



Application Cover Page

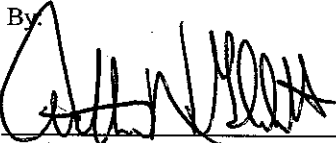
Organization Name Vesta Avalon, LLC

Project Title Avalon Apartments

I certify that I am authorized to obligate Vesta Avalon, LLC to apply for funding
(name of organization)

from the District of Columbia Department of Housing and Community Development. Furthermore,
I certify that all information contained herein is accurate to the best of my knowledge.

Vesta Avalon, LLC
By : V-SCA II, LLC

By: 

Authorized Organization Official
Arthur Greenblatt
Print Name

5/28/09
Date
President
Title



GENERAL INFORMATION

Stage of Processing (mark the appropriate box)

Preliminary Application for Funding

Final Application for Funding

Funding Applied For

Housing Production Trust Fund
Community Development Block Grant (CDBG)
HOME Investment Partnership Program (HOME)
Low-Income Housing Tax Credit (LIHTC)
Other: _____

\$	-
\$	-
\$	745,418
\$	

Agency ID (Internal Use)

PROJECT NAME AND LOCATION

Project Name Avalon Apartments
Street Address 814-820 Southern Ave SE
 If no street address indicate lot _____ **Parcel** 6210/0839 **Tax Map** _____
City and State Washington, DC **Zip Code** 20032
Ward 8 **Census Tract** 98.06

APPLICANT INFORMATION

Applicant Name Vesta Avalon, LLC
Mailing Address 245 Hopmeadow Street, Weatogue, CT 06089
Contact Arthur Greenblatt **Phone** 860-408-5401
Title President **Fax** 860-408-5420
E-mail arthur@vestacorp.com

OWNERSHIP ENTITY INFORMATION

Owner/Borrower Name Vesta Avalon, LLC
Taxpayer ID applied for

Type of Ownership (mark one box only)

- Individual General Partnership Limited Liability Corporation
 Corporation Limited Partnership Other: _____

Principals (complete information for corporations and controlling general partners)

Name	Taxpayer ID	Ownership Interest	Nonprofit
V-SCA II, LLC	applied for		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Vesta Corporation	██████████	99.99%	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Vesta Equity Corporation	██████████	0.01%	<input type="checkbox"/> Yes <input type="checkbox"/> No

PROJECT INFORMATION

Amenities (mark all that apply)

- | | |
|-------------------------------------------------------------|-------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Cable Access | <input checked="" type="checkbox"/> Laundry Facilities |
| <input checked="" type="checkbox"/> Transportation Services | <input type="checkbox"/> Washer/Dryer Hook-up |
| <input checked="" type="checkbox"/> Carpet | <input checked="" type="checkbox"/> Other: <u>Learning Center</u> |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Disposal | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Microwave | <input type="checkbox"/> Other: _____ |

Type of Project (mark all that apply)

- | | |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------|
| <input checked="" type="checkbox"/> Acquisition of Existing Building(s) | <input type="checkbox"/> New Construction |
| <input checked="" type="checkbox"/> Substantial Rehabilitation (over \$30,000 per unit) | <input type="checkbox"/> Community/Commercial Facility |
| <input type="checkbox"/> Moderate Rehabilitation (under \$30,000 per unit) | <input type="checkbox"/> Home Ownership Project |

Existing Building Information (complete all that apply)

Percentage currently occupied 43%
 Project includes historic rehabilitation? Yes No
 Project involves the permanent relocation of tenants? Yes No
 Project involves the temporary relocation of tenants? Yes No
 Year the building was built approx. 1960

Number of Residential Buildings

Garden (walk-up)	<u>4</u>
Townhouse	_____
Detached	_____
Semi-detached	_____
Elevator (< 5 floors)	_____
Mid-rise (5-10 floors)	_____
High-rise (> 10 floors)	_____
Total Buildings	<u>4</u>

Type of Occupancy (show number of units)

Families	<u>50</u>
Elderly	_____
Commercial	_____
Special Needs	<u>10</u>
Total Units	<u>60</u>

Special Needs Met (show number of units)

Licensed assisted living facilities. _____
 Homeless shelters or transitional housing for the homeless. _____
 Housing targeting people with disabilities (barrier-free housing). _____
 Other: DMH 10
 Total Special Needs Units 10

Preservation of Affordable Units: with expiring federal subsidies Yes No

Total Land Area (acres) _____

Total Building Area (gross square footage)

Residential Units: Low-Income	<u>52,452</u>
Residential Units: Market	_____
Nonresidential Units	<u>2,000</u>
Common Space:	
circulation (hallways, stairways etc.)	<u>5,040</u>
recreation:	_____
other: (storage and utilities)	<u>2,800</u>
Total Gross Square Footage	<u>62,292</u>

Occupancy Restrictions of Project (show number of units)

Units to be occupied by households with income 30% or less of the area median	
Units to be occupied by households with income at 31-40% of the area median	10
Units to be occupied by households with income at 41-50% of the area median	
Units to be occupied by households with income at 51-60% of the area median	50
Units to be occupied by households with income at 61-80% of the area median	
Units to be occupied by households with income at 81-100% of the area median	
Units that will be unrestricted (>100% of area median)	
Total Units	60

Low-Income Use Restrictions

What is the total number of years for the units to be restricted?	40
-------------------------------------------------------------------	----

