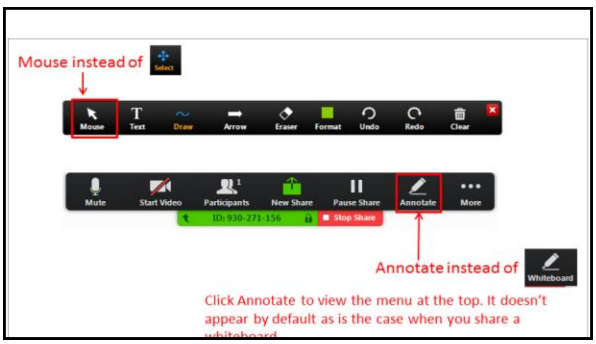
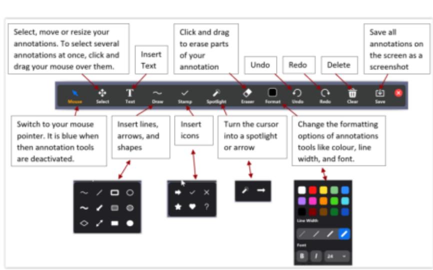
SETTING RENTS

NAIHC

October 11-12,2022





AGENDA

- Factors to Consider in Calculating Rent
- The 3 Rules Regarding Income
  - Pros and Cons
  - Examples
- Calculating Income & Assets
- Section 8 Calculating for Eligibility
  - Inclusions
  - Exclusions
  - Activities
- Calculating Adjusted Gross Income
  - Required Allowances
  - Additional Allowances (Incentives)
  - Activity
- Options for Setting Rents: Proforma
  - Operating Expenses
  - Activity
- Options for Setting Rents: Development Project
  - Waiting List Analysis
  - Activity
- Options for Setting Homebuyer Payments
  - Affordability
  - Activity
- Verifying and Documenting Income

Course Objectives

- Understand how to calculate income-based rent.
- Learn what counts as income and how to calculate annual income to determine eligibility.
- Learn how to calculate adjusted income and house payments and contribute to sound management.

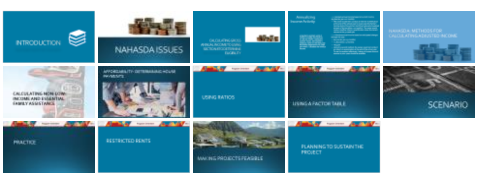
Common Courtesies

- Ask questions!
- Feel free to turn on your video and make comments.
- Share techniques and advice.
- Have fun.

Course Structure

- Presentation
- Exercises
- Participant materials
- Examples
- Annotation activities

Summary of Sections



INTRODUCTION

VARIOUS WAYS TO CALCULATE RENT

FIRST: YOU MUST FOLLOW THE STRICTER RULE WHEN THERE ARE MULTIPLE FUNDS!!!!

- Various ways to calculate rent and homebuyer rent include at least the following:
- Income based rent
- Mixed income
- Market survey driven rent
- Breakeven Rent
- Understanding Operating Expenses

A Few Key Terms to Start

- Low-income
  - A household at 80% of median or below
- Moderate-income
  - A household between 80% and 100% of applicable median income
- Annual gross income
  - Sum of anticipated household income
  - Determined using 24 CFR Part 5, IRS, or Census
- Adjusted income
  - Deducts amounts from gross income for certain specified household costs

Factors to consider

1. Programs' requirements
2. Affordability analysis
3. Refer to data from needs assessmet
4. Type of housing, design
5. Subsidy requirements
6. Financing availability requirements
7. Contractor, force account
8. Adjustments

Reasons for options

- Recipients' methods for calculating house payments can address any of the following goals:
  - To reduce NAHASDA subsidy
  - To generate revenue for additional services
  - To leverage other funds
  - To provide down payment assistance
  - To breakeven
  - To determine the gap

INCOME-BASED CALCULATION AND SUBSIDY

Annual Income		$27,000
Adjustments:		
4 dependents @ $480		($ 1,920)
Child Care		($ 1,080)
Total Adjustments		$ 3,000
Adjusted Annual Income		$24,000
Adjusted Monthly Income	(24,000/12)	$ 2,000
Monthly Gross Rent	$2,000 x 30%	$ 600
Utility Allowance		($ 250)
Monthly Rent		$ 350
Annual Revenue	$350 x 12	$ 4,200

IHBG Subsidy

	Using Maximum	Generous IHA	Very Generous IHA
Average Adjusted Monthly Income	$2,000	$2,000	$2,000
Percentage Used	30%	20%	10%
Monthly Gross Rent	$600	$400	$200
Utility Allowance	$ -0-	$100	$200
Net Rent Payment	$600	$300	$-0-
Units	100	100	100
Monthly Revenue	$ 60,000	$ 30,000	$ -0-
Annual Revenue	$ 720,000	$ 360,000	$ -0-
Annual Expenses	($900,000)	($900,000)	($900,000)
IHBG Subsidy Needed	$ 180,000	$ 540,000	$ 900,000

NAHASDA ISSUES

NAHASDA: INCOME DEFINITION

SECTION 1: SHORT TITLE AND TABLE OF CONTENTS
(b) TABLE OF CONTENTS, SEC, 4(9)

(9) INCOME- The term `income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary, except that the following amounts may not be considered as income under this paragraph:
(A) Any amounts not actually received by the family.
(B) Any amounts that would be eligible for exclusion under section 1613(a)(7) of the Social Security Act.
(C) Any amounts received by any member of the family as disability compensation under chapter 11 of title 38, United States Code, or dependency and indemnity compensation under chapter 13 of such title.

Comparison of Income Definitions

SECTION 8	CENSUS	IRS
Earned income age 18 + Unearned income less than age 18	Income age 15+	Income all ages depending on amount and type
Requires special asset computation	Assets calculation included	Assets calculation included
Child support counted as income	Child support counted as income	Child support excluded as income
Inheritance counts as asset	Inheritance doesn't count	Inheritance doesn't count

DETERMINING NAHASDA HOUSE PAYMENTS

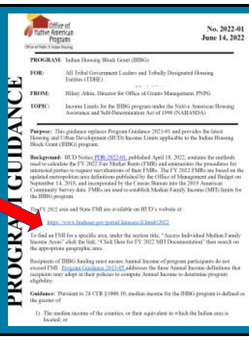
- **Calculate** – Calculate annual gross income
- **Determine** – Determine income eligibility
- **Apply** – Apply adjustments to annual income to identify monthly adjusted income
- **Apply** – Apply Recipient's percentage of monthly adjusted income to determine house payment

PROGRAM GUIDANCE

No. 2022-01
June 14, 2022

Purpose:

- Provides income limits for the purpose of determining program eligibility
- Covers three definitions of annual income that
- Updated list of Federally Mandated Exclusions from annual income
- Tribes with large reservations or those that encompass more than one county may have more than one income limit. To reduce administrative burden, the Tribe or TDHE may set income limits for multi-county reservations at the income limit level of the county with the highest income limits.



PROGRAM GUIDANCE

Office of Native American Programs
Office of Public & Indian Housing

No. 2022-01
June 14, 2022

PROGRAM: Indian Housing Block Grant (IHBG)

FOR: All Tribal Government Leaders and Tribally Designated Housing Entities (TDHE)

FROM: Hilary Atkin, Director for Office of Grants Management, PNPG

TOPIC: Income Limits for the IHBG program under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA)

Purpose: This guidance replaces Program Guidance 2021-01 and provides the latest Housing and Urban Development (HUD) Income Limits applicable to the Indian Housing Block Grant (IHBG) program.

Background: HUD Notice PDR-2022-01, published April 18, 2022, contains the methods used to calculate the FY 2022 Fair Market Rents (FMR) and enumerates the procedures for interested parties to request reevaluations of their FMRs. The FY 2022 FMRs are based on the updated metropolitan area definitions published by the Office of Management and Budget on September 14, 2018, and incorporated by the Census Bureau into the 2019 American Community Survey data. FMRs are used to establish Median Family Income (MFI) limits for the IHBG program.

The FY 2022 area and State FMI are available on HUD's website at:

[illegible]

To find an FMI for a specific area, under the section title, "Access Individual Median Family Income Areas" click the link, "Click Here for FY 2022 MFI Documentation" then search on the appropriate geographic area.

Recipients of IHBG funding must ensure Annual Income of program participants do not exceed FMI. Program Guidance 2013-05 addresses the three Annual Income definitions that recipients may adopt in their policies to compute Annual Income to determine program eligibility.

Guidance: Pursuant to 24 CFR §1000.10, median income for the IHBG program is defined as the greater of:

1) The median income of the counties, or their equivalent in which the Indian area is located; or

Alaska Income Limits

2022 Median Family Income $102,200 Alaska

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$57,300	$65,400	$73,700	$81,800	$88,400	$94,900	$101,500	$108,000
100%	$71,600	$81,800	$92,000	$102,200	$110,400	$118,600	$126,800	$135,000

2022 Median Family Income $106,200 Aleutians West

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$59,500	$68,000	$76,500	$85,000	$91,800	$98,600	$105,400	$112,200
100%	$74,400	$85,000	$95,600	$106,200	$114,700	$123,200	$131,700	$140,200

2022 Median Family Income $116,300 Anchorage

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$65,200	$74,500	$83,800	$93,100	$100,600	$108,000	$115,500	$122,900
100%	$81,500	$93,000	$104,700	$116,300	$125,700	$135,000	$144,300	$153,600

Alaska Income Limits

2022 Median Family Income $109,200 — Bristol Bay

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$61,200	$69,900	$78,700	$87,400	$94,400	$101,400	$108,400	$115,400
100%	$76,500	$87,400	$98,300	$109,200	$118,000	$126,700	$135,500	$144,200

2022 Median Family Income $117,600 — Denali

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$65,900	$75,300	$84,700	$94,100	$101,700	$109,200	$116,700	$124,300
100%	$82,400	$94,100	$105,900	$117,600	$127,100	$136,500	$145,900	$155,300

2022 Median Family Income $120,900 — Juneau

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$67,800	$77,400	$87,200	$96,800	$104,600	$112,300	$120,100	$127,800
100%	$84,700	$96,700	$108,900	$120,900	$130,600	$140,300	$150,000	$159,600

2022 Median Family Income $108,400 — Kodiak Island

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$60,800	$69,400	$78,200	$86,800	$93,800	$100,700	$107,700	$114,600
100%	$75,900	$86,700	$97,600	$108,400	$117,100	$125,800	$134,500	$143,100

2022 Median Family Income $110,200 — Valdez-Cordova

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$61,800	$70,600	$79,400	$88,200	$95,300	$102,400	$109,400	$116,500
100%	$77,200	$88,200	$99,200	$110,200	$119,100	$127,900	$136,700	$145,500

2022 LIHTC FIR NEZ PERCE

HUD Published Income Limits for 2022 (with no adjustments)

Display Income Limits — Hide Income Limits

	Charts	MTSP 50%	Section 8 Extremely Low	Section 8 Very Low	Section 8 Low
1 Person		$29,500	$17,700	$29,500	$47,150
2 Person		$33,700	$20,200	$33,700	$53,900
3 Person		$37,900	$23,030	$37,900	$60,650
4 Person		$42,100	$27,750	$42,100	$67,350
5 Person		$45,500	$32,470	$45,500	$72,750
6 Person		$48,850	$37,190	$48,850	$78,150
7 Person		$52,250	$41,910	$52,250	$83,550
8 Person		$55,600	$46,630	$55,600	$88,950
9 Person		$58,950	N/A (11)	$58,950	$94,300
10 Person		$62,300	N/A (11)	$62,300	$99,700
11 Person		$65,700	N/A (11)	$65,700	$105,050
12 Person		$69,050	N/A (11)	$69,050	$110,450

2022 limits

2022 HUD UNITED STATES MEDIAN INCOME LIMITS

2022 Median Family Income $90,000

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$50,400	$57,600	$64,800	$72,000	$77,800	$83,600	$89,300	$95,100
100%	$63,000	$72,000	$81,000	$90,000	$97,200	$104,400	$111,600	$118,800

2022 COUNTY AREA INCOME INCOME LIMITS

FY 2022 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
Very Low (50%) Income Limits ($) Click for More Detail	28,000	32,000	36,000	**40,000**	43,200	46,400	49,600	52,800
Extremely Low Income Limits ($)* Click for More Detail	16,800	19,200	23,030	**27,750**	32,470	37,190	41,910	46,630
Low (80%) Income Limits ($) Click for More Detail	44,800	51,200	57,600	**64,000**	69,150	74,250	79,400	84,500

CALCULATING GROSS ANNUAL INCOME TO USING SECTION 8 TO DETERMINE ELIGIBILITY

NAHASDA DEFINES LOW-INCOME . .

(14) LOW-INCOME FAMILY- The term `low-income family' means a family whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may, for purposes of this paragraph, establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the findings of the Secretary or the agency that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

(15) MEDIAN INCOME- The term `median income' means, with respect to an area that is an Indian area, the greater of--
(A) the median income for the Indian area, which the Secretary shall determine; or
(B) the median income for the United States.

What is "Median" Income?

- (15) MEDIAN INCOME-

... means, with respect to an area that is an Indian area, the **greater** of--

(A) the median income for the Indian area, which the Secretary shall determine;

OR

(B) the median income for the United States.

REVIEW 1: CALCULATING INCOME FOR ELIGIBILITY

Overview of Calculating Gross Income by Schedule of Pay

Gross Monthly Income		
Pay Schedule	**Calculation for Gross Monthly Income**	**Example**
Hourly	Total hourly pay before deductions × hours per week × 52 weeks per year ÷ 12 months	$10/hr x 35 hrs × 52 weeks ÷ 12 months = $1,517
Weekly	Total weekly pay before deductions × 52 ÷ 12	$750 × 52 weeks /12 months = $3,250
Bi-Weekly	Total bi-weekly pay before deductions × 26 ÷ 12	$1,000 x 26 ÷ 12 = $2,167 monthly
Semi-Monthly	Total semi-monthly pay before deductions × 2	$1,200 × 2 = $2,400 monthly
Monthly	Total monthly pay before deductions	No calculation
Self-Employed	Average **adjusted gross income**, or AGI, from tax returns and/or Profit and Loss Statement, or P&L, ÷ by the number of months of income counted	$70,587 ÷ 24 = $2,941 monthly

Example 1

Ms. Smith (applicant)
$10/hour X 32 hours/week 48 weeks/year = $15,360

Mr. Adams
$9/hour, 40 hours/week, 52 weeks/year = $18,720

Ms. Jones
$7.50/hour, 25 hours/week, 52 weeks/year = $9,750

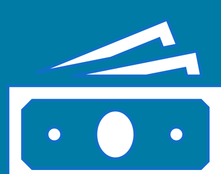
What is the annual income for the household? = $43,830

Comparing Income to Limits

- Steps to comparing income to limits:
  - Find column that corresponds to the number of persons in the household
  - Compare the verified income of the household with the income limit for that household size

Calculating Annual Gross Income

- Step 1
  - Collect appropriate income
- Step 2:
  - Calculate applicant household's projected income
- Step 3:
  - Compare projected income against current HUD income limits



ACTIVITY: DETERMINE ELIGIBILITY

1. Jackson's household includes his wife and two children. The household income is **$1,051.58 x 24 weeks = $25,237.92**
2. Sally has one child and earns $14,063.40 annually.

3 Tom is single and works as a seasonal construction worker for the Kapolei Contractors. His household income is based on actual circumstances equaling $21,088.

4. Barbara, a mother of two children under 12 years old, has an annual gross income of $18,785.

2022 Median Family Income $90,000

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
80%	$50,400	$57,600	$64,800	$72,000	$77,800	$83,600	$89,300	$95,100
100%	$63,000	$72,000	$81,000	$90,000	$97,200	$104,400	$111,600	$118,800

GENERAL REQUIREMENTS

- Whose income to count?
  - Generally, all adult household members
- Anticipating income
  - Grantees are required to project a household's income – "snapshot" of current circumstances
  - Grantees should assume that current circumstances will continue for next 12 months
  - Exception is when documentation is provided that current circumstances are about to change

Whose Income Counts?

