



CITY OF  
**FAYETTEVILLE**  
**ARKANSAS**

100 W. Rock St, Suite 246  
Fayetteville, AR 72701

**Fayetteville Arts Council Agenda**

**Rock St. Meeting Room / Virtual Meeting Via Zoom**  
**Wednesday, October 15, 2025**  
**6:00 PM**

**Members**

**City Council Member Robert "Bob" Stafford**  
**Resident Rep. Chair Chloe Bell (Exp: 06/28)**  
**Working Artist Rep. Vice Chair Emily Miller (Exp: 06/27)**  
**Resident Rep. Jessica DeBari (Exp: 06/27)**  
**Working Artist Rep. Na'Tosha De'Von (Exp: 06/28)**  
**Resident Rep. Diana Rubi Galindo (Exp: 06/28)**  
**Working Artist Rep. Abigail Hill (Exp: 06/26)**  
**Working Artist Rep. Elizabeth Muscari (Exp: 06/28)**  
**Resident Rep. Ellen Woodson (Exp: 06/26)**  
**Parks, Nat. Resour. & Cult. Aff. Board Rep. Sarah Downing (Exp: 12/25)**

**City Staff**

**Arts and Culture Director - Joanna Sheehan Bell**  
**Arts and Culture Program Assistant - Sarah Dilatush**  
**Parks, Natural Resources & Cultural Affairs Director - Alison Jumper**

## **Zoom Information**

**Webinar ID: 850 6733 3239**

**Registration Link: [https://fayetteville-ar.zoom.us/webinar/register/WN\\_jV7nrbHNSpaibhk53Rjy7w](https://fayetteville-ar.zoom.us/webinar/register/WN_jV7nrbHNSpaibhk53Rjy7w)**

## **Call to Order**

**Approval of Agenda**

## **Roll Call**

## **Minutes**

**Approval of Sept Minutes**

## **Presentations**

**Utility Box Art Process Recap/Artist Introduction**

— Elizabeth Muscari and Diana Rubi

**Utility Box artist — Eli Vanavera**

**Utility Box artist — Jennifer Northorp**

**Utility Box artist — Rachel Wheat**

## **Unfinished Business**

**ArtsSpace Update**

— Ellen Woodson

### **Review Art Donation Proposal- Gretchen Wilkes**

Donated Art Proposal- Gretchen Wilkes

"We are the Difference" was a student mural created in 2020 students with Gretchen Wilkes and Octavio Logo advising. It has been on display at the Fayetteville Public Library and is seeking new interior or exterior display space. The artists hope to donate the work to the City of Fayetteville for the rest of the work's useful life.

### **New Business**

**Nelson Hackett Blvd. Mural for 2026**

**Review Art Donation Proposal — University of Arkansas Mural Class, Prof. Su A Chae**

### **Reports**

**2025 Arts and Culture Work Plan Updates**

— Joanna Bell

- Weekend Starts
- YRCC Mural Installation
- Movies in Parks
- Trick or Treat on the Trail
- Phantasma
- Cambrata
- CAP program updates

### **Announcements**

### **Adjournment**

**NOTICE TO MEMBERS OF THE AUDIENCE**



# FEASIBILITY II REPORT

Fayetteville, AR | August 2025



(Clockwise from Upper Left) Walker Family Teaching Kitchen at Fayetteville Public Library; Fenix Gallery, Mount Sequoyah Campus; Center for Innovation, Fayetteville Public Library // Photo Credit: Artspace



*Prepared at the request of the City of Fayetteville*

# ACKNOWLEDGMENTS

Artspace would like to thank the City of Fayetteville and the Core Group for their effort and attention on this initiative. The visit and resulting study would not have been possible without the direction, coordination, and support of the Fayetteville Core Group members, especially Joanna Bell, the Director of Arts and Culture at the City. We would also like to thank all those who participated in the focus groups, public meeting, and additional conversations. These engagements brought forth additional information and perspectives critical to the advocacy and development of affordable creative spaces in Fayetteville.



## FAYETTEVILLE CORE GROUP

**Joanna Bell** // Arts and Culture Director, City of Fayetteville

**Sonia Gutiérrez Harvey** // Former City Council Member; Founder & Principal, 501c3 Design

**Hope Haynes** // Owner's Representative, Specialized Real Estate Group

**Devin Howland** // Director of Economic Development, City of Fayetteville

**Alison Jumper** // Director of Parks Natural Resources and Cultural Affairs, City of Fayetteville

**Sharon Killian** // Co-Founder & Board President, NWA Black Heritage; Board Chair, ArtVentures

**Daniel Koonce** // Director of Community Events & Partnerships, Startup Junkie

**Jessica Lewallen** // Housing Task Force Member; Founder & Architect, GEMSTONE Design Studio

**Marlee Stark** // Economic Vitality Manager, City of Fayetteville

**Joelle Storet** // Visual Artist & Educator, Life Styles, Inc.

**Ellen Woodson** // Fayetteville Arts Council Representative; Interior Design Project Manager, Ivy35 Ventures

**Lia Uribe** // Associate Dean for the Arts and Humanities, University of Arkansas - Fulbright School



### AMERICA'S LEADER IN ARTIST-LED COMMUNITY TRANSFORMATION

Artspace is America's leading nonprofit developer for the arts, committed to developing affordable, sustainable spaces that equip artists, creatives, and entrepreneurs to live and work. By employing the strategies of real estate development, Artspace promotes not only accessible artist housing, workforce housing, and individual artist studios, but has also been a catalyst for communities and creative hubs rooted in the cultural sector for decades. For 40+ years, Artspace has spearheaded the growing nationwide movement towards community revitalization through the arts, with our efforts emanating from our Minneapolis headquarters and extending through offices in New York and Washington D.C. As the nation's foremost developer of arts facilities and creative workforce housing, Artspace has also provided expert consultancy to numerous communities and arts organizations across the country.

[WWW.ARTSPACE.ORG](http://WWW.ARTSPACE.ORG)

## COMMUNITY ENGAGEMENT ATTENDEES

While in town, Artspace engaged with local stakeholders through focus groups, individual conversations, and a public meeting. We appreciate the valuable ideas, perspectives, and context that attendees shared throughout these conversations.

### INDIVIDUAL ARTISTS AND ARTS ORGANIZATIONS

**Ali Vang** // Breaking Habits Crew

**Argenis Trejo** // Breaking Habits Crew

**Bob Stafford** // Photographer; Graphic Designer; Fabricator; Arts Council and City Council Member

**Bryce Brisco** // Community Creative Center

**Colleen** // Sculptor; Student

**Cynthia Post Hunt** // The Momentary

**David Sanders** // Ozark Ballet Theater

**Dayton Castleman** // Urban Land Institute Art in Place

**Devin Howland** // City of Fayetteville - Director of Economic Development (Core Group)

**Elizabeth Bainbridge** // Symphony of Northwest Arkansas (SONA)

**Ellen Woodson** // Fayetteville Arts Council Representative (Core Group)

**Emily Gentry** // Mount Sequoyah

**Jessica Lewallen** // Architect; Housing Task Force Member (Core Group)

**JoAnn Kaminsky** // Art therapist; Puppetry

**Joanna Bell** // City of Fayetteville - Dept. of Arts and Culture (Core Group)

**Lia Uribe** // University of Arkansas - Fulbright School (Core Group)

**Lisa Marie Evans** // CACHE

**Marlee Stark** // City of Fayetteville - Economic Vitality Manager (Core Group)

**Mary Sue Price** // Playwright

**Melissa Milton** // Sculptor; Painter; Fayetteville Art Galley Cooperative

**Sharon Killian** // NWA Black Heritage; ArtVentures (Core Group)

**Shelly** // Sculptor

**Sonia Harvey** // Former City Council Member; Graphic Designer (Core Group)

**Tinh Nguyen** // Breaking Habits Crew

**Tom Smith** // Sculptor

**Yannik Duryer** // Make Fayetteville Liveable

## CIVIC AND FINANCE LEADERS

**Alison Jumper** // City of Fayetteville

**Candy Harreh** // Chamber Fayetteville

**Claudia Scott** // Startup Junkie

**Daniel Koonce** // Startup Junkioe

**Devin Howard** // City of Fayetteville - Director of Economic Development (Core Group)

**Hope Haynes** // Specialized Real Estate

**Jennifer Walker** // Experience Fayetteville

**Kelly Rich** // Downtown Fayetteville

**Marlee Stark** // City of Fayetteville - Economic Vitality Manager (Core Group)

**Mike Wiederkihr** // City of Fayetteville City Council

**Philip Adams** // Forge Community Loan Fund

**Richard Guthrigler** // Downtown Fayetteville

**Sarah Moore** // City of Fayetteville City Council

**Scott Berna** // City of Fayetteville City Council

**Sonia Harrey** // 501c3 Design

**Stacy Ryburn** // Fayetteville Flyer

**Yannik Duryer** // Make Fayetteville Liveable

## ARTS ORGANIZATIONS AND CREATIVE BUSINESSES

**Alex Cogbill** // Local Color Gallery

**Bernice Hembree** // Fayetteville Folk School

**Bryan Hembree** // Fayetteville Folk School

**Bryce Brisco** // Community Creative Center

**Devin Howland** // City of Fayetteville - Director of Economic Development (Core Group)

**Ellen Woodson** // Fayetteville Arts Council Representative (Core Group)

**Emily Gentry** // Mount Sequoyah

**Gina Gallina** // Fenix Gallery, Crochet artist

**Hope Haynes** // Specialized Real Estate Group (Core Group)

**Jason Smith** // Walton Arts Center

**Jessica Lewallen** // Architect; Housing Task Force Member (Core Group)

**Joanna Bell** // City of Fayetteville - Dept. of Arts and Culture (Core Group)

**Lia Uribe** // University of Arkansas - Fulbright School (Core Group)

**Marlee Stark** // City of Fayetteville - Economic Vitality Manager (Core Group)

**Sarah Dilatush** // City of Fayetteville - Dept. of Arts and Culture

**Shannon Jones** // TheatreSquared

**Sonia Harvey** // Former City Council Member; Graphic Designer (Core Group)

**Stacy Harper** // My T By Design

## **WRAP-UP MEETING WITH CORE GROUP AND CITY LEADERSHIP**

**Joanna Bell** // Arts and Culture Director, City of Fayetteville

**Sonia Gutiérrez Harvey** // Former City Council Member; Founder & Principal, 501c3 Design

**Hope Haynes** // Owner's Representative, Specialized Real Estate Group

**Devin Howland** // Director of Economic Development, City of Fayetteville

**Alison Jumper** // Director of Parks Natural Resources and Cultural Affairs, City of Fayetteville

**Sharon Killian** // Co-Founder & Board President, NWA Black Heritage; Board Chair, ArtVentures

**Jessica Lewallen** // Housing Task Force Member; Founder & Architect, GEMSTONE Design Studio

**Marlee Stark** // Economic Vitality Manager, City of Fayetteville

**Ellen Woodson** // Fayetteville Arts Council Representative; Interior Design Project Manager, Ivy35 Ventures

**Lia Uribe** // Associate Dean for the Arts and Humanities, University of Arkansas - Fulbright School

**Molly Rawn** // Mayor, City of Fayetteville

**Brian Raines** // Dean of Fulbright College, University of Arkansas

**Chris Brown** // Director of Public Works

**Keith Macedo** // Chief of Staff

**Jonathan Curth** // Director of Development Services

*Attendees are identified to the best of our abilities. We apologize for any omissions or misspellings.*

Public meeting attendees are included in Appendix A.

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# FEASIBILITY II STUDY

Following an informative Preliminary Feasibility Study in April of 2018, the City of Fayetteville and Artspace advanced into Feasibility II with an in-person, community visit February 4-6th, 2025. The Feasibility II Study is the second step in Artspace's feasibility process to determine the viability of an affordable artist housing development in the context of a community's unique needs, opportunities, and challenges. A highly customized phase, this step further analyzes key variables that were discovered during the Preliminary Feasibility Study. This step seeks to determine if a viable path exists for Artspace to advance an affordable arts development project in Fayetteville, and if so, what factors must be aligned in order to do so. This study also serves to inform creative space opportunities more broadly in hopes that local players can move projects forward that will enhance and bolster Fayetteville's rich arts and culture sector.

Artspace had come away from the initial study with the sense that Fayetteville would benefit from the timely development of a mixed-use project that features 50-70 units of affordable live/work housing for artists and their families with ground floor creative commercial and community space in downtown.

Moving into the Feasibility II Study after an unprecedented six and a half years which brought a global pandemic and vast growth to Northwest Arkansas, the Artspace team set out to test the project concept assumptions that were developed during the initial scope of work. To do so, this scope focused on identifying and touring additional sites, deepening our understanding of available public and private funding tools to evaluate the financial and regulatory landscape, and convening with a broad range of stakeholders.

Artspace was represented by Lucas Koski, Vice President of Consulting and Kelli Miles, Project Manager of Artspace Consulting, with additional support from Jessi Fett, Director of Consulting, and Artspace's Development Department.