ANTICIPATED DEVELOPMENT SCHEDULE

Activity	Date (MM/YYYY)
Site Control	
Sponsor has site control? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Date site control expires	
Date site will be acquired by the ownership entity	09/2009
Zoning Status	
Current Zoning Clasification <u>R-5-D</u>	
Describe Current Classificaiton	
<u>Permits matter of right medium/high density of general residential uses, including single family dwellings, flats, and apartment buildings to a maximum lot occupancy of 75%, a maximum FAR of 3.5, and a maximum height of 90 feet.</u>	
Zoning change, variance or waiver required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date application for zoning change filed	N/A
Date of final hearing on zoning change	N/A
Date of final approval of zoning change	N/A
Date financing applications filed with other lenders (public and private)	
Date of financing reservation from the Department (45 days from application deadline)	06/2009
Date firm commitments received from other lenders (public and private)	
Date final plans and specifications completed	06/2006
Date 10% of project costs incurred (no later than 5 months from carryover allocation)	09/2009
Date of construction loan closing	09/2009
Date construction or rehabilitation begins (total construction period will be 6 months)	09/2009
Date 50% of construction or rehabilitation completed	12/2009
Date of substantial completion of construction or rehabilitation	03/2010
Date first certificate of occupancy received	11/2009
Date final certificate of occupancy received	03/2010
Date sustaining occupancy achieved	06/2010
Date of permanent loan closing	09/2009



DEVELOPMENT TEAM INFORMATION

DEVELOPMENT TEAM MEMBERS

Developer			
Hopmeadow Development Inc.			
Mailing Address 245 Hopmeadow Street, Weatogue, Ct 06089			
Contact	Arthur Greenblatt	Phone	860-408-5401
Title	President	Fax	860-408-5420
D&B Duns Number		E-mail	arthur@vestacorp.com

General Contractor			
Mailing Address			
Contact		Phone	
Title		Fax	
D&B Duns Number		E-mail	

General Contractor			
Pacific General Contractors, LLC			
Mailing Address 9441 Center Lane, Manassas, VA 20110			
Contact	Freddie Ventura	Phone	703-330-6664
Title	President	Fax	703-361-6337
D&B Duns Number		E-mail	ventura-freddy@aol.com

Management Agent			
Vesta Management Corporation			
Mailing Address 245 Hopmeadow Street, Weatogue, Ct 06089			
Contact	Steven Erie	Phone	860-408-5402
Title	President	Fax	860-408-5430
D&B Duns Number		E-mail	serie@vestacorp.com

Consultant			
Mailing Address			
Contact		Phone	
Title		Fax	
D&B Duns Number		E-mail	

Architect			
Crosskey Associates			
Mailing Address 1 Union Place, Hartford, CT 06103			
Contact	Dave Goslin	Phone	860-724-3000, ext 204
Title		Fax	(860) 724-3013
D&B Duns Number		E-mail	dg@crosskey.com

Nonprofit Participant			
Mailing Address			
Contact		Phone	
Title		Fax	
D&B Duns Number		E-mail	

MBE/WBE Participant			
Mailing Address			
Contact		Phone	
Title		Fax	
D&B Duns Number		E-mail	

DEVELOPMENT TEAM MEMBERS

Equity Provider

Mailing Address _____
Contact _____ Phone _____
Title _____ Fax _____
D&B Duns Number _____ E-mail _____

Closing Attorney

Mailing Address Pepper Hamilton
600 Fourteenth St. NW, Washington, DC
Contact Scott Fireison Phone 202-220-1572
Title _____ Fax 202-220-1665
D&B Duns Number _____ E-mail fireisons@pepperlaw.com

Private Lenders

Mailing Address Sovereign Bank
1010 Farmington Ave., West Hartford, CT 06107
Contact Rob Trivella Phone (860) 570-3263
Title _____ Fax _____
D&B Duns Number _____ E-mail _____

Private Lenders

Mailing Address _____
Contact _____ Phone () -
Title _____ Fax () -
D&B Duns Number _____ E-mail _____

Private Lenders

Mailing Address _____
Contact _____ Phone () -
Title _____ Fax () -
D&B Duns Number _____ E-mail _____

DEVELOPMENT TEAM HISTORY

Are there direct or indirect identity of interests, financial or otherwise, among any members of the development team? If yes, explain. Yes No
The Management Agent is an affiliate of the owner and developer.

Has any development team member* participated in the development or operation of a project that has defaulted on a Department or other government or private sector loan in the previous ten (10) years? If yes, explain. Yes No

Has any development team member* consistently failed to provide documentation required by the Department in connection with other loan applications or the management and operation of other, existing developments? If yes, explain. Yes No

Does any development team member* have a limited denial of participation from HUD or is any development team member* debarred, suspended or voluntarily excluded from participation in any federal or state program, or have been involuntarily removed within the previous ten (10) years as a general partner or managing member from any affordable housing project whether or not financed or subsidized by the programs of this Department? If yes, explain. Yes No

Does any development team member* acting in the roles of sponsor, developer, guarantor or owner have any chronic past due accounts, substantial liens, judgments, foreclosures or bankruptcies within the past ten (10) A131 years? If yes, explain. Yes No

Has any development team member* received a reservation, allocation or commitment of funding or a carryover allocation of tax credits from the Department within the last four years that it was unable to use, or place their project in service within the time allowed by the tax credit program? If yes, explain. Yes No

Does any development team member* have unpaid fees due to the Department on other projects, or for general partners or management agents, have tax credit compliance problems resulting in the issuance of an IRS Form 8823 and that are still outstanding in the following year? If yes, explain. Yes No

* i.e., Applicant, Developer, Guarantor Owner, Architect, General Contractor, Management Agent, Consultant.

LOCAL AND SMALL DISADVANTAGED BUSINESS ENTERPRISE (LSDBE) PARTICIPATION *(voluntary)*

Are any of the development team members LSDBEs? If yes, provide the following data on the business (mark all that apply):

- American Indian or Alaskan Native
- Asian or Pacific Islander
- Hispanic

- Black
- Female
- Other: _____

Yes No

Is the entity an Office of Human Rights certified LSDBE?