NOTE: The earned income of a full-time student 18 years old or older who is not the head, co-head, or spouse is excluded to the extent that it exceeds $480.

MEMBERS	EMPLOYMENT INCOME	OTHER INCOME
Head	YES	YES
Spouse	YES	YES
Co-head	YES	YES
Other Adult	YES	YES
Dependents	NO	YES
Child under 18	SEE NOTE	YES
Foster child	NO	YES
Foster adult	YES	YES
NON-MEMBERS		
Live-in aide	NO	NO

Annualizing Income Activity

A teacher's assistant works 9 months annually and receives $1,300 per month. During the summer recess, the teacher's assistant works for the Parks and Recreation Department for $600 per month. Calculate the family's income.

- 1. Calculate annual income based on current income: $15,600 ($1,300 x 12 months).
  - The owner would then conduct an interim recertification at the end of the school year to recalculate the family's income during the summer months at reduced annualized amount of $7,200 ($600 x 12 months). The owner would conduct another interim recertification when the tenant returns to the 9-month job.
- 2. Calculate annual income based on anticipated changes through the year:
  - $11,700 ($1,300 x 9 months)
  - + 1,800 ($ 600 x 3 months)
  - =$13,500
  - Using the second method, the owner would not conduct an interim re-examination at the end of the school year. To use this method effectively, history of income from all sources in prior years should be available

Annual Income – The Delgado Family

Calculate the annual income for the Delgado household of 6, who wish to rent a home in their home community. The **median income** for a household of 6 is$61,060.

1. John Delgado (applicant, 41 years old): $15.50 per hour, 40 hours per week, no overtime
2. Dolores Delgado (co-applicant, 42 years old): $10.00 per hour, works 30 hours per week, for nine months per year, she also receives $110.00 per week in unemployment for the other three months
3. Grandmother (64 years old): receives Social Security $400 per month
4. 20-year old daughter, Linda, is a full-time student and has a baby. She receives $220 per month from AFDC
5. Son, Mike age 17 earns $2,200 each summer from mowing lawns

What is the household's annual income?

2. Using the Annual Income calculated above, calculate the household's Adjusted Income using the following:
Medical Expenses

Grandmother –Insurance at $150 per month
Family Insurance - $400 per month
Grandmother's prescription - $100 per month
Daughter - Hospital bill for infant $75 per month
Daycare Expenses
$700/month – infant

3. Assume that the TDHE's uses 20% to calculate the monthly house payment.
Calculate the Delgado's monthly house payment.

DELGADO FAMILY ACTIVITY 16
DETERMINING HOUSEHOLD INCOME, DEDUCTIONS, & MONTHLY ADJUSTED INCOME

John Delgado (applicant) **$15.50 x 2080 hours/year**	=	$32,240
Dolores Delgado (co-applicant) $10/hr. X 30 hrs. = $300. $300 X 52 weeks = $15,600 ÷ 12 = $1,300 $1,300 X 9 months = $11,700	=	$11,700
Unemployment: $110.00/week x 52 weeks = $5,720 ÷ 12 = 476.66 476.66 x 3 months = $1,430	=	$1,430
Grandmother - Social Security $400 x 12 month	=	$4,800
20-year old daughter, Linda, with infant receives AFDC: $220/month $220 x 12 months =$2,640. She is a full-time student.	=	$2,640
Infant	=	$0
Son, Mike age 17 earns $2,200/summer – earned wages do not count for a minor annual income	=	$0
	Total	$52,810

ANTICIPATED ANNUAL INCOME

A Family Members	B Wages, Salaries	C Benefits, Pensions	D Public Asst.	E Other Income	F Asset Income
John	$32,240				o
Delores	$13,130				o
Granny	0	$4,800			o
Linda	0		$2,640		
1. TOTALS	B $45,370	C $ 4,800	D $ 2,640	E 0	F $
TOTAL ANNUAL INCOME EQUALS: B + C + D + E + F				$52,810	

ACTIVITY 16 - DETERMINING HOUSEHOLD INCOME, DEDUCTIONS, & MONTHLY HOUSE PAYMENT FOR THE DELGADO FAMILY

CALCULATE HOUSEHOLD'S ADJUSTED INCOME:

Medical Expenses
Grandmother –Insurance at $150 per month
Family Insurance - $400 per month
Grandmother's prescription - $100 per month
Daughter - Hospital bill for infant $75 per month

Daycare Expenses
$700/month – infant

$700 X 12 = $8,400
$8,000 - $2,640 = $5,760

TANF is unearned income.

Less dependent deduction (1 dependent plus infant)	**$960**
Student deduction (Linda)	**$480**
Less Medical Expense Deduction (Applicants not 62 or disabled)	**$0**
Less Daycare Deduction	**$5,760**
(Grandmother can care infant)	**$7,200**
TOTAL DEDUCTIONS	

Annual Income $52,810 – Deds. of $7,200 = **$45,610**

HOUSE PAYMENT USING 30%:

AGI/12 Months	**$45,610 ÷ 12 =**	**$3,800.83**
Monthly AGI x 30%	**$3,800.83 X .30 =**	**$1,140**

COMPLETE THE "CALCULATING ANTICIPATED ANNUAL INCOME ACTIVITY

Example 2

Family Members	Position in Family	Age	Income Sources
George Jefferson	Head	53	Works full-time at $7.25/hour. Also receives $400/month from the government as a result of a settlement in the Agent Orange product liability litigation.
Eloise Jefferson	Spouse	48	Works 18 hours/week at a bank at $7.50/hour. Also receives $50/month from her mother to help with expenses.
Lionel Jefferson	Son	19	Full-time student at City College where he has a part-time, 15-hour/week job in the student bookstore at $6.00/hour for the 46 weeks when classes are in session.

Example 3

Family Members	Position in Family	Age	Income Sources
Blanche Deverou	Head	55	Works 6 hours/night, 4 nights/week at $5.00/hour as a waitress; also earns an average of $55/night in tips.
Rose Nylen	Friend	58	Earns $6.50/hour as a full-time aide in a hospital. Employer reports that her wages will increase to $6.75/hour, 7 weeks from the effective date of this calculation.
Dorothy Spornac	Friend	61	Earns $60/day as a substitute teacher and works an average of 3 days/week for the 40 weeks school is in session (she made $7,200 last year). Also receives $40/month in Food Stamps.

Example 3 Explained

NAHASDA: METHODS FOR CALCULATING ADJUSTED INCOME

WHY ADJUSTED GROSS INCOME?

- Applicant's anticipated gross income must be adjusted to determine the *amount of assistance* calculated for
  - Monthly house payment
  - Rental assistance
  - Etc.

NAHASDA – Definition of Adjusted Gross Income

(1) ADJUSTED INCOME- The term `adjusted income' means the annual income that remains after excluding the following amounts:

(A) YOUTHS, STUDENTS, AND PERSONS WITH DISABILITIES- $480 for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household)--

(i) who is under 18 years of age; or

(ii) who is--

(I) 18 years of age or older; and

(II) a person with disabilities or a full-time student.

(B) ELDERLY AND DISABLED FAMILIES- $400 for an elderly or disabled family.

(C) MEDICAL AND ATTENDANT EXPENSES- The amount by which 3 percent of the annual income of the family is exceeded by the aggregate of--

(i) medical expenses, in the case of an elderly or disabled family; and

(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed.

(D) CHILD CARE EXPENSES- Child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education.

(E) EARNED INCOME OF MINORS- The amount of any earned income of any member of the family who is less than 18 years of age.

(F) TRAVEL EXPENSES- Excessive travel expenses, not to exceed $25 per family per week, for employment- or education-related travel.

(G) OTHER AMOUNTS- Such other amounts as may be provided in the Indian housing plan for an Indian tribe.

TOTAL TENANT PAYMENT STEPS

ANNUAL INCOME − DEDUCTIONS = ADJUSTED INCOME

ADJUSTED INCOME ÷ 12 = MO. ADJUSTED INCOME

Adjusted Income

- Adjusted income is derived by subtracting any of the deductions (or allowances) that apply to the household from the household's annual (gross) income.
- Household's eligibility for deductions depends, in part, on the type of household.
- Not all households are eligible for all deductions.

Statutory Exclusions/Deductions

1. $480 for
   - children under 18,
   - persons with disabilities over 18, and
   - full-time students over 18
2. $400 for elderly or disabled family
3. Medical and attendant expenses over 3% of income
   - Medical only if elderly or disabled family
   - Attendant for disabled person to allow family member to work
4. Child care expenses that enable family members to work or go to school
5. Earned income of minors under 18
6. Travel expenses, not to exceed $25 per family per week, for employment or education
7. Other exclusions provided in the local housing policies

These exclusions are applicable regardless of which method of calculating annual income is used.

TYPE OF HOUSEHOLDS

TYPE OF DEDUCTION PERMITTED	ELDERLY OR DISABLED	FAMILY
Elderly or disabled household	✓	
Dependent	✓	✓
Child Care	✓	✓
Medical Expenses	✓	
Disability Assistance Expenses	✓	✓

ELDERLY HOUSEHOLD

- Any household in which:
  - The head, spouse or sole member is 62 years of age or older;
  - Two or more persons who are at least 62 years of age live together; or
  - One or more persons who are at least 62 years of age live with one or more live-in aides

ACTIVITY 17: Tommy Tiger

- The Tiger family includes Tommy and Linda Tiger, a married couple, and their two children Anita and Sam. They also have a foster child named Tony Smith who lives with them along with Linda's brother, Mike Billie. The family is currently living in a mobile home but would like to move into a rental unit so that they have more space. Although both Tommy and Linda will each have to drive over 50 miles roundtrip to get to work, they really want to move out of the mobile home.

- The family has found childcare to take care of Sam after school so they will have an additional $75 in childcare expenses per week. The housing program's Total Tenant Payment is limited to 30% of the tenant's adjusted gross income and provides for a $100 monthly utilities allowance.

TIGER CONT.

FAMILY MEMBER	NAME	AGE	INCOME
Head of Household	Tommy Tiger	62 yrs old	$350 per week
Spouse	Linda Tiger	48 yrs old	$500 per week
Daughter	Anita Tiger	17 yrs old	$100 per week for part-time employment
Son	Sam Tiger	8 yrs old	
Foster child	Tony Smith	16 yrs old	$300 per month for foster care benefit $50 per week for part-time employment
Linda's brother	Mike Billie	36 yrs old	$200 per week

POLL

What is the maximum rent for a family with zero income?

A. The family is charged the established flat rent

B. Zero

C. $200 per month minimum rent

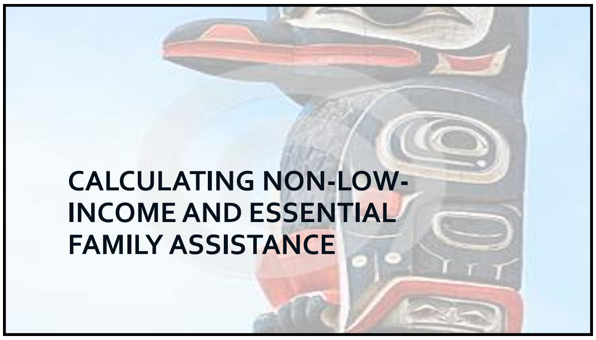
POLL

A low-income family has been determined eligible for a lease-purchase agreement. The NAHASDA regulations describes when a family qualifies for affordable housing. According to §1000.147, when would the family qualify as low-income:

A. When the family moves into the home

B. When the family signs the lease-purchase agreement

C. When the family finds a builder

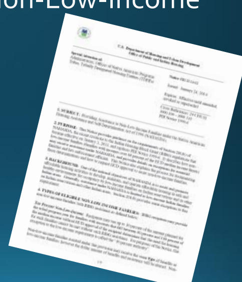


CALCULATING NON-LOW-INCOME AND ESSENTIAL FAMILY ASSISTANCE

Providing Assistance to Non-Low-Income Families
Notice: PIH 2014-02

Issued: January 24, 2014
Expires: Effective until amended, revoked or superseded
Cross References: 24 CFR §§ 1000.104 - 1000.118
PIH Notice 1999-6

It describes how non-low-income families (families with incomes over 80 percent of the HUD median income limits) may receive assistance under NAHASDA, and provides details on exceptions for essential families and law enforcement officials. This Notice also explains the process for documenting these determinations and how to request HUD approval to assist non-low-income families.



MODERATE INCOME CHECKLIST

I. Determination of Need	
❑ A. Inadequate Housing	
	Lacks Energy Efficiency
	Over Crowded
	Poor Plumbing
	Electrical Deficiencies
	Inadequate Drain field
	Structurally Unsound
	Pest Infested
	Fire Hazard
	Inadequate Heating and/or Cooling
	No Heating
	Inadequate Cooling
	Lack of Water Pressure
	No Insulation
	Single Wide Trailer
	Not Code Compliant
	No Child Safety Measures
	Incomplete Kitchen
	Incomplete Bathroom

❑ B. Temporary Housing	
	Living with Relatives
	Motels/Hotels
	Transitional Shelter
❑ C. Homeless	
❑ D. Cost Burden (Housing costs exceed 50% of AGI including utilities)	
❑ E. Inaccessibility to Financing	
II. Determination that Housing Need cannot Reasonably Be Met	
	Rental Housing not available in area
	Affordability
	Income & Assets Insufficient
	Housing Stock Insufficient
	Conventional Mortgages not available on trust land
	State Housing Finance Programs not available
	Section 8 waiting list is too long
	Inadequate Housing Stock in Area
	Family Desires Residence on Reservation or in Village

III. Documentation	
	Property Inspection
	Code Violation Letters
	Family Size and Unit Size
	Statement from a Temporary Housing Landlord
	Affidavit from Family
	Payroll Stubs
	Rent Receipt
	Rejection Letters
	Denial Letters

Summary of Requirements
For Serving Non-Low-Income Families

Applicability	HUD Approval Required	Rent/Homebuyer Payment differential Required by HUD	Counts Against 10% Authority
Essential Family	No	No	No
Law Enforcement	No	No	No
Continued Occupancy	No	Determined by Tribe/TDHE Occupancy Policy	No
Non-Low- Income Families (10% Authority) between 80-100% of median income	No	Yes	Yes
Secretary Approved: Exceeding 10% Authority to serve Indian families at 80 – 100% of median income	Yes	Yes	By definition these families exceed the 10% cap.
Secretary Approved: Indian family over 100% of median income	Yes	Yes	No

Non-Low-Income Families

- Only 10 percent of IHBG can be used for families between 80 to 100 percent of median income
  - If under 10 percent, no HUD approval required other than IHP
  - If over 10 percent, HUD approval required
- If assistance provided to family over 100 percent of median income, HUD approval required
- Must show need for housing that cannot reasonably be met without IHBG assistance

NON-LOW-INCOME FAMILY RENT PAYMENTS

To calculate rental payment for non-low-income family, divide their income by 80% of median income

Multiply that number by amount of monthly rent for low-income family

This amount is *minimum monthly payment*.

These procedures should be addressed in policies.

RENT PAYMENT :NON-LOW-INCOME FAMILIES

Income Non-Low-Income ÷ Income Low-Income ✖ Low-Income Rent = Rent of Non-Low-Income

$50,000 ÷ $40,000 = 1.25 ✖ $300 = <u>$375</u>

CALCULATING RENT FOR NON-LOW-INCOME

- Eighty percent of the median income for a family of four in Fairbanks is $75,040
- Rental Payment for a family at 80 percent of median income is $1200 per month.
- FMR 3-bedroom = $1,793 per month
- A non-low-income Native Alaskan family of four is $88,000

$88,000 ÷ $75,040 = 1.17 ✖ $1200 = <u>$1,404</u>

$1,404 or $1,793

Rent Payment for Non-Low-Income Families

Income Non-Low-Income ÷ Income Low-Income ✖ Low-Income Rent = Rent of Non-Low-Income

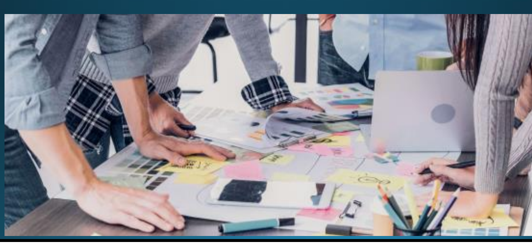
$88,000 ÷ $75,040 = 1.17 ✖ $1200 = <u>$1,404</u>

RENT FOR ESSENTIAL FAMILIES

- Use 30%
- Charge FMR
- If over 80%, use HUD formula

Must have a need that cannot be reasonably met without IHBG assistance.

