,587,811</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	56%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	45,100			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	45,100	\$23.30	\$1,050,726	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$538,043	\$538,043	
Parking			\$67,344	CAP Rate		6.00%	
Operating Expenses/Residential		48.18%	<b>(\$500,243)</b>	<b>Supportable Mortgage</b>	<b>\$5,939,233</b>	<b>\$6,725,537</b>	<b>\$12,968,931</b>
Vacancy/Collection		7.14%	<b>(\$79,784)</b>	<b>Annual Debt Service</b>	<b>\$448,369</b>	<b>\$507,729</b>	<b>\$979,060</b>
<b>TOTAL</b>	<b>45,100</b>	<b>\$11.93</b>	<b>\$538,043</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$8,967,383		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	48%		
Property Acquisition	\$14.10	\$2,044	\$282,044	Return on Cost (ROC)	2.90%		
Construction Costs/Units	\$216.56	\$125,543	\$17,325,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$11.50	\$6,667	\$920,000	Targeted Return on Cost/Income (ROC)	6.90%		
<b>TOTAL</b>	<b>\$231.59</b>		<b>\$18,527,044</b>	<b>Overall Indicated Viability Gap</b>	<b>\$10,729,320</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$522.36)</b>		
				<b>Residual Land Value</b>	<b>(\$10,447,276)</b>		

Checksums	
Gross Income	0.05
Net Income	0.05
Costs	0.05

**\$1,118,070**

**\$10,145,320**

**(\$3,525,497)**

**-\$2,188,410**

Pricing Group:

**MODERATE NEIGHBORHOODS**

Project Name:

**MIXED USE - SMALL UNIT****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,118.1	\$1,118.1	\$1,118.1	\$1,140.4	\$1,163.2	\$1,186.5	\$1,210.2	\$1,234.4	\$1,259.1	\$1,284.3
Operating Expenses		48.2%	48.2%	48.2%	48.2%	48.2%	48.2%	48.2%	48.2%	48.2%	48.2%
Vacancy/Collection Loss		100.0%	53.6%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$269.0</b>	<b>\$538.0</b>	<b>\$548.8</b>	<b>\$559.8</b>	<b>\$571.0</b>	<b>\$582.4</b>	<b>\$594.0</b>	<b>\$605.9</b>	<b>\$618.0</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$5,939.2	\$5,827.1	\$5,708.5	\$5,583.2	\$5,450.6	\$5,310.3	\$5,162.1	\$5,005.2
Payment - Principal				\$112.1	\$118.6	\$125.4	\$132.6	\$140.2	\$148.3	\$156.8	\$165.8
Payment - Interest				\$336.25	\$329.80	\$322.98	\$315.77	\$308.15	\$300.09	\$291.56	\$282.54
Ending Balance				\$5,827.1	\$5,708.5	\$5,583.2	\$5,450.6	\$5,310.3	\$5,162.1	\$5,005.2	\$4,839.4
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$18,527.0)	\$0.0								
Loan Proceeds		\$5,939.2	\$0.0								
Net Operating Income		\$0.0	\$269.0	\$538.0	\$548.8	\$559.8	\$571.0	\$582.4	\$594.0	\$605.9	\$618.0
Debt Service		\$0.0	\$0.0	(\$448.4)	(\$448.4)	(\$448.4)	(\$448.4)	(\$448.4)	(\$448.4)	(\$448.4)	(\$448.4)
Reversion Value 1/ Less Sales Costs											\$9,508.3 (\$94.5)
Less Principal Payment											(\$4,839.4)
<b>Net Cash Flow</b>		<b>(\$12,587.8)</b>	<b>\$0.0</b>	<b>\$414.9</b>	<b>\$432.2</b>	<b>\$449.8</b>	<b>\$467.8</b>	<b>\$486.1</b>	<b>\$504.8</b>	<b>\$523.8</b>	<b>\$5,117.7</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>-5.2%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **MODERATE NEIGHBORHOODS**  
 Project Name: **TINY HOME VILLAGE**  
 Date: **June 10, 2019**