Yes No

NONPROFIT PARTICIPATION *(voluntary)*

Are any development team members* a nonprofit entity?

Yes No

Is a nonprofit entity involved in the project in a role other than as a development team member*? If yes, describe the entity's role.

Yes No

Is the nonprofit entity headquartered in the same community as the project?

Yes No

Does the nonprofit entity provide services to the same community as the project? If yes, describe the services

Yes No

Does the nonprofit entity have a board of directors that includes community residents or members of organizations

Yes No

Is the nonprofit entity affiliated with or controlled by a for-profit organization? If yes, describe the affiliation.

Yes No

Is the nonprofit entity tax-exempt under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code?

Yes No

Does the nonprofit entity's exempt purpose include the fostering of low income housing?

Yes No

COMMUNITY-BASED INVOLVEMENT *(voluntary)*

Does the project involve the DC Housing Authority or DC Housing Finance Agency? If yes, describe the DCHA/DCHFA's role.

Yes No

The applicant will make a formal request to DCHA for 15 Project-Based Housing Vouchers during the next DCHA Request for Proposals.

* i.e., Applicant, Developer, Guarantor Owner, Architect, General Contractor, Management Agent, Consultant.

COMMUNITY REVITALIZATION

Is the project in a neighborhood classified as one of the following:

- Strategic Neighborhood Investment Area (Target Area)
- Neighborhood Revitalization Strategy Area (NRSA)
- Federal or District Enterprise Community or Enterprise Zone


Is the project located in a qualified census tract as defined in Section 42(d)(5)(C) of the Internal Revenue Code? If yes, describe.

Yes No

The project is located in census tract 0098.06, a qualified census tract (see attached)

	A	B	C	D	E	F	G	H	I	J	K
PROJECT INCOME											
1											
2											
3	RESIDENTIAL RENTAL INCOME										
4											
5	Low-Income Units										
6	<i>Unit Description</i>		<i>Median Income</i>	<i>Number of Units</i>	<i>Unit Size (Net Leasable Sq. Ft.)</i>	<i>Tenant Paid Utilities*</i>	<i>Contract Rent</i>	<i>Rent Subsidy</i>	<i>Income per Unit</i>	<i>Monthly Income</i>	<i>Annual Income</i>
7	<i>Bedrooms</i>	<i>Baths</i>									
8	Studio	1		1		\$74	\$680.00			\$ 680	\$ 8,160
9	1	1		17		\$95	\$880.00			\$ 14,960	\$ 179,520
10	2	1		42		\$120	\$1,075.00			\$ 45,150	\$ 541,800
11										\$	\$
12										\$	\$
13											
14											
15											
16	Total			60						\$ 60,790	\$ 729,480
17	Vacancy Allowance (Total Annual Income x Vacancy Rate)										
18	Effective Gross Income/Low Income Units (Total Annual Income - Vacancy Allowance) 5.00%										
19											
20	Market Rate Units										
21	<i>Unit Description</i>										
22	<i>Bedrooms</i>	<i>Baths</i>									
23										\$	\$
24											
25											
26											
27											
28											
29											
30											
31											
32										\$	\$
33	Total Market Rate										
34	Vacancy Allowance (Total Annual Income x Vacancy Rate)										
35	Effective Gross Income/Market Rate Units (Total Annual Income - Vacancy Allowance) 5.00%										

	A	B	C	D	E	F	G	H	I	J	K
36	NONRESIDENTIAL INCOME										
37											
38			<i>Description of Type and Size</i>					<i>Square footage</i>	<i>Monthly Income</i>		<i>Annual Income</i>
39			Laundry Rooms					210			\$ 2,520
40			Interest on Reserves					230			2,760
41			application fees, late fees, etc.					200			2,400
42											
43			Total Nonresidential					\$ 640			7,680
44			Vacancy Allowance (Total Annual Income x Vacancy Rate)				5.00%				(384)
45			Effective Gross Income/Nonresidential Space (Total Annual Income - Vacancy Allowance)								
46			Effective Gross Income (sum Low Income, Market Rate, Nonresidential totals)								
47											7,296
48			NON-INCOME PRODUCING UNITS (including management units, tenant services units, recreation, etc.)								
49											700,302
50			<i>Description of Type and Size</i>					<i>Number of Units</i>	<i>Square Footage</i>		
51			Learning Center				1	1,140			
52			Storage								
53			Exercise Room								
54			Office				1	750			
55			Library								
56			Total Non-income				2	1,890			
57											
58	* Tenant Paid Utilities (mark all utilities to be paid by tenants)										
59			<input checked="" type="checkbox"/> Household Electric								electric
60			<input checked="" type="checkbox"/> Air Conditioning								electric
61			<input type="checkbox"/> Hot Water (describe):								gas