AFFORDABILITY- DETERMINING HOUSE PAYMENTS



Prequalifying Worksheet

❖ *RATIOS*

_______ ÷ 12 Months = _______ ♥
Annual Income — Gross Mo. Income

_______ X _______% = _______ ❶
Mo. Income — *Housing Expenses Ratio* — Allowable Mo. Housing

_______ X _______% = _______ ❷
Mo. Income — *Debt to Income Ratio* — Allowable Mo. Total Debt

Total Monthly Debt Payments (ex.: car payment, credit cards, revolving & installment loans) = _______ ❸

Subtract Line ❸ from ❷ to determine = _______ ❹
Available for Mo. Cost (PITI)

❖ *Maximum Monthly PITI Payment Allowed*

Enter the LESSER amount from Line ❶ or ❹ = _______ ❺

❖ *Escrows for Taxes & Insurance*

Multiply Line ❺ by 20% or use 0 = _______ ❻

Subtract Line ❻ from ❺ to get PI = _______ ❼
Maximum Mo. Principal + Interest

❖ *Affordability*

Divide Line ❼ by factor $_______ = _______ ❽

Multiply Line ❽ by $1000 = _______ ❾

-------------------------------STOP-------------------------------

Higher Interest Rates = Need for More Subsidy

- Target Market: $20,000 income
  - Can afford monthly housing payment of $500
  - Minus insurance – monthly housing payment of $480
  - 5.5% interest rate - $84,538
  - 7.0% interest rate - $72,147
  - Interest rate increase means need for subsidy increases – by over $12,000
  - …or you have to raise your income targets

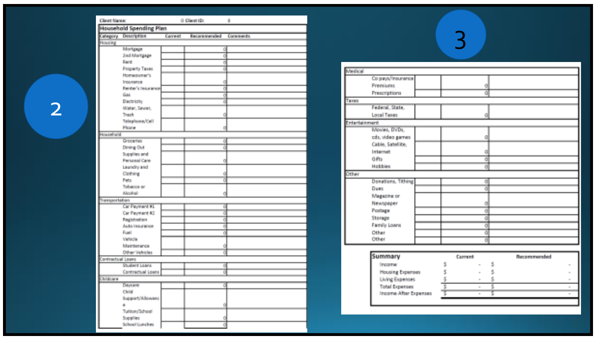
INTEREST RATES AND REACHING INCOME TARGETS

Loan @ 5.5%	
Mortgage Loan	$100,000
Interest Rate	5.50%
Term (years)	30
Housing Payment	$ 567.79
Affordable to a Family Earning (567.79 / 30% x 12 mo.)	$ 22,711.56
Loan @7.00%	
Mortgage Loan	$100,000
Interest Rate	7.00%
Term (years)	30
Housing Payment	$ 665.30
Affordable to a Family Earning ($665.30 / by 30% x 12 mo.)	$ 26,612.10

COMPONENTS OF CALCULATING AFFORDABILITY

1

Income	Applicant	Co-Applicant
Employer		
Position		
Monthly		
Gross Income		
Net Income		
Alimony		
Child Support		
Social Security		
Retirement/Pension		
Unemployment		
Part Time		
Food Stamps		
Other		
Total Take Home Income	$ -	$ -
Total Combined Income		$ -

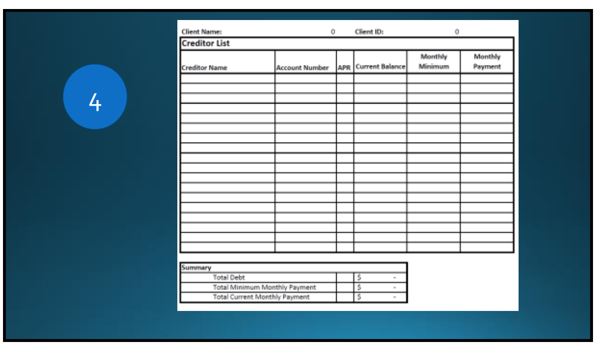


Client Name: 0 Client ID: 0

Household Spending Plan

Category	Description	Current	Recommended	Comments
Housing				
	Mortgage		0	
	2nd Mortgage		0	
	Rent		0	
	Property Taxes		0	
	Homeowner's Insurance		0	
	Renter's Insurance		0	
	Gas		0	
	Electricity		0	
	Water, Sewer, Trash		0	
	Telephone/Cell Phone		0	
Household				
	Groceries		0	
	Dining Out		0	
	Supplies and Personal Care		0	
	Laundry and Clothing		0	
	Pets		0	
	Tobacco or Alcohol		0	
Transportation				
	Car Payment #1		0	
	Car Payment #2		0	
	Registration		0	
	Auto Insurance		0	
	Fuel		0	
	Vehicle Maintenance		0	
	Other Vehicles		0	
Contractual Loans				
	Student Loans		0	
	Contractual Loans		0	
Childcare				
	Daycare		0	
	Child Support/Allowance		0	
	Tuition/School Supplies		0	
	School Lunches		0	
Medical				
	Co pays/Insurance Premiums		0	
	Prescriptions		0	
Taxes				
	Federal, State, Local Taxes		0	
Entertainment				
	Movies, DVDs, cds, video games		0	
	Cable, Satellite, Internet		0	
	Gifts		0	
	Hobbies		0	
Other				
	Donations, Tithing		0	
	Dues		0	
	Magazine or Newspaper		0	
	Postage		0	
	Storage		0	
	Family Loans		0	
	Other		0	
	Other		0	

Summary	Current	Recommended
Income	$ -	$ -
Housing Expenses	$ -	$ -
Living Expenses	$ -	$ -
Total Expenses	$ -	$ -
Income After Expenses	$ -	$ -

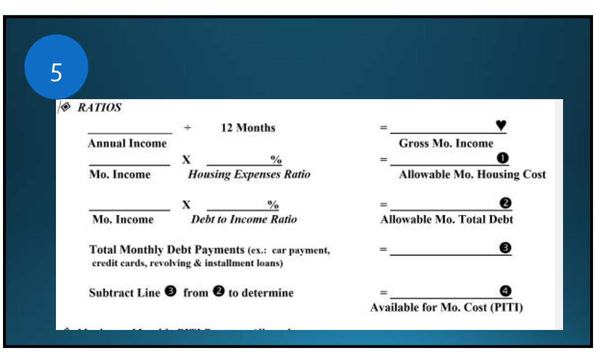


Client Name: 0 Client ID: 0

Creditor List

Creditor Name	Account Number	APR	Current Balance	Monthly Minimum	Monthly Payment

Summary	
Total Debt	$ -
Total Minimum Monthly Payment	$ -
Total Current Monthly Payment	$ -



RATIOS

______ Annual Income	÷	12 Months	=	______ ♥ Gross Mo. Income
______ Mo. Income	X	______ % *Housing Expenses Ratio*	=	______ ❶ Allowable Mo. Housing Cost
______ Mo. Income	X	______ % *Debt to Income Ratio*	=	______ ❷ Allowable Mo. Total Debt
Total Monthly Debt Payments (ex.: car payment, credit cards, revolving & installment loans)			=	______ ❸
Subtract Line ❸ from ❷ to determine			=	______ ❹ Available for Mo. Cost (PITI)

6

Maximum Monthly PITI Payment Allowed

Enter the LESSER amount from Line 1 or 4 = ________ 5

Escrows

Multiply Line 5 by 20% or use 0 = ________ 6

Subtract Line 6 from 5 = ________ 7

Maximum Mo. Principal + Interest

Affordability

Divide Line 7 by factor ________ = ________ 8

Multiply Line 8 by $1,000 = ________ 9

STOP

Use the loan amount to calculate the house payment = ________ 1

Loan Amount

Divide Line 1 by 1,000 to determine Line 2 = ________ 2

Multiply Line 2 by factor of ________ = ________ 3

Program Overview

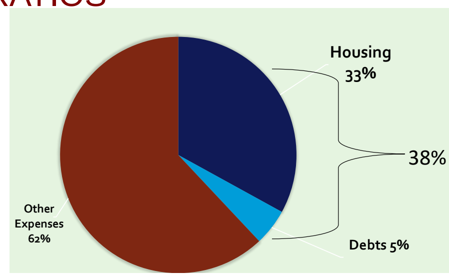
05/2

USING RATIOS

AFFORDABILITY RATIOS

- Compares housing expenses and fixed debt to income
- There are several ways to apply ratios:
  - A client's housing expenses divided by income or
  - Income multiplied by the allowable ratio

RATIOS



Ratios

- Lenders use qualifying ratios to determine the maximum monthly house payment (PITI) a borrower can comfortably afford.
- There are two types of qualifying ratios:
  - Housing Expense Ratio
  - Total Debt-to-Income (DTI) Ratio

Loan Product Front and Back End Ratios:

Ratios differ based on the loan product. The following chart summarizes typical ratios by loan product:

Type	Front End Ratio	Back End Ratio
Conventional Loan	28%	36%
Section 184 Loan Guarantee	none	41%
FHA	31%	41%
RD 502 Loan Guarantee	29% to 33%	33% to 41%
VA Direct Loan on Trust Land	29%	41%

Housing Expense Ratio (Front-End Ratio)

- The housing expense ratio is the percentage of gross monthly income devoted to housing expenses (PITI). This percentage is called a housing expense ratio or front-end ratio.
- Depending on the loan product, housing ratio could be anywhere between 25 and 33 percent of monthly income.

Calculating Cheyenne's Housing Expense Ratio. . .

Add all monthly expenses for a home	
$450	Principal and interest (Calculated using an online mortgage loan calculator)
$90	Property taxes
$104	MIP (Factored from 1.35% rate for loans with LTV about 90%)
$21	Homeowners insurance
$45	Homeowners association dues
$710	Monthly housing expense

Calculating the Debt-to-Income Ratio

- Calculate all revolving & installment debt.

Debt	Minimum Monthly Payment
Car	$600
Car	$400
Credit	$110
Furniture	$100
TOTAL	$1,200

Calculating the Debt-to-Income Ratio

- Subtract the total debt from the maximum debt to income of $2,050

Total Allowable Debt		Debt Load		Amount Remaining for Housing
$2,050	-	$1,200	=	$850

Calculating the Housing Expense Ratio

- Multiply the GMI by the housing expense ratio - for example

GMI	Housing Expense Ratio		Maximum House Payment
$2,400	30%	=	$720

Calculating the Housing Expense Ratio

- What is the lesser of the housing ratio or the debt-to-income ratio? How much remains after applying the housing expense total of $710?

DTI Ratio	Housing Expense Ratio		Maximum House Payment
1500	710	=	$790

Calculating the Housing Expense Ratio

- What is the lesser of the housing ratio or the debt-to-income ratio? How much remains after applying the housing expense total of $710?

DTI Ratio	Housing Expense Ratio		Maximum House Payment
1500	710	=	$790

Determining Amount available for PITI

- The housing expense total of $710 (calculated previously) is less than the $850 remaining after subtracting the recurring debt from the $2,050.

Calculating the Housing Expense Ratio

- Divide annual gross income by 12 to figure your monthly income - for example

Annual Income	Months		GMI
$60,000	12	=	$5,000

Calculating the Housing Expense Ratio

- Multiply the GMI by the housing expense ratio – for example

GMI	Housing Expense Ratio		Maximum House Payment
$5,000	30%	=	$1,500

Calculating the Housing Expense Ratio

- What is the lesser of the housing ratio or the debt to income ratio? How much remains after applying the housing expense total of $710?

Housing Expenses + All Other Debts	Housing Expense Ratio		Maximum House Payment
1500	710	=	$790

IDENTIFYING MONTHLY RECURRING DEBT LOAD

- Total Monthly Debt Expense (Debt Load)
  - Typically, the debt factored into the back-end ratio is recurring debt, which may include:
    - Car Loan Payments
    - Student Loan Payments
    - Minimum Credit Card Payments
    - Alimony/Child Support Obligations
    - PITI
    - Revolving Credit Accounts, Installment Accounts, Other Monthly Payments that are recurring

TOTAL DEBT-TO-INCOME(DTI) RATIO

Example:

The loan product Pauline Chee selected has a 41 percent maximum debt-to-income ratio. Her total gross monthly income is $1,800.

$1,800 X 41% (0.41) =

$738 (Maximum monthly debts and proposed house payment)

CALCULATING THE DEBT-TO-INCOME RATIO

- Calculate all revolving & installment debt.

Debt	Minimum Monthly Payment
Car	$600
Car	$400
Credit	$110
Furniture	$100
TOTAL	$1,200

Calculating the Debt-to-Income Ratio

- Subtract the total debt from the maximum debt to income of $2,050

Total Allowable Debt		Debt Load		Amount Remaining for Housing
$2,050	-	$1,200	=	$850

The housing expense total of $710 (calculated previously) is less than the $850 remaining after subtracting the recurring debt from the $2,050.

UNDERSTANDING DEBT AND CALCULATING RATIOS

1.Joe Smith's gross monthly income is $1,664. His monthly debts include an auto loan payment of $110.00, a charge card payment of $40.00, and a department store payment of $45.00. What is his monthly debt?

Debts	Monthly Payment	Months Left to Pay	Unpaid Balance
Finance Company	$110	36	$3960
Charge Card	$40	12	$480
Department Store	$45	6	$270

$150 ÷ $1664 = 9%

Total Debt

Income

UNDERSTANDING DEBT AND CALCULATING RATIOS

Debts	Monthly Payment	Months Left to Pay	Unpaid Balance
Car Loan	$175	24	
Furniture Store	$475	12	
Charge Card	$50	15	
Department Store	$40	18	
General Hospital	$50	15	

2.Paul and Dorothy Johnson's combined gross monthly income is $2,607. Their debts include a car loan of $175.00 (24 months left to pay), a charge card payment of $50.00 (15 months left to pay), a furniture store payment of 475.00 (12 months left to pay), and a department store payment of $40.00 (18 months left to pay). They are also paying off a medical collection at $50.00 per month (15 months left to pay).

$782 ÷ $2607 = 30%

Total Debt

Income

Calculate

RATIOS

Question:

Tom and Kasey Cypress gross monthly income is $4,067.00 per month and their monthly debts total $780.00. How much can they afford for the monthly mortgage payment?

Estimate 1 (Maximum House Payment Ratio)

$ 4067 X 29% = $ 1179.43

Gross Monthly Income

Ratio

Total Monthly Debt

Estimate 2 Debt to-income Ratio)

$ 4067 X 41% = $ 1667.47

Gross Monthly Income

Ratio

Less $780 = $ 780

Total Monthly Debt

Maximum housing payment with current debt = $ 887.47

MAXIMUM PITI: Lessor of HR and DI = $ 887.47

RATIOS

Question:

Jane Redheart's gross monthly income is $3,225.00. Her monthly debts total $300.00. What is her maximum PITI?

Estimate 1 (Maximum House Payment Ratio)

$ 3225	x	29%	=	$ 935.25
Gross Monthly Income		Ratio		

Estimate 2 (Income-to-Debt Ratio)

$ 3225	x	41%	=	$ 1322.25
Gross Monthly Income		Ratio		
Less $ 300			=	$ 1022.25
Total Monthly Debt				
Maximum housing payment with current debt			=	$ 1022.25
MAXIMUM PIT			=	$ 935.25

RATIOS

Question:

Jim and Julie Leighton's gross monthly income is $2,530.00 per month and their monthly debts total $425.00. How much can they afford for the monthly mortgage payment?

Estimate 1 (Maximum House Payment Ratio)

$ 2530	x	29%	=	$ 733.70
Gross Monthly Income		Ratio		

Estimate 2 (Income-to-Debt Ratio)

$ 2530	x	41%	=	$ 1037.30
Gross Monthly Income		Ratio		
Less $ 425			=	$ 612.30
Total Monthly Debt				
Maximum housing payment with current debt			=	$ 612.30
MAXIMUM PITI			=	$ 612.30

Program Overview

USING A FACTOR TABLE

Factor Tables

- Used to calculate the maximum amount your client can borrow for their monthly mortgage payment for principal and interest.