### SUMMARY OF PROJECT AND RETURNS

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	10,000			<b>Total Development Costs</b>	<b>\$966,022</b>		
Building Size (SF):	4,000			(-) Permanent Loan	<b>(\$676,215)</b>		
Residential Units:	8			<b>Net Permanent Loan Equity Required</b>	<b>30.0%</b>	<b>\$289,807</b>	
FAR (Excluding Parking):	0.40			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	100%			Interest Rate	<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	4,000			Term (Years)	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Debt-Coverage Ratio	<b>1.20</b>		
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Loan Limitations		<b>75%</b>	<b>70%</b>
Residential: Market Rate	4,000	\$24.79	\$99,145	Stabilized NOI (Year 3)	\$63,106	\$63,106	
Retail/Commercial Net Income	0	\$0.00	\$0	CAP Rate		6.00%	
Parking			\$0	<b>Supportable Mortgage</b>	<b>\$696,600</b>	<b>\$788,824</b>	<b>\$676,215</b>
Operating Expenses/Residential		33.00%	<b>(\$31,082)</b>	<b>Annual Debt Service</b>	<b>\$52,588</b>	<b>\$59,551</b>	<b>\$51,049</b>
Vacancy/Collection		5.00%	<b>(\$4,957)</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>TOTAL</b>	<b>4,000</b>	<b>\$15.78</b>	<b>\$63,106</b>	Indicated Value @ Stabilization	\$1,051,765		
<b>COST SUMMARY:</b>				Value/Net Cost	109%		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Return on Cost (ROC)	6.53%		
Property Acquisition	\$14.10	\$17,628	\$141,022	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Units	\$206.25	\$103,125	\$825,000	Targeted Return on Cost/Income (ROC)	6.90%		
Construction Costs/Parking	\$0.00	\$0	\$0	<b>Overall Indicated Viability Gap</b>	<b>\$51,443</b>		
<b>TOTAL</b>	<b>\$241.51</b>		<b>\$966,022</b>	<b>Indicated Residual Value Per Square Foot</b>	<b>\$8.96</b>		
				<b>Residual Land Value</b>	<b>\$89,579</b>		

Checksums	
Gross Income	0.05
Net Income	0.05
Costs	0.05

\$99,145

**(\$532,557)**

\$89,579

**-\$2,188,410**

Pricing Group:

**MODERATE NEIGHBORHOODS**

Project Name:

**TINY HOME VILLAGE****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$99.1	\$99.1	\$99.1	\$101.1	\$103.2	\$105.2	\$107.3	\$109.5	\$111.7	\$113.9
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$31.6</b>	<b>\$63.1</b>	<b>\$64.4</b>	<b>\$65.7</b>	<b>\$67.0</b>	<b>\$68.3</b>	<b>\$69.7</b>	<b>\$71.1</b>	<b>\$72.5</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$676.2	\$663.4	\$649.9	\$635.7	\$620.6	\$604.6	\$587.7	\$569.9
Payment - Principal				\$12.8	\$13.5	\$14.3	\$15.1	\$16.0	\$16.9	\$17.9	\$18.9
Payment - Interest				\$38.28	\$37.55	\$36.77	\$35.95	\$35.08	\$34.17	\$33.20	\$32.17
Ending Balance				\$663.4	\$649.9	\$635.7	\$620.6	\$604.6	\$587.7	\$569.9	\$551.0
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$966.0)	\$0.0								
Loan Proceeds		\$676.2	\$0.0								
Net Operating Income		\$0.0	\$31.6	\$63.1	\$64.4	\$65.7	\$67.0	\$68.3	\$69.7	\$71.1	\$72.5
Debt Service		\$0.0	\$0.0	(\$51.0)	(\$51.0)	(\$51.0)	(\$51.0)	(\$51.0)	(\$51.0)	(\$51.0)	(\$51.0)
Reversion Value 1/ Less Sales Costs											\$1,115.2 (\$94.5)
Less Principal Payment											(\$551.0)
<b>Net Cash Flow</b>		<b>(\$289.8)</b>	<b>\$0.0</b>	<b>\$337.3</b>	<b>\$345.1</b>	<b>\$353.0</b>	<b>\$361.1</b>	<b>\$369.3</b>	<b>\$377.7</b>	<b>\$386.3</b>	<b>\$864.7</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.24	1.26	1.29	1.31	1.34	1.36	1.39	1.42
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>70.4%</b>									

1/Assumes asset sale at end of Year 10.

Pricing Group: **MODERATE NEIGHBORHOODS**  
 Project Name: **EFFICIENCY STUDIO**  
 Date: **June 10, 2019**