## How would you describe the arts/cultural sector in Fayetteville? (one or two-word answers)

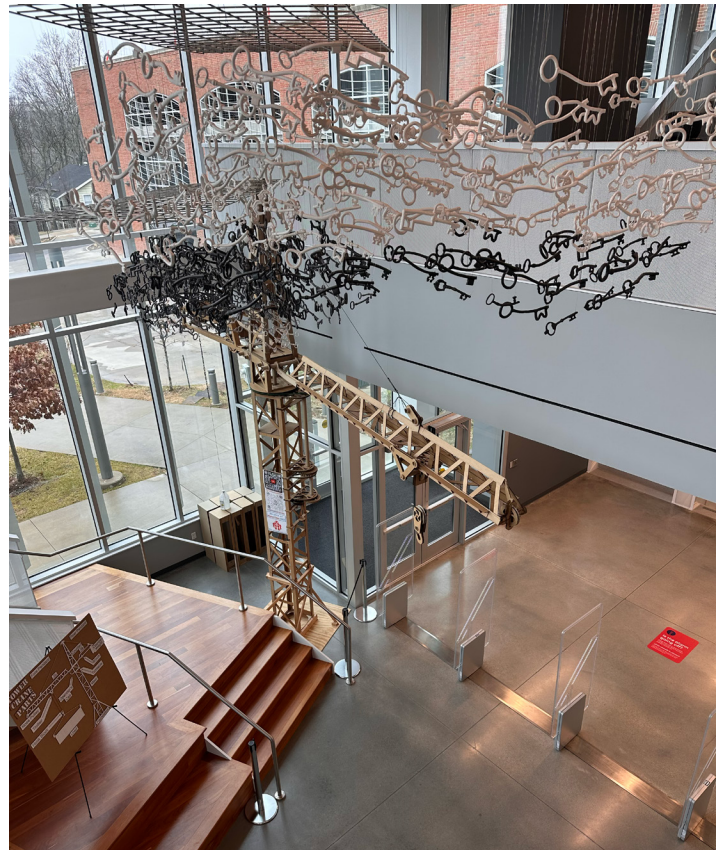


Word cloud describing Fayetteville's creative sector as generated by attendees of the virtual artists and arts organizations focus group

## FEASIBILITY II ENGAGEMENT

During the Fayetteville study, the Artspace team:

- Hosted a virtual focus group with Fayetteville artists and creatives to discuss space needs and the local creative sector ecosystem.
- Toured four potential development sites and drove-by several additional site opportunities.
- Visited several existing creative assets, including the University of Arkansas' new School of Art and the Fayetteville Public Library's expansion.
- Held a lunch with representatives of local arts organizations and creative businesses to understand commercial space challenges, opportunities, and needs.
- Facilitated a focus group with civic and finance leaders to share Artspace's model and discuss alignment with current priorities/initiatives.
- Hosted a public meeting with the Fayetteville Public Library to present initial findings and solicit feedback on project concept.
- Held a breakfast meeting with the Core Group and City leadership, including Mayor Molly Rawn, to discuss sites, funding opportunities, and immediate next steps.
- Met with the Arkansas Development Finance Authority to discuss the Low-Income Housing Tax Credit program and other relevant funding sources.



(Left to right) Fenix Arts Gallery, Installation at Fayetteville Public Library// Photos Credit: Artspace

# Recap of the 2018 Findings from the Preliminary Feasibility Report

## Project Concept

The following types of creative spaces ranked of highest need in Fayetteville at the time of the initial study: private studio space, live/work housing, shared industrial shop/makerspace, and community performing arts/black box. As a growing university town, artists described the increasingly strained rental market, citing challenges securing affordable housing within city limits. A mixed-use concept (live/work housing and community space with attainable commercial space) resonated with Fayetteville artists as an opportunity to foster an “artistic hub” with a variety of creative activity and interactions.

## Creative Sector

Fayetteville's arts and culture sector is home to an impressively broad range of forms and mediums. As such, the arts market featured (and continues to feature) a diverse array of established, institutional assets alongside freelance artists, grassroots organizations, and emerging businesses. At the time of the initial study, the region's rapid growth had already led to steep increases in commercial rents, especially downtown retail spaces. Many of the artists Artspace spoke with during the 2018 engagement were experiencing unprecedented rate hikes, opted to share space with others, or made space-related concessions, such as no access to bathrooms, in order to secure space to make, show, and sell work.

## Alignment with Broader Community Goals

Artspace had asked focus group and public meeting attendees to identify their leading community goals from a list of over twelve objectives an Artspace-style project can align with. In order of ranking, the priority goals were: assisting local artists, supporting a cultural community, and sustaining creative businesses and nonprofits. As a community, Artspace felt Fayetteville was generally aware of the far-reaching importance of investing in its long-standing and unique creative identity, but had yet to devise a strategy to tackle the looming housing challenge. At the time of the 2018 study, concerns around the rising cost of living for recent graduates and tenured community members alike was heightening by the expansion of the University's facilities and programs.

## Local Leadership

Strong local leadership is essential to the success of community-led development initiatives. Though there was significant support for a potential development project, these discussions had less participation from local philanthropies and foundations. From a cross-sector sampling of local leaders, Artspace learned about a number of large-scale projects, including the expansion of the Fayetteville Public Library and the University's Art and Design District. These focus groups also spent time discussing non-space related strategies to strengthen the creative ecosystem, including city-specific arts marketing/branding, “percent for the arts” tax program, and the creation of an arts service organization.

## Funding and Financing

Artspace engaged a variety of public and private funding stakeholders to identify potential resources and gauge willingness to prioritize funding for an affordable arts development project. Among the sources discussed were Low Income Housing Tax Credits, Community Development Block Grants, Historic Tax Credits, HOME Investment Partnership Program, New Market Tax Credits, Tax Increment Financing, Opportunity Zones, and the Arkansas Capital Corporation. The Northwest Arkansas Economic Development District was noted as an agency that would be important to engage if a project moves forward. Additionally, a list of local and regional foundations and corporate giving programs was compiled for further investigation of these organizations' giving priorities and timelines if Artspace were to be engaged as a developer.

## Potential Sites

The Fayetteville site tour focused on six potential sites in or adjacent to downtown. Based on a number of criteria, the leading sites included the Fayetteville Public Library expansion site, Jefferson School on S. College Avenue, and the Armory on N. College Avenue. Key factors that these sites ranked highly on included their locations, acquisition opportunity, potential for synergies with adjacent assets, and, with the exception of the Armory, the lot/building size. Note that these findings were preliminary and based upon information available at the time.

# PRELIMINARY FEASIBILITY REPORT

## Fayetteville, AR | May 2018



Prepared at the request of the Walton Family Foundation

2018 Fayetteville Preliminary Feasibility Report courtesy of Artspace

# 2024–2025 FEASIBILITY UPDATES

From our engagement during the Feasibility II study, it is clear that an affordable artist housing project continues to resonate with local creatives and champions of the arts alike, including city staff, councilmembers, Mayor Rawn, and University of Arkansas leaders. To analyze the opportunities that align with a project of this style and scale, the following section of the report models key project components in the context of Fayetteville's unique needs, assets, sites, and resources.

## Fayetteville's Creative Sector Today

Fayetteville stands out as the cultural heart of Northwest Arkansas, with a creative community that is both deeply rooted and forward-looking. The city's long and proud arts tradition is strengthened by the presence of the University of Arkansas, whose world-class School of Art and other programs draw talent, ideas, and energy into the local scene. This academic influence blends seamlessly with a grassroots arts culture that thrives in galleries, performance venues, and public spaces across the city.

Yet, the city's creative energy also extends beyond formal institutions, such as the University, Walton Art Center, and TheatreSquared, just to name a few. Fayetteville's downtown core—alive with music, theater, and visual art of all scales—provides a walkable, interconnected network of spaces where artists, audiences, and entrepreneurs can collide. The recently finished Ramble is a transformational cultural arts corridor now linking key assets with nature, central gathering spaces, and public art. Throughout large-scale projects like The Ramble, local government and community leaders have shown genuine interest in supporting the creative sector, recognizing both its cultural value and its economic potential.

Despite critical challenges—such as rising housing and commercial space costs—Fayetteville retains a resilient arts ecosystem. The community's collaborative spirit, access to outdoor inspiration from the surrounding Ozark landscape, and collective civic pride all combine to make Fayetteville an exceptional place for artists to live, work, and contribute to the city's evolving story.

## Local Artists Perspectives on Opportunities, Challenges, and Creative Space Needs

Artspace asked attendees of the virtual artists and arts organization focus group to share their perspectives on the leading challenges and opportunities facing local artists and creatives. The following themes emerged:

### Opportunities and Strengths:

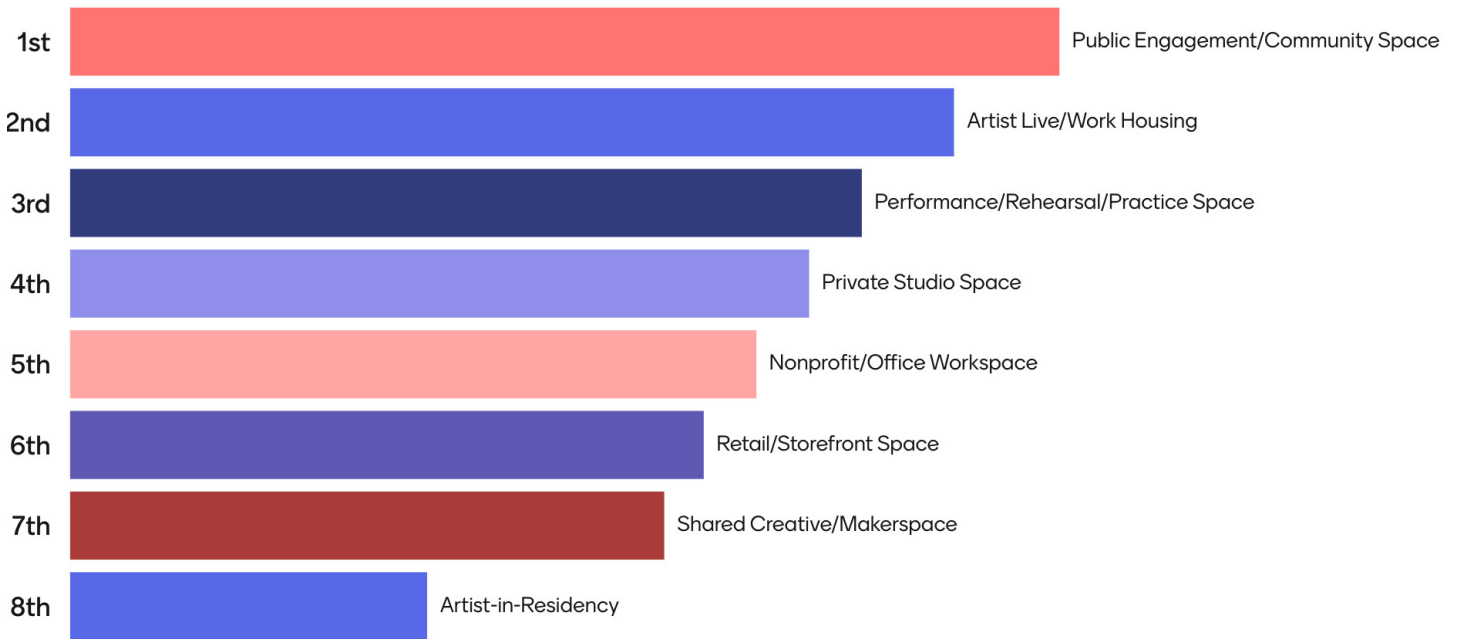
- Adoption of an Arts and Culture Master Plan
- Centrally located to many larger regional markets
- Rich diversity of local artists
- Fayetteville Public Library as a key asset
- NWA Black Heritage
- Accessible and beautiful hike/bike trail system
- The Ramble
- The University of Arkansas
- Community Creative Center

### Challenges:

- Affordable housing, exacerbated by competition from student housing
- Significant conversion of long-term rentals to short-term Airbnb-style rentals
- Rising commercial rents pricing artists and small creative businesses out of downtown spaces
- Access to resources (funding, business development assistance, shared tools, etc.)
- Lack of public transportation
- Lack of accurate shared calendar
- Gatekeeping among community members and funders
- Cost and availability of childcare
- Rising cost of living

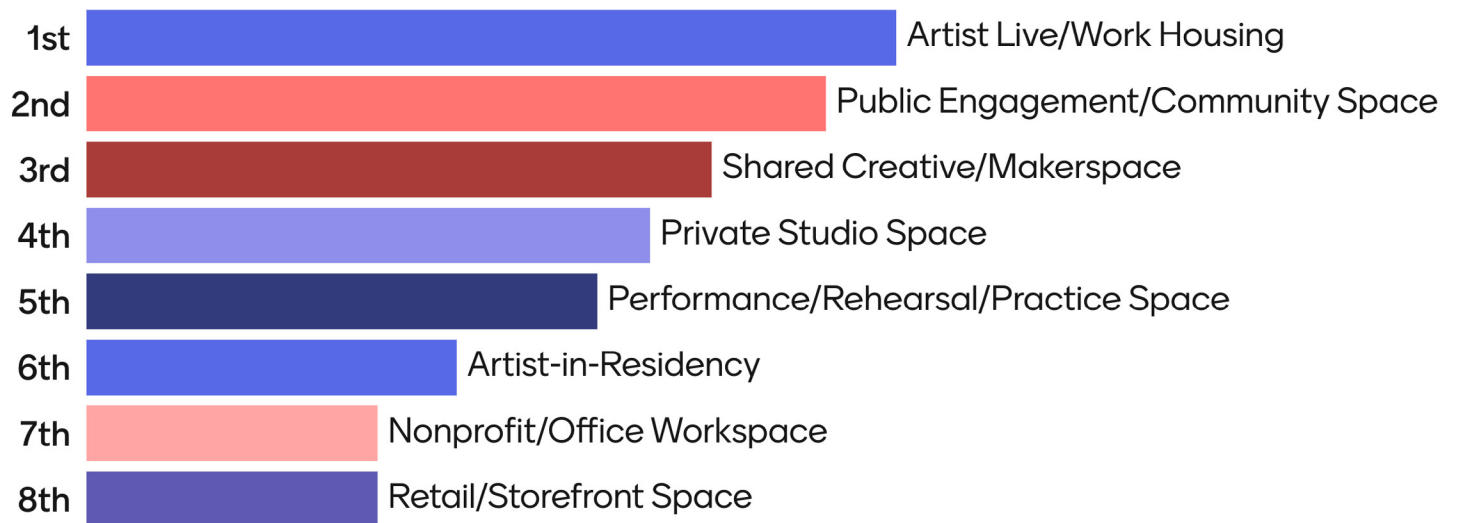
Similarly, the team engaged artists, creatives, and nonprofit and creative business leaders on the topic of creative space needs. When asked to rank the types of spaces that are of most need in Fayetteville, the focus groups attendees ranked **artist live/work housing** and **public engagement/community space** across both polls.