Sample Factor Table

Interest Rate	Term 15 Yrs	Term 30 Yrs	Interest Rate	Term 15 Yrs	Term 30 Yrs
3	$6.90	$4.21	7	$8.99	$6.65
3 1/8	$6.96	$4.28	7 1/8	$9.06	$6.74
3 ¼	$7.02	$4.35	7 ¼	$9.13	$6.82
3 3/8	$7.08	$4.42	7 3/8	$9.20	$6.91
3 ½	$7.14	$4.49	7 ½	$9.27	$6.99
3 5/8	$7.21	$4.56	7 5/8	$9.34	$7.08
3 ¾	$7.27	$4.63	7 ¾	$9.41	$7.16
3 7/8	$7.33	$4.70	7 7/8	$9.48	$7.25
4	$7.40	$4.77	8	$9.56	$7.34

Factor Tables

- A Factor Table is used to determine the maximum loan amount by estimating the monthly mortgage payment your client can afford.
  - 1. Identify the factor by locating the interest rate and loan length
  - 2. Divide the monthly mortgage payment by that factor
  - 3. Multiply by $1,000

Rate		Monthly Mortgage Payment	/	Factor at 30 Years	Answer	X	$1,000	=	Maximum Mortgage Amount
8%		$350		$7.34	$47.684		$1,000		$47,684

Finding the Factor

Interest Rate	15 Year Mortgage	30 Year Mortgage
6.00%	$8.44	$6.00
6.50%	$8.71	$6.32
7.00%	$8.99	$6.65
7.50%	$9.27	$6.99
8.00%	$9.56	$7.34
8.50%	$9.85	$7.69
9.00%	$10.14	$8.05
9.50%	$10.44	$8.41
10.00%	$10.75	$8.78

1 Locate interest rate desired

2. Locate desired term

3 Intersection of term and interest = factor of $6

MAXIMUM MORTGAGE AMOUNT EXERCISE

Interest Rate	Mo. Mortgage Pmt	÷	Factor for 30 years	Answer	X	$1000	=	Maximum Mortgage Amount
4%	$565	÷	$4.77	118.448	x	$1000	=	$118,448
6.5%	$565	÷	$6.32	89.398	x	$1000	=	$89,398
9%	$565	÷	$8.05	70.186	x	$1000	=	$70.186

Maximum Monthly Payment Amount Exercise

Interest Rate	Mortgage Loan Amount	÷	1000	Answer	X	Factor for 30 Years	=	Maximum Payment
7.5%	$85,000	÷	1000	85.00	x	$6.99	=	594.15
8.5%	$85,000	÷	1000	85.00	x	$7.69	=	653.65
9%	$193,000	÷	1000	193.00	x	$8.05	=	1553.65

Factors and Ratios

Question:

What would the monthly payment on a $125,000 loan for 30 years be with an 8.5 percent interest rate and factor of 7.69?

Monthly Payment

$125,000 ÷ $1,000 x 7.69 =$ 961.25

Loan Amount | Factor | Calculate

Factors and Ratios

Question:

If someone could afford to spend $775 for a monthly payment and is looking for a 30-year loan with a 7.5 percent interest rate (6.99 factor), what loan amount could they afford?

Loan Amount

$ 775 ÷ 6.99 x $1,000 = $ 110872

Monthly Payment | Factor | Calculate

CALCULATE RATIOS

The Johnson's combined gross monthly income is $2,067. Their total monthly debt is $365.00.

Housing expense to income ratio amount		$599.43	A
Debt to income ratio amount		$785.46	B
Less monthly debt	-	$365.00	=
		$420.46	C
Maximum PITI (the lesser of A or C)		$420.46	D
Taxes and Insurance	-	$75.00	E
Maximum P & I		$345.45	F
Factor: 8.05			
Divide Maximum P&I by Factor		$42.91	G
Multiply G x $1,000 for Maximum loan amount		$42,910.00	H

CALCULATE RATIOS

The Johnson's combined gross monthly income is $2,067. Their total monthly debt is $365.00.

Housing expense to income ratio amount		$529.25	A
Debt to income ratio amount		$693.50	B
Less monthly debt	-	$200.00	=
		$493.50	C
Maximum PITI (the lesser of A or C)		$493.50	D
Taxes and Insurance	-	$75.00	E
Maximum P & I		$418.50	F
Factor: 8.05			
Divide Maximum P&I by Factor		$51.99	G
Multiply G x $1,000 for Maximum loan amount		$51,990.00	H

SCENARIO

The Jumper Family Scenario

James and Debra Jumper have been married for five years and have two children. They are expecting their third child in about six months. They live with Debra's mother, who stays home and takes care of the children.

The Jumpers would like to purchase a new five-bedroom home through a program the TDHE is offering. The home costs $105,000 and is located on tribal trust property in a new subdivision with one-acre lots. The TDHE has agreed to provide down payment and closing costs assistance at 0 percent interest with debt forgiveness at the rate of $1,000 per year.

The Jumper Family Scenario

Loan Product. The Section 184 Loan Guarantee program is recommended for a 30-year term at a 6.5 percent interest rate. The total debt-to-income ratio is 41 percent. For budgeting purposes, they decided to apply a 29 percent housing ratio.

Employment and Income. James has been a construction manager at the BIA Agency for the past five years. He earns $9.10 per hour at the BIA and works a 40-hour week. Debra has worked for two years as a personnel assistant at the government office and earns $560 gross every two weeks. For the past three years, she has earned $3,640 a year working part-time as a cashier for the tribe's bingo concession. They both receive a per capita payment of $200 per quarter from the tribe's casino. The children's dividend cannot be accessed until they are 18 years old. They have managed to save $2,500 from tax refunds and gaming dividends, and expect a tax refund this year.

The Jumper Family Scenario

1. Complete the Questions. Round answers to the nearest dollar. What is the maximum mortgage amount the Jumpers can qualify for?

2. The Jumpers are interested in a $105,000 home. How much more money do the Jumpers need to save in order to purchase this house?

3. What can the Jumpers do to increase their affordability?

The Jumper Family Scenario

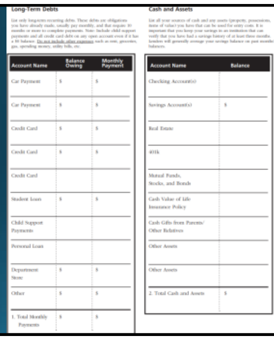
Expenses. Recurring debt includes:

Visa	$350 total balance	$35 per month
MasterCard	$1,200 total balance	$45 per month
Car Loan	$1,800 total balance	$340 per month
Car Loan	$5,000 total balance	$344 per month
Furniture	$700 total balance	$55 per month
Department Store	$300 total balance	$20 per month
Student Loan	$2,000 total balance	$75 per month

The Jumper Family Scenario

	APPLICANT		CO-APPLICANT	
Types of Income	How Long	Annual Gross	How Long	Annual Gross
PRESENT EMPLOYMENT INCOME				
Gross pay (before tax)				
Overtime/commissions				
Bonuses/tips				
Seasonal income: fishing, farming, firefighting				
Self-employment: arts and crafts, entertainment				
INVESTMENT INCOME				
Dividends/interest earnings				
Income from leased trust land				
Per capita payments				
Tribal gaming dividends				
Business/investment earnings				
BENEFIT INCOME				
Pensions/Social Security benefits/ general assistance				
VA benefits				
Unemployment compensation				
Workers' Compensation/disability				
Welfare/public assistance				
MISCELLANEOUS INCOME				
Alimony/child support				
Tribal payments				
Other				
TOTAL	(A)		(B)	

The Jumper Family Scenario



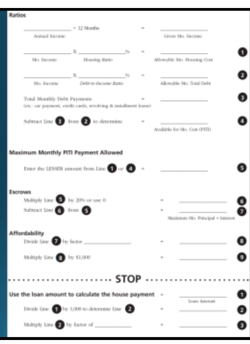
Long-Term Debts

Account Name	Balance Owing	Monthly Payment
Car Payment	$	$
Car Payment	$	$
Credit Card	$	$
Credit Card	$	$
Credit Card		
Student Loan	$	$
Child Support Payments		
Personal Loan		
Department Store	$	$
Other	$	$
1. Total Monthly Payments	$	$

Cash and Assets

Account Name	Balance
Checking Account(s)	
Savings Account(s)	$
Real Estate	
401k	
Mutual Funds, Stocks, and Bonds	
Cash Value of Life Insurance Policy	
Cash Gifts from Parents/ Other Relatives	
Other Assets	
Other Assets	
2. Total Cash and Assets	$

The Jumper Family Scenario



Ratios

______ ÷ 12 Months = ______
Annual Income — Gross Mo. Income

______ X ______% = ______ 1
Mo. Income — Housing Ratio — Allowable Mo. Housing Cost

______ X ______% = ______ 2
Mo. Income — Debt-to-Income Ratio — Allowable Mo. Total Debt

Total Monthly Debt Payments = ______ 3
(ex.: car payment, credit cards, revolving & installment loans)

Subtract Line 3 from 2 to determine = ______ 4
Available for Mo. Cost (PITI)

Maximum Monthly PITI Payment Allowed

Enter the LESSER amount from Line 1 or 4 = ______ 5

Escrows

Multiply Line 5 by 20% or use 0 = ______ 6
Subtract Line 6 from 5 = ______ 7
Maximum Mo. Principal + Interest

Affordability

Divide Line 7 by factor ______ = ______ 8
Multiply Line 8 by $1,000 = ______ 9

STOP

Use the loan amount to calculate the house payment = ______ 1
Loan Amount
Divide Line 1 by 1,000 to determine Line 2 = ______ 2
Multiply Line 2 by factor of ______ = ______ 3

The Jumper Family Scenario

1. What is the maximum mortgage amount the Jumpers can qualify for?

Maximum mortgage amount based on gross monthly income is $94,936

2. The Jumpers are interested in a $105,000 home. How much more money do the Jumpers need to save in order to purchase this house?

$10,064 (105,000–$94,936)

3. What can the Jumpers do to increase their affordability?

Eliminate nonessential debt; save money instead of spending so much on entertainment; stop charging; exchange car for less expensive vehicle; pay down debt.

*Complete the Prequalifying Worksheet.
*Round answers to the nearest dollar.

Program Overview

PRACTICE

Understanding Debt and Calculating Ratios

1.Joe Smith's gross monthly income is $1,664. His monthly debts include an auto loan payment of $110.00, a charge card payment of $40.00, and a department store payment of $45.00. What is his monthly debt?

Debts	Monthly Payment	Months Left to Pay	Unpaid Balance
Finance Company	$110	36	$3960
Charge Card	$40	12	$480
Department Store	$45	6	$270

$150 ÷ $1664 = 9%

Total Debt | Income

Understanding Debt and Calculating Ratios

Debts	Monthly Payment	Months Left to Pay	Unpaid Balance
Car Loan	$175	24	
Furniture Store	$475	12	
Charge Card	$50	15	
Department Store	$40	18	
General Hospital	$50	15	

2.Paul and Dorothy Johnson's combined gross monthly income is $2,607. Their debts include a car loan of $175.00 (24 months left to pay), a charge card payment of $50.00 (15 months left to pay), a furniture store payment of 475.00 (12 months left to pay), and a department store payment of $40.00 (18 months left to pay). They are also paying off a medical collection at $50.00 per month (15 months left to pay).

$790 ÷ $2607 = 30%

Total Debt | Income | Calculate

RATIOS

Question:

Tom and Kasey Cypress gross monthly income is $4,067.00 per month and their monthly debts total $780.00. How much can they afford for the monthly mortgage payment?

Estimate 1 (Maximum House Payment Ratio)

$ 4067 (Gross Monthly Income) X 29% (Ratio) = $ 1179.43

Estimate 2 (Income-to-Debt Ratio)

$ 4067 (Gross Monthly Income) X 41% (Ratio) = $ 1667.47

Less $ 780 (Total Monthly Debt) = $ 887.47

Maximum housing payment with current debt = $ 887.47

MAXIMUM PITI = $ 887.47

RATIOS

Question:

Jane Redheart's gross monthly income is $3,225.00. Her monthly debts total $300.00. What is her maximum PITI?

Estimate 1 (Maximum House Payment Ratio)

$ 3225 (Gross Monthly Income) X 29% (Ratio) = $ 935.25

Estimate 2 (Income-to-Debt Ratio)

$ 3225 (Gross Monthly Income) X 41% (Ratio) = $ 1322.25

Less $ 300 (Total Monthly Debt) = $ 1022.25

Maximum housing payment with current debt = $ 1022.25

MAXIMUM PITI = $ 935.25

Determining Maximum Affordability

- Use the waiting list to identify income levels
- Housing demand
- Gap
- Affordability Ratios

Program Overview 05/2

MARKET HOUSE PAYMENTS

Reality Gap

- Determine what families are willing to pay
- Calculate Maximum Qualifying Mortgage based on what families are willing to pay for:
  - 3 bedroom home
  - 4 bedroom home
  - 5 bedroom home

Affordability Gap = Need for Subsidy

What Can I Afford To Pay?	
Household income	$30,000
Divided by 12 (monthly income)	$2,500
Allowable installment debt (back end ratio 41%)	$1,025.00
Less existing family installment debt (monthly)	$150
Available for PITI	$875
plus rental income	$0
total PITI	$875
Less insurance (monthly)	$50
Mortgage interest rate	6.00%
Sustainable Mortgage Amount	$145,943
House Price	$225,000
GAP or NEED FOR SUBSIDY	$79,057

Which category of payment requires the greatest subsidy?

What Am I Willing to Pay?

What Am I Willing to Pay?	
Household income	$30,000
Divided by 12 (monthly income)	$2,500
Allowable installment debt (back end ratio 41%)	$1,025.00
Less existing family installment debt (monthly)	$150
Available for PITI	$875
plus rental income	$0
total PITI	$875
Less insurance (monthly)	$30
Market Tolerances	$250
Mortgage interest rate	6.00%
Sustainable Mortgage Amount	$41,698
House Price	$225,000
GAP or NEED FOR SUBSIDY	$183,302

Affordability Gap = Need for Subsidy

Project Name:		Easy Street				
			Total Units:	25	Per Unit Cost	Total
INCOME						
		Annual Rental Income				$ 54,600
		Less Vacancy		7.0%		$ 3,822
		Plus Other Income				$ -
		TOTAL INCOME				$ 50,778
EXPENSES		ADMINISTRATIVE EXPENSES			$ 850	$ 21,250
		OPERATING EXPENSES			$ 600	$ 15,000
		MAINTENANCE EXPENSES			$ 650	$ 16,250
		FIXED EXPENSES			$ 450	$ 11,250
		RESERVE FOR REPLACEMENT/OTHER			$ 500	$ 12,500
TOTAL EXPENSES						$ 76,250
NET OPERATING INCOME/LOSS						**$ (21,650)**

RENT SUMMARY

Section A	Restricted Units at __60__% of Median					
Number BR/Unit	Efficiency	1-BR	2-BR	3-BR	___-BR	Totals
Sq. Ft./Unit			900	1,000		
Number of Units			10	15		25
Gross Monthly Rent/Unit(1)			$ 250	$ 300		
Minus: Utility Allowance			$ 95	$ 100		
Net Monthly Rent/Unit			$ 155	$ 200	$ -	
nual Rental Income (All Unit			$ 18,600	$ 36,000	$ -	$ 54,600