	A	B	C	D	E	F	G	H	I
1	 PROJECT EXPENSES								
2									
3	ADMINISTRATIVE EXPENSES								
4									
5	Advertising and Marketing								\$ 4,000
6	Credit processing								1,000
7	Office Salaries								35,250
8	Office Supplies								4,000
9	Alarm Fees								750
10	Management Fee (<i>Effective Gross Income x Annual Rate of</i>					<u>3.00%</u>)			21,009
11	Manager or Superintendent Rent Free Unit								0
12	Legal Expenses (<i>project only</i>)								2,500
13	Auditing Expenses (<i>project only</i>)								8,250
14	Bookkeeping Fees and Accounting Services								0
15	Telephone and Answering Services								5,125
16	Bad Debts								6,000
17	Miscellaneous Administrative Expenses (<i>describe</i>)					<u>resident services</u>			250
18	Annual Tax Credit Monitoring Fee (\$25.00 per tax credit unit)								1,500
19	Total Administrative Expenses								\$ 89,634
20									
21	UTILITY EXPENSES (<i>paid by owner</i>)								
22									
23	Fuel Oil								\$ -
24	Electricity								6,500
25	Gas								8,650
26	Water								9,000
27	Sewer								10,000
28	Total Utility Expenses								\$ 34,150
29									
30	OPERATING AND MAINTENANCE EXPENSES								
31									
32	Janitor and Cleaning Payroll								\$ 6,400
33	Janitor and Cleaning Supplies								250
34	Janitor and Cleaning Contract								325
35	Exterminating Payroll or Contract								3,000
36	Exterminating Supplies								0
37	Garbage and Trash Removal								7,500
38	Security Payroll or Contract								50,000
39	Grounds Payroll								0
40	Grounds Supplies								0
41	Grounds Contract								6,000
42	Repairs Payroll								30,000
43	Repairs Material								2,285
44	Repairs Contract								0
45	Elevator Maintenance or Contract								0
46	Heating and Air Conditioning Maintenance or Contract								3,000
47	Swimming Pool Maintenance or Contract								0
48	Snow Removal								325
49	Decorating Payroll or Contract								0
50	Decorating Supplies								1,400
51	Other Operating and Maintenance Expenses (<i>describe</i>)					<u>Fire Safety</u>			100
52	Miscellaneous Operating and Maintenance Expenses								100
53	Total Operating and Maintenance Expenses								\$ 110,685

	A	B	C	D	E	F	G	H	I
54	TAXES AND INSURANCE								
55									
56	Real Estate Taxes								\$ 42,640
57	Payment in Lieu of Taxes								<i>Total:</i> _____ <i>Years:</i> _____ <i>Annual:</i> _____
58	Payroll Taxes (FICA)								5,750
59	Miscellaneous Taxes, Licenses and Permits								3,225
60	Property and Liability Insurance (<i>hazard</i>)								22,686
61	Fidelity Bond Insurance								
62	Workmen's Compensation								0
63	Health Insurance and Other Employee Benefits								3,800
64	Other Insurance (<i>describe</i>)								
65	Total Taxes and Insurance								\$ 78,101
66									
67	Reserve for Replacement								\$ 18,000
68	Total Operating Expenses								\$ 330,570
69	Net Operating Income (<i>Effective Gross Income - Total Operating Expenses</i>)								\$ 369,732



USES OF FUNDS

TOTAL DEVELOPMENT COSTS

Construction or Rehabilitation Costs

Type of Uses	Percentage	Total Budgeted Cost	Acquisition Basis*	Construction Basis*	Not in Basis*
01 Net Construction Costs		\$ 2,419,366		2,419,366	\$
02 General Requirements	7.17%	\$ 173,412		173,412	
03 Builder's Profit	5.00%	\$ 100,646		100,646	
04 Builder's General Overhead	2.00%	\$ 96,775		96,775	
05 Bond Premium		\$ 100,000		100,000	
06 Other FFE		\$ 54,789		54,789	
07 Total Construction Contract		\$ 2,944,988	\$	\$ 2,944,988	
08 Construction Contingency	9.95%	\$ 292,882		292,882	
09 Total Construction Costs		\$ 3,237,870	\$	\$ 3,237,870	\$

Fees Related to Construction or Rehabilitation

Type of Uses	Percentage	Total Budgeted Cost	Acquisition Basis*	Construction Basis*	Not in Basis*
10 Architect's Design Fee	2.56%	\$ 75,307	\$	\$ 75,307	\$
11 Architect's Supervision Fee	0.43%	\$ 12,695		\$ 12,695	
12 Security	7.38%	\$ 217,336		\$ 67,374	\$ 149,962
13 Real Estate Attorney		\$ 242,922	75,000	\$ 167,922	
14 Marketing		\$ -		\$ -	
Surveys, etc.		\$ 42,027	42,027	\$ -	
Geotechnical/Soil Borings		\$ -		\$ -	
17 HOME Predevelopment Interest		\$ -		\$ -	
18 Market Study/Appraisal		\$ 4,080	2,040	\$ 2,040	
19 Environmental Report/Air Quality Analysis		\$ 26,983	2,983	\$ 24,000	
20 Soft Cost Contingency		\$ 79,168	4,441	\$ 70,200	4,527
21 Other:		\$ 491,767		\$ 491,767	
22 Total Fees		\$ 1,192,285	\$ 126,491	\$ 911,305	\$ 154,489

Financing Fees and Charges

Type of Uses	Total Budgeted Cost	Acquisition Basis*	Construction Basis*	Not in Basis*
23 Construction Interest	\$ 825,306	\$ 209,574	\$ 227,804	\$ 387,928
24 Real Estate Taxes	\$ 82,556		33,582	48,974
25 Insurance Premium	\$ 197,913		110,126	87,787
26 Construction Management	\$ -			
27 Title and Recording	\$ 198,986	80,407		118,579
28 Bond Issuance Costs	\$ -			
29 Other Lenders' Origination Fees	\$ 119,425			119,425
30 Predevelopment Costs	\$ 8,576			8,576
31 Other Inspection	\$ 17,000		17,000	
32 Total Financing Fees and Charges	\$ 1,449,762	\$ 289,981	\$ 388,512	\$ 771,269

* Complete for Tax Credit Requests Only

Acquisition Costs

<i>Type of Uses</i>		<i>Total Budgeted Cost</i>	<i>Acquisition Basis*</i>	<i>Construction Basis*</i>	<i>Not in Basis*</i>
33	Building Acquisition	\$ 2,069,355	\$ 2,069,355		\$
34	Land Acquisition	\$ 423,844			423,844
35	Carrying Charges: Describe:	\$ -			
36	Relocation Costs	\$ 245,084		245,084	
37	Other	\$ -			
38	Total Acquisition Costs	\$ 2,738,283	\$ 2,069,355	\$ 245,084	\$ 423,844
39	Total Development Costs (TDC)	\$ 8,618,200	\$ 2,485,827	\$ 4,782,771	\$ 1,349,602