**SUMMARY OF PROJECT AND RETURNS**

AREA SUMMARY:				EQUITY ASSUMPTIONS:			
Site Size (SF):	20,000			<b>Total Development Costs</b>	<b>\$17,482,044</b>		
Building Size (SF):	80,000			(-) Permanent Loan	<b>(\$9,129,813)</b>		
Residential Units:	281			<b>Net Permanent Loan Equity Required</b>	<b>47.8%</b>	<b>\$8,352,231</b>	
FAR (Excluding Parking):	4.00			<b>PERMANENT FINANCING ASSUMPTIONS:</b>			
Building Efficiency:	65%				<b>DCR</b>	<b>LTV</b>	<b>LTC</b>
Saleable and Leasable Area (SF):	52,000			Interest Rate	5.75%	5.75%	5.75%
<b>INCOME COMPONENT SUMMARY:</b>				Term (Years)	25	25	25
	<b>Leasable SF</b>	<b>Average Rent/SF</b>	<b>Income</b>	Debt-Coverage Ratio	<b>1.20</b>		
Residential: Market Rate	52,000	\$24.99	\$1,299,422	Loan Limitations		<b>75%</b>	<b>70%</b>
Retail/Commercial Net Income	0	\$0.00	\$0	Stabilized NOI (Year 3)	\$827,082	\$827,082	
Parking			\$0	CAP Rate		6.50%	
Operating Expenses/Residential		33.00%	<b>(\$407,369)</b>	<b>Supportable Mortgage</b>	<b>\$9,129,813</b>	<b>\$9,543,251</b>	<b>\$12,237,431</b>
Vacancy/Collection		5.00%	<b>(\$64,971)</b>	<b>Annual Debt Service</b>	<b>\$689,235</b>	<b>\$720,446</b>	<b>\$923,838</b>
<b>TOTAL</b>	<b>52,000</b>	<b>\$15.91</b>	<b>\$827,082</b>	<b>MEASURES OF RETURN, INCOME COMPONENTS:</b>			
<b>COST SUMMARY:</b>				Indicated Value @ Stabilization	\$12,724,335		
	<b>Per SF</b>	<b>Per Unit</b>	<b>Total</b>	Value/Net Cost	73%		
Property Acquisition	\$14.10	\$1,004	\$282,044	Return on Cost (ROC)	4.73%		
Construction Costs/Units	\$215.00	\$61,210	\$17,200,000	<b>ESTIMATION OF VIABILITY GAP</b>			
Construction Costs/Parking	\$0.00	\$0	\$0	Targeted Return on Cost/Income (ROC)	7.48%		
<b>TOTAL</b>	<b>\$218.53</b>		<b>\$17,482,044</b>	<b>Overall Indicated Viability Gap</b>	<b>\$6,417,405</b>		
				<b>Indicated Residual Value Per Square Foot</b>	<b>(\$306.77)</b>		
				<b>Residual Land Value</b>	<b>(\$6,135,361)</b>		

Checksums	
Gross Income	0.05
Net Income	0.05
Costs	0.05

**\$1,299,422**

**\$5,833,405**

**(\$6,135,361)**

**-\$2,188,410**

Pricing Group:

**MODERATE NEIGHBORHOODS**

Project Name:

**EFFICIENCY STUDIO****TEN YEAR FINANCIAL PROJECTIONS**

Thousands of Dollars

	YEAR										
	0	1	2	3	4	5	6	7	8	9	10
<b>INCOME</b>											
Potential Gross Income		\$1,299.4	\$1,299.4	\$1,299.4	\$1,325.4	\$1,351.9	\$1,379.0	\$1,406.5	\$1,434.7	\$1,463.4	\$1,492.6
Operating Expenses		33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%
Vacancy/Collection Loss		100.0%	52.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Net Operating Income (NOI)</b>		<b>\$0.0</b>	<b>\$413.5</b>	<b>\$827.1</b>	<b>\$843.6</b>	<b>\$860.5</b>	<b>\$877.7</b>	<b>\$895.3</b>	<b>\$913.2</b>	<b>\$931.4</b>	<b>\$950.1</b>
<b>DEBT SERVICE</b>											
<b>Primary Loan</b>											
Beginning Balance				\$9,129.8	\$8,957.5	\$8,775.2	\$8,582.4	\$8,378.6	\$8,163.1	\$7,935.1	\$7,694.1
Payment - Principal				\$172.4	\$182.3	\$192.7	\$203.8	\$215.5	\$227.9	\$241.0	\$254.9
Payment - Interest				\$516.88	\$506.97	\$496.49	\$485.41	\$473.69	\$461.29	\$448.19	\$434.33
Ending Balance				\$8,957.5	\$8,775.2	\$8,582.4	\$8,378.6	\$8,163.1	\$7,935.1	\$7,694.1	\$7,439.2
<b>ANNUAL CASH FLOW</b>											
Construction Costs		(\$17,482.0)	\$0.0								
Loan Proceeds		\$9,129.8	\$0.0								
Net Operating Income		\$0.0	\$413.5	\$827.1	\$843.6	\$860.5	\$877.7	\$895.3	\$913.2	\$931.4	\$950.1
Debt Service		\$0.0	\$0.0	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)	(\$689.2)
Reversion Value 1/ Less Sales Costs											\$14,616.3 (\$94.5)
Less Principal Payment											(\$7,439.2)
<b>Net Cash Flow</b>		<b>(\$8,352.2)</b>	<b>\$0.0</b>	<b>\$463.1</b>	<b>\$486.1</b>	<b>\$509.6</b>	<b>\$533.6</b>	<b>\$558.1</b>	<b>\$583.0</b>	<b>\$608.5</b>	<b>\$7,717.0</b>
<b>SELECTED RETURN MEASURES</b>											
Debt Coverage Ratio				1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.38
Cash on Cash Return, Income Properties		<b>0.00%</b>	<b>0.43%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>	<b>0.27%</b>
<b>Internal Rate of Return</b>		<b>4.2%</b>									

1/Assumes asset sale at end of Year 10.