**What types of artist spaces are most needed in Fayetteville? Rank these in order of importance**



*Mentimeter responses from virtual artist and creatives focus group*

**What types of artist spaces are most needed in Fayetteville? Rank these in order of importance**



*Mentimeter responses from arts organizations and creative businesses focus group*

Attendees were also asked to share other or specific types of creative spaces that are of need. The following were stated:

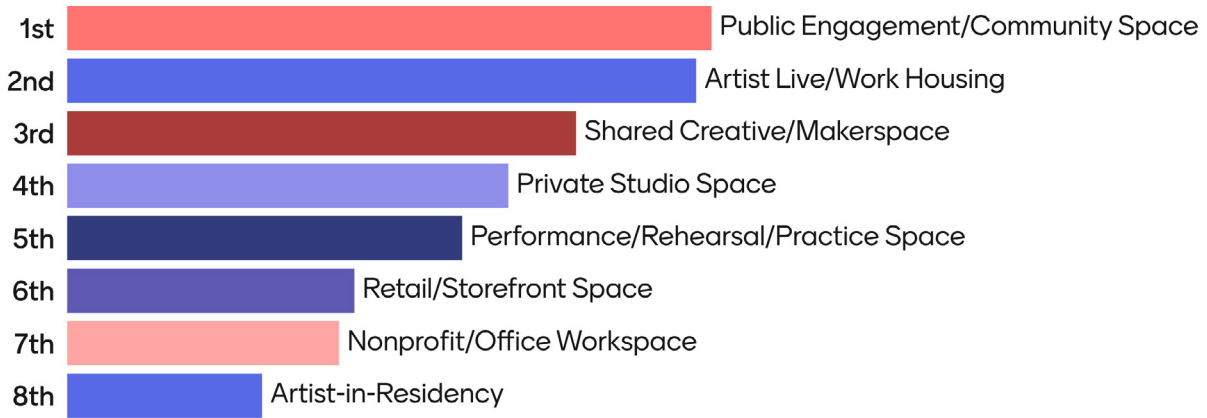
- Gallery space
- Space for art classes
- Content creation studio space (streaming, podcasting, social media creation)
- Photography and video studio space
- Metal working space (welding, casting, forging, blacksmithing)
- Small scale performance space for independent musicians, readings of new plays, comedy shows, etc.
- Indoor art and craft event venue
- Industrial space for large scale sculpture work
- Functional storage space with 24-hour access
- Messy, warehouse-style spaces
- Dance studios
- Outdoor gas/atmospheric kiln space
- Residency spaces
- Spaces geared toward teens/young adults
- Retail space
- Co-working for digital creation

## Broader Community Support and Alignment with Community Goals

While in Fayetteville, Artspace hosted a public meeting at the library. Participants represented a broad spectrum of perspectives and “hats”—artists, arts administrators, civic leaders, funders, and engaged residents—creating a dynamic conversation. Roughly half the room was already familiar with Artspace, including several who had participated in the original 2018 engagement process, while the other half was encountering the organization for the first time.

Through a series of discussion prompts, attendees weighed in on the types of creative space they felt were most needed and shared thoughts on ideal locations for an arts-focused development. Consistent with feedback from this study’s focus groups with artists and arts organizations, two needs rose to the top: **public engagement/community space** and **artist live/work housing**. Notably, the urgency around live/work housing appears to have grown significantly since 2018. Participants repeatedly spoke about new developments in the downtown core catering to the student population, further tightening housing availability and affordability for other residents, including artists. More broadly, Fayetteville has persistently experienced a lack of vertical housing development in and adjacent to downtown over the last several years. As of the 2025 Fayetteville Housing Assessment Update, an additional 1,145 housing units are needed per year to meet the projected population growth, a market demand that cannot be met by single family and low-rise developments alone. In order to keep pace with the local demand, denser residential housing type (50+ unit buildings, for example) are needed in downtown Fayetteville.

**What types of artist spaces are most needed in Fayetteville? Rank these in order of importance**



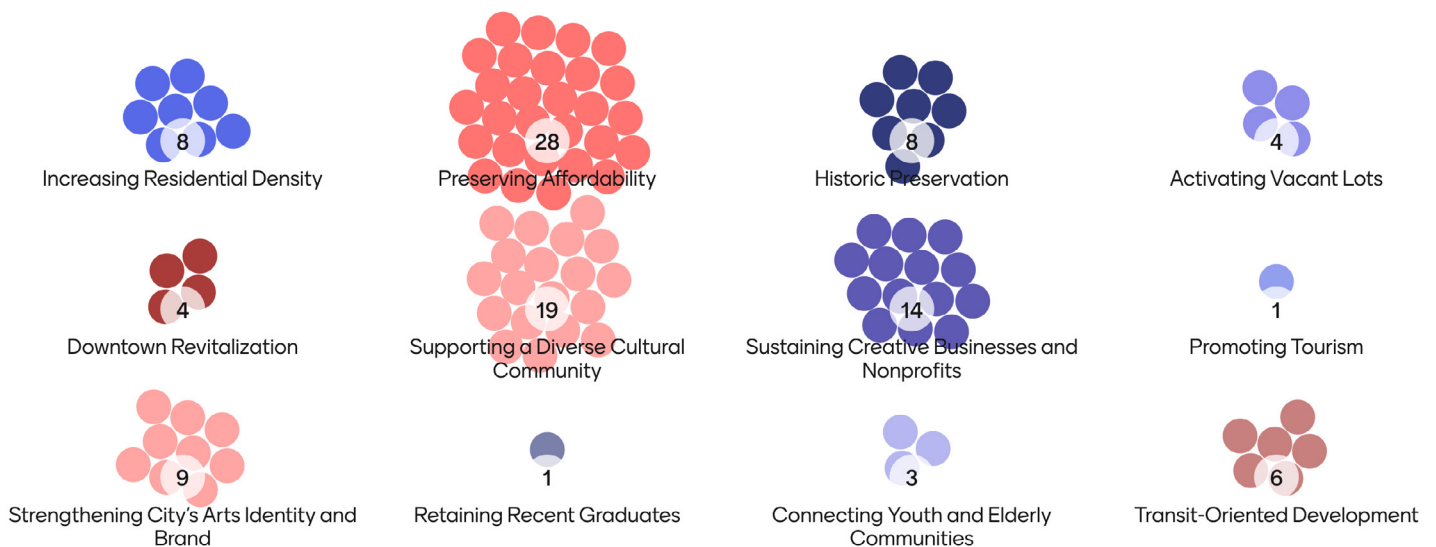
*Mentimeter responses from public meeting*

Other highly valued space types included **shared creative/makerspace, private studios, and performance or rehearsal space**. These uses, attendees noted, could complement live/work housing within a mixed-use model. Artspace emphasized that for such a concept to remain sustainable over the long term, future planning should include identifying potential operating partners for specialized spaces like makerspaces or performing arts facilities.

When conversation turned to location, the group offered a wide range of suggestions, with the greatest interest expressed in South Fayetteville—particularly around 15th and South School, 15th and South College, the area between 15th and MLK, and sites near Baum-Walker Stadium. Other areas mentioned included Mount Sequoyah, the downtown core, the historic district, and sites adjacent to the library or near the Ramble. A number of more specific areas across the city also came up, from West and Dickson to Walker Park and the warehouse space near Drake Field.

Finally, attendees were asked to identify broader civic goals that they believe should guide Fayetteville's future and could be advanced by an Artspace-style project. Three priorities emerged as clear leaders: **preserving affordability, supporting a diverse cultural community, and sustaining creative businesses and nonprofits**. These priorities closely mirror those voiced in the artists' and arts organizations' focus group, underscoring a strong consensus across Fayetteville's creative and civic leadership about the most pressing needs—and the role a well-designed arts development could play in addressing them.

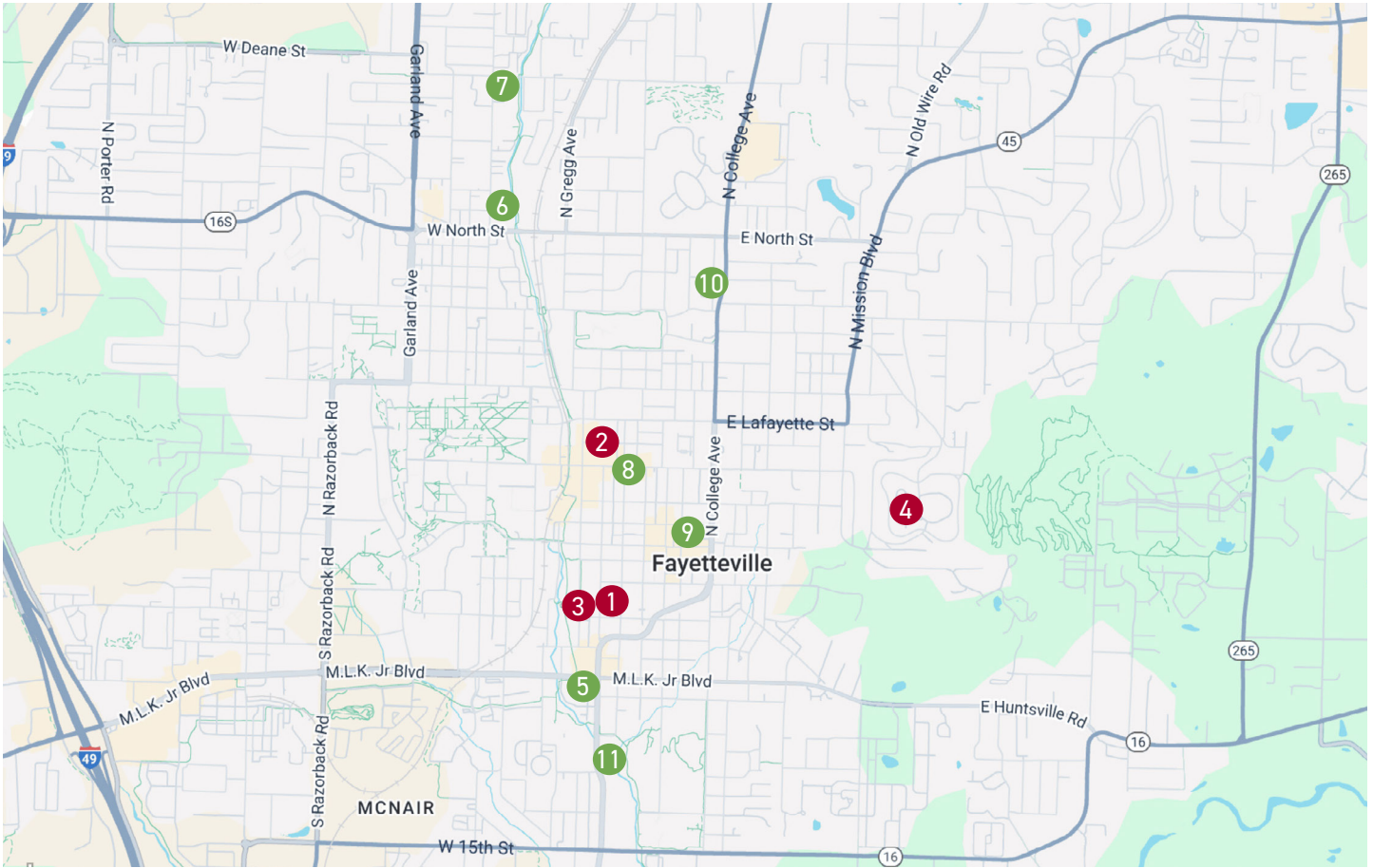
**What goals do you feel should be of highest priority in Fayetteville? Choose your top 3 from the list.**



*Mentimeter responses from public meeting*

# Priority Development Sites

Artspace had the opportunity to tour four potential development sites and drove-by seven additional parcels. This section analyses four leading sites, outlining a visit summary, key development considerations and anticipated challenges for each.



## Fayetteville Site Tour Map

### Sites Toured

- 1 Locust Street (221 S Locust Ave)
- 2 Spring & School Street (256 N School Ave)
- 3 Fayetteville Public Library Vacant Parcel  
(36°03'34.2"N 94°09'55.4"W)
- 4 Mount Sequoyah Parcels (150 N Skyline Dr)

### Sites Driven-By

- 5 W MLK Blvd near Prairie Street Area
- 6 W North St (between N Iron Horse Dr & N Leverett Ave)
- 7 N Leverett Ave (intersection of W Sycamore St)
- 8 241 W Spring St
- 9 Mountain Street Inn Site (E Center St & S College Ave)
- 10 N College Ave (E Cleburn St & N Pollard Ave)
- 11 S School Avenue (9th Street & 11th Street)



Locust Street Site // Photos Credit: Artspace

## Site 1: Locust Street - .49 acres / Privately-Owned

### Site Visit Summary:

- Toured with current owners and broker.
- Historic, character-rich building in a **prime location** – near downtown but away from major traffic corridors. Originally a church.
- Potential eligibility for both **federal and state Historic Tax Credits**.

### Development Potential:

- Construction style: Adaptive reuse - Floor plate suitable for a small scale mixed-use project, including **artist live/work housing** and **creative commercial uses**.
- Plus, adjacent land could support new construction for **25+ additional affordable housing units**.
- Historic architecture offers strong natural light, high ceilings, and unique finishes.
- The potential for historic tax credits means that outside sources could help bear costs above and beyond the ADFA 4% Low Income Housing Tax Credit (LIHTC) per unit state cap.

### Key Challenge:

- Ensuring that **Historic Tax Credit** equity supports affordable housing costs rather than only funding shell restoration or unrelated commercial elements. This is a challenge in itself, as the historic nature of the building is better suited for commercial use rather than affordable housing. However, Artspace believes that with proper inspired design, the non-residential space would greatly enhance the quality of the project for both potential residents and the community at large.

See initial pro forma included in this report in Appendix C.



Spring & School Street Site // Photos Credit: Google Earth

## Site 2: Spring and School Street - .8 acres / City-Owned

### Site Visit Summary:

- Toured with core group members and city staff.
- Parking lot in highly desirable and walkable intersection of downtown.
- Zero potential eligibility for either **federal or state Historic Tax Credits**.
- Partnership with city makes process attractive.

### Development Potential:

- Construction style: New construction.
- Site has great fit for Artspace-style live/work project, approximately 65 units.
- Scores very well on ADFA Qualified Allocation Plan (QAP) for walkability, transit, and local resources.

### Key Challenge:

- Cost of construction would be at a premium for site, geotechnical work, and potentially environmental work.
- Currently not an identified "primary" secondary source of funding beyond LIHTCs.
- Due to high cost and desire to bring a high-quality project to the community, the model provided maximizes Area Median Income (AMI) rents at 60% to increase first mortgage rate to the highest amount possible.

See initial pro forma included in this report in Appendix D.



*Fayetteville Public Library Vacant Parcel Site // Photos Credit: Artspace*

### **Site 3: Fayetteville Public Library Vacant Parcel – 1.3 acres / Owned by Fayetteville Public Library and the Fayetteville Public Library Foundation**

#### **Site Visit Summary:**

- Artspace staff, core group members, and city staff toured library and vacant parcel with library staff.
- Artspace was in awe of the breadth and quality of the library's programs, facilities, and connection to the community.
- Per discussions, the vision for the unused parcel is a large, mixed-used development that would balance the city block with the impressive library.

#### **Development Potential:**

- Construction style: New construction.
- Site has great fit for a mixed-used mixed-income project.
- Parking would most likely have to be underground, either structured or podium-style.
- Per the city staff, the desire for the ground floor would be mixed commercial.