OTHER USES OF FUNDS

Developer's Fee

<i>Type of Uses</i>		<i>Total Budgeted Cost</i>	<i>Acquisition Basis*</i>	<i>Construction Basis*</i>	<i>Not in Basis*</i>
40	Fee on Non-Acquisition Costs (calculate below)	\$ 838,055		838,055	\$
41	Fee on Acquisition Costs (calculate below)	\$ 136,914	136,914		
42	Total Developer's Fee (\$2.5 million maximum)	\$ 974,969	\$ 136,914	\$ 838,055	\$

Syndication Related Costs

<i>Type of Uses</i>		<i>Total Budgeted Cost</i>	<i>Acquisition Basis*</i>	<i>Construction Basis*</i>	<i>Not in Basis*</i>
43	Syndication Fee	\$ -	\$	\$	\$
44	Legal (syndication only)	\$ 70,480			70,480
	Bridge Loan Fees				
46	Bridge Loan Interest				
47	Organizational Costs				
48	Tax Credit Application Fee	\$ 72,299			72,299
49	Accounting and Auditing Fee	\$ 16,768		15,000	1,768
50	Partnership Management Fee	\$ -			
51	Other	\$ -			
52	Total Syndication Related Costs	\$ 159,547	\$	\$ 15,000	\$ 144,547

Guarantees and Reserves (funded amounts only)

<i>Type of Uses</i>		<i>Total Budgeted Cost</i>	<i>Acquisition Basis*</i>	<i>Construction Basis*</i>	<i>Not in Basis*</i>
53	Debt Service Reserves	\$ 77,052			\$ 77,052
54	Operating Reserve	\$ 82,643			82,643
55	Rent-up Reserve-escrows	\$ 48,407			48,407
56	Other: Replacement Reserve	\$ 90,000			90,000
57	Total Guarantees and Reserves	\$ 298,102			\$ 298,102
58	Total Uses of Funds	\$ 10,050,818	\$ 2,622,741	\$ 5,635,826	\$ 1,792,251

* Complete for Tax Credit Requests Only

MAXIMUM DEVELOPER'S FEE

	<i>Fee on Costs Over \$10 Million</i>	<i>Fee on Costs \$10 Million or Less</i>
on Non-acquisition Costs		
59 Total Development Costs (from line 39 above)	\$ 8,618,200	
60 Less Acquisition Costs (from line 38 above)	\$ (2,738,283)	
61 Less Construction Contingency (from line 08 above)	\$ (292,882)	
62 Less Financing (Soft Cost) Contingency (from line 28 above)	\$ -	
63 Non-acquisition Costs	\$ 5,587,035	
64 Lesser of \$10,000,000 or Non-acquisition Costs (enter on both lines)	\$ 5,587,035	5,587,035
65 Non-acquisition Fee Basis	\$ -	5,587,035
66 Fee Percentage	10%	15%
67 Fee on Non-acquisition Costs	\$ -	\$ 838,055

Total = \$ 838,055

Fee on Acquisition Costs

68 Acquisition Costs (from line 38 above)	\$ 2,738,283	
69 Lesser of \$10,000,000 or Acquisition Costs (enter on both lines)	\$ 2,738,283	2,738,283
70 Acquisition Fee Basis	\$ -	2,738,283
71 Fee Percentage	\$ 0	5%
72 Fee on Acquisition Costs	\$ -	\$ 136,914

Total = \$ 136,914

73 **Total Developer's Fee** (Fee on Non-acquisition Costs + Fee on Acquisition Cost) (\$2.5 million maximum)

\$ 974,969

A	B	C	D	E	F	G	H	I	J	K	L
SOURCES OF FUNDS											
1	TOTAL DEVELOPMENT COSTS										
2	DEBT										
3	Primary Debt Service Financing										
4	Type of Funds	Requested Source of Funds	Debt Coverage	Annual Payment	Interest Rate	Amortization Term	Loan Term	Loan Amount			
5	private mortgage		1.20	308,214	6.750%	30	30	3,960,000			
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18	Subordinate Debt Service Financing										
19	Type of Funds	Requested Source of Funds		If Grant, enter Y here	Annual Payment	Interest Rate	Term	Loan or Grant Amount			
20	DMH				from cash flow			\$ 428,400			
21	Energy Grant	DC Energy Office		Y				\$ 155,000			
22											
23											
24											
25											
26											
27											
28											
29											
30	EQUITY										
31	Type of Equity	Source of Equity									
32	Historic Tax Credit Proceeds (from next section)										
33	Low Income Housing Tax Credit Proceeds (from next section)	DHCD									
34	Developer's Equity (Deferred Fee)										
35	Interim Income (occupied rehabilitation projects)										
36	Other: Interest earnings										
37											
38											
39											
40											
41	Maximum DHCD Loan Amount (cash flow financing)										
42	Total Uses of Funds (from previous section)										
43	Primary (Non-DHCD) Debt Service Financing (from above)										
44	Subordinate Financing (Non-DHCD) and grants (from above)										
45	Historic Tax Credit Syndication Proceeds (from next section)										
46	Low Income Tax Credit Syndication Proceeds (from next section)										
47	Maximum DHCD Funds Amount										
48											
49											
50											

