

# EXHIBIT 8

**Estimated Project Development Costs**

**Summary Estimated Project Costs**

Acquisition and pre-development	\$2,200,000.00
Hard costs	\$21,400,400.02
Soft costs	\$2,251,829.50
Contingency	<u>\$2,066,730.92</u>
Total estimated project costs	\$27,918,960.44

**Detailed Estimated Development Costs**

<b>Acquisition costs</b>	
Land	\$1,900,000.00
Pre-development	<u>\$300,000.00</u>
Total acquisition costs	\$2,200,000.00
<b>Estimated development costs</b>	
<b>Parking</b>	
Parking structure (195 spaces x \$23,600)	\$4,602,000.00
Soft costs	\$684,547.50
Contingency	<u>\$713,683.91</u>
Total estimated parking structure costs	\$6,000,231.41
Surface parking (7,900 sqft x \$9)	\$71,100.00
Soft costs	\$3,555.00
Contingency	<u>\$3,732.75</u>
Total estimated surface parking costs	\$78,387.75
Total estimated parking costs	\$6,078,619.16
<b>Commercial mix</b>	
Grey box development costs	\$845,550.00
Soft costs	\$54,960.75
Contingency	<u>\$45,025.54</u>
Total estimated commercial mix costs	\$945,536.29
<b>Residential mix</b>	
Residential unit development	\$15,881,750.02
Soft costs	\$1,508,766.25
Contingency	<u>\$1,304,288.72</u>
Total estimated residential mix costs	\$18,694,804.99
Total estimated development costs	\$25,718,960.44

**Capital Sources and Uses**

**Sources**

Equity	
Developer investment	\$2,200,000
CRA forgivable loan	\$6,000,000
Total equity sources	<u>\$8,200,000</u>
Debt	
Bank loan	\$19,718,960
Total debt sources	<u>\$19,718,960</u>

**Uses**

Total development costs	\$27,918,960
Developer equity	\$2,200,000
Land acquisition	\$1,900,000
Pre-development	\$300,000
	<u>\$0</u>
CRA forgivable loan	\$6,000,000
Parking structure development costs	\$4,602,000
Parking soft costs	\$684,548
Contingency	\$713,684
	<u>-\$231</u>
Remaining equity sources available	-\$231
Debt financing	\$19,718,960
Surface lot development	\$71,100
Surface lot soft costs	\$3,555
Contingency	\$3,733
Commercial grey box development costs	\$845,550
Commercial soft costs	\$54,961
Contingency	\$45,026
Residential development costs	\$15,881,750
Residential soft costs	\$1,508,766
Contingency	\$1,304,289
	<u>\$231</u>
Remaining debt sources available	\$231

Operating Pro Forma

Revenue	Growth Rate	Proforma Base Year	Construction			Lease-up			Stabilized					
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Rental Income														
Residential	3.00%	\$1,857,600.00	\$0.00	\$0.00	\$0.00	\$2,090,745.17	\$2,423,746.67	\$2,894,080.27	\$3,559,353.69	\$4,508,882.77	\$5,883,069.32	\$7,205,353.22		
Commercial	3.00%	\$852,024.00	\$0.00	\$0.00	\$0.00	\$958,960.52	\$1,111,698.07	\$1,327,425.63	\$1,632,566.09	\$2,069,085.88	\$2,698,383.00	\$3,626,401.11		
Gross rental revenue		\$2,709,624.00	\$0.00	\$0.00	\$0.00	\$3,049,705.68	\$3,535,444.73	\$4,221,505.90	\$5,191,919.78	\$6,577,968.65	\$8,581,452.32	\$11,532,754.33		
Vacancy														
Residential	3.00%	\$55,728.00	\$0.00	\$0.00	\$0.00	\$62,722.35	\$72,712.40	\$86,822.41	\$106,780.61	\$135,266.48	\$176,492.08	\$237,190.60		
Commercial	10.00%	\$85,202.40	\$0.00	\$0.00	\$0.00	\$95,896.05	\$111,169.81	\$132,742.56	\$163,256.61	\$206,808.59	\$269,838.30	\$362,640.11		
Total vacancy		\$140,930.40	\$0.00	\$0.00	\$0.00	\$158,618.41	\$183,882.21	\$219,564.97	\$270,037.22	\$342,075.07	\$446,330.38	\$599,830.71		
Other Revenue														
Parking	3.00%	\$45,000.00	\$0.00	\$0.00	\$0.00	\$50,647.90	\$58,714.79	\$70,108.53	\$86,224.65	\$109,226.81	\$142,516.21	\$191,529.87		
Total other revenue		\$45,000.00	\$0.00	\$0.00	\$0.00	\$50,647.90	\$58,714.79	\$70,108.53	\$86,224.65	\$109,226.81	\$142,516.21	\$191,529.87		
Effective Gross Income		\$2,613,693.60	\$0.00	\$0.00	\$0.00	\$2,941,735.17	\$3,410,277.32	\$4,072,049.47	\$5,008,107.22	\$6,344,120.39	\$8,277,638.16	\$11,124,453.50		