#### **Key Challenge:**

- Cost of construction would be at a premium for site, geotechnical work, and potentially environmental work.
- Artspace believes that this site would be better suited for a larger developer with expertise in mixed-income housing and more traditional commercial uses.
- At this time, Artspace believes its best opportunity to advance creative spaces at this site would be to partner with another developer as a technical consultant.



Mount Sequoyah Site // Photos Credit: Artspace

## Site 4: Mount Sequoyah Parcels – 26-acre campus / Owned by Mount Sequoyah Center Inc

### Site Visit Summary:

- Artspace staff, core group members, and city staff toured the Mount Sequoyah campus with the Executive Director of Mount Sequoyah.
- Mount Sequoyah campus has a ton of potential and is actively being used in very diverse and exciting ways.
- Artspace was very impressed with the short-term rental programs of Mount Sequoyah. This program allows creatives and others to rent living spaces for a short period of time at highly desirable and affordable rents.
- The amount of deferred maintenance and ongoing upkeep needed to sustain this campus is immense.

### Development Potential:

- Campus has many buildings that have potential for creative uses, but none that stood out to Artspace as an ideal candidate for a Artspace-style live work project.
- Artspace was very intrigued by the potential for a “scattered site” redevelopment/repositioning of the individual bungalows, but this would only provide updates and renovations to existing units, not the creation of additional units, which is the priority of Fayetteville.
- Location of the campus is not ideal for an Artspace-style live/work project, but the potential and vision of a creative artists-in-residence campus is very intriguing.

### Key Challenge:

- Cost of construction would be at a premium for site, geotechnical work, and potentially environmental work.
- Artspace believes that this site would be better suited for a larger developer with expertise in mixed-income housing and more traditional commercial uses.
- At this time, Artspace believes its best opportunity to advance this site would be to partner with another developer as a technical consultant.

## Project Concept

Arkansas presents unique challenges for developing high-quality affordable artist housing due to **ADFA's per-unit cost cap for 4% LIHTC projects**, currently set at **\$250,000 per unit**.

- **Purpose of the Cap:** Intended to maximize the number of affordable units statewide with the limited volume cap of tax-exempt bonds that the state of Arkansas receives.
- **Impact of the Cap:** Makes it difficult to build where construction costs are high (which includes Fayetteville) or to deliver above-standard amenities, such as oversized units and larger common spaces. ADFA's previous LIHTC awards are predominately low-rise developments, repositioning naturally occurring affordable housing (NOAH), and scattered single family homes.

## Artspace's Cost Cap Waiver Success

In previous work in Little Rock, Artspace successfully secured an ADFA board agreement allowing developers to exceed the per-unit construction cost cap as long as the ADFA-controlled resources (LIHTC equity, HOME funds, ADFA gap financing, etc.) do not exceed the \$250,000/unit threshold. This was made possible by Artspace successfully lobbying the ADFA board and convincing staff and board members that the resources were not being diluted but rather supplemented with resources that would otherwise not be brought to bear by the affordable housing industry.



*"Breaking Down" by Jane Hartfield on display at Fenix Arts Gallery, Children's section at Fayetteville Public Library// Photos Credit: Artspace*

## Example Projects

### ARTSPACE WINDGATE CAMPUS // LITTLE ROCK, AR



**UNDER CONSTRUCTION: 2024-2026**

**ESTIMATED DEVELOPMENT COST: \$36M**

**LIVE/WORK UNITS: 60+ (30-60% AMII)**

**COMMERCIAL SPACE: 12,000 SF**

**PARTNERS: Windgate Foundation**

**FUNDERS: Harriet and Warren Stephens, City of Little Rock, Clark Construction, Anne and Merritt Dyke, Charles A. Frueauff Foundation, The Hussman Foundation, Jackye and Curtis Finch Jr., John and Robyn Horn, Hastings on behalf of the Rosalyn and Harry Hastings family, Stella Boyle Smith Trust (Cathy and Mike Mayton, Trustees), Terri and Chuck Erwin, Vicki and Mark Saviers, Yellow Rocket Concepts**

Artspace Windgate Campus grew out of a strategic effort to benefit community led by the Windgate Foundation with key support from civic leaders, arts organizations, local artists, and creative businesses. The partnership with the Windgate Foundation provide philanthropic funding outside ADFA's jurisdiction. This funding entered as a sponsor loan to Artspace Projects Inc., allowing for enhanced project quality (e.g., higher ceilings, elevators, HVAC upgrades, covered parking, creative commercial spaces) and to help deal with anticipated cost increases in a highly volatile marketplace.

The new construction development is a four-story building that will provide 60 units of affordable live/work style housing designed for artists and their families, ten working artist-in-residence studios, ample event and gallery space including a large outdoor courtyard, and approximately 12,000 square feet of commercial space to provide space for local arts and cultural organizations. To designate Artspace Windgate Campus as a destination for the arts, public art components will include murals situated on the building's exterior spaces and sculptural components in the outdoor courtyard along College Street.

Please see Appendix E for a detailed budget of this project that is now in construction.

**SOURCES OF FUNDING AND FINANCING  
ARTSPACE WINDGATE CAMPUS // LITTLE ROCK, AR**

**PUBLIC SOURCES**

Low-Income Housing Tax Credit (4%)	\$12,201,100	30%
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**PRIVATE SOURCES**

First Mortgage	\$2,400,000	6%
Philanthropic Gifts	\$15,505,319	38%
Deferred Developer Fee	\$600,000	1%
Reinvested Developer Fee	\$1,715,538	4%
Philanthropic Gifts Commercial	\$8,794,681	21%
<b>TOTAL</b>	<b>\$41,216,638</b>	<b>100%</b>



Renderings courtesy of AMR Architects

## Example Projects

### ARTSPACE COLORADO SPRINGS // COLORADO SPRINGS, CO



Another project currently under construction in a high cost of living and high cost of construction market is the Artspace Colorado Springs project. This project was made possible by a deep connection with state resources that were required to advance the deal in the marketplace.

In order to fulfill the desire to utilize Artspace's Artists Preference process, Artspace was required to fund the project with non-competitive 4% tax credits and had similar constraints with per units caps. To successfully fund this project, Artspace spent multiple years lobbying for additional state resources, as the philanthropic sector is not as robust in Colorado for Artspace's type of work. This led to sources of funds coming from new resources including, but not limited to, the states brand new Community Revitalization Fund (see sidebar below), American Rescue Plan Act, and Office of Economic Development and International Trade's Division of Housing Gap funding pool.

This is an example of having to find additional collectively impactful sources in order to make the deal pencil. For additional information, please refer to Appendix F.

**UNDER CONSTRUCTION: 2024-2025**

**ESTIMATED DEVELOPMENT COST: \$30.2M (with land acquisition)**

**TOTAL AREA: 48,000 SF**

**LIVE/WORK UNITS: 51 (60% AMI)**

**COMMUNITY SPACE: 1,500 SF**

**COMMERCIAL SPACE: 3,500 SF**

**PHILANTHROPIC PARTNERS:** Bee Vradenburg Foundation, Colorado Springs Health Foundation, El Pomar, EM & FE Everett Charitable Trust, Foundation of the Heart, GE Johnson Foundation, H Chase Stone Trust, John & Margot Lane Foundation, Joseph Henry Edmondson Foundation, Kirkpatrick Family Fund, Pikes Peak Community Foundation, The Richard Petritz Foundation, Tiemens Foundation, Weidner Apartment Homes.

**GOVERNMENT PARTNERS:** American Rescue Plan Act, DOLA, Colorado Housing and Finance Authority, SB 152 Community Revitalization Fund

**INVESTMENT AND LENDING PARTNERS:** Raymond James, MP Morgan Chase, JP Morgan



Renderings courtesy of HHL Architects

## SOURCES OF FUNDING AND FINANCING ARTSPACE COLORADO SPRINGS // COLORADO SPRINGS, CO

### PUBLIC SOURCES

Low-Income Housing Tax Credit (4%)	\$11,776,678	40%
State DOLA Second Mortgage	\$2,402,000	8%
American Rescue Plan	\$5,000,000	17%
Community Revitalization Fund	\$3,200,000	11%
DOLA Division of Housing	\$1,980,642	7%
City Tax Rebate and Fee Waivers	\$171,585	>1%
El Paso County Housing Trust Fund	\$500,000	2%

### PRIVATE SOURCES

First Mortgage	\$2,050,000	7%
Philanthropic Gifts	\$796,544	3%
Deferred Developer Fee	\$1,567,955	6%
<b>TOTAL</b>	<b>\$28,417,626</b>	<b>100%</b>

### COLORADO COMMUNITY REVITALIZATION FUND

The Colorado Community Revitalization Grant provides gap funding of up to \$3M per project to development initiatives in creative districts, historic districts, main streets or neighborhood commercial centers. This grant will support creative projects that combine creative industry workforce housing, commercial spaces, performance space, community gathering spaces, childcare centers, and retail partnerships for the purpose of economic recovery and diversification by supporting creative sector entrepreneurs, artisans, and community non-profit organizations. Projects can be created through new construction or renovation of existing buildings and should celebrate the artistic or historic character of the community, provide infill development and/or elimination of blight, and increase property values. Current funding is an allocation of federal American Rescue Plan funds and approved in HB22-1409 legislation.

## Funding Outside ADFA's Control

To achieve above-standard quality without breaching ADFA limits, projects must secure funding from other sources, such as:

- Historic Tax Credits (state & federal)
- Federal Home Loan Bank (FHLB) programs
- Community Development Block Grants (CDBG)
- American Rescue Plan Act or other federal funds not administered by ADFA
- Congressional Directed Spending
- Regional or Municipal Bonds
- Private Philanthropy

## Meeting with Walton Family Foundation (WFF)

Following Artspace's visit to Fayetteville for this study, a representative from our National Advancement team met with Walton Family Foundation staff, including the new Director of Affordable Housing. At this time, it has been communicated to Artspace that the foundation will not fund a Fayetteville project due to lack of state/city affordable housing support and a shift in the Foundation's focus. However, the funder did note that if the City leads a housing initiative, such as affordable artist housing, the foundation may consider "last dollar in" funding opportunities. WFF remains engaged in Artspace projects in Bentonville and rural Colorado, including expanding land acquisition for development. Artspace staff believes that a partnership in Fayetteville may still be possible, but not as the "lead donor" in the same vein as the Windgate Foundation was in Little Rock.



Photos (left to right): Fayetteville Library Event Center, Center for Innovation // Photos Credit: Artspace

# CONCLUSIONS & RECOMMENDATIONS

The Feasibility II Study reaffirms that Fayetteville has the market demand and cultural assets to benefit from an Artspace-style affordable creative space project. However, despite strong community momentum, Artspace does not see a clear path forward at this time as the project's developer without the identification of additional appropriate resources and a source of predevelopment funding. Escalating construction costs, the state's restrictive per-unit cost caps, and the scale of outside resources required create significant barriers that cannot be overcome without major policy shifts or philanthropic investment. These findings do not diminish Fayetteville's potential but instead highlight the importance of a broader coalition of partners to advance this vision.

From the analysis of potential development sites, both the Locust Street property and the Fayetteville Public Library parcel offer meaningful opportunities for further exploration by local players. Locust Street, with its historic character and potential eligibility for state and federal Historic Tax Credits, could support a creative mixed-use concept, though its challenges require a development team with capacity to balance preservation, affordability, and community use. The library parcel is best suited for a larger-scale, mixed-income development, with Artspace potentially contributing in an advisory or technical support capacity. Other sites reviewed offered promise for creative space programming but do not represent a near-term fit for an Artspace-style affordable housing project.

The greatest systemic barrier to feasibility remains the Arkansas Development Finance Authority's per-unit cost cap on 4% LIHTC projects. Without supplemental resources, it is not possible to deliver a high-quality, sustainable arts development of the scale Fayetteville requires.

Based on these findings, we recommend the following actions:

- 1. Advance Site Due Diligence** – Continue evaluation of the Locust Street and library parcels for zoning, historic eligibility, geotechnical conditions, and infrastructure readiness to inform future development opportunities.
- 2. Pursue a Mixed Funding Strategy** – Explore layered financing models that combine LIHTC equity with Historic Tax Credits, municipal/federal allocations, and philanthropic support. While the Walton Family Foundation has indicated it will not serve as a lead donor, its willingness to consider “last dollar in” support underscores the importance of City-led housing initiatives.
- 3. Build a Local Coalition** – Formalize a partnership among City leadership, the University of Arkansas, cultural institutions, and regional funders to coordinate resources, visibility, and political will for affordable creative space.
- 4. Advocate for Policy Solutions** – Engage with state leaders and housing advocates to seek greater flexibility in cost caps and to expand tools available for high-cost urban development contexts.

Should new funding sources emerge to address the current gap, Artspace would be open to reassessing the project's viability. Our role moving forward would be best suited to providing technical assistance, sharing lessons from comparable projects, and supporting local teams as they assemble the resources and partners needed to advance. By pursuing these strategies in parallel, Fayetteville can lay the groundwork for a transformative project that addresses its affordability crisis while reinforcing its position as the cultural hub of Northwest Arkansas.

# APPENDIX A

## PUBLIC MEETING ATTENDEES

We would like to thank the many community members who came out to hear about the potential for affordable artist spaces during our visit.