\$	10,050,818
\$	3,960,000
\$	583,400
\$	5,441,004



LOW-INCOME HOUSING TAX CREDIT

Complete This Section Only If You Are Applying For Tax Credits

7 of Low Income Housing Tax Credit Requested (mark all that apply)

- New Construction
- Acquisition (must include substantial rehabilitation as defined in Tax Credit Regulations)
- Substantial Rehabilitation (as defined in Tax Credit Regulations--Department's standard is different)

EXISTING BUILDING INFORMATION

Location and Placed-in-Service Information

Building Address	Control Document	Date Control Document Expires	Number of Units	Purchase Price	Date Last Placed in Service (PIS)	Sponsor's Purchase Date	Years Between PIS & Purchase Date
814 Chesapeake SE		/ /	16	652,576	08/15/95	09/15/09	14.10
816 Chesapeake SE		/ /	16	652,576	08/15/95	09/15/09	14.10
818 Chesapeake SE		/ /	15	611,790	08/15/95	09/15/09	14.10
820 Chesapeake SE		/ /	15	611,790	08/15/95	09/15/09	14.10
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
		/ /			/ /		
Total			62	\$ 2,528,732			

Substantial Rehabilitation Determination (for Tax Credit eligibility--Department's standard is different)

Total rehabilitation related costs equal: 3,237,870

Total rehabilitation related costs must exceed the greater of the following tests (mark one box only)

- | | | | |
|----------------------------------------------------------------------------------|----------------------------|------------|----------------------|
| <input checked="" type="checkbox"/> Costs are at least \$3000 per unit: | Total Units <u>62</u> | x \$3000 = | \$ <u>186,000</u> |
| <input type="checkbox"/> Costs are at least 10% of the project's adjusted basis: | Basis \$ <u> </u> | x 10% = | \$ <u> </u> |

ELECTIONS

Minimum Set-aside Election (mark one box only)

- 20% of the units will be occupied by households with income below 50% of the area median
- 40% of the units will be occupied by households with income below 60% of the area median

Rent Floor Election

The rent floor for the project will be established as of (mark one box only)

- Date of allocation
- Date the project is placed in service

SYNDICATION INFORMATION

Name of Syndicator _____

Contact _____

Phone _____

Type of Offering (mark one box only)

- Public
 Private

Type of Investors (mark one box only)

- Individuals
 Fund
 Corporation

Schedule for Funds to be Paid

Percent Paid	Amount Paid	Date Paid
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	

CALCULATION OF TAX CREDIT AMOUNT

Maximum Low-Income Housing Tax Credit Based on Eligible Costs

Description	Acquisition Basis	Construction Basis
Total Uses of Funds (from Uses of Funds worksheet)	\$ 2,622,741	\$ 5,635,826
Federal Grants Financing Qualifying Costs (list below)		
Other Non-qualifying Financing	()	()
Value of Commercial Space	()	()
Non-qualifying Units of Higher Quality	()	()
Federal Historic Tax Credit	()	()
Adjusted Project Costs		\$ 5,635,826
Adjustment for Qualified Census Tract (130% maximum)		130%
Eligible Basis	\$ 2,622,741	\$ 7,326,574
Applicable Fraction (calculate below)	100.00%	100.00%
Qualified Basis	\$ 2,622,741	\$ 7,326,574
Applicable Percentage (construction basis qualified for 4% or 9%?)	3.28%	9.00%
Low Income Housing Tax Credit Eligible	\$ 86,026	\$ 659,392

Estimated Low-Income Housing Tax Credit Syndication Proceeds

Description	Amount
Combined Low Income Housing Tax Credit Eligible (result from previous table)	\$ 745,418
Tax Credit Period (10 years)	x 10
Total Tax Credit Received Over Period	\$ 7,454,176
Raise Ratio from Syndicator's Proposal 99.99% @ \$0.73	72.99%
Gross Proceeds from Low Income Housing Tax Credit	\$ 5,441,004
Gross Proceeds from Historic Tax Credit (calculate below)	0
Total Equity from Syndication Proceeds	\$ 5,441,004

Maximum Low-Income Housing Tax Credit Based on Proceeds Needed

Description	Amount
Proceeds Needed (enter lesser of Total Equity from Syndication Proceeds or Financing Gap)	5,441,004
Gross Proceeds from Historic Tax Credit (calculate below)	()
Low Income Housing Tax Credit Syndication Proceeds (to Sources of Funds worksheet)	\$ 5,441,004
Raise Ratio from Syndicator's Proposal	0.7299
Total Tax Credit Received Over Period	\$ 7,454,176
Tax Credit Period (10 years)	÷ 10
Maximum Low-Income Housing Tax Credit	\$ 745,418

Sources of Federal Financing

Show all direct and indirect federal funds financing qualified costs below

Community Development Block Grant	<u>0</u>
IE Investment Program	<u>0</u>
Other	<u>0</u>
Total Federal Funds	<u>\$</u>

Applicable Fraction

The applicable fraction is the lesser of the following formulas (*mark one box only*)

Percent of Units


Low Income Units	<u>60</u>
Total Units	<u>60</u>
Unit Percentage	<u>100.00%</u>

Percent of Square Footage

Low Income Sq. Ft.	<u>52,452</u>
Total Sq. Ft.	<u>52,452</u>
Sq. Ft. Percentage	<u>100.00%</u>

Gross Proceeds from Historic Tax Credits

Historic Tax Credit	<u>\$</u>
Raise Ratio from Syndicator's Proposal	<u>x</u>
Gross Proceeds from Historic Tax Credit (<i>to Sources of Funds worksheet</i>)	<u>\$</u>