#	Income	MONTHLY GROSS INCOME	MONTHLY PAYMENT (PRINCIPAL & INTEREST)	QUALIFYING LOAN AMOUNT	TDC AS OF 1-2013	GAP FINANCING NEEDED	TDHE SUBSIDY NEEDED	FAMILY SIZE	PROGRAM
			30%	4.25					
1	$ 7,800	$ 650	$ 195.00	$ 39,634.15	$329,338	$ 289,703.85	$ 289,703.85	3	
2	$ 10,747	$ 896	$ 268.68	$ 54,608.74	$300,991	$ 246,382.26	$ 246,382.26	3	
3	$ 14,560	$ 1,213	$ 364.00	$ 73,983.74	$262,743	$ 188,759.26	$ 188,759.26	2	
4	$ 16,092	$ 1,341	$ 402.30	$ 81,768.29	$329,338	$ 247,569.71	$ 247,569.71	5	
5	$ 17,004	$ 1,417	$ 425.10	$ 86,402.44	$262,743	$ 176,340.56	$ 176,340.56	3	
6	$ 18,200	$ 1,517	$ 455.00	$ 92,479.67	$300,991	$ 208,511.33	$ 208,511.33	4	
7	$ 27,892	$ 2,324	$ 697.30	$ 141,727.64	$262,743	$ 121,015.36	$ 121,015.36	3	
8	$ 31,315	$ 2,610	$ 782.88	$ 159,120.93	$262,743	$ 103,622.07	$ 103,622.07	3	
9	$ 35,600	$ 2,967	$ 890.00	$ 180,894.31	$329,338	$ 148,443.69	$ 148,443.69	5	
10	$ 37,000	$ 3,083	$ 925.00	$ 188,008.13	$300,991	$ 112,982.87	$ 112,982.87	4	
11	$ 37,500	$ 3,125	$ 937.50	$ 190,548.78	$300,991	$ 110,442.22	$ 110,442.22	4	
12	$ 39,520	$ 3,293	$ 988.00	$ 200,813.01	$300,991	$ 100,177.99	$ 100,177.99	4	
13	$ 39,520	$ 3,293	$ 988.00	$ 200,813.01	$300,991	$ 100,177.99	$ 100,177.99	3	
14	$ 42,500	$ 3,542	$ 1,062.50	$ 215,955.28	$300,991	$ 85,035.72	$ 85,035.72	3	
15	$ 46,000	$ 3,833	$ 1,150.00	$ 233,739.84	$300,991	$ 67,251.16	$ 67,251.16	3	
16	$ 51,000	$ 4,250	$ 1,275.00	$ 259,146.34	$300,991	$ 41,844.66	$ 41,844.66	4	
17	$ 55,000	$ 4,583	$ 1,375.00	$ 279,471.54	$300,991	$ 21,519.46	$ 21,519.46	4	
18	$ 56,000	$ 4,667	$ 1,400.00	$ 284,552.85	$300,991	$ 16,438.15	$ 16,438.15	4	
19	$ 58,000	$ 4,833	$ 1,450.00	$ 294,715.45	$300,991	$ 6,275.55	$ 6,275.55	4	
20	$ 68,000	$ 5,667	$ 1,700.00	$ 345,528.46	$300,991	$ (44,537.46)	$ (44,537.46)	5	
		$ -	$ -	$ -		$ -	$ -	3	
					$5,951,869	$2,347,956	$ 2,347,956		

			30%	4.77						
1	$7,800	$650	$195.00	$40,880.50	$329,338	$289,703.85	$150,000.00	$189,703.85	$239,703.85	3
2	$10,747	$896	$268.68	$56,327.04	$300,991	$246,382.26	$150,000.00	$146,382.26	$196,000.00	3
3	$14,560	$1,213	$364.00	$76,310.27	$262,743	$188,759.26	$150,000.00	$88,759.26	$188,759.26	2
4	$16,092	$1,341	$402.30	$84,339.62	$329,338	$247,569.71	$150,000.00	$147,569.71	$247,569.71	5
5	$17,004	$1,417	$425.10	$89,119.50	$262,743	$176,340.56	$150,000.00	$76,340.56	$176,340.56	3
6	$18,200	$1,517	$455.00	$95,387.84	$300,991	$208,511.33	$150,000.00	$108,511.33	$208,511.33	4
7	$27,892	$2,324	$697.30	$146,184.49	$262,743	$121,015.36	$150,000.00	$21,015.36	$121,015.36	3
8	$31,315	$2,610	$782.88	$164,125.79	$262,743	$103,622.07	$150,000.00	$3,622.07	$103,622.07	3
9	$35,600	$2,967	$890.00	$186,582.81	$329,338	$148,443.69	$150,000.00	$48,443.69	$148,443.69	5
10	$37,000	$3,083	$925.00	$193,920.34	$300,991	$112,982.87	$150,000.00	$12,982.87	$112,982.87	4
11	$37,500	$3,125	$937.50	$196,540.88	$300,991	$110,442.22	$150,000.00	$10,442.22	$110,442.22	4
12	$39,520	$3,293	$988.00	$207,127.88	$300,991	$100,177.99	$150,000.00	$177.99	$100,177.99	4
13	$39,520	$3,293	$988.00	$207,127.88	$300,991	$100,177.99	$150,000.00	$177.99	$100,177.99	3
14	$42,500	$3,542	$1,062.50	$222,746.33	$300,991	$85,035.72	$150,000.00	($14,964.28)	$85,035.72	3
15	$46,000	$3,833	$1,150.00	$241,090.15	$300,991	$67,251.16	$150,000.00	($32,748.84)	$67,251.16	3
16	$51,000	$4,250	$1,275.00	$267,295.60	$300,991	$41,844.66	$150,000.00	($58,155.34)	$41,844.66	4
17	$55,000	$4,583	$1,375.00	$288,259.96	$300,991	$21,519.46		($78,480.54)	$21,519.46	4
18	$56,000	$4,667	$1,400.00	$293,501.05	$300,991	$16,438.15		($83,561.85)	$16,438.15	4
19	$58,000	$4,833	$1,450.00	$303,983.23	$300,991	$6,275.55		($93,724.45)	$6,275.55	4
20	$68,000	$5,667	$1,700.00	$356,394.13	$300,991	($44,537.46)		($144,537.46)	($44,537.46)	5
		$ -	$ -	$3,717,245.28	$5,951,869.00	$2,347,956.40			0	3
					$5,951,869	$2,347,956	$2,400,000	$854,129	$2,292,112	

RATIOS

Question:

Jim and Julie Leighton's gross monthly income is $2,530.00 per month and their monthly debts total $425.00. How much can they afford for the monthly mortgage payment?

Estimate 1 (Maximum House Payment Ratio)

$ 2530 X 29% = $ 733.70

Gross Monthly Income · Ratio

Estimate 2 (Income-to-Debt Ratio)

$ 2530 X 41% = $ 1037.30

Gross Monthly Income · Ratio

Less $ 425 = $ 612.30

Total Monthly Debt

Maximum housing payment with current debt = $ 612.30

MAXIMUM PITI = $ 612.30

Use the Waiting List Handout and fill in the number of families who might qualify for the following programs based on income. Assume that credit is not an issue, and anyone making $30,000 or less will need a rental.

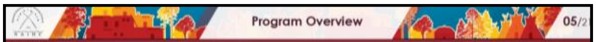
- ❑Column 1 indicates: Adjusted gross annual income
- ❑Column 2 indicates: Adjusted gross monthly income
- ❑Column 3 indicates: The amount of a principal, interest, taxes, and insurance (PITI) a family can afford at 25% of Column 2
- ❑Column 4 indicates: The amount of a loan the family can qualify for based on income only

ASSUMPTION 1 - You are putting together your IHP. You have funds to build 20 homes. Based on the waiting list, you need three types of housing assistance: low-rent; lease with option to purchase (rent to own); home purchase. Using the waiting list data below, identify how many of the families will qualify for each program.

ASSUMPTION 2 - Assume everyone can be assisted.

	# in Family	3 BDRMS		# in Family	4 BDRMS
	4	$ 14,300	11	5	$ 10,140
2	4	$ $15,720	12	5	$ 18,485
	3	$ 20,563	13	6	$ 19,795
4	3	$ 20,800	14	5	$ 20,250
	4	$ 21,500	15	5	$ 39,009
6	3	$ 31,554	16	5	$ 39,499
	4	$ 45,220	17	5	$ 46,166
8	4	$ 56,100	18	6	$ 56,180
	3	$ 58,208	19	5	$ 74,500
10	4	$ 71,360	20	6	$ 82,000

Low Rent Units	
Lease with Option to Purchase	
Homeownership	



RESTRICTED RENTS

Purpose

- Tax Reform Act of 1986
  - Reduces tax brackets resulting in potential earnings to high income investors
  - Shifts primary stimulus for low-income housing production to direct tax credits
  - Increases extent to which projects serve very low-income households

LIHTC

- A housing subsidy program for rental housing
- Created within Section 42 of the Internal Revenue Code
- Administered by each state's housing finance agency
- Each state receives $1.75 per capita annually in tax credits to allocate to projects, inflated starting in 2003
- Eligibility is based on tenant income
- Rent and income restricted

OPERATING DIFFERENCES

HUD REGULATED	IRS REGULATED
RENT INCOME BASED	RENT BY BEDROOM SIZE
TRIBAL MONITORING	STATE & IRS MONITORING

Why are LIHTC So Attractive to Investors?

- Provides tax benefits that fall into two categories
  - tax deductions
  - tax credits

TAX CREDIT VS. TAX DEDUCTIONS

Tax Credits

- $1,000,000 - Gross Income
- 34% - Tax BRACKET
- $ 340,000 - Tax Liability
- 300,000 - Tax Credit
- $ 40,000 - Adjusted Tax Liability

Tax Deductions

- $1,000,000 - Gross Income
- \- 300,000 - Tax deductions
- $ 700,000 - Tax Income
- 34% -Tax Bracket
- $ 238,000 - Tax Liability

TAX CREDIT VS. TAX DEDUCTIONS

	No Tax Credit/ No Deduction	Deduction	Tax Credit
Net income from operations	1,000,000	1,000,000	1,000,000
Tax Deductions	none	(300,000)	none
Taxable Income	1,000,000	700,000	1,000,000
Tax Liability: **Tax at 40% tax rate**	**400,000**	**280,000**	400,000
Low-Income Housing Tax Credits	none	none	**(300,000)**
Net Tax Liability	**$ 400,000**	**$ 280,000**	**$ 100,000**

TAX CREDIT VS. TAX DEDUCTIONS

	No Tax Credit/ No Deduction	Additional Deductions and Credits
Net Income from Operations	1,000,000	1,000,000
Tax Deductions	none	(300,000)
Taxable Income	1,000,000	700,000
Tax Liability: **Tax at 40% tax rate**	**400,000**	**280,000**
Low-Income Housing Tax Credits	none	**300,000**
Net Tax Liability	**$ 400,000**	**($ 20,000)**

Key terms

- **Gross Rent**: This is the total amount of tenant paid rent, plus utility allowance, plus any recurring non-optional charges (i.e., maintenance, parking, etc.).
- **Tenant Paid Rent:** The amount of rent that the tenant pays each month to the TDHE/LIHTC project.
- **Utility Allowance:** The estimated utility expenses that the tenant is expected to pay each month. The utility allowance must be updated annually and must be based on verifiable information. The LIHTC program allows for the use of Section 8 utility allowance calculation sheets from the local PHA, HUD Utility Model, and actual usage data to compute utility allowances. Each project manager should check with their State HA and confirm which utility allowance computation methods have been approved for use.
- **Non-Optional:Charges:** Any amount charged to a household on a regular basis that is not optional, i.e. the tenant must agree to pay the amount if they wish to live in the LIHTC unit. These can include fees for parking, maintenance, housekeeping, landscape maintenance, etc. If these types of fees are charged then they must be included in the total Gross Rent. NOTE: Tribal LIHTC projects do not usually include these types of fees.
- **Max Rent Limit:** The maximum amount of rent that the qualifying LIHTC household can be charged on a monthly basis. The amount is determined based on the household's qualifying income set-aside. If a household qualifies under the 40% income limit then the maximum amount of rent that can be charged is the 40% max rent limit based on the bedroom size of the unit the household will move into.

RESTRICTED RENT

- The LIHTC program does not have a required formula for calculating the tenant paid rent.
- There are maximum rent limits set for households that cannot be exceeded.
- LIHTC rents are based on household sizes
  - Studio/bachelor rents are based upon the AMI of a 1-person household
  - 1-bedroom rents are based upon the AMI of a 1.5-person household (i.e. the average
    2-person households)
  - 2-bedroom rents are based upon the AMI of a 3-person household
  - 3-bedroom rents are based upon the AMI of a 4.5-person household (i.e. the average
    5-person households)
  - 4-bedroom rents are based upon the AMI of a 6-person household
- Staff will need to know the current income and rent limits that apply to their tax credit project(s) in order to ensure that the limits are strictly followed. This is especially important when you are qualifying households for the first time in a tax credit program.
- Area Median Income (AMI)
  - AMI is calculated by HUD each year based upon individual localities.

Used with Low-Income Tax Credits – Lapwai, Idaho, Nez Perce County

FY 2022 MTSP Income Limits

FY 2022 MTSP Income Limit Area	Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Lewiston, ID-WA MSA	80 Percent Income Limits	$44,800	$51,200	$57,600	$64,000	$69,120	$74,240	$79,360	$84,480
	70 Percent Income Limits	$39,200	$44,800	$50,400	$56,000	$60,480	$64,960	$69,440	$73,920
	60 Percent Income Limits	$33,600	$38,400	$43,200	$48,000	$51,840	$55,680	$59,520	$63,360
	50 Percent (Very Low) Income Limits	$28,000	$32,000	$36,000	$40,000	$43,200	$46,400	$49,600	$52,800
	40 Percent Income Limits	$22,400	$25,600	$28,800	$32,000	$34,560	$37,120	$39,680	$42,240
	30 Percent Income Limits	$16,800	$19,200	$21,600	$24,000	$25,920	$27,840	$29,760	$31,680
	20 Percent Income Limits	$11,200	$12,800	$14,400	$16,000	$17,280	$18,560	$19,840	$21,120

FY 2022 MTSP Income Limits

FY 2022 MTSP Income Limit Area	Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Anchorage, AK HUD Metro FMR Area	80 Percent Income Limits	$65,200	$74,480	$83,760	$93,040	$100,560	$108,000	$115,440	$122,880
	70 Percent Income Limits	$57,050	$65,170	$73,290	$81,410	$87,990	$94,500	$101,010	$107,520
	60 Percent Income Limits	$48,900	$55,860	$62,820	$69,780	$75,420	$81,000	$86,580	$92,160
	50 Percent (Very Low) Income Limits	$40,750	$46,550	$52,350	$58,150	$62,850	$67,500	$72,150	$76,800
	40 Percent Income Limits	$32,600	$37,240	$41,880	$46,520	$50,280	$54,000	$57,720	$61,440
	30 Percent Income Limits	$24,450	$27,930	$31,410	$34,890	$37,710	$40,500	$43,290	$46,080
	20 Percent Income Limits	$16,300	$18,620	$20,940	$23,260	$25,140	$27,000	$28,860	$30,720

	%	Unit type & Inc.	# Units	Unit Rent	Total Mo. Rent	Paid by Tenant	Mo. Rent Collected	Type of subsidy	Subsidy Amount
		3 BEDROOM							
1	30	% Med. Inc.	9	$366	$3,294	$50	$450	Sec 8/NPTHA	$2,844
2	40	% Med. Inc.	3	$488	$1,464	$320	$960	Sec 8/NZ	$504
3	50	% Med. Inc.	6	$610	$3,660	$450	$2,700	Sec 8/NZ	$960
4	60	% Med. Inc.	0	$732	$0	$500	$0	Sec 8/NZ	$0
		4 BEDROOM					$0	Sec 8/NZ	$0
5	30	% Med. Inc.	2	$408	$816	$75	$150	Sec 8/NZ	$666
6	40	% Med. Inc.	3	$544	$1,632	$450	$1,350	Sec 8/NZ	$282
7	50	% Med. Inc.	4	$680	$2,720	$450	$1,800	Sec 8/NZ	$920
8	60	% Med. Inc.	0	$816	$0	$500	$0	Sec 8/NZ	$0
		6 BEDROOM					$0	Sec 8/NZ	$0
9	30	% Med. Inc.	1	$450	$450	$100	$100	Sec 8/NZ	$350
10	40	% Med. Inc.	1	$601	$601	$475	$475	Sec 8/NZ	$126
11	50	% Med. Inc.	1	$751	$751	$525	$525	Sec 8/NZ	$226
12	60	% Med. Inc.	0	$901	$0	$525	$0	Sec 8/NZ	$0
13		TOTAL	30		$15,388		$8,510		$6,878
14		Total Annual Rental Income			$184,656		$102,120		$82,536

Program and Location Information

Affordable Housing Program	IRS Section 42 Low-Income Housing Tax Credit (LIHTC)
Year (1)(2)	2022 (effective 04/18/22)
State	ID
County	Ada County
MSA	Boise City, ID HUD Metro FMR Area
Persons / Bedroom	1.5 Person / Bedroom
4-person AMI	$87,500
National Non-Metropolitan Median Income (3)(4)	$71,300
Hold Harmless (6)	You have indicated that your project was placed in service on or after 05/31/2011 but prior to 12/01/2011 and is therefore eligible to have its income and rent limit held harmless beginning with the 2011 limits.
Placed in Service Date (7)	On or after 05/31/2011 but prior to 12/01/2011.
Rent Floor Election (8)(9)	Effective on or after 05/31/2011 before 12/01/2011.