### PUBLIC MEETING

Alex Bodishbargh King

Alison Jumper

Amelia Raley

Charles Lefla

Charlie Jones

Chung Tan

Courtney Thomas

Dede Peters

Djamila Ricciarel

Emily Trippet

Grace Hurt

Heather Holland

J Aleczander

Jacob Hook

Jean Schmitt

Jeanne Halen

Jessica DeBeri

Kathy Thompson

Lia Uribe

Luke Spivey

Marietta Camillaeu

Misha Gardner

Patti Richardson

Paul Siebenthal

Sonia Harvey

Sarah Graves

Council Member Sarah Moore

Schugler Schwarting

Thomas DeBri

Travis Smith

William Beaver

# APPENDIX B

## SITE SELF-SCORING FOR LOW-INCOME HOUSING TAX CREDIT PROGRAM. 2025 QUALIFIED ALLOCATION PLAN.

Self-Scores Per Site					
Criteria	Point Value	W South St & S W Ave (Library Vacant Parcel)	221 S Locust Street (Church Property)	School Ave Lot (Adjacent to Walton Art Center)	Mount Sequoyah
<b>Location - Area of Opportunity Index ("AOI") calculated for the development's Census Tract.</b>	Up to 10	7.65	7.65	7.65	8.14
<b>Tenant Needs -</b>	Up to 6				
<b>6 points</b> to developments with 100% of the units in the development designed, equipped, and set-aside for elderly defined at 42 USC 3607(b)(2) and Ark. Code Ann. §16-123-307(d)(1)	n/a				
<b>6 points</b> to developments targeting low-income families (or individuals with children) with a minimum of 20% of the units having three or more bedrooms. (If an applicant chooses 100% elderly, the applicant will not receive points for three or more bedrooms)	Possibly?	6	6	6	
<b>6 points</b> for Supportive Housing for disabled persons (as defined in section (A) above) with a minimum of 20% of units for such special needs' tenants.	n/a				
<b>Rehabilitation Point Deduction - If proposed development involves the acquisition and/or rehabilitation of one or more building that were allocated LIHTC within 20 years or less</b>	Up to -12	/	/	/	/
<b>Profit and Overhead -</b>	Up to 5				
<b>1 point</b> for general requirements not exceeding 6% of construction hard costs		1	1	1	1
<b>1 point</b> for contractor profit not exceeding 8% of construction hard costs plus general requirements		1	1	1	1
<b>1 point</b> for contractor's overhead not exceeding 3% of construction hard costs plus general requirements		1	1	1	1
<b>2 points</b> in addition for meeting all three of the above		2	2	2	2
<b>Historic Developments - Developments involving rehabilitation of structures that are individually listed in the NRHP or contribute to Registered Historic District</b>	4	0	4	0	4
<b>Non Profit Participation - For projects involving material nonprofit participation</b>	5	5	5	5	5
<b>Development County - For building in a County that has not had a 9% LIHTC allocation for 10 years or more from current year</b>	10	0	0	0	0
<b>Income Targeting - For targeting units below 60% AMI</b>	Up to 14				
<b>7 points</b> for an application reserving 10% of total units at 40% AMI		7	7	7	7
<b>7 points</b> for an application reserving 10% of total units at 50% AMI		7	7	7	7
<b>Site Selection - 3 points for site amenities located within 3 miles for urban sites. Distance measured by shortest driving distance as calculated by Google Maps</b>	Up to 27				
g. Grocery store or supermarket; h. Pharmacy or drug store; i. School, daycare or education center (cannot be awarded if 100% elderly only property); j. Public Park or Green Space (does not include school grounds); k. Book lending public library; l. Daily operated senior center or facility offering daily services for seniors (can be awarded only if 100% elderly property); m. Hospital, health clinic, or medical doctor's office (medical doctor's office must have a general practitioner.); n. Public transportation; and o. Access to Pedestrian Trails.  3 Points if at least four residential units are within 0.5 miles of the site boundary and occupied as of the application deadline.		24	24	24	24
<b>Incompatible uses - 3 point deducted if uses are adjacent. 2 points deducted if uses are within 0.3 miles (approx. 500 yards as the crow flies)". Uses include: junk yard, public dump, solid waste disposal; pig or chicken farm; prison or jail; airport</b>	No limit on deductions	/	/	/	/
<b>Total Development Cost Per Unit -</b>	Up to 15				
<b>15 points</b> for <\$200,000 <b>12 points</b> for \$200,000 to \$209,999 <b>9 points</b> for \$210,000 to \$219,999 <b>7 points</b> for \$220,000 to \$229,999 <b>5 points</b> for \$230,000 to \$239,999 <b>2 points</b> for \$240,000 to \$249,999 <b>0 points</b> for >\$250,000		2	2	2	15

Serves Lowest Income Group Possible - For developments with units dedicated to serve households whose incomes are 30% or less of the area median income. Rents must be restricted accordingly. The number of units must be at least 5% of the total number of residential rental units in the development.	7	7	7	7	7
6 Points for a signed statement which indicates the number of years the period of affordability will be extended. To receive points, the period of affordability must be at minimum 35 years.  OR 6 Points for eventual tenant ownership pursuant to 26 U.S.C. §42(i)(7). The applicant must submit the proposed right of first refusal contract to be offered for eventual tenant ownership. (HOME/NHTF applicants not allowed)	Up to 6	6	6	6	6
Community Revitalization Plan - Development that is located in a QCT if it contributes to a concerted community revitalization plan	1	1	1	1	0
Energy Efficiency/Air Quality -	Up to 5				
<b>2 point categories:</b> 1. Install HVAC system with SEER 16 or above 2. Air handler and Ductwork installed within Conditioned Space Volume					
<b>1 point categories:</b> 1. Install ceiling insulation rated R-44 or above 2. Install Windows with .35 u-factor/.30 SHGC 3. Advanced Framing Techniques Implemented a. Open Corners/3 stud corners b. Ladder T's at Interior wall intersections with Exterior wall c. ½" or 1" Rigid Insulation installed in Headers 4. Air Sealing Package – Technical diagram/plans outlining areas to be sealed, responsible party, Air Barrier, Thermal Barrier		5	5	5	5
Past Performance Point Deduction - ADFA will reduce an Application's score up to but no more than twenty-five (25) points if the applicant, developer or application preparer failed to meet program or ADFA requirements on a prior ADFA development.	Up to -25	/	/	/	/
Non-Compliance Point Deduction - ADFA will reduce an Application's score up to but no more than twenty (20) points for the calculated Non-Compliance Percentage for each Application. The Non-Compliance Percentage shall be based upon any history of non-compliance of existing or past LIHTC developments of which the following parties were or are part of the Development Team or otherwise involved in the operation of the development	Up to -20	/	/	/	/
<b>Total Score (out of 115)</b>		<b>82.65</b>	<b>86.65</b>	<b>82.65</b>	<b>93.14</b>

# APPENDIX C

## PROFORMA: LOCUST STREET SITE

**60 Unit 4% 60% AMI  
Fayetteville  
Financial Summary**

8/22/25

### CAPITAL BUDGET

#### Sources of Funds

First Mortgage	\$4,250,000
Commercial First Mortgage	\$0
Philanthropic / GAP	\$8,604,486
Predevelopment Funds	\$750,000
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Deferred Developer Fee	\$1,250,000
GP Equity - Artspace (Reinvested Developer F	\$0
LP Federal/State Historic TC	\$0
LP Equity - State LIHTC	\$0
LP Equity - LIHTC	\$10,558,944
<b>TOTAL PERMANENT FINANCING</b>	<b>\$25,413,430</b>

0

#### Uses of Funds

Acquisition	\$1
Construction	\$17,849,308
Construction Related Professional Fees	\$958,339
Construction Financing and Interim Costs	\$2,073,552
Permanent Financing Fees	\$165,380
Soft Costs	\$70,439
Tax Credit Syndication Costs	\$60,000
Developer Fee	\$3,200,000
Legal	\$352,551
Reserves	\$683,860
<b>Total Uses of Funds</b>	<b>\$25,413,430</b>

**PROJECT SURPLUS (DEFICIT) \$0**

### OPERATING BUDGET

Year 1

#### Operating Income

Residential Rental Income		\$781,200
Other Income		\$8,192
Residential Vacancy	7.00%	-\$55,257
Commercial Base Rent		\$0
Commercial Expense NNN Reimbursement		\$0
Commercial Vacancy	15.00%	\$0
Other Income		\$6,000
Interest on Operating Reserves		\$8,035

**Effective Gross Income \$748,169**

#### Operating Expenses

Residential Property Management Fee	\$40,500
Residential Expenses	\$313,423
Residential Real Estate Taxes	\$618
Commercial Management Fee	\$0
Commercial Expenses	\$0
Commercial Real Estate Taxes	\$0
Residential Reserves	\$4,500
Commercial Reserves	\$0

**Total Operating Expenses \$359,041**

**Net Operating Income (NOI) \$389,128**

/	Debt Service Coverage Ratio	1.26
=	Supported Debt Service	\$307,712
	Rate	6.75%
	Term	40
	Supported First Mortgage	\$ 4,250,000

**Cash Available For Distribution \$81,416**

**Locust St Stacked Historic 4%**

**Fayetteville**

**Capital Budget Summary**

SOURCES				8/21/25					
		DCR	Total	Residential	Commercial	% of TDC	Rate	Amort Term	Loan Term
First Mortgage	DCR (Services below the line)	1.22	\$1,250,000	\$1,250,000	\$0	8%	6.75%	40	40
HOME			\$1,500,000	\$0	\$1,500,000	10%	0.50%	40	40
Philanthropic / GAP			\$5,311,721	\$0	\$5,311,721	35%	NA	NA	NA
Deferred Developer Fee	Cash Fee		\$350,000	\$250,000	\$100,000	2%	NA	NA	NA
GP Equity - Artspace (Reinvested Developer Fee)		\$1,360,000	\$500,000	\$0	\$500,000	3%	NA	NA	NA
LP Federal/State Historic TC			\$2,191,226	\$0	\$2,191,226	14%	NA	NA	NA
LP Equity - State LIHTC			\$0	\$0	\$0	0%	NA	NA	NA
LP Equity - LIHTC	Adfa per	\$218,459.02	\$4,240,689	\$4,240,689	\$0	28%	NA	NA	NA
<b>TOTAL PERMANENT FINANCING</b>			<b>\$15,343,636</b>	<b>\$5,740,689</b>	<b>\$9,602,947</b>	<b>100%</b>			
<b>SURPLUS/(DEFICIT)</b>			<b>-\$10,738</b>						

USES				85.00% 15.00%						
	% HTC	%LIHTC	%COMM	Total	Residential	Commercial	LIHTC Basis	Historic Basis	Depreciable	Per Unit
<b>Acquisition</b>										
Land	0.00%	0.00%	15.00%	\$1	\$1	\$0	\$0	\$0	\$0	\$0
Building	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Site Improvements	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Costs</b>										
Site Improvements	0.00%	100.00%	15.00%	\$300,000	\$249,529	\$50,471	\$249,529	\$0	\$300,000	\$7,798
Commercial	100.00%	100.00%	15.00%	\$244,354	\$0	\$244,354	\$0	\$244,354	\$244,354	\$0
LIHTC Construction	40.00%	100.00%	0.00%	\$9,053,189	\$8,253,156	\$800,033	\$8,253,156	\$3,621,276	\$9,053,189	\$257,911
P&P Bond	40.00%	100.00%	15.00%	\$139,430	\$81,441	\$57,989	\$81,441	\$55,772	\$139,430	\$2,545
Building Permits	40.00%	100.00%	15.00%	\$262,376	\$262,376	\$0	\$262,376	\$104,950	\$262,376	\$8,199
Construction Contingency	40.00%	100.00%	15.00%	\$479,877	\$425,134	\$54,743	\$425,134	\$191,951	\$479,877	\$13,285
Utility Work Fees	40.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Impact Fees	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$25,156	\$25,156	\$0	\$0	\$0	\$0	\$786
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Professional Fees (Construction-Related)</b>										
Architect: Design	40.00%	100.00%	15.00%	\$446,770	\$355,311	\$91,458	\$355,311	\$178,708	\$446,770	\$11,103
Architect: Supervision	40.00%	100.00%	15.00%	\$140,155	\$140,155	\$0	\$140,155	\$56,062	\$140,155	\$4,380
Architectural Reimbursemen	40.00%	100.00%	15.00%	\$7,963	\$7,963	\$0	\$7,963	\$3,185	\$7,963	\$249
Survey	40.00%	100.00%	15.00%	\$23,970	\$23,970	\$0	\$23,970	\$9,588	\$23,970	\$749
Geotech	40.00%	100.00%	15.00%	\$6,649	\$6,649	\$0	\$6,649	\$2,660	\$6,649	\$208
Special Inspections	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Monitoring	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Interim Costs</b>										
Hazard Insurance	40.00%	100.00%	15.00%	\$72,000	\$72,000	\$0	\$72,000	\$28,800	\$72,000	\$2,250
Liability Insurance	40.00%	100.00%	15.00%	\$24,000	\$24,000	\$0	\$24,000	\$9,600	\$24,000	\$750
FFE	40.00%	50.00%	15.00%	\$19,200	\$19,200	\$0	\$19,200	\$7,680	\$19,200	\$600
Title and Recording	40.00%	80.00%	15.00%	\$19,200	\$19,200	\$0	\$19,200	\$7,680	\$19,200	\$600
Construction Period Interest	40.00%	50.00%	15.00%	\$812,800	\$812,800	\$0	\$812,800	\$325,120	\$812,800	\$25,400
Construction Loan Originati	40.00%	50.00%	15.00%	\$8,128	\$8,128	\$0	\$8,128	\$3,251	\$8,128	\$254
Credit Enhancement	40.00%	75.00%	15.00%	\$48,400	\$48,400	\$0	\$48,400	\$19,360	\$48,400	\$1,513
Inspection Fees	40.00%	100.00%	15.00%	\$12,000	\$12,000	\$0	\$12,000	\$4,800	\$12,000	\$375
Lender Legal	40.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Period Taxes	40.00%	100.00%	15.00%	\$24,000	\$24,000	\$0	\$24,000	\$9,600	\$24,000	\$750
Construction Period Utilities	40.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Permanent Financing</b>										
Origination Fee	0.00%	0.00%	15.00%	\$12,500	\$10,625	\$1,875	\$0	\$0	\$0	\$332
Underwriter Costs	0.00%	0.00%	15.00%	\$9,902	\$9,902	\$0	\$0	\$0	\$0	\$309
Bond Collateral	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FHA MIP	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Issuance	0.00%	0.00%	15.00%	\$31,368	\$31,368	\$0	\$0	\$0	\$0	\$980
Title and Recording	0.00%	0.00%	15.00%	\$5,265	\$5,265	\$0	\$0	\$0	\$0	\$165
Bond Counsel	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Fees	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Credit Fees	0.00%	0.00%	15.00%	\$40,335	\$40,335	\$0	\$0	\$0	\$0	\$1,260
Tax Credit Monitoring	0.00%	0.00%	15.00%	\$36,009	\$36,009	\$0	\$0	\$0	\$0	\$1,125
<b>Soft Costs</b>										
Market Study	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Study	40.00%	100.00%	15.00%	\$33,518	\$33,518	\$0	\$33,518	\$13,407	\$33,518	\$1,047
Rent-up Expense/Marketing	0.00%	100.00%	15.00%	\$21,771	\$21,771	\$0	\$21,771	\$0	\$21,771	\$680
Appraisal	0.00%	0.00%	15.00%	\$960	\$960	\$0	\$0	\$0	\$0	\$30
Cost Certificate - & other ac	0.00%	50.00%	15.00%	\$6,000	\$6,000	\$0	\$3,000	\$0	\$3,000	\$198
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Syndication Cost</b>										
Organization	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bridge Loan Interest	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Opinion	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PV Adjustment	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Due Diligence	0.00%	0.00%	15.00%	\$32,000	\$32,000	\$0	\$0	\$0	\$0	\$1,000
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Developer Fees</b>										
Overhead	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fee	40.00%	100.00%	15.00%	\$2,210,000	\$1,250,000	\$960,000	\$1,250,000	\$884,000	\$2,210,000	\$39,063
Construction Consultant	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Legal</b>										
Legal Fees	40.00%	50.00%	15.00%	\$237,659	\$237,659	\$0	\$118,830	\$95,064	\$118,830	\$7,427
Permanent Finance Legal	40.00%	50.00%	15.00%	\$18,600	\$18,600	\$0	\$9,300	\$7,440	\$18,600	\$581
Construction Legal	40.00%	50.00%	15.00%	\$22,320	\$22,320	\$0	\$11,160	\$8,928	\$22,320	\$698
Real Estate Legal	40.00%	50.00%	15.00%	\$30,372	\$30,372	\$0	\$15,186	\$12,149	\$30,372	\$949
Syndication Legal	40.00%	50.00%	15.00%	\$25,000	\$25,000	\$0	\$12,500	\$10,000	\$25,000	\$781
Other	40.00%	50.00%	15.00%	\$18,600	\$18,600	\$0	\$9,300	\$7,440	\$18,600	\$581
Other	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Reserves</b>										
Lease Up Months:	0.00%	0.00%	15.00%	3.00	\$87,906	\$74,720	\$0	\$0	\$0	\$2,335
Operating Months:	0.00%	0.00%	15.00%	6.00	\$138,727	\$117,918	\$0	\$0	\$0	\$3,685
Debt Service Re: Months:	0.00%	0.00%	15.00%	6.00	\$65,943	\$56,052	\$0	\$0	\$0	\$1,752
Soft Cost Contingency	0.00%	50.00%	15.00%	\$100,000	\$74,053	\$0	\$37,027	\$0	\$100,000	\$2,314
Initial Replacement/Reserve	0.00%	0.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEVELOPMENT COSTS</b>				<b>\$15,354,373</b>	<b>\$13,023,616</b>	<b>\$2,260,924</b>	<b>\$11,933,437</b>	<b>\$5,922,824</b>	<b>\$14,205,459</b>	<b>\$406,988</b>