Expenses	Growth Rate	Base	Construction			Lease-up			Stabilized					
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
General & Administrative	3.00%	\$26,136.94	\$0.00	\$0.00	\$0.00	\$29,417.35	\$34,102.77	\$40,720.49	\$50,081.07	\$63,441.20	\$82,776.38	\$111,244.53		
Payroll	3.00%	\$143,753.15	\$0.00	\$0.00	\$0.00	\$164,795.43	\$187,565.25	\$223,962.72	\$275,445.90	\$348,926.62	\$455,270.10	\$611,844.94		
Utilities	3.00%	\$39,205.40	\$0.00	\$0.00	\$0.00	\$44,126.03	\$51,154.16	\$61,080.74	\$75,121.61	\$95,161.81	\$124,164.57	\$166,866.80		
Marketing	3.00%	\$52,273.87	\$0.00	\$0.00	\$0.00	\$58,834.70	\$68,205.55	\$81,440.99	\$100,162.14	\$126,882.41	\$165,552.76	\$222,489.07		
Maintenance & Repairs	3.00%	\$52,273.87	\$0.00	\$0.00	\$0.00	\$58,834.70	\$68,205.55	\$81,440.99	\$100,162.14	\$126,882.41	\$165,552.76	\$222,489.07		
Service Contracts	3.00%	\$52,273.87	\$0.00	\$0.00	\$0.00	\$58,834.70	\$68,205.55	\$81,440.99	\$100,162.14	\$126,882.41	\$165,552.76	\$222,489.07		
Management Fee	3.00%	\$156,821.62	\$0.00	\$0.00	\$0.00	\$176,504.11	\$204,616.64	\$244,322.97	\$300,486.43	\$380,647.22	\$496,658.29	\$667,467.21		
Professional Expenses	3.00%	\$52,273.87	\$0.00	\$0.00	\$0.00	\$58,834.70	\$68,205.55	\$81,440.99	\$100,162.14	\$126,882.41	\$165,552.76	\$222,489.07		
Real Estate Taxes	3.00%	\$313,643.23	\$0.00	\$0.00	\$0.00	\$353,008.22	\$409,233.28	\$488,645.94	\$600,972.87	\$761,294.45	\$993,316.58	\$1,334,934.42		
Insurance	3.00%	\$156,821.62	\$0.00	\$0.00	\$0.00	\$176,504.11	\$204,616.64	\$244,322.97	\$300,486.43	\$380,647.22	\$496,658.29	\$667,467.21		
Total Cost of Operations		\$1,045,477.44	\$0.00	\$0.00	\$0.00	\$1,176,694.07	\$1,364,110.93	\$1,628,819.79	\$2,003,242.89	\$2,537,648.15	\$3,311,055.26	\$4,449,781.40		
Replacement Reserve Deposits	3.00%	\$33,870.30	\$0.00	\$0.00	\$0.00	\$38,121.32	\$44,193.06	\$52,768.82	\$64,899.00	\$82,212.11	\$107,268.15	\$144,159.43		
Net Operating Income		\$1,534,345.86	\$0.00	\$0.00	\$0.00	\$1,726,919.78	\$2,001,973.33	\$2,390,460.86	\$2,939,865.33	\$3,724,260.12	\$4,859,314.74	\$6,530,512.67		

Loan Only	Rate	Base	Construction			Lease-up			Stabilized					
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Total Development Cost		\$27,918,960.44												
Total Equity Investment		\$2,200,000.00												
Amount to be Funded		\$25,718,960.44												
Loan Payment	6.25%	\$1,811,879.61				\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61
Total Debt Service		\$1,811,879.61				\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61
Debt Service Coverage Ratio		0.85				0.95	1.10	1.32	1.62	2.06	2.68	3.60		
Before Tax Cash Flow		-\$277,533.75				-\$84,959.83	\$190,093.72	\$578,581.24	\$1,128,085.72	\$1,912,380.51	\$3,047,435.13	\$4,718,633.06		

CRA Commitment + Loan	Rate	Base	Construction			Lease-up			Stabilized					
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Total Development Cost		\$27,918,960.44												
Total Developer Investment		\$2,200,000.00												
Amount to be Funded		\$25,718,960.44												
CRA Commitment (forgivable loan)		\$6,000,000.00												
Amount to Source from Loan		\$19,718,960.44												
CRA Payment	0.00%	\$0.00				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Loan Payment	6.25%	\$1,389,184.55				\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55
Total Debt Service		\$1,389,184.55				\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55	\$1,389,184.55
Debt Service Coverage Ratio		1.10				1.24	1.44	1.72	2.12	2.68	3.50	4.70		
Before Tax Cash Flow		\$145,161.31				\$337,735.24	\$612,788.79	\$1,001,276.31	\$1,550,780.79	\$2,335,075.58	\$3,470,130.19	\$5,141,328.12		