HUD Published Income Limits for 2022 (with no adjustments)

Display Income Limits   Hide Income Limits

	Charts	MTSP 50%	Section 8 Extremely Low	Section 8 Very Low	Section 8 Low
1 Person		$29,500	$17,700	$29,500	$47,150
2 Person		$33,700	$20,200	$33,700	$53,900
3 Person		$37,900	$23,030	$37,900	$60,650
4 Person		$42,100	$27,750	$42,100	$67,350
5 Person		$45,500	$32,470	$45,500	$72,750
6 Person		$48,850	$37,190	$48,850	$78,150
7 Person		$52,250	$41,910	$52,250	$83,550
8 Person		$55,600	$46,630	$55,600	$88,950
9 Person		$58,950	N/A (10)	$58,950	$94,300
10 Person		$62,300	N/A (10)	$62,300	$99,700
11 Person		$65,700	N/A (10)	$65,700	$105,050
12 Person		$69,050	N/A (10)	$69,050	$110,450

(a) Studio unit with a 50% set aside:

$19,950 (annual income for one person at 50% of AMI) X 30% = $5,985
$5,985 / 12 = $498.75
Round down to the nearest dollar = **$498 per month**

(b) One-bedroom unit with a 60% set aside:

$25,650* (annual income for 1.5 persons at 60% of AMI) X 30% = $7,695
$7,695 / 12 = $641.25
Round down to the nearest dollar = **$641 per month**

*Equal to the average income of one- and two-person households: ($23,940+$27,360)/ 2

(c) Two-bedroom unit with a 30% set aside:

$15,390 (annual income for 3 persons at 30% of AMI) X 30% = $4,617
$4,617 / 12 = $384.75
Round down to the nearest dollar = **$384 per month**

(d) Three-bedroom unit with a 40% set aside:

$23,680* (annual income for 4.5 persons at 40% of AMI) X 30% = $7,104
$7,104 / 12 = $592.00
Round down to the nearest dollar = **$592 per month**

SAMPLE AMI SCHEDULE (ANNUAL INCOMES BASED UPON HOUSEHOLD SIZE)

Set Aside (% of AMI)	Household size 1	2	3	4	5	6
60%	$23,940	$27,360	$30,780	$34,140	$36,900	$39,660
50%	$19,950	$22,800	$25,650	$28,450	$30,750	$33,050
40%	$15,960	$18,240	$20,520	$22,760	$24,600	$26,440
30%	$11,970	$13,680	$15,390	$17,070	$18,450	$19,830

Calculate total income for the following:

LIHTC INCOME TARGETING	
A. 30% AMI	
B. 40% AMI	
C. 50% AMI	
BREAKEVEN RENT	

%		# of Units	Monthly Rent per Unit	Total Monthly Rent by Unit Type	Average SF of Unit	Target A.M.I. 30%	40%	50%	60%
3	BD	1	190	190	1,120	x			
3	BD	9	415	3,735	1,120			x	
3	BD	7	415	2,905	1,120				x
4	BD	2	215	430	1275	x			
4	BD	1	340	340	1275		x		
4	BD	6	440	2,640	1275			x	
4	BD	1	440	440	1275				x
6	BD	2	365	730	1275		x		
6	BD	1	465	465	1275			x	
Subtotal Gross Monthly Income				11,875					
Vacancy Allowance			10.00%	1,188					
Total Effective Monthly Income				10,688					

- RENT
- RESTRICTIONS

MAKING PROJECTS FEASIBLE

How do we make projects feasible?

- Reduce costs
- Reduce debt service
- Identify other funding sources
  - ICDBG, Title VI, Section 184 Loan Guaranty, HOME, FHLB AHP, LIHTC, USDA RD, Housing Trust Funds, private funds, CDFIs

Leveraging for Housing

- It begins with a development budget
  - *A planning tool* that forecasts development-related expenses during project construction.
  - A comprehensive estimate of the total costs to construct or rehabilitate a residential property.
- Sources and Uses Statement
  - Ensures there are sufficient resources to cover the costs of development: Sources=Uses
  - Timeline shows when sources are available to show" gap"
  - Uses are allocated to sources
  - Structuring rent
- Operating Budget and Pro-forma
  - Prediction of income and expenses over the life of the project

Leveraging Rules – Know your market

- People:
  - What can people afford? What are people willing to pay?
  - Household size and composition?
- Price:
  - Rental – will revenues meet expenses to operate and enable payment of mortgage?
  - Homeownership – What price and resulting mortgage will people pay?
  - What is the affordability gap? The "reality" gap?
- Product:
  - What type of housing meets what people want (home, property size, amenities, design features)
  - Given what people can afford and are willing to pay, what type of product can you provide
  - The bigger the gap, the bigger the "subsidy" that is needed!

Goals of PROPERTY Management

✓ **Physical viability over time**

✓ **Financial viability over time**

✓ **Regulatory compliance**

Physical Viability

- The quality of the building or physical asset is maintained through:
  - Planned maintenance schedule
  - Planned replacements schedule
  - Capital improvements to remain competitive

RAYMOND JAMES TAX CREDIT FUNDS
WHITE BIRD HOUSING - LAPWAI, ID
Rehabilitation Reserve Analysis

I. **Existing Partnership Liabilities**
All existing liabilities will be satisfied prior to acquisition closing.

II. **Property Taxes and Reserve Account Balance**
The project's tax reserve account balance is equal to the real estate tax liability. The project's estimated replacement reserve balance upon completion of the scheduled rehabilitation work is $0.

III. **Rehabilitation of Key Items**
The White Bird housing development was built in 1976. The major building components which are not scheduled for replacement during the rehabilitation process have estimated remaining lives of 4 to 6 years. Based on our analysis of the attached schedule, sufficient funds will be available in the partnership's replacement reserve account to complete all required repairs in subsequent years.

Analysis of Projected Repair Costs:

Estimated Costs of Repairs (Operating Yr 6)	
Selective Flooring Replacement	$ 19,250
Selective Appliance Replacement	9,500
Selective Water Heaters	7,500
Selective Casework	11,500
Total Cost of Repairs (Operating Yrs. 1-6)	$ 47,750

Analysis of Replacement Reserves:

Annual Transfer to Reserves	$ 9,000
MULTIPLIED BY: 6 years of Operations	6
	$ 54,000
PLUS: Beginning Balance	$ 0
Total Reserve Balance at year 6	**$ 54,000**
Less Repairs	**47,750**
Residual Reserve balance at year 6	**$ 6,250**
Plus 4 years Reserves ($9,000 x 4)	**36,000**
Total Reserve Balance at year 10	**$ 42,250**

Selective items listed below are not scheduled for repair or replacement during the rehabilitation process.

Ranges & Hoods	$ 525/unit
Water Heaters	275/unit
Smoke Detectors	125/unit
Bath/Plumbing Fixtures	750/unit
	$1,675/unit

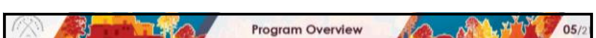
These items will be repaired or replaced as necessary as units turnover. The project budget includes $300/unit/year for maintenance expenses. This amount should be adequate to fund repairs to these items as they become necessary. Sufficient replacement reserve funds should available to cover any maintenance expense shortfall. It is highly unlikely, however, that these components in all 30 units will require replacement.

It is reasonable to assume that the following items will not require substantial replacement during the upcoming 15 years:

Roofing/ Accessories
Site Lighting
Siding
Electrical Wiring
Insulation
Windows
Doors
Site Lighting
Central HVAC

Shaman Site Inspection Findings
Shaman Architecture & Planning, Inc. conducted an independent on-site evaluation of White Bird Housing Deevelopment on 10/17/01. Based on our observations, the property is in good condition. Existing roofing materials show visible signs of deterioration or wear and need replacing. Landscaping, building exteriors and parking areas appeared to be in good condition. For additional information regarding our recent site evaluation, please refer to the Needs Assessment List included herein.

Conclusions
Based on our independent observations and the above referenced replacement reserve evaluation, we conclude that the planned rehabilitation is sufficient to place the property in a highly marketable condition. Adequate replacement reserves should be available to make all repairs and/or improvements as necessary.



PLANNING TO SUSTAIN THE PROJECT

Key Aspects: Affordable Housing Proforma

- Affordable rents
- Revenues
- Operating expenses & reserves
- Debt Coverage Ratio, Loan to Value, and Supportable Debt
- Trending and long-term performance
- Development costs
- Subsidies to fill the gap

Note: When NOI is negative, the Recipient needs to subsidize the project.

THE AFFORDABILITY GAP = NEED FOR SUBSIDY

OPERATING EXPENSE BUDGET

Project Name:		Easy Street				
			Total Units:	25	Per Unit Cost	Total
INCOME						
		Annual Rental Income				$ 54,600
		Less Vacancy		7.0%		$ 3,822
		Plus Other Income				$ -
		TOTAL INCOME				$ 50,778
EXPENSES		ADMINISTRATIVE EXPENSES			$ 850	$ 21,250
		OPERATING EXPENSES			$ 600	$ 15,000
		MAINTENANCE EXPENSES			$ 650	$ 16,250
		FIXED EXPENSES			$ 450	$ 11,250
		RESERVE FOR REPLACEMENT/OTHER			$ 500	$ 12,500
TOTAL EXPENSES						$ 76,250
NET OPERATING INCOME/LOSS						**$ (21,650)**

RENT SUMMARY

Section A	Restricted Units at __60___% of Median					
Number BR/Unit	Efficiency	1-BR	2-BR	3-BR	____-BR	Totals
Sq, Ft./Unit			900	1,000		
Number of Units			10	15		25
Gross Monthly Rent/Unit(1)			$ 250	$ 300		
Minus: Utility Allowance			$ 95	$ 100		
Net Monthly Rent/Unit			$ 155	$ 200	$ -	
Annual Rental Income (All Units)			$ 18,600	$ 36,000	$ -	$ 54,600

What are the total expenses?

How much is the net operating income?

What is the breakeven rent?

Financial Viability

- The financial viability or profitability of the asset is ensured by:
  - Measuring against indicators
  - Analyzing trends
  - Ensuring reserves
  - Assessing outstanding debt

IDENTIFYING TRENDS

Asset Management
Trend Analysis

Year	2011	2012	2014	2015	2016	2017	What do you think is happening?	Your estimate 2018
# of homes	20	20	20	20	20	20		
Average Rent Amt*	$400	$400	$400	$420	$425	$430		
*Except renters cannot pay more than 30% of adjusted income per NAHASDA regulations								
Gross Potential Rent	$96,000	$96,000	$96,000	$100,800	$102,000	$103,200		
Total Rent Collected	$64,000	$80,000	$88,000	$92,400	$96,050	$97,180		
Collected % of Potential	67%	83%	92%	92%	94%	94%		
Management & Admin	$26,800	$33,400	$35,000	$36,050	$37,100	$37,500		
Maintenance/Repairs	$9,000	$12,000	$18,300	$18,150	$15,200	$16,000		
Water/Sewer	$36,000	$36,000	$36,000	$36,000	$36,000	$39,600		
Reserve Deposits	$0	$4,000	$4,000	$4,000	$4,000	$4,000		
Total Exp & Reserves	$71,800	$85,400	$93,300	$94,200	$92,300	$97,100		
NOI/(Operating Support)	($7,800)	($5,400)	($5,300)	($1,800)	$3,750	$80		
Turnovers	0	3	1	0	0	1		
Months Vacant	0	6	3	0	0	3		
Use of Reserves	$0	($7,465)	($2,118)	$0	$0	($5,231)		
Reserve balance	$26,000	$22,535	$24,417	$28,417	$32,417	$31,186		
Families on wait list	116	67	63	71	78	82		

Overall, what do you think happened between 2011 and 2017 to explain the trends you see? ____________________

What do you want to investigate further and who will you ask? ____________________

What will you recommend for the future? ____________________

What is a Proforma?

- Determines net operating income
- Assesses project feasibility over the long run
- Also referred to as a an operating budget

- Income
- Expenses

BUDGETING

- Compare budgeted income and expense items with actual income and expenses
- Work account by account
- Take corrective measures

BEGINS WITH A DEVELOPMENT BUDGET

- Classifies & estimates costs
  - Site acquisition & prep
  - Construction/rehab
  - Soft costs
  - Developer payment
- Helps determine if project concept makes sense
- Watch for ineligible costs

DEVELOPMENT COSTS

Land/Building Acquisition	
Common Components	Information Sources
➢ Acquisition ➢ Demolition ➢ Property taxes ➢ Appraisal for acquisition loan ➢ Points and fees for acquisition loan ➢ Closing costs for acquisition loan ➢ Interest on land loan ➢ Relocation	➢ Realtors ➢ Seller ➢ Purchase Option ➢ Appraisal ➢ Assessor (for carrying costs) ➢ Vendor quotes (for purchase and carrying costs)

Construction/Rehabilitation Costs	
➢ Environmental remediation ➢ Off-site improvements ➢ Site work ➢ Structures ➢ Landscaping ➢ Contractor overhead ➢ Contractor general requirements ➢ Contractor profit ➢ General liability insurance ➢ Performance bond ➢ Construction contingency ➢ Building permits ➢ Hook-up fees	➢ Marshall & Swift ➢ State Housing Agency ➢ Public records of Low-Income Housing Tax Credit cost certifications ➢ Contractor experience ➢ Architect/Engineer experience ➢ Contractor bids ➢ Recommended practices by National Council of State Housing Finance Agencies

Construction Related Soft Costs	
➢ Architect ➢ Engineer ➢ Survey ➢ Appraisal ➢ Financing costs and fees ➢ Legal ➢ Studies ➢ Developer overhead and fees	➢ Vendor quotes ➢ Lender quotes ➢ State Housing Agency ➢ Recommended practices by National Council of State Housing Finance Agencies

PART I - SOURCES OF FUNDS STATEMENT

Please list sources of permanent funding for the project. List the entity and program for each source..
Include financing, grants, donations, and equity. Attach letter(s) of commitment.
Identify each source as to TYPE by noting after name (L) for Hard Loan, (S) for Soft Loan (G) for Grant, or (E) for Equity.
Do not include the construction loan.
Indicate in the STATUS column whether (P) Proposed, (R) Requested, or (A) Approved.