\$3,250,000  
0.228785282

0.325615306

**Locust St Stacked Historic 4%  
Fayetteville  
Combined Residential/Commercial Cash Flow**

8/21/25

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
<b>Income</b>																	
Residential Rental Income	2.00%	\$351,624	\$358,656	\$365,830	\$373,146	\$380,609	\$388,221	\$395,986	\$403,905	\$411,984	\$420,223	\$428,628	\$437,200	\$445,944	\$454,863	\$463,960	\$473,240
Other Income	2.00%	\$8,192	\$8,356	\$8,523	\$8,693	\$8,867	\$9,045	\$9,226	\$9,410	\$9,598	\$9,790	\$9,986	\$10,186	\$10,389	\$10,597	\$10,809	\$11,025
Residential Vacancy	7.00%	-\$25,187	-\$25,691	-\$26,205	-\$26,729	-\$27,263	-\$27,809	-\$28,365	-\$28,932	-\$29,511	-\$30,101	-\$30,703	-\$31,317	-\$31,943	-\$32,582	-\$33,234	-\$33,899
Commercial Base Rent	2.00%	\$64,000	\$65,280	\$66,586	\$67,917	\$69,276	\$70,661	\$72,074	\$73,516	\$74,986	\$76,486	\$78,016	\$79,576	\$81,167	\$82,791	\$84,447	\$86,136
Commercial Expense Reimbursement	3.00%	\$40,783	\$42,007	\$43,267	\$44,565	\$45,902	\$47,279	\$48,697	\$50,158	\$51,663	\$53,213	\$54,809	\$56,454	\$58,147	\$59,892	\$61,688	\$63,539
Commercial Vacancy	15.00%	-\$15,718	-\$16,093	-\$16,478	-\$16,872	-\$17,277	-\$17,691	-\$18,116	-\$18,551	-\$18,997	-\$19,455	-\$19,924	-\$20,404	-\$20,897	-\$21,402	-\$21,920	-\$22,451
Other Comm Income	2.00%	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624	\$6,757	\$6,892	\$7,030	\$7,171	\$7,314	\$7,460	\$7,609	\$7,762	\$7,917	\$8,075
Interest on Operating Res	4.4%	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>	<u>\$5,129</u>
Effective Gross Income		\$434,824	\$443,765	\$452,894	\$462,218	\$471,738	\$481,460	\$491,389	\$501,528	\$511,882	\$522,457	\$533,255	\$544,284	\$555,547	\$567,049	\$578,797	\$590,795
<b>Expenses</b>																	
Residential Property Management Fee	2.00%	\$24,800	\$25,296	\$25,802	\$26,318	\$26,844	\$27,381	\$27,929	\$28,487	\$29,057	\$29,638	\$30,231	\$30,836	\$31,452	\$32,081	\$32,723	\$33,378
Residential Expenses	3.00%	\$201,537	\$207,583	\$213,810	\$220,225	\$226,831	\$233,636	\$240,645	\$247,865	\$255,301	\$262,960	\$270,849	\$278,974	\$287,343	\$295,964	\$304,842	\$313,988
Residential Real Estate Taxes	3.00%	\$330	\$339	\$350	\$360	\$371	\$382	\$394	\$405	\$418	\$430	\$443	\$456	\$470	\$484	\$499	\$514
Commercial Management Fee	3.00%	\$100	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134	\$138	\$143	\$147	\$151	\$156
Commercial Expenses	3.00%	\$40,447	\$41,660	\$42,910	\$44,197	\$45,523	\$46,889	\$48,295	\$49,744	\$51,237	\$52,774	\$54,357	\$55,988	\$57,667	\$59,397	\$61,179	\$63,015
Commercial Real Estate Taxes	3.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Reserves	3.00%	\$2,400	\$2,472	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630	\$3,739
Commercial Reserves	3.00%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses and Reserves		\$269,613	\$277,453	\$285,524	\$293,832	\$302,384	\$311,187	\$320,248	\$329,577	\$339,179	\$349,064	\$359,239	\$369,714	\$380,497	\$391,598	\$403,025	\$414,788
<b>Net Operating Income</b>		\$165,211	\$166,311	\$167,370	\$168,386	\$169,355	\$170,274	\$171,140	\$171,951	\$172,703	\$173,393	\$174,016	\$174,570	\$175,049	\$175,452	\$175,772	\$176,006
First Mortgage Debt Service		\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504	\$90,504
Other		\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383	\$41,383
Subordinate Debt Payment		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Debt Service		\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886	\$131,886
<b>First Mortgage Debt Coverage</b>		1.83	1.84	1.85	1.86	1.87	1.88	1.89	1.90	1.91	1.92	1.92	1.93	1.93	1.94	1.94	1.94
1st & 2nd Mortgage Debt Coverage		1.25	1.26	1.27	1.28	1.28	1.29	1.30	1.30	1.31	1.31	1.32	1.32	1.33	1.33	1.33	1.33
<b>Project Cash Flow Before Services</b>		\$33,325	\$34,425	\$35,484	\$36,499	\$37,468	\$38,388	\$39,254	\$40,065	\$40,817	\$41,507	\$42,130	\$42,683	\$43,163	\$43,565	\$43,886	\$44,120
<b>Other</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>First Mortgage Debt Coverage - After Services</b>		1.83	1.84	1.85	1.86	1.87	1.88	1.89	1.90	1.91	1.92	1.92	1.93	1.93	1.94	1.94	1.94
1st & 2nd Mortgage Debt Coverage		1.25	1.26	1.27	1.28	1.28	1.29	1.30	1.30	1.31	1.31	1.32	1.32	1.33	1.33	1.33	1.33
<b>Project Cash Flow</b>		\$33,325	\$34,425	\$35,484	\$36,499	\$37,468	\$38,388	\$39,254	\$40,065	\$40,817	\$41,507	\$42,130	\$42,683	\$43,163	\$43,565	\$43,886	\$44,120
LP Asset Management Fee		\$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	\$9,348
GP Partnership Management Fee		\$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	\$9,348
Deferred Developer Fee		<u>\$33,325</u>	<u>\$34,425</u>	<u>\$35,484</u>	<u>\$36,499</u>	<u>\$37,468</u>	<u>\$38,388</u>	<u>\$39,254</u>	<u>\$40,065</u>	<u>\$40,817</u>	<u>\$41,507</u>	<u>\$42,130</u>	<u>\$42,683</u>	<u>\$43,163</u>	<u>\$43,565</u>	<u>\$43,886</u>	<u>\$44,120</u>
Subordinate Loan Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cash Available For Distribution</b>		21,325	22,065	22,753	23,387	23,962	24,476	24,926	25,307	25,616	25,849	26,003	26,073	26,054	25,943	25,735	25,424

**INCOME SUMMARY**

<b>RESIDENTIAL</b>		<b>Proposed</b>	<b>Gross</b>	<b>Utility</b>	<b>Net Rent</b>	<b>Total</b>	<b>Total</b>	<b>Unit Avg.</b>	<b>Total</b>	<b>Max</b>	<b>Market</b>
<b>Unit Type</b>		<b>Unit Count</b>	<b>Rent</b>	<b>Allowance</b>	<b>Paid</b>	<b>Rent/Mo.</b>	<b>Rent/Yr.</b>	<b>Sq. Ft.</b>	<b>Sq. Ft.</b>	<b>Rents</b>	<b>Rent</b>
1 Bedroom 30% AMI		6	\$566	\$107.00	\$459	\$2,754	\$33,048	750	4,500	\$566	\$924
1 Bedroom 50% AMI		5	\$943	\$107.00	\$836	\$4,180	\$50,160	750	3,750	\$943	\$924
1 Bedroom 60% AMI		5	\$1,132	\$107.00	\$1,025	\$5,125	\$61,500	750	3,750	\$1,132	\$924
2 Bedroom 50% AMI		5	\$1,062	\$130.00	\$932	\$4,660	\$55,920	850	4,250	\$1,062	\$1,121
2 Bedroom 60% AMI		5	\$1,275	\$130.00	\$1,145	\$5,725	\$68,700	850	4,250	\$1,275	\$1,121
3 Bedroom 50% AMI		3	\$1,180	\$155.00	\$1,025	\$3,075	\$36,900	1,000	3,000	\$1,180	\$1,580
3 Bedroom 60% AMI		3	\$1,416	\$155.00	\$1,261	\$3,783	\$45,396	1,000	3,000	\$1,416	\$1,580
<b>Residential Totals</b>		<b>32</b>				<b>\$29,302</b>	<b>\$351,624</b>	<b>828</b>	<b>26,500</b>		

<b>COMMERCIAL</b>		<b>Unit</b>	<b>Base</b>	<b>NNN</b>	<b>Gross</b>	<b>Total</b>	<b>Total</b>	<b>Unit</b>	<b>Total</b>
<b>Unit Type</b>		<b>Count</b>	<b>Rent/SF</b>	<b>Reimb.</b>	<b>Rent/SF</b>	<b>Base Rent/Yr</b>	<b>NNN Rent/Year</b>	<b>Rent/Yr.</b>	<b>Sq. Ft.</b>
Commercial Space 1		16	\$8.00	\$5.10	\$13.10	\$64,000	\$40,783	\$104,783	500
<b>Commercial Totals</b>		<b>16</b>				<b>\$64,000</b>	<b>\$40,783</b>	<b>\$104,783</b>	<b>500</b>

<b>MISCELLANEOUS</b>				<b>Notes</b>
Laundry and other fees				\$8,000
Other		\$4.00	4	\$192
Commercial Other Income				\$6,000
<b>PROJECT TOTAL</b>			<b>\$ 93,302</b>	<b>\$470,599</b>

**Affordability Matrix**

<b>AMI</b>	<b>Units</b>	<b>Pct</b>	
30%	6	19%	5.63%
40%	0	0%	
50%	13	41%	20.31%
60%	13	41%	24.38%
80% AMI	0	0%	
<b>Total</b>	<b>32</b>	<b>100%</b>	<b>50.31%</b>

**Unit Type Matrix**

<b>Type</b>	<b>Units</b>	<b>Pct</b>
Studio	0	0%
1BR	16	50.00%
2 BR	10	31.25%
3 BR	6	18.75%
<b>Total</b>	<b>32</b>	<b>100%</b>

**Utility Allowance Worksheet**

	<b>Studio</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>Description</b>
Heat	\$31.00	\$37.00	\$45.00	\$53.00	
Cooking	\$7.00	\$7.00	\$9.00	\$10.00	
Other Electric	\$22.00	\$29.00	\$37.00	\$48.00	
AC	\$20.00	\$24.00	\$29.00	\$34.00	
Water Heat	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Water	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Sewer	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Trash	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Other	\$0.00	\$0.00	\$0.00	\$0.00	
Electric Service	\$10.00	\$10.00	\$10.00	\$10.00	
<b>Total</b>	<b>\$90.00</b>	<b>\$107.00</b>	<b>\$130.00</b>	<b>\$155.00</b>	<b>HOME UA's</b>
<b>RESNET</b>	<b>\$90.00</b>	<b>\$107.00</b>	<b>\$130.00</b>	<b>\$155.00</b>	<b>LIHTC Unit UA's</b>