CRA Investment Impact Analysis	Rate	Base	Construction			Lease-up			Stabilized					
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Contribution to project		21.49%												
Delta to equity		172.73%												
Delta in debt financing		-30.43%												
Delta in DSCR						30.43%	30.43%	30.43%	30.43%	30.43%	30.43%	30.43%	30.43%	30.43%
Delta in before tax cash flow						25.16%	68.98%	42.22%	27.26%	18.10%	12.18%	8.22%		

Loan Rate Sensitivity Analysis - NO CRA	Rate	Base	Construction			Lease-up			Stabilized					
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Net Operating Income (NOI)		\$1,534,345.86				\$1,726,919.78	\$2,001,973.33	\$2,390,460.86	\$2,939,865.33	\$3,724,260.12	\$4,859,314.74	\$6,530,512.67		
Debt Service	3.25%	\$1,231,230.13				\$1,231,230.13	\$1,231,230.13	\$1,231,230.13	\$1,231,230.13	\$1,231,230.13	\$1,231,230.13	\$1,231,230.13	\$1,231,230.13	\$1,231,230.13
Debt Service Coverage Ratio		1.25				1.40	1.63	1.94	2.39	3.02	3.95	5.30		
Before Tax Cash Flow		\$303,115.73				\$495,689.65	\$770,743.20	\$1,159,230.73	\$1,708,735.20	\$2,493,030.00	\$3,628,084.61	\$5,299,282.54		
Debt Service	4.10%	\$1,385,098.22				\$1,385,098.22	\$1,385,098.22	\$1,385,098.22	\$1,385,098.22	\$1,385,098.22	\$1,385,098.22	\$1,385,098.22	\$1,385,098.22	\$1,385,098.22
Debt Service Coverage Ratio		1.11				1.25	1.45	1.73	2.12	2.69	3.51	4.71		
Before Tax Cash Flow		\$149,247.64				\$341,821.56	\$516,875.11	\$1,005,362.64	\$1,554,867.11	\$2,339,161.91	\$3,474,216.52	\$5,145,414.45		
Debt Service	6.25%	\$1,811,879.61				\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61	\$1,811,879.61
Debt Service Coverage Ratio		0.85				0.95	1.10	1.32	1.62	2.06	2.68	3.60		
Before Tax Cash Flow		-\$277,533.75				-\$84,959.83	\$190,093.72	\$578,581.24	\$1,128,085.72	\$1,912,380.51	\$3,047,435.13	\$4,718,633.06		
Debt Service	6.50%	\$1,864,586.52				\$1,864,586.52	\$1,864,586.52	\$1,864,586.52	\$1,864,586.52	\$1,864,586.52	\$1,864,586.52	\$1,864,586.52	\$1,864,586.52	\$1,864,586.52
Debt Service Coverage Ratio		0.82				0.93	1.07	1.28	1.58	2.00	2.61	3.50		
Before Tax Cash Flow		-\$330,240.66				-\$137,666.74	\$137,386.81	\$525,874.34	\$1,075,378.81	\$1,859,873.60	\$2,994,728.22	\$4,665,926.15		
Debt Service	6.75%	\$1,917,862.38				\$1,917,862.38	\$1,917,862.38	\$1,917,862.38	\$1,917,862.38	\$1,917,862.38	\$1,917,862.38	\$1,917,862.38	\$1,917,862.38	\$1,917,862.38
Debt Service Coverage Ratio		0.80				0.90	1.04	1.25	1.53	1.94	2.53	3.41		
Before Tax Cash Flow		-\$383,516.52				-\$190,942.60	\$84,110.95	\$472,598.47	\$1,022,102.95	\$1,806,397.74	\$2,941,452.36	\$4,612,650.29		

**Notes: Operating Pro Forma**

Revenue Assumptions:

Industry standard growth rate used, i.e. 3.0%

Given the demand for affordable housing, residential vacancy rate is set at minimal 3.0%

Commercial vacancy rate based off Operating Pro Forma for The Gallery at FATVillage

Expenses Assumptions:

General & Administrative (1.0%)  
Payroll (5.5%)  
Utilities (1.5%)  
Marketing (2.0%)  
Maintenance & Repairs (2.0%)  
Service Contracts (2.0%)  
Management Fee (6.0%)  
Professional Expenses (2.0%)  
Real Estate Taxes (12.0%)  
Insurance (6.0%)

Based off Operating Pro Forma for The Gallery at FATVillage. Reference percentages calculated from Gross Income and Effective Gross Income. Marginal differentials. Split the difference in determining percentage to assign to 1435 Sistrunk. Exceptions: a) assigned more reasonable and traditionally used management fee of 6% (rather than 2.95% that resulted from reference calculations), b) assigned more reasonable Professional Expenses rate of 2%, rather than 0.40% used in reference pro forma.

Replacement Reserves Deposit (1.25%)