LIST ALL SOURCES OF PROJECT FUNDING

FUNDING ENTITY	PROGRAM	TYPE	AMOUNT	STATUS	RATE %	LOAN TERM (YEARS)	AMORTIZATION PERIOD (YEARS)	ANNUAL DEBT SERVICE	DATE REQUESTED	ACTUAL OR EXPECTED COMMITMENT DATE
Enterprise	LIHTC	E	2,071,793	P					Jul-13	Jan-14
Federal Home Loan Bank of Seattl	AHP	L	$ 700,000	P	2.76%	30	30	$34,337	Aug-13	Dec-13
Deferred Developer Fee	LIHTC	S	$ 27,511	A	2.00%	12	12			
TOTAL SOURCES			$ 2,799,304					$34,337		

USE OF FUNDS

Procurement - Advertisement	$ 1,000	
Finance Software	$ 100,000	
Reproduction of Contract Documents, As-builts; Operations Manual; brochure	$ 5,000	
ADMINISTRATION SUBTOTAL		**$ 106,000**
Architectual Plans & Specs Services (Mechanical, structural, electrical)	$ 135,000	
Engineering/Survey/Soil Testing Services	$ 120,000	
Strata Geotechnical Services	$ 5,931	
Public Works Project Coordinator	$ 4,160	
SOFT COSTS SUBTOTAL		$ 265,091
GATHERING PLACE		
Mobilization	$ 20,000	
Clean-up of site	$ 5,000	
Asbestos removal	$ 15,248	
Demolition (EA DONE)	$ 99,900	
Roads/signage/parking (EA DONE)	$ 557,930	
Drainage, Infrastructure, Cistern (EA DONE)	$ 234,100	
Site surfacing & landscaping (EA DONE)	$ 83,250	
2 quads straw bale	$ 1,800,000	
Water system upgrades	$ 196,100	
Lagoon cell	$ 399,500	
GATHERING PLACE CONSTRUCTION SUBTOTAL		**$3,411,028**

MULTIPLE BUDGETS CREATED TO ANALYZE THE PROJECT

Operating Expenses

- What administrative and maintenance staff are needed to run the property?
- Do you have realistic expense comparisons to like properties, especially in the category of utilities?
- What is the real cost of annual administration and maintenance contracts after the first year?

Common Operating Expenses

- Utilities, if owner-paid
  - Water
  - Sewer
  - Electricity
  - Gas, propane
  - Trash collection
- Maintenance
  - Maintenance staff
  - Maintenance materials & supplies
  - Groundskeeping
  - Turnover, often called decorating
- Capital Improvements
- Office supplies, forms
- Telephone
- Legal
- Insurance
- Property taxes or Payment in Lieu of Taxes (PILOT)
- Annual audit

Reserves for Replacement

- Replacement reserves, also known as capital reserves are for replacing project systems at the end of useful life
  - Carpet, flooring, water heaters, HVAC units, appliances, exterior paint, roofing
- Not for routine maintenance or single-unit replacements
- Meant to cover all capital needs for 30 years or more

Capital Improvement Plan

The data for the Reserve Analysis was compiled from data collected from 113 rental units currently maintained by TDHE

ANALYSIS OF PROJECTED MAINTENANCE

It is reasonable to assume that the following items will **not** require substantial replacement within a 15 year period.

Siding	HVAC System
Electrical Wiring	Insulation
Plumbing Pipes	Cabinets / Counter tops

It is also reasonable to assume that the following items **will** require substantial replacement 15 years from initial occupancy.

Flooring	Plumbing Fixtures
Locks	Sprinklers
Paint	Window Coverings
Selective Appliances	Windows

ANALYSIS OF CAPITAL IMPROVEMENT RESERVE:

Capital Improvement Reserve	$900.00
Multiplied by 12 months	$10,800.00
Multiplied by 15 years	$162,000.00
Divided by 10 units	$16,200.00

$16,200 is the avg. per unit cost at the end of 15 years.

Sl. No.	ANY TRIBAL HOUSING AUTHORITY (ATHA) 20 LOW-RENT UNITS - CASH FLOW ONE YEAR PROJECTION		
	GROSS INCOME (REVENUE)		
1	Rental Income ($350*20*12) (based on 30% of $27,000 with utility allowance of $250 per month)	$84,000	$144,000
2	Vacancy Loss @ 5%	-$4,200	-$7,200
3	Collection Loss	$0	$0
4	SUBTOTAL RENTAL INCOME	$79,800	$136,800
5	Other Income	$1,200	$1,200
6	EFFECTIVE GROSS INCOME (EGI)	$81,000	$138,000
	ESTIMATED ANNUAL OPERATING EXPENSES:	Yr 1 2018	Yr 1 2018
7	Water (Contractor says $290/mo for water & sewer)	$100	$100
8	Landscaping ($400/mo. all lawn) (if bushes -$100/mo.)	$4,800	$4,800
9	Electric (common areas $300/mo)	$3,600	$3,600
10	Solid Waste Disposal	$1,140	$1,140
11	Insurance	$35,000	$35,000
12	Pest Control	$2,450	$2,450
13	Administrative & Counselling Overhead (150*12*20)	$6,600	$6,600
14	Routine/Preventive Building Maintenance	$2,000	$2,000
15	Annual Compliance Audit	$50	$50
16	Collection Loss	$0	$0
17	Reserve ($150/UNIT X 12 months)	$36,000	$36,000
18	TOTAL ANNUAL OPERATING EXPENSES	$91,740	$91,740
19	EXPENSES PER UNIT	$4587	$4,587
20	EXPENSES PER UNIT PER MONTH	$382	$382
21	EFFECTIVE GROSS INCOME (EGI)	$81,000	$138,000
22	OPERATING EXPENSES	$91,740	$91,740
23	NOI	10,740	$46,260
24	MAX Rent to meet expenses	$382	$382

Sl. No.	ANY TRIBAL HOUSING AUTHORITY (ATHA) 20 LOW-RENT UNITS - CASH FLOW ONE YEAR PROJECTION		
	GROSS INCOME (REVENUE)		
1	Rental Income ($350*20*12) (based on 30% of $27,000 with utility allowance of $250 per month)	$84,000	$144,000
2	Vacancy Loss @ 5%	-$4,200	-$7,200
3	Collection Loss	$0	$0
4	SUBTOTAL RENTAL INCOME	$79,800	$136,800
5	Other Income	$1,200	$1,200
6	EFFECTIVE GROSS INCOME (EGI)	$81,000	$138,000
	ESTIMATED ANNUAL OPERATING EXPENSES:	Yr 1 2018	Yr 1 2018
7	Water (Contractor says $290/mo for water & sewer)	$100	$100
8	Landscaping ($400/mo. all lawn) (if bushes -$100/mo.)	$4,800	$4,800
9	Electric (common areas $300/mo)	$3,600	$3,600
10	Solid Waste Disposal		
11	Insurance		
12	Pest Control		
13	Administrative & Cou		
14	Routine/Preventive B		
15	Annual Compliance A		
16	Collection Loss		
17	Reserve ($150/UNIT X 12 months)	$36,000	$36,000
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23	NOI	10,740	$46,260
24	MAX Rent to meet expenses	$382	$382

Gross Income

Rents for all homes – Vacancy + Other Income = Effective Gross Income (EGI)

Sl. No.	ANY TRIBAL HOUSING AUTHORITY (ATHA) 20 LOW-RENT UNITS - CASH FLOW ONE YEAR PROJECTION		
	GROSS INCOME (REVENUE)		
1	Rental Income ($ allowance of $25		
2	Vacancy Loss @		
3	Collection Loss		
4	SUBTOTAL RENT		
5	Other Income		
6	EFFECTIVE GRO		
	ESTIMATED ANNUAL OPERATING EXPENSES:	Yr 1 2018	Yr 1 2018
7	Water (Contractor says $290/mo for water & sewer)	$100	$100
8	Landscaping ($400/mo. all lawn) (if bushes -$100/mo.)	$4,800	$4,800
9	Electric (common areas $300/mo)	$3,600	$3,600
10	Solid Waste Disposal	$1,140	$1,140
11	Insurance	$35,000	$35,000
12	Pest Control	$2,450	$2,450
13	Administrative & Counselling Overhead (150*12*20)	$6,600	$6,600
14	Routine/Preventive Building Maintenance	$2,000	$2,000
15	Annual Compliance Audit	$50	$50
16	Collection Loss	$0	$0
17	Reserve ($150/UNIT X 12 months)	$36,000	$36,000
18	TOTAL ANNUAL OPERATING EXPENSES	$91,740	$91,740
19	EXPENSES PER UNIT	$4587	$4,587
20	EXPENSES PER UNIT PER MONTH	$382	$382
21	EFFECTIVE GROSS INCOME (EGI)	$81,000	$138,000
22	OPERATING EXPENSES	$91,740	$91,740
23	NOI	10,740	$46,260
24	MAX Rent to meet expenses	$382	$382

Cash FLow

Effective Gross Income (EGI) – Operating Expenses = Net Operating Income (NOI)

PROFORMA

- Sufficient NAHASDA funds for debt coverage
- Funds available for down payment & closing costs assistance
- Repayment based on affordability
- Operations

ATTACHMENT: SINGLE FAMILY BUDGET PROCESS

CALULATE BREAKEVEN 20 UNITS

OPERATING EXPENSES	
Insurance	$6,000
TOTAL	**$6,000**
MAINTENANCE	
Decorating	$1,500
Repairs & Maintenance	$3,000
Exterminating	$3,750
Ground Expense	$5,250
Other	$1,500
TOTAL	**$15,000**
FIXED EXPENSES	
Real Estate Taxes	$0
Taxes	$0
TOTAL	**$0**
TOTAL ANNUAL OPERATING EXPENES	$71,108
TOTAL EXPENSES AND REPLACEMENT RESERVES	$80,108
ANNUAL REPLACEMENT RESERVES	$9,000
CASH FLOW ASSUMPTIONS:	
Annual Rent Increase %	2.00%
Annual Expense Increase %	3.00%
Replacment Costs Increase %	0.00%

CALCULATE REVENUE

Units				Total Monthly Payments
3 BR	8	$ 513	$	
3 BR	7	$ 668	$	
4 BR	5	$ 671	$	
5 BR	0	$ -	$	-
		$ -	$	-
			$	-
TOTAL	**20**	**$**	**$**	

Units			Total Monthly Payments	Monthly Mortgage Payments	
3 BR	8	$ 513	$	$383	$0
3 BR	7	$ 668	$	$538	$0
4 BR	5	$ 671	$	$541	$0
5 BR	0	$ -	$ -		
		$ -	$ -	$0	
			$ -	$0	
TOTAL	**20**	**$**	**$**	**$9,529**	**$0**

Annual Rental Income		$ 145,546
Vacancy	*7.5%*	*$ 10,916*
Net Rental Income		**$ 134,630**
Admin./Repair		*$ 24,000*
Insurance		*$ 7,200*
Reserve		*$ -*
Net Operating Income		**$ 103,430**
DCR		1.15
Available for Mortgage		**$ 89,940**
Term	30	
Int. Rate	6.12%	

Area Median Income (AMI) for the project location: $ 54,000

50% Area Median Income (AMI) for the project location: $ 27,000

Targeted HUD Income Limit	Household Size 1	2	3	4	5	6	7	8
50%	$ 18,900	$ 21,600	$ 24,300	$ 27,000	$ 29,160	$ 31,320	$ 33,480	$ 35,640
60%	$ 22,680	$ 25,920	$ 29,160	$ 32,400	$ 34,992	$ 37,584	$ 40,176	$ 42,768
70%	$ 26,460	$ 30,240	$ 34,020	$ 37,800	$ 40,824	$ 43,848	$ 46,872	$ 49,896
80%	$ 30,240	$ 34,560	$ 38,880	$ 43,200	$ 46,656	$ 50,112	$ 53,568	$ 57,024

Number of Bedrooms		Income Restriction (% AMI)	# of Units	Maximum AHP Rent	Proposed Rent	Annual Rent Revenue
Efficiency		50		$473		$0
		60		$567		$0
		70		$662		$0
		80		$756		$0
		> 80				$0
Manager's Unit(s)						$0
1 Bedroom		30		$506		$0
		60		$608		$0
		70		$709		$0
		80		$810		$0
		> 80				$0
Manager's Unit(s)						$0
2 Bedroom		30		$608		$0
		50		$608		$0
	garage	50		$729		$0
	garage	60		$729		$0
		60				$0
Manager's Unit(s)						$0
3 Bedroom		50	12	$702	$400	$57,600
		60	12	$842	$500	$72,000
		70		$983		$0
		80		$1,123		$0
		> 80				$0
Manager's Unit(s)						$0
4 Bedroom		50		$783		$0
		60		$940		$0
		70		$1,096		$0
		80		$1,253		$0
		> 80				$0
Manager's Unit(s)						$0
		Total Units	24			$129,600
		Very Low-Income Units	12			
		% Very Low-Income Units	50.0%			Blue shaded
AHP Assisted Units (Units < 80% AMI)			24			to be entere

	Total	AHP	Other	Per Unit
Site Grading, Clearing, Demolition			0	0
Off-Site Improvements			0	0
Environmental			0	0
Other:	240,000		240,000	10,000
Subtotal	240,000	0	240,000	10,000
Construction and Rehabilitation Costs				
New Construction Costs	3,500,000		3,500,000	145,833
Rehabilitation Costs			0	0
Accessory Structures			0	0
General Requirements	40,000		40,000	1,667
Contractor Overhead	60,000		60,000	2,500
Contractor Profit	140,000		140,000	5,833
Construction Contingency	100,000		100,000	4,167
Local Permit Fees			0	0
Tap Permit Fees			0	0
Landscaping	50,000		50,000	2,083
Furnishings & Equip			0	0
Subtotal	3,890,000	0	3,890,000	162,083
Professional Fees				
Architect Design	112,000		112,000	4,667
Architect Supervision	28,000		28,000	1,167
Attorney, Real Estate			0	0
Real Estate Agent			0	0
Other:			0	0
Subtotal	140,000	0	140,000	5,833
Construction Interim Costs				
Hazard/Risk/Liability Insurance	28,000		28,000	1,167
Construction Bond Premium	12,000		12,000	500
Performance Bond			0	0
Credit Report			0	0
Construction Loan Interest	70,000		70,000	2,917
Construction Loan Fee	6,000		6,000	250
Discount Points			0	0
Credit Enhancement Fee			0	0
Inspection Fees			0	0
Title, Recording and Escrow Fees			0	0
Legal Fees			0	0
Construction Period Interest			0	0
Security			0	0
Real Estate Taxes			0	0
Bond costs - Construction			0	0
Subtotal	116,000	0	116,000	4,833

Soft Costs	Total	AHP	Other	Per Unit
Feasibility Study			0	0
Market Study	8,000		8,000	333
Environmental Study	5,000		5,000	208
Tax Credit Fees	4,200		4,200	175
Compliance Fees			0	0
Cost Certification	6,800		6,800	283
Contingency Soft Costs	1,000		1,000	42
Appraisal	6,000		6,000	250
Other:			0	0
Subtotal	31,000	0	31,000	1,292
Syndication Costs				
Organization Costs	15,000		15,000	625
Bridge Loan Expenses			0	0
Tax Opinion			0	0
Other:			0	0
Subtotal	15,000	0	15,000	625
Developer Fees				
Developer Overhead	30,000		30,000	1,250
Developer Profit	400,000		400,000	16,667
Consultant Fee			0	0
Other:			0	0
Subtotal	430,000	0	430,000	17,917
Project Reserves				
Rent Up Expense	24,000	Not AHP Eligible Costs	24,000	1,000
Operating Reserves	25,000		25,000	1,042
Replacement Reserve	45,000		45,000	1,875
Escrows			0	0
Debt Service Reserve			0	0
Subtotal	94,000		94,000	3,917
Total Residential Costs	$ 5,000,000	$ -	$ 5,000,000	208,333

			Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
Income															
3 BR			$ 4,101	$ 4,101	$ 4,101	$ 4,101	$ 4,101	$ 4,101	$ 3,588	$ 3,588	$3,588	$3,588	$3,588	$3,588	$3,660
3 BR			$ 4,673	$ 4,673	$ 4,673	$ 4,673	$ 4,673	$ 4,673	$ 4,673	$ 4,005	$2,670	$2,670	$2,003	$2,003	$2,043
4 BR			$ 3,356	$ 3,356	$ 3,356	$ 3,356	$ 3,356	$ 3,356	$ 3,356	$ 2,684	$2,013	$2,013	$2,013	$2,013	$1,369
5 BR			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL			$12,129	$12,129	$12,129	$12,129	$12,129	$12,129	$11,616	$10,278	$8,272	$8,272	$7,604	$7,604	$7,072
Vacancy	7.5%		$ 910	$ 910	$ 910	$ 910	$ 910	$ 910	$ 871	$ 771	$ 620	$ 620	$ 570	$ 570	$ 530
Rental Income			$11,219	$11,219	$11,219	$11,219	$11,219	$11,219	$10,745	$ 9,507	$7,651	$7,651	$7,034	$7,034	$6,541
Expenses															
Admin/Repair			$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 1,900	$ 1,700	$1,400	$1,400	$1,300	$1,300	$1,236
Insurance			$ 600	$ 600	$ 600	$ 600	$ 600	$ 600	$ 48	$ 43	$ 35	$ 35	$ 33	$ 33	$ 31
Reserve			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL			$ 2,600	$ 2,600	$ 2,600	$ 2,600	$ 2,600	$ 2,600	$ 1,948	$ 1,743	$1,435	$1,435	$1,333	$1,333	$1,267
Net Rental Income			$ 8,619	$ 8,619	$ 8,619	$ 8,619	$ 8,619	$ 8,619	$ 8,798	$ 7,764	$6,216	$6,216	$5,701	$5,701	$5,274
Mortgage Payment			$ 9,529	$ 9,529	$ 9,529	$ 9,529	$ 9,529	$ 9,529	$ 9,146	$ 8,068	$6,452	$6,452	$5,914	$5,914	$5,373
Subsidy Needed			$ (910)	$ (910)	$ (910)	$ (910)	$ (910)	$ (910)	$ (349)	$ (303)	$ (235)	$ (235)	$ (213)	$ (213)	$ (99)
3 BR sold	94800	5					0	0	1	0	0	0	0	0	0
3 BR sold	116688	9							0	1	2	0	1	0	0
4 BR sold	134600	6					0		0	1	1	0	0	0	1
5 BR sold							0		0						
Total Monthly				0	0	0	0		1	2	3	0	1	0	1
Total Culmulative									1	3	6	6	7	7	8

30 UNIT ACQUISITION REHAB. LIHTC PROJECT
CASHFLOW PROJECTIONS

ESTIMATED ANNUAL OPERATING EXPENSES:	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
Real Estate Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Advertising and Marketing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Management Fee	$5,500	$5,673	$5,843	$6,019	$6,199	$6,385	$6,577	$6,774	$6,977	$7,187	$7,402	$7,624	$7,853	$8,089	$8,331
Insurance	$6,000	$6,180	$6,365	$6,556	$6,753	$6,956	$7,164	$7,379	$7,601	$7,829	$8,063	$8,305	$8,555	$8,811	$9,076
Administrative Overhead	$18,000	$18,540	$19,096	$19,669	$20,259	$20,867	$21,493	$22,138	$22,802	$23,486	$24,190	$24,916	$25,664	$26,434	$27,227
Partnership Legal and Accounting Fees	$5,000	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149	$6,334	$6,524	$6,720	$6,921	$7,129	$7,343	$7,563
Property Maintenance	$15,000	$15,450	$15,914	$16,391	$16,883	$17,389	$17,911	$18,448	$19,002	$19,572	$20,159	$20,764	$21,386	$22,028	$22,689
Payroll for Management and Administration	$16,000	$16,480	$16,810	$17,146	$17,489	$17,838	$18,195	$18,559	$18,930	$19,309	$19,695	$20,089	$20,491	$20,901	$21,319
Annual Compliance Audit	$1,600	$1,050	$1,082	$1,114	$1,147	$1,182	$1,217	$1,254	$1,291	$1,330	$1,370	$1,411	$1,453	$1,497	$1,542
Asset Management Fee to Raymond James TCF	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
Reserve for Replacement	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000	$9,000
TOTAL ANNUAL OPERATING EXPENSES	$80,108	$81,523	$83,414	$85,358	$87,358	$89,414	$91,528	$93,702	$95,937	$98,236	$100,600	$103,031	$105,531	$108,102	$110,746
EXPENSES PER UNIT	$2,670														
EXPENSES PER UNIT PER MONTH	$223														
ESTIMATED ANNUAL OPERATING INCOME:															
Rental Income	$122,400	$124,848	$128,593	$132,451	$136,425	$140,518	$144,733	$149,075	$153,547	$158,154	$162,898	$167,785	$172,819	$178,003	$183,343
(Plus $200 Per Unit Per Month Tribal Subsidy, if Needed)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Vacancy Loss @ 10%	$12,240	$6,242	$6,430	$6,623	$6,821	$7,026	$7,237	$7,454	$7,677	$7,908	$8,145	$8,389	$8,641	$8,900	$9,167
TOTAL ESTIMATED ANNUAL INCOME	$110,160	$118,606	$122,164	$125,829	$129,604	$133,492	$137,496	$141,621	$145,870	$150,246	$154,753	$159,396	$164,178	$169,103	$174,176
GROSS OPERATING INCOME	$30,052	$37,082	$38,750	$40,470	$42,246	$44,078	$45,969	$47,920	$49,933	$52,010	$54,154	$56,365	$58,647	$61,001	$63,430

	TOTAL PROJECT BUDGET	WHO IS PAYING FOR EACH LINE ITEM SOURCE CDBG	SOURCE HOME	SOURCE LIHTC	SOURCE Loan	SOURCE Def. Dev Fee
PERMANENT FINANCING FEES						
Credit Report						
Discount Points						
Origination Fees						
Title and Recording	$7,500			$7,500		
Legal Fees	$2,000			$2,000		
Prepaid MIP						
TOTAL FINANCING FEES	$9,500	$-	$-	$9,500	$-	$-
SOFT COSTS						
Feasibility Appraisal	$7,000			$7,000		
Market Study	$4,200			$4,200		
Environmental Study	$11,970			$11,970		
Tax Credit Fees	$13,134			$13,134		
Cost Certification	$6,500			$6,500		
HOME Project Specific Costs						
Soft Cost Contingency	$20,000			$20,000		
TOTAL SOFT COSTS	$62,804	$-	$-	$62,804	$-	$-
SYNDICATION COSTS						
Organizational (Partnership)	$5,000			$5,000		
Bridge Loan Fees & Expenses						
Tax Opinion						
Other: Syndication Fee						
Legal Fees	$50,000			$50,000		
TOTAL SYNDICATION COSTS	$55,000	$-	$-	$55,000	$-	$-
DEVELOPER'S FEES						
Developer's Overhead						
Developer's Fees	$400,000			$400,000		
Consultant Fee						
Developers Fee-Acquisition						
TOTAL DEVELOPER'S FEES	$400,000	$-	$-	$400,000	$-	$-
PROJECT RESERVES						
Rent-Up Reserve						
Operating Reserve	$30,000			$30,000		
Replacement Reserve						
Pre-funded R for R						
TOTAL PROJECT RESERVES	$30,000	$-	$-	$30,000	$-	$-
COSTS WITHOUT	$2,799,304	$-	$-	$2,071,793	$700,000	$27,511
COSTS WITH ADMIN	$2,799,304	$-	$-	$2,071,793	$700,000	$27,511
FUNDS FROM SECTION	$2,799,304					
DIFFERENCE		(IF THERE IS A DIFFERENCE THE PROJECT IS EITHER OVER OF				

	TOTAL PROJECT BUDGET	WHO IS PAYING FOR EACH LINE ITEM SOURCE CDBG	SOURCE HOME	SOURCE LIHTC	SOURCE Loan	SOURCE Def. Dev Fee
CONSTRUCTION AND REHAB						
New Building	$ 1,712,000			$ 984,489	$ 700,000	$ 27,511
Rehabilitation						
Accessory Structures						
General Requirements	$ 100,000			$ 100,000		
Contractor Overhead	$ 38,000			$ 38,000		
Contractor Profit	$ 100,000			$ 100,000		
Construction Contingency	$ 97,500			$ 97,500		
TOTAL REHAB & CONST. COSTS	$ 2,047,500	$ -	$ -	$ 1,319,989	$ 700,000	$ 27,511
PROFESSIONAL WORK & FEES						
Architect Design	$ 30,000			$ 30,000		
Architect Supervision	$ 8,000			$ 8,000		
Attorney, Real Estate						
Consultant/Agent						
Engineer/Surveyor	$ 14,000			$ 14,000		
TOTAL PROF. WORK & FEES	$ 52,000	$ -	$ -	$ 52,000	$ -	$ -
CONSTRUCTION/ INTERIM FEES						
Hazard & Liability Insurance	$ 15,000			$ 15,000		
Credit Report						
Construction Interest	$ 48,000			$ 48,000		
Origination Points	$ 32,000			$ 32,000		
Discount Points						
Inspection Fees	$ 9,000			$ 9,000		
Title & Recording	$ 30,000			$ 30,000		
Legal Fees	$ 5,000			$ 5,000		
Taxes						
Construction Testing	$ 3,500			$ 3,500		
TOTAL CONST. INTERIM FEES	$ 142,500	$ -	$ -	$ 142,500	$ -	$ -

What are Operational Costs?

- Debt service costs
- Management costs
- Operational pro-forma
- Reserves – replacement/operating
- Net Operating Income - NOI
- Debt Coverage Ratio – DCR
- Monitor achievement of cash-flow requirements
- Provide a sense of the property's financial health
- Forecast future income and expenses

Development Budget to Operating Budget

Source	Construction Sources	Change	Permanent Sources
Const. Lender	$ 8,000,000	$ (8,000,000)	$ -
Perm Lender	$ -	$ 1,260,000	$ 1,260,000
NAHASDA	$ 2,000,000	$ -	$ 2,000,000
LIHTC Equity	$ -	$ 6,740,000	$ 6,740,000
TOTAL	$ 10,000,000	$ -	$ 10,000,000

What Will it Cost?

Sample Single-Family Rental Development Budget
(1 Unit)

Uses

Acquisition Costs:

Acquisition: Land		$ 5,000
Acquisition: Buildings		$ 20,000
Total Acquisition:		***$ 25,000***

Construction:

Contract with GC (incl profit, OH, gen conditions)		$ 70,000
Bond Premium		$ -
Construction Contingency	10%	$ 7,000
Total Construction:		***$ 77,000***

Soft Costs:

Building Permit, License & Fees		$	300
Architect or Rehab Specialist - Specs/Estimates		$	600
Engineering		$	-
Environmental: Site-Specific Review		$	300
Acquisiton Closing - Legal and Recording Fees		$	500
Title Search & Title Insurance		$	600
Survey		$	400
Appraisal & Analysis of Rent Comparables		$	600
Builder's Risk and/or Casualty Insurance		$	800
Carrying Costs - Real Estate Taxes		$	700
Carrying Costs - Utilities		$	600
Carrying Costs - Site Security		$	1,000
Carrying Costs - Grounds Maintenance		$	800
Furniture Fixtures & Equipment		$	-
Prefunded Replacement Reserve		$	1,500
Prefunded Operating and/or Rental Loss Reserves		$	1,350
Seller Legal and Recording Costs		$	400
Tenant Relocation		$	-
Rent-Up Marketing Costs		$	200
Other		$	-
Soft Cost Contingency	10%	$	1,065
Developer Fee	15%	$	17,057
Total Soft Costs:		***$***	***28,772***

SOFT COSTS

What are the Revenue Requirements?

How will the rent payments be configured?

Income:

Rent:	# Units	Monthly Rent	Annual Rent
Efficiency	0	$ 350	$ -
One Bedroom	0	$ 450	$ -
Two Bedroom	0	$ 550	$ -
Three Bedroom	1	$ 650	$ 7,800
Total Units	1		
Gross Rent			***$ 7,800***
Less:			
Vacancy		5.0%	$ (390)
Bad Debt		2.0%	$ (156)
Gross Effective Income:			***$ 7,254***

EXPENSES

Expenses:

Administrative		Annual	
Advertising & Marketing		$	50
Mgmt Fee (% of collections)	8.0%	$	580
Administrative		$	20
Legal		$	30
Accounting		$	100
Office Supplies		$	20
Credit Checks		$	20
Leasing Fees		$	100
Other		$	30
Total Administrative:		***$***	***950***
Payroll			
Administrative Payroll		$	350
Maintenance Payroll		$	300
Fringe	15.0%	$	98
Payroll Taxes	7.65%	$	50
Total Payroll:		***$***	***797***
Maintenance			
Decorating (unit make ready)		$	75
Repairs		$	500
Security		$	-
Grounds (landscaping, snow removal)		$	-
Building supplies		$	80
Service contracts (HVAC)		$	150
Other		$	-
Total Maintenance:		***$***	***805***

Expenses

Operating:		
Fuel (heating & hot water)	$	-
Electric	$	-
Water/Sewer	$	300
Trash removal	$	-
Janitorial	$	-
Exterminating	$	30
Telephone	$	-
Other	$	-
Total Operating Costs:	***$***	***330***
Taxes & Insurance:		
Real Estate Taxes	$	400
Insurance	$	300
Other Taxes, Licenses, Fees	$	30
Total Taxes:	***$***	***730***
Total Annual Operating Expenses:	***$***	***3,612***

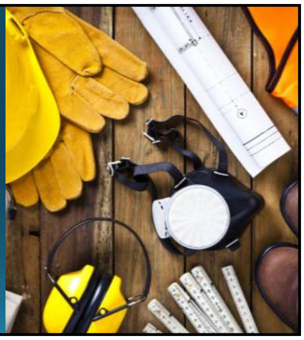
IS THIS PROJECT FEASIBILITY?

NOI Before Reserves & Debt Svc:		***$***	***3,642***
Reserves:			
	Per Unit	Annual	
Replacement Reserve	$ 500	$	500
Operating Reserve	$ 80	$	80
Cashflow Before Debt Service:		$	3,062
Debt Service (See Terms Below)			$2,551.48
Cashflow After Debt Service			***$510.30***

A	Total Gross Rent per YEAR EQUALS			
B	Other Income (Calculate 1% of Total Gross Rent)	=		
C	Add A and B to get Total Revenue			
D	Multiply C by 5% Vacancy Rate and enter here	=		
E	Subtract D from C to get Effective Gross Income per year	-		
F	Operating Expenses per year	=		
G	Subtract F from E to get Net Operating Income			

Does the project "*work*"?

- Does the projected income cover costs or projected expenses?
- For construction?
- For operation of completed project?
- What are the gaps?
- What are the sources to fill the gaps?



SAMPLE TRIBAL HOUSING AUTHORITY
CASH FLOW PROJECTION WITH ALL RENTED
ASSUMPTIONS: 10 RENTALS, NO RENT INCREASE, NO VACANCY-DELINQUENCY, & EVERYONE MOVES IN ON THE SAME DAY.

FMR					Y E
ESTIMATED ANNUAL OPERATING EXPENSES:	2009	2010	2011	2012	2013
Management Fee (accounting, software, inspection, counseling, intake, etc.)	$12,000	$12,120	$12,241	$12,364	$12,487
Insurance ($350 per year X 10 homes)	$3,500	$3,500	$3,500	$3,500	$3,500
Routine/Preventive Building Maintenance includes wages, excellent lawn care,	$18,800	$19,740	$20,727	$21,763	$22,852
NON-Routine Property Maintenance*	$0	$0	$0	$0	$0
Annual Compliance Audit (included in Management Fee)		$50	$50	$50	$50
Capital Reserve ($900/UNIT industry standard)	$9,000	$9,000	$9,000	$9,000	$9,000
TOTAL ANNUAL OPERATING EXPENSES	$43,300	$44,410	$45,518	$46,677	$47,889
EXPENSES PER UNIT	$4,330	$4,441	$4,552	$4,668	$4,789
EXPENSES PER UNIT PER MONTH	$361	$370	$379	$389	$399
ESTIMATED REVENUE					
Rental Income 2 bedrooms ($660*3*12)	$23,760	$23,760	$23,760	$23,760	$23,760
Rental Income 3 bedrooms ($943*5*12)	$56,580	$56,580	$56,580	$56,580	$56,580
Rental Income 5 bedrooms ($1118*2*12)	$26,832	$26,832	$26,832	$26,832	$26,832
Vacancy Loss @ 0%	$0	$0	$0	$0	$0
SUBTOTAL RENTAL INCOME	$107,172	$107,172	$107,172	$107,172	$107,172
TOTAL ESTIMATED ANNUAL INCOME	$107,172	$107,172	$107,172	$107,172	$107,172
GROSS OPERATING INCOME	$63,872	$62,762	$61,654	$60,495	$59,283
ANNUAL SUBSIDY REQUIRED FROM TRIBE	0	0	0	0	0

Efficiency	1-BDRM	2-BDRM	3-BDRM`	4-BDRM	5-BDRM	6-BDRM
$516	$525	$660	$943	$972	$1118	$1286