**Locust St Stacked Historic 4%  
Fayetteville  
Operating Expense Summary**

8/21/25

	Units	32	Comm SF	8,000
	Total	Per Unit	Total	Per SF
<b>SALARY AND BENEFITS</b>				
5010 On Site Management Salary	\$35,000	\$1,094	\$4,000	\$0.50
5012 Maintenance Salary/Contracts	\$15,000	\$131	\$4,000	\$0.50
5013 Janitorial Salary/Contracts	\$0	\$0	\$4,000	\$0.50
5014 Other Salary	\$15,000	\$469	\$13	\$0.00
5016 Payroll Taxes	\$2,184	\$68	\$17	\$0.00
5018 Employee Benefits	\$9,500	\$297	\$20	\$0.00
<b>Total Salary and Benefits</b>	<b>\$76,684</b>	<b>\$2,059</b>	<b>\$12,050</b>	<b>\$2</b>
<b>ADMINISTRATIVE</b>				
5020 Administrative	\$4,186	\$131	\$800	\$0.10
5021 Office Supplies	\$1,615	\$50	\$400	\$0.05
5022 Employee Training & Travel	\$363	\$11	\$30	\$0.00
5023 Administrative Fees	\$1,121	\$35	\$33	\$0.00
5024 Resident Services	\$0	\$0	\$37	\$0.00
5025 Bookkeeping Fees	\$0	\$0	\$2,400	\$0.30
5030 Compliance Fee	\$2,011	\$63	\$43	\$0.01
5046 Telephone/Internet	\$4,944	\$155	\$47	\$0.01
5047 Bank Charges	\$593	\$19	\$50	\$0.01
5080 Legal Fees	\$956	\$30	\$53	\$0.01
5085 Audit & Tax Prep Fees	\$5,570	\$174	\$57	\$0.01
5087 Other Professional Fees	\$330	\$10	\$1,600	\$0.20
5180 Other Operating Expenses	\$0	\$0	\$63	\$0.01
<b>Total Administrative</b>	<b>\$21,688</b>	<b>\$678</b>	<b>\$5,613</b>	<b>\$1</b>
<b>MARKETING AND MANAGEMENT</b>				
5045 Marketing and Advertising	\$1,615	\$50	\$67	\$0.01
<b>MANAGEMENT FEE</b>				
5040 Property Management Fee	5.34% \$24,800	\$775	\$100	\$0.01
<b>UTILITIES</b>				
5060 Electricity	\$12,986	\$406	\$1,600	\$0.20
5051 Water	\$12,591	\$393	\$1,600	\$0.20
5052 Sewer	\$1,615	\$50	\$1,600	\$0.20
5053 Gas	\$2,142	\$67	\$1,600	\$0.20
5054 Trash Removal	\$2,109	\$66	\$1,600	\$0.20
5055 Other Utilities	\$0	\$0	\$150	\$0.02
<b>Total Utilities</b>	<b>\$31,444</b>	<b>\$983</b>	<b>\$8,150</b>	<b>\$1</b>
<b>REPAIRS AND MAINTENANCE</b>				
5026 Leasing Fees	\$3,395	\$106	\$167	\$0.02
5056 Electrical	\$1,648	\$52	\$800	\$0.10
5057 Exterminating	\$560	\$18	\$800	\$0.10
5058 Appliance Service and Repairs	\$428	\$13	\$0	\$0.00
5059 Locks and Keys	\$2,933	\$92	\$800	\$0.10
5060 Contracted Repairs and Maintenance	\$264	\$8	\$1,600	\$0.20
5061 Maintenance Supplies	\$758	\$24	\$800	\$0.10
5062 Janitorial Supplies	\$626	\$20	\$0	\$0.00
5063 Other Service Contracts	\$1,318	\$41	\$0	\$0.00
5064 HVAC	\$5,735	\$179	\$1,600	\$0.20
5066 Elevator	\$6,229	\$195	\$0	\$0.00
5067 Grounds and Landscaping	\$3,296	\$103	\$0	\$0.00
5068 Snow Removal	\$0	\$0	\$0	\$0.00
5069 Security	\$758	\$24	\$0	\$0.00
5070 Turnover/Unit Prep	\$1,384	\$43	\$800	\$0.10
5071 Plumbing	\$2,406	\$75	\$0	\$0.00
5073 Fire Protection	\$2,336	\$73	\$0	\$0.00
<b>Total Maintenance</b>	<b>\$34,076</b>	<b>\$1,065</b>	<b>\$7,367</b>	<b>\$1</b>
<b>REAL ESTATE TAXES</b>				
5090 Real Estate Taxes	\$0	\$0	\$0	\$0.00
5100 Other Taxes, Licenses, Permits	\$330	\$10	\$237	\$0.03
<b>Total Real Estate Taxes</b>	<b>\$330</b>	<b>\$10</b>	<b>\$237</b>	<b>\$0.03</b>
<b>INSURANCE</b>				
5110 Property & Liability Insurance	\$36,030	\$1,126	\$7,200	\$0.90
5112 Flood Insurance	\$0	\$0	\$0	\$0.00
5114 Other Insurance	\$0	\$0	\$0	\$0.00
<b>Total Insurance</b>	<b>\$36,030</b>	<b>\$1,126</b>	<b>\$7,200</b>	<b>\$0.90</b>
<b>ANNUAL OPERATING EXPENSES</b>	<b>\$226,666</b>	<b>\$6,746</b>	<b>\$40,783</b>	<b>\$5</b>
<b>REPLACEMENT RESERVE DEPOSITS</b>	<b>\$2,400</b>	<b>\$75</b>	<b>\$0</b>	<b>\$0.00</b>
<b>TOTAL OPERATING EXPENSES AND RESERVES</b>	<b>\$229,066</b>	<b>\$6,821</b>	<b>\$40,783</b>	<b>\$5.10</b>

Tax Credit Inputs		8/21/25	
Total Project Cost	\$15,343,636		9:28
Four or nine percent credit? <b>4.00%</b>		4.00%	
<b>ADD:</b> Eligible Basis	\$11,933,437	A	
<b>LESS:</b> Non-Residential Deprec.Basis (commercial)	\$0		0.00%
Res. Portion of Historic Rehab Credit	\$2,665,271		
Disallowed Offsite Improvements	\$0		
Grants	\$0		
Acquisition Basis	\$0		
	<u>\$ 2,665,271</u>	B	
Eligible LIHTC Basis	\$9,268,166	A-B	
Eligible Basis Limit as per Cost Caps	\$0		
Eligible Basis used in Tax Credit Calculation	\$0		
Adjust for Difficult to Develop Area (1)	130%		
Adjusted Eligible Basis	\$12,048,616		
Low-Income Occupancy Percentage	100.00%		
Qualified Basis	\$12,048,616		
Credit Percentage	4.00%		
Calculated Annual Credit	481,945	MAX	
Allocated Credits (if 9%) <i>assumption</i>	\$0		\$0
Used in Forecast	481,945		
Credits to Limited Partner @ 99.99%	\$481,896		
Estimated Price	\$0.8800		
<b>Estimated Equity</b>	<b>\$ 4,240,689</b>		

(1) Only eligible basis attributable to new construction or rehabilitation expenditures can qualify for difficult to develop area basis increase.

15,061

Federal Acquisition Credits		
Acquisition Basis ("Y" or "N")	y	\$0
Adjustment		\$0
4% Acquisition Credit Rate	Jan-00	0.00%
Acquisition Credits		\$0
Credits to LP @ 99.99%		\$0
Acquisition Equity @	\$0.000	\$0

State LIHTC	
Annual Allocation	\$0
Total Allocation	0 \$0
Credits To LP	100%
Estimated Price	\$0.000
<b>Estimated State LIHTC Equity</b>	<b>\$0</b>

Historic Credits			
Yes (Y) or No (N)	Federal	State	Total
Elig. Depr. Basis for Historic Credits	\$5,922,824	\$5,922,824	
Less Acquisition	\$0	\$0	
Less Personal Property	\$0	\$0	
Less Pro Rata Grant	\$0	\$0	
Eligible Hist. Basis	\$5,922,824	\$5,922,824	
Hist. Credit Rate	20%	25%	
Hist. Rehab. Credits	\$1,184,565	\$1,480,706	
Credits to LP @ 99.99%	\$1,184,446	\$1,480,558	*1.5,mm cap
Estimated Price	\$0.750	\$0.880	
Estimated Equity	\$888,335	\$1,302,891	\$2,191,226

Equity Summary	
Estimated LP Equity for Rehab Credits	\$4,240,689
Estimated LP Equity for Acquisition Credits	\$0
Estimated LP Equity for Historic Credits	\$2,191,226
Estimated LP Equity State LIHTC	\$0
<b>Total Estimated LP Equity</b>	<b>\$6,431,915</b>

# APPENDIX D

## PROFORMA: SPRING & SCHOOL STREET SITE

**60 Unit 4% 60% AMI  
Fayetteville  
Financial Summary**

8/22/25

### CAPITAL BUDGET

#### Sources of Funds

First Mortgage	\$4,250,000
Commercial First Mortgage	\$0
Philanthropic / GAP	\$8,604,486
Predevelopment Funds	\$750,000
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Other	\$0
Deferred Developer Fee	\$1,250,000
GP Equity - Artspace (Reinvested Developer F	\$0
LP Federal/State Historic TC	\$0
LP Equity - State LIHTC	\$0
LP Equity - LIHTC	\$10,558,944
<b>TOTAL PERMANENT FINANCING</b>	<b>\$25,413,430</b>

0

#### Uses of Funds

Acquisition	\$1
Construction	\$17,849,308
Construction Related Professional Fees	\$958,339
Construction Financing and Interim Costs	\$2,073,552
Permanent Financing Fees	\$165,380
Soft Costs	\$70,439
Tax Credit Syndication Costs	\$60,000
Developer Fee	\$3,200,000
Legal	\$352,551
Reserves	\$683,860
<b>Total Uses of Funds</b>	<b>\$25,413,430</b>

**PROJECT SURPLUS (DEFICIT) \$0**

### OPERATING BUDGET

Year 1

#### Operating Income

Residential Rental Income		\$781,200
Other Income		\$8,192
Residential Vacancy	7.00%	-\$55,257
Commercial Base Rent		\$0
Commercial Expense NNN Reimbursement		\$0
Commercial Vacancy	15.00%	\$0
Other Income		\$6,000
Interest on Operating Reserves		\$8,035

**Effective Gross Income \$748,169**

#### Operating Expenses

Residential Property Management Fee	\$40,500
Residential Expenses	\$313,423
Residential Real Estate Taxes	\$618
Commercial Management Fee	\$0
Commercial Expenses	\$0
Commercial Real Estate Taxes	\$0
Residential Reserves	\$4,500
Commercial Reserves	\$0

**Total Operating Expenses \$359,041**

**Net Operating Income (NOI) \$389,128**

/	Debt Service Coverage Ratio	1.26
=	Supported Debt Service	\$307,712
	Rate	6.75%
	Term	40
	Supported First Mortgage	\$ 4,250,000

**Cash Available For Distribution \$81,416**

**60 Unit 4% 60% AMI  
Fayetteville  
Capital Budget Summary**

SOURCES										8/21/25	
		DCR	Total	Residential	Commercial	% of TDC	Rate	Amort Term	Loan Term		
First Mortgage	DCR (Services below the line)	1.25	\$4,250,000	\$4,250,000	\$0	17%	6.75%	40	40		
Philanthropic / GAP			\$8,604,486	\$8,604,486	\$0	35%	1.00%	1	1		
Deferred Developer Fee	Cash Fee		\$1,250,000	\$1,250,000	\$0	0%	NA	NA	NA		
GP Equity - Artspace (Reinvested Developer Fee)	\$1,500,000		\$0	\$0	\$0	0%	NA	NA	NA		
LP Federal/State Historic TC			\$0	\$0	\$0	0%	NA	NA	NA		
LP Equity - State LIHTC			\$0	\$0	\$0	0%	NA	NA	NA		
LP Equity - LIHTC	ADFA PER UNIT	\$246,815.73	\$10,558,944	\$10,558,944	\$0	43%	NA	NA	NA		
<b>TOTAL PERMANENT FINANCING</b>			\$24,663,430	\$24,663,430	\$0	100%					
<b>SURPLUS/(DEFICIT)</b>			\$0	\$0	\$0						
USES											
	% HTC	%LIHTC	%COMM	Total	Residential	Commercial	LIHTC Basis	Historic Basis	Depreciable	Per Unit	
<b>Acquisition</b>											
Land	0.00%	0.00%	0.00%	\$1	\$1	\$0	\$0	\$0	\$0	\$0	
Building	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other - Site Improvements	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Construction Costs</b>											
Site Improvements	0.00%	100.00%	0.00%	\$1,084,440	\$1,084,440	\$0	\$1,084,440	\$0	\$1,084,440	\$18,074	
3-Hour Wall + Additional Ga	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LIHTC Construction	0.00%	100.00%	0.00%	\$15,474,668	\$15,474,668	\$0	\$15,474,668	\$0	\$15,474,668	\$257,911	
P&P Bond	0.00%	100.00%	0.00%	\$152,702	\$152,702	\$0	\$152,702	\$0	\$152,702	\$2,545	
Building Permits	0.00%	100.00%	0.00%	\$262,376	\$262,376	\$0	\$262,376	\$0	\$262,376	\$4,373	
Construction Contingency	0.00%	100.00%	0.00%	\$827,955	\$827,955	\$0	\$827,955	\$0	\$827,955	\$13,799	
Utility Work Fees	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Impact Fees	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$47,167	\$47,167	\$0	\$0	\$0	\$0	\$786	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Professional Fees (Construction-Related)</b>											
Architect: Design	0.00%	100.00%	0.00%	\$550,000	\$550,000	\$0	\$550,000	\$0	\$550,000	\$9,167	
Architect: Supervision	0.00%	100.00%	0.00%	\$262,791	\$262,791	\$0	\$262,791	\$0	\$262,791	\$4,380	
Architectural Reimbursemen	0.00%	100.00%	0.00%	\$14,930	\$14,930	\$0	\$14,930	\$0	\$14,930	\$249	
Survey	0.00%	100.00%	0.00%	\$23,970	\$23,970	\$0	\$23,970	\$0	\$23,970	\$399	
Geotech	0.00%	100.00%	0.00%	\$6,649	\$6,649	\$0	\$6,649	\$0	\$6,649	\$111	
Special Inspections	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Environmental Monitoring	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Construction Interim Costs</b>											
Hazard Insurance	0.00%	100.00%	0.00%	\$135,000	\$135,000	\$0	\$135,000	\$0	\$135,000	\$2,250	
Liability Insurance	0.00%	100.00%	0.00%	\$45,000	\$45,000	\$0	\$45,000	\$0	\$45,000	\$750	
FFE	0.00%	50.00%	0.00%	\$36,000	\$36,000	\$0	\$18,000	\$0	\$18,000	\$600	
Title and Recording	0.00%	80.00%	0.00%	\$36,000	\$36,000	\$0	\$28,800	\$0	\$28,800	\$600	
Construction Period Interest	0.00%	50.00%	0.00%	\$1,524,000	\$1,524,000	\$0	\$762,000	\$0	\$762,000	\$25,400	
Construction Loan Originati	0.00%	50.00%	0.00%	\$15,240	\$15,240	\$0	\$12,192	\$0	\$12,192	\$254	
Credit Enhancement	0.00%	75.00%	0.00%	\$90,750	\$90,750	\$0	\$68,063	\$0	\$68,063	\$1,513	
Inspection Fees	0.00%	100.00%	0.00%	\$22,500	\$22,500	\$0	\$22,500	\$0	\$22,500	\$375	
Lender Legal	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Construction Period Taxes	0.00%	100.00%	0.00%	\$45,000	\$45,000	\$0	\$45,000	\$0	\$45,000	\$750	
Construction Period Utilities	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Permanent Financing</b>											
Origination Fee	0.00%	0.00%	0.00%	\$42,500	\$42,500	\$0	\$0	\$0	\$0	\$708	
Underwriter Costs	0.00%	0.00%	0.00%	\$9,902	\$9,902	\$0	\$0	\$0	\$0	\$165	
Bond Collateral	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FHA MIP	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cost of Issuance	0.00%	0.00%	0.00%	\$31,368	\$31,368	\$0	\$0	\$0	\$0	\$523	
Title and Recording	0.00%	0.00%	0.00%	\$5,265	\$5,265	\$0	\$0	\$0	\$0	\$88	
Bond Counsel	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Bond Fees	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Tax Credit Fees	0.00%	0.00%	0.00%	\$40,335	\$40,335	\$0	\$0	\$0	\$0	\$672	
Tax Credit Monitoring	0.00%	0.00%	0.00%	\$36,009	\$36,009	\$0	\$0	\$0	\$0	\$600	
<b>Soft Costs</b>											
Market Study	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Environmental Study	0.00%	100.00%	0.00%	\$33,518	\$33,518	\$0	\$33,518	\$0	\$33,518	\$559	
Rent-up Expense/Marketing	0.00%	100.00%	0.00%	\$23,871	\$23,871	\$0	\$23,871	\$0	\$23,871	\$398	
Appraisal	0.00%	0.00%	0.00%	\$1,800	\$1,800	\$0	\$0	\$0	\$0	\$30	
Cost Certificate - & other ac	0.00%	50.00%	0.00%	\$11,250	\$11,250	\$0	\$5,625	\$0	\$5,625	\$188	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Syndication Cost</b>											
Organization	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Bridge Loan Interest	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Tax Opinion	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PV Adjustment	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Due Diligence	0.00%	0.00%	0.00%	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$1,000	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Developer Fees</b>											
Overhead	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fee	0.00%	100.00%	0.00%	\$2,750,000	\$2,750,000	\$0	\$2,750,000	\$0	\$2,750,000	\$45,833	
Construction Consultant	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Legal</b>											
Legal Fees	0.00%	50.00%	0.00%	\$237,659	\$237,659	\$0	\$118,830	\$0	\$118,830	\$3,961	
Permanent Finance Legal	0.00%	50.00%	0.00%	\$18,600	\$18,600	\$0	\$9,300	\$0	\$9,300	\$310	
Construction Legal	0.00%	50.00%	0.00%	\$22,320	\$22,320	\$0	\$11,160	\$0	\$11,160	\$372	
Real Estate Legal	0.00%	50.00%	0.00%	\$30,372	\$30,372	\$0	\$15,186	\$0	\$15,186	\$506	
Syndication Legal	0.00%	50.00%	0.00%	\$25,000	\$25,000	\$0	\$12,500	\$0	\$12,500	\$417	
Other	0.00%	50.00%	0.00%	\$18,600	\$18,600	\$0	\$9,300	\$0	\$9,300	\$310	
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Reserves</b>											
Lease Up Months:	0.00%	0.00%	0.00%	3.00	\$195,300	\$195,300	\$0	\$0	\$0	\$3,255	
Operating Months:	0.00%	0.00%	0.00%	6.00	\$184,713	\$184,713	\$0	\$0	\$0	\$3,079	
Debt Service Re:Months:	0.00%	0.00%	0.00%	6.00	\$153,856	\$153,856	\$0	\$0	\$0	\$2,564	
Soft Cost Contingency	0.00%	50.00%	0.00%	\$74,053	\$74,053	\$0	\$37,027	\$0	\$37,027	\$1,234	
Initial Replacement/Reserve	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>TOTAL DEVELOPMENT COSTS</b>				\$24,663,430	\$24,663,430	\$0	\$22,823,350	\$0	\$22,823,350	\$411,057	