	A	B	C	D	E	F	G	H	I	
1	PROJECT SUMMARY INFORMATION									
2										
3	GENERAL INFORMATION									
4										
5	Project Information									
6	Project Name	Avalon Apartments								
7	Address	814-820 Southern Ave SE								
8	City	Washington, DC					Zip	20032		
9	Sponsor	Vesta Avalon, LLC								
10										
11	Funding Applied For				Occupancy Restrictions					
12	Housing Production Trust Fund		\$	-	Units 30% or less of AMI					
13	Community Development Block Grant (CDBG)		\$	-	Units at 31-40% of AMI				10	
14	HOME Investment Partnership Program (HOME)		\$	-	Units at 41-50% of AMI					
15	Low-Income Housing Tax Credit (LIHTC)		\$	745,418	Units at 51-60% of AMI				50	
16	Other:		\$		Units at 61-85% of AMI					
17					Units at 81-100% of AMI					
18					Units at market rates					
19					Total Units				60	
20										
21	PROJECT INCOME (Effective Gross Income)									
22										
23	<i>Source of Income</i>	<i>Total Units</i>	<i>Vacancy Rate</i>	<i>Annual EGI</i>	<i>Years Until Sustaining Occupancy</i>	<i>Annual Trending</i>	<i>Trended EGI</i>			
24	Low-Income Units	60	5.00%	\$ 693,006	1	3.00%	\$ 713,796			
25	Market Rate Units		5.00%	\$	1	3.00%	\$			
26	Nonresidential		5.00%	\$ 7,680	1	3.00%	\$ 7,910			
27	Total	60		\$ 700,686						
28	Trended Effective Gross Income							\$ 721,707		
29										
30	PROJECT EXPENSES									
31										
32	<i>Expense Categories</i>				<i>Annual Expense</i>	<i>Years Until Sustaining Occupancy</i>	<i>Annual Trending</i>	<i>Trended Expense</i>		
33	Administrative				\$ 68,625	1	4.00%	\$ 71,370		
34	Management Fee (<i>Effective Gross Income x percentage</i>)				21,009			\$ 21,651		
35	Utilities				34,150	1	4.00%	\$ 35,516		
36	Operating and Maintenance				110,685	1	4.00%	\$ 115,112		
37	Taxes and Insurance				78,101	1	4.00%	\$ 81,225		
38	Reserve for Replacement				\$ 18,000	1	4.00%	\$ 18,720		
39	Total Project Expenses				\$ 330,570			\$ 343,595		
40	Trended Net Operating Income (Effective Gross Income - Project Expenses)							\$ 378,112		
41	Annual Debt Service Financing Payments							\$ (308,214)		
42	Annual Cash Flow Financing Payments							\$		
43	Remaining Cash Flow (Net Operating Income - Financing Payments)							\$ 69,898		
44										

	A	B	C	D	E	F	G	H	I	
45	SOURCES OF FUNDS									
46										
47	Primary Debt Service Financing									
48	<i>Source of Funds</i>	<i>Lender</i>	<i>Debt Coverage</i>	<i>Interest Rate</i>	<i>Amortization Term</i>	<i>Loan Term</i>	<i>Annual Payment</i>	<i>Amount</i>		
49										
50	Private Loan		1.20	0	30	30	308,214	3,960,000		
51										
52										
53										
54	Other									
55	Total Debt Service Financing							\$ 308,214	\$ 3,960,000	
56										
57	Subordinate Debt Service Financing									
58	<i>Requested Source of Funds</i>	<i>Lender</i>			<i>Interest Rate</i>	<i>Loan Term</i>	<i>Annual Payment</i>	<i>Amount</i>		
59							from cash flow			
60										
61										
62	OTHER	DMH						428,400		
63	Total Cash Flow Financing							\$	\$ 428,400	
64										
65	Equity									
66	<i>Type of Equity</i>				<i>Source of Equity</i>			<i>Amount</i>		
67	Developer's Equity (not from syndication proceeds)							\$ 51,647		
68	Interim Income (occupied rehabilitation projects)							\$ 169,767		
69	Historic Tax Credit Proceeds									
70	Low Income Housing Tax Credit Proceeds							5,441,004		
71	Total Equity							5,662,418		
72	Total Sources of Funds (must equal Total Uses of Funds)							10,050,818		
73										
74	USES OF FUNDS									
75										
76	<i>Type of Uses</i>							<i>Amount</i>		
77	Construction or Rehabilitation Costs							\$ 3,237,870		
78	Fees Related to Construction or Rehabilitation							1,192,285		
79	Financing Fees and Charges							1,449,762		
80	Acquisition Costs							2,738,283		
81	Total Development Costs							8,618,200		
82	Syndication Related Costs							159,547		
83	Guarantees and Reserves							298,102		
84	Developer's Fee							974,969		
85	Total Uses of Funds							\$ 10,050,818		
86										
87	PROJECT DESCRIPTION									
88										
89										
90										
91										
92										



20-YEAR OPERATING PRO FORMA:

