

TABLE 1		Affordable Housing Breakdown					Unit Breakdown					
3/29/2004		COVELL VILLAGE by Covell Village Company (CVC)					For Sale					
Major Assumptions							Low	Moderate	Middle			
Median Yolo Co Income		57000					Silent Second Amounts	\$50,000	\$50,000	\$40,000	Sen SF Lots	880
Interest Rate		7%					Downpayment Targets	5%	10%	10%	Sen SF Lots	126
Percent of Income for Housing		38%					Land Dedication Cost Estimate					
LTV for 1st Deed		80%					Land Dedication Unit Ratio	per acre		15	Sen Patio	72
Prop Tax Rate		1.25%					Land Dedication Units (12.5% of Market)	Equivalent		111	Co-Housing	30
Middle Income Percentage Target		15%					Land Dedication Value	per acre		\$350,000	6-Plexes	24
Market Homes w/o Price Restriction		888					Land Dedication Acreage Requirement			7	Subtotal	1132
On-Site Affordable (12.5% of Market Un		111					Total Number of Subsidized Homes			355	Market Fact	0.784452
Middle Income Onsite Units Provided		133					Ratio of Subsidized to Market Priced Homes			40%	Multi-Family	
Total For Sale Units		1132					Notes					
CVC Contributions:							CVC will build stated number of units					
Land Dedication Value		\$2,590,000					Homes to be affordable to Households with the stated incomes.					
On-Site Low and Moderate		\$5,550,000					Home Prices based upon basic finishes.					
Middle Income Homes		\$5,359,968					Buyers may upgrade finishes if desired.					
CVC CONTRIBUTIONS		\$13,499,968					All subsidized Homes to be Sold Under DHT Criteria (Except Land Dedication).					
		Excludes Affordable Rental Component					(Work in Davis; Secured 2nd Deeds in favor of Trust)					
		Low Income - Ordinance		Moderate Income - Ordinance			Average - Low		Middle Income Units		Average - Mid	
% of Median Income		80%	90%	100%	110%	120%	100%	140%	160%	180%	160%	
Income		\$45,600	\$51,300	\$57,000	\$62,700	\$68,400	\$57,000	\$79,800	\$91,200	\$102,600	\$91,200	
Funds for Housing		\$1,444	\$1,625	\$1,805	\$1,986	\$2,166	\$1,805	\$2,527	\$2,888	\$3,249	2,888	
Taxes		\$225	\$250	\$275	\$300	\$325	\$275	\$375	\$425	\$475	425	
Ins		\$30	\$30	\$40	\$50	\$60	\$42	\$60	\$60	\$60	60	
Net for Mortgage		\$1,189	\$1,345	\$1,490	\$1,636	\$1,781	\$1,488	\$2,092	\$2,403	\$2,714	2,403	
Loan Affordable		\$178,716	\$202,089	\$223,958	\$245,828	\$267,698	\$223,658	\$314,443	\$361,189	\$407,935	361,189	
Effective Price		\$190,753	\$215,356	\$238,377	\$261,398	\$284,419	\$238,061	\$343,625	\$392,831	\$442,037	392,831	
Appraised Value		\$240,753	\$265,356	\$288,377	\$311,398	\$334,419	\$288,061	\$383,625	\$432,831	\$482,037	432,831	
Downpayment		\$12,038	\$13,268	\$28,838	\$31,140	\$33,442	\$23,745	\$38,362	\$43,283	\$48,204	43,283	
Ratio of Units		20%	20%	20%	20%	20%		33%	33%	34%		
Number of Units		22	22	22	22	22	111	44	44	45	134	
CVC Contributions		\$1,110,000	\$1,110,000	\$1,110,000	\$1,110,000	\$1,110,000		\$1,774,224	\$1,774,224	\$1,811,520	44,531	

CVC will provide the stated number of homes which appraise for the Appraised value and sell them to qualified buyers at that price

TABLE 2 - Can Trust Earn Enough?

50/50 Sharing Scenario

Goal: Allow Trust Just Enough Return to Help the Next Buyer

3/29/2004

Major Assumptions

Current Median Yolo Co Income	57000
Interest Rate	7.00%
Percent of Income for Housing	38%
Target LTV for 1st Deed	80%
Prop Tax Rate	1.25%
Escalator - Real Estate Generally	5.0%
Property Tax Escalator	2.0%
Escalator - Incomes	3.5%
First Resale	5
Silent Second Amount	\$50,000
Downpayment	5%
Prices per SF	240

Notes:

- 1 - Bold Numbers = Original Input Variables & Assumptions**
- 2 - Loan Paydown assumed to be retained by Owner**
- 3 - Down based upon Qualifying Price, not sales price**
- 4 - 2nd Gen refers to the next group of qualified buyers**

Non-Monetary Advantages of Trust over Price Restricted Option

City tax base remains at market price
 No Policing needed due to sale at market vs. controlled price
 Owner retains repair/remodel incentive
 Trust assured funds to help 2nd generation buyer
 Larger downpayments and rapid re-finance encouraged
 Unused Trust grant funds usable for additional qualified buyers

Year	First Sale	3	4	5	6	7	8	9	10
Percentage Income Char	100%	111%	115%	119%	123%	127%	132%	136%	141%
Median Income	\$57,000	\$63,197	\$65,409	\$67,698	\$70,068	\$72,520	\$75,058	\$77,685	\$80,404
Funds for Housing	\$1,805	\$2,001	\$2,071	\$2,144	\$2,219	\$2,296	\$2,377	\$2,460	\$2,546
Taxes act 294	\$294	\$340	\$357	\$375	\$394	\$414	\$434	\$456	\$479
Ins	\$60	\$66	\$68	\$71	\$73	\$75	\$77	\$79	\$81
Net for Mortgage	\$1,451	\$1,595	\$1,646	\$1,698	\$1,752	\$1,808	\$1,866	\$1,925	\$1,986
Loan Affordable	\$218,102	\$239,686	\$247,340	\$255,236	\$263,379	\$271,775	\$280,432	\$289,356	\$298,555
Downpayment 5%	\$14,111	\$16,335	\$17,152	\$18,009	\$18,910	\$19,855	\$20,848	\$21,890	\$22,985
Qualifying Price	\$232,212	\$256,020	\$264,492	\$273,245	\$282,288	\$291,630	\$301,280	\$311,246	\$321,539
Trust Loan	\$50,000	\$70,675	\$78,539	\$86,937	\$95,903	\$105,471	\$115,676	\$126,557	\$138,154
RE Appreciation Percent	\$282,212	116%	122%	128%	134%	141%	148%	155%	163%
Sales Price That Year	\$282,212	\$326,696	\$343,031	\$360,182	\$378,191	\$397,101	\$416,956	\$437,804	\$459,694
House Price Change	\$0	\$44,484	\$60,818	\$77,970	\$95,979	\$114,889	\$134,744	\$155,592	\$177,482
Owner Gain	50.0%	\$22,242	\$30,409	\$38,985	\$47,990	\$57,444	\$67,372	\$77,796	\$88,741
Trust Fund Gain	50.0%	\$22,242	\$30,409	\$38,985	\$47,990	\$57,444	\$67,372	\$77,796	\$88,741
Trust Return on Investment		14.83%	15.20%	15.59%	16.00%	16.41%	16.84%	17.29%	17.75%
Trust Needs for 2nd Gen		\$20,675	\$28,539	\$36,937	\$45,903	\$55,471	\$65,676	\$76,557	\$88,154
Trust Fund Long/(Short)		1,566	1,871	2,048	2,086	1,974	1,696	1,238	587