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Low Income Units	\$ 729,480	\$ 751,364	\$ 773,905	\$ 797,122	\$ 821,036	\$ 845,665	\$ 871,038	\$ 897,168	\$ 924,088	\$ 951,806	\$ 980,360	\$ 1,009,771	\$ 1,040,064	\$ 1,071,265	\$ 1,103,404	\$ 1,136,506	\$ 1,170,601	\$ 1,205,719	\$ 1,241,891	\$ 1,279,148
Market Rate Units	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nonresidential	7,680	7,910	8,148	8,392	8,644	8,903	9,169	9,445	9,729	10,021	10,321	10,631	10,950	11,278	11,617	11,965	12,324	12,694	13,075	13,467
Gross Project Income	737,160	759,275	782,053	805,515	829,680	854,570	880,208	906,613	933,812	961,827	990,681	1,020,402	1,051,014	1,082,534	1,115,021	1,148,471	1,182,925	1,218,413	1,254,966	1,292,615
Vacancy Allowance (36,858)	(37,964)	(37,964)	(39,103)	(40,276)	(41,484)	(42,729)	(44,010)	(45,331)	(46,693)	(48,093)	(49,534)	(51,020)	(52,551)	(54,127)	(55,751)	(57,424)	(59,146)	(60,921)	(62,748)	(64,631)
Effective Gross Income	\$ 700,302	\$ 721,311	\$ 742,950	\$ 765,239	\$ 788,196	\$ 811,841	\$ 836,197	\$ 861,282	\$ 887,119	\$ 913,734	\$ 941,147	\$ 969,352	\$ 998,463	\$ 1,028,407	\$ 1,059,270	\$ 1,091,048	\$ 1,123,779	\$ 1,157,493	\$ 1,192,217	\$ 1,227,984
Expenses																				
Administrative	\$ 68,625	71,370	74,225	77,194	80,282	83,499	86,843	90,306	93,891	97,602	101,442	105,415	109,521	113,760	118,136	122,650	127,303	132,097	137,032	142,108
Management Fee	21,009	21,639	22,289	22,957	23,646	24,355	25,086	25,838	26,614	27,412	28,234	29,081	29,954	30,853	31,778	32,731	33,713	34,725	35,767	36,840
Utilities	34,150	35,516	36,937	38,414	39,951	41,549	43,210	44,939	46,737	48,606	50,550	52,572	54,675	56,862	59,137	61,502	63,962	66,521	69,182	71,949
Maintenance	110,685	115,112	119,717	124,506	129,486	134,665	140,052	145,654	151,480	157,539	163,841	170,394	177,210	184,299	191,671	199,337	207,311	215,603	224,228	233,197
Taxes and Insurance	78,101	81,225	84,474	87,853	91,367	95,022	98,823	102,776	106,882	111,142	115,569	120,164	124,937	129,890	135,246	140,655	146,282	152,133	158,218	164,547
Replacement Reserve	18,000	18,720	19,469	20,248	21,057	21,900	22,776	23,687	24,634	25,620	26,644	27,710	28,819	29,971	31,170	32,417	33,714	35,062	36,465	37,923
Total Expenses	\$ 330,570	\$ 343,583	\$ 357,110	\$ 371,171	\$ 385,788	\$ 400,933	\$ 416,702	\$ 433,200	\$ 450,469	\$ 468,413	\$ 487,050	\$ 506,406	\$ 526,501	\$ 547,354	\$ 567,838	\$ 590,233	\$ 613,515	\$ 637,719	\$ 662,880	\$ 689,038
Net Operating Income	\$ 369,732	\$ 377,728	\$ 385,841	\$ 394,068	\$ 402,408	\$ 410,908	\$ 419,496	\$ 428,083	\$ 436,652	\$ 445,321	\$ 454,087	\$ 462,951	\$ 471,922	\$ 481,000	\$ 491,432	\$ 500,814	\$ 510,264	\$ 519,774	\$ 529,337	\$ 538,946
Primary Debt Service Financing																				
Tax-exempt Bonds																				
Developer Fee	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214	308,214
HPTF																				
CDBG																				
HOME																				
Other																				
Total Debt Service	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214	\$ 308,214
Cash Flow	\$ 61,518	\$ 69,514	\$ 77,627	\$ 85,854	\$ 94,194	\$ 102,643	\$ 111,204	\$ 119,869	\$ 128,638	\$ 137,507	\$ 146,479	\$ 155,551	\$ 164,727	\$ 173,909	\$ 183,218	\$ 192,600	\$ 202,050	\$ 211,560	\$ 221,123	\$ 230,732
Debt Coverage Ratio	1.20	1.23	1.25	1.28	1.31	1.33	1.36	1.39	1.42	1.45	1.48	1.50	1.53	1.56	1.59	1.62	1.66	1.69	1.72	1.75
Subordinate Debt Service Financing (displays grants and loans)																				
Developer Loan (Deferred Fee)	\$ 51,647																			
DMH Loan		34,757	38,813	42,927	47,097	51,322	55,602	59,935	64,319	68,753	73,237	77,771	82,355	86,989	91,673	96,407	101,191	106,025	110,909	115,843
Total Cash Flow Debt	\$ 51,647	\$ 34,757	\$ 38,813	\$ 42,927	\$ 47,097	\$ 51,322	\$ 55,602	\$ 59,935	\$ 64,319	\$ 68,753	\$ 73,237	\$ 77,771	\$ 82,355	\$ 86,989	\$ 91,673	\$ 96,407	\$ 101,191	\$ 106,025	\$ 110,909	\$ 115,843
Remaining Cash Flow	\$ 9,871	\$ 34,757	\$ 38,813	\$ 42,927	\$ 47,097	\$ 51,322	\$ 55,602	\$ 59,935	\$ 64,319	\$ 68,753	\$ 73,237	\$ 77,771	\$ 82,355	\$ 86,989	\$ 91,673	\$ 96,407	\$ 101,191	\$ 106,025	\$ 110,909	\$ 115,843
Debt Coverage Ratio	1.03	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



C E R T I F I C A T E

THIS IS TO CERTIFY that all applicable provisions of the District of Columbia Limited Liability Company Act have been complied with and accordingly, this **CERTIFICATE OF ORGANIZATION** is hereby issued to:

VESTA AVALON, LLC

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the **13th** day of **May**, 2009 .

LINDA K. ARGO
Director

Business and Professional Licensing Administration

PATRICIA E. GRAYS
Superintendent of Corporations
Corporations Division

A large, stylized handwritten signature in black ink, appearing to read 'Patricia E. Grays', is written over the signature line and extends to the right.

Adrian M. Fenty
Mayor