Fayetteville

Combined Residential/Commercial Cash Flow

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
<b>Income</b>																	
Residential Rental Income	2.00%	\$781,200	\$796,824	\$812,760	\$829,016	\$845,596	\$862,508	\$879,758	\$897,353	\$915,300	\$933,606	\$952,278	\$971,324	\$990,750	\$1,010,565	\$1,030,777	\$1,051,392
Other Income	2.00%	\$8,192	\$8,356	\$8,523	\$8,693	\$8,867	\$9,045	\$9,226	\$9,410	\$9,598	\$9,790	\$9,986	\$10,186	\$10,389	\$10,597	\$10,809	\$11,025
Residential Vacancy	7.00%	-\$55,257	-\$56,363	-\$57,490	-\$58,640	-\$59,812	-\$61,009	-\$62,229	-\$63,473	-\$64,743	-\$66,038	-\$67,359	-\$68,706	-\$70,080	-\$71,481	-\$72,911	-\$74,369
Commercial Base Rent	2.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Expense Reimbursement	3.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Vacancy	15.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Comm Income	2.00%	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624	\$6,757	\$6,892	\$7,030	\$7,171	\$7,314	\$7,460	\$7,609	\$7,762	\$7,917	\$8,075
Interest on Operating Res	4.4%	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>	<u>\$8,035</u>
Effective Gross Income		\$748,170	\$762,972	\$778,071	\$793,472	\$809,180	\$825,203	\$841,547	\$858,217	\$875,221	\$892,564	\$910,255	\$928,299	\$946,705	\$965,478	\$984,627	\$1,004,159
<b>Expenses</b>																	
Residential Property Management Fee	2.00%	\$40,500	\$41,310	\$42,136	\$42,979	\$43,839	\$44,715	\$45,610	\$46,522	\$47,452	\$48,401	\$49,369	\$50,357	\$51,364	\$52,391	\$53,439	\$54,508
Residential Expenses	3.00%	\$313,440	\$322,844	\$332,529	\$342,505	\$352,780	\$363,363	\$374,264	\$385,492	\$397,057	\$408,969	\$421,238	\$433,875	\$446,891	\$460,298	\$474,107	\$488,330
Residential Real Estate Taxes	3.00%	\$618	\$637	\$656	\$675	\$696	\$716	\$738	\$760	\$783	\$806	\$831	\$855	\$881	\$908	\$935	\$963
Commercial Management Fee	3.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Expenses	3.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Real Estate Taxes	3.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Reserves	3.00%	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065	\$5,217	\$5,373	\$5,534	\$5,700	\$5,871	\$6,048	\$6,229	\$6,416	\$6,608	\$6,807	\$7,011
Commercial Reserves	3.00%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses and Reserves		\$359,058	\$369,425	\$380,095	\$391,076	\$402,379	\$414,012	\$425,985	\$438,308	\$450,992	\$464,048	\$477,485	\$491,316	\$505,552	\$520,205	\$535,287	\$550,811
<b>Net Operating Income</b>		\$389,111	\$393,547	\$397,976	\$402,395	\$406,802	\$411,192	\$415,562	\$419,909	\$424,228	\$428,517	\$432,770	\$436,983	\$441,153	\$445,273	\$449,340	\$453,347
First Mortgage Debt Service		\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subordinate Debt Payment		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Debt Service		\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712	\$307,712
<b>First Mortgage Debt Coverage</b>		1.26	1.28	1.29	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.41	1.42	1.43	1.45	1.46	1.47
<b>1st &amp; 2nd Mortgage Debt Coverage</b>		1.26	1.28	1.29	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.41	1.42	1.43	1.45	1.46	1.47
<b>Project Cash Flow Before Services</b>		\$81,399	\$85,835	\$90,264	\$94,683	\$99,090	\$103,480	\$107,850	\$112,197	\$116,516	\$120,805	\$125,058	\$129,271	\$133,441	\$137,561	\$141,628	\$145,635
<b>Other</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>First Mortgage Debt Coverage - After Services</b>		1.26	1.28	1.29	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.41	1.42	1.43	1.45	1.46	1.47
<b>1st &amp; 2nd Mortgage Debt Coverage</b>		1.26	1.28	1.29	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.41	1.42	1.43	1.45	1.46	1.47
<b>Project Cash Flow</b>		\$81,399	\$85,835	\$90,264	\$94,683	\$99,090	\$103,480	\$107,850	\$112,197	\$116,516	\$120,805	\$125,058	\$129,271	\$133,441	\$137,561	\$141,628	\$145,635
LP Asset Management Fee		\$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	\$9,348
GP Partnership Management Fee		\$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	\$9,348
Deferred Developer Fee		<u>\$81,399</u>	<u>\$85,835</u>	<u>\$90,264</u>	<u>\$94,683</u>	<u>\$99,090</u>	<u>\$103,480</u>	<u>\$107,850</u>	<u>\$112,197</u>	<u>\$116,516</u>	<u>\$120,805</u>	<u>\$125,058</u>	<u>\$129,271</u>	<u>\$133,441</u>	<u>\$137,762</u>	<u>\$141,917</u>	<u>\$146,075</u>
Subordinate Loan Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cash Available For Distribution</b>		69,399	73,475	77,533	81,571	85,584	89,568	93,521	97,438	101,315	105,147	108,931	112,661	116,332	119,939	123,477	126,940

**60 Unit 4% 60% AMI  
Fayetteville  
Capital Budget Summary**

SOURCES										8/22/25
		DCR	Total	Residential	Commercial	% of TDC	Rate	Amort Term	Loan Term	
First Mortgage	DCR (Services below the line)	1.25	\$4,250,000	\$4,250,000	\$0	17%	6.75%	40	40	
Philanthropic / GAP			\$8,604,486	\$8,604,486	\$0	34%	1.00%	1	1	
Predevelopment Funds			\$750,000	\$750,000	\$0	3%	NA	NA	NA	
Deferred Developer Fee	Cash Fee		\$1,250,000	\$1,250,000	\$0	5%	NA	NA	NA	
GP Equity - Artspace (Rainvested Developer Fee)	\$1,500,000		\$0	\$0	\$0	0%	NA	NA	NA	
LP Federal/State Historic TC			\$0	\$0	\$0	0%	NA	NA	NA	
LP Equity - State LIHTC			\$0	\$0	\$0	0%	NA	NA	NA	
LP Equity - LIHTC	ADFA PER UNIT	\$246,815.73	\$10,558,944	\$10,558,944	\$0	42%	NA	NA	NA	
<b>TOTAL PERMANENT FINANCING</b>			\$25,413,430	\$25,413,430	\$0	100%				
<b>SURPLUS/(DEFICIT)</b>			\$0	\$0	\$0					
USES										
	% HTC	%LIHTC	%COMM	Total	Residential	Commercial	LIHTC Basis	Historic Basis	Depreciable	Per Unit
<b>Acquisition</b>										
Land	0.00%	0.00%	0.00%	\$1	\$1	\$0	\$0	\$0	\$0	\$0
Building	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Site Improvements	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Costs</b>										
Site Improvements	0.00%	100.00%	0.00%	\$1,084,440	\$1,084,440	\$0	\$1,084,440	\$0	\$1,084,440	\$18,074
3-Hour Wall + Additional Ga	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LIHTC Construction	0.00%	100.00%	0.00%	\$15,474,668	\$15,474,668	\$0	\$15,474,668	\$0	\$15,474,668	\$257,911
P&P Bond	0.00%	100.00%	0.00%	\$152,702	\$152,702	\$0	\$152,702	\$0	\$152,702	\$2,545
Building Permits	0.00%	100.00%	0.00%	\$262,376	\$262,376	\$0	\$262,376	\$0	\$262,376	\$4,373
Construction Contingency	0.00%	100.00%	0.00%	\$827,955	\$827,955	\$0	\$827,955	\$0	\$827,955	\$13,799
Utility Work Fees	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Impact Fees	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$47,167	\$47,167	\$0	\$0	\$0	\$0	\$786
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Professional Fees (Construction-Related)</b>										
Architect: Design	0.00%	100.00%	0.00%	\$650,000	\$650,000	\$0	\$650,000	\$0	\$650,000	\$10,833
Architect: Supervision	0.00%	100.00%	0.00%	\$262,791	\$262,791	\$0	\$262,791	\$0	\$262,791	\$4,380
Architectural Reimbursemen	0.00%	100.00%	0.00%	\$14,930	\$14,930	\$0	\$14,930	\$0	\$14,930	\$249
Survey	0.00%	100.00%	0.00%	\$23,970	\$23,970	\$0	\$23,970	\$0	\$23,970	\$399
Geotech	0.00%	100.00%	0.00%	\$6,649	\$6,649	\$0	\$6,649	\$0	\$6,649	\$111
Special Inspections	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Monitoring	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Interim Costs</b>										
Hazard Insurance	0.00%	100.00%	0.00%	\$135,000	\$135,000	\$0	\$135,000	\$0	\$135,000	\$2,250
Liability Insurance	0.00%	100.00%	0.00%	\$45,000	\$45,000	\$0	\$45,000	\$0	\$45,000	\$750
FFE	0.00%	50.00%	0.00%	\$160,062	\$160,062	\$0	\$80,031	\$0	\$80,031	\$2,668
Title and Recording	0.00%	80.00%	0.00%	\$36,000	\$36,000	\$0	\$28,800	\$0	\$28,800	\$600
Construction Period Interest	0.00%	50.00%	0.00%	\$1,524,000	\$1,524,000	\$0	\$762,000	\$0	\$762,000	\$25,400
Construction Loan Originati	0.00%	50.00%	0.00%	\$15,240	\$15,240	\$0	\$12,192	\$0	\$12,192	\$254
Credit Enhancement	0.00%	75.00%	0.00%	\$90,750	\$90,750	\$0	\$68,063	\$0	\$68,063	\$1,513
Inspection Fees	0.00%	100.00%	0.00%	\$22,500	\$22,500	\$0	\$22,500	\$0	\$22,500	\$375
Lender Legal	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Period Taxes	0.00%	100.00%	0.00%	\$45,000	\$45,000	\$0	\$45,000	\$0	\$45,000	\$750
Construction Period Utilities	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Permanent Financing</b>										
Origination Fee	0.00%	0.00%	0.00%	\$42,500	\$42,500	\$0	\$0	\$0	\$0	\$708
Underwriter Costs	0.00%	0.00%	0.00%	\$9,902	\$9,902	\$0	\$0	\$0	\$0	\$165
Bond Collateral	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FHA MIP	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Issuance	0.00%	0.00%	0.00%	\$31,368	\$31,368	\$0	\$0	\$0	\$0	\$523
Title and Recording	0.00%	0.00%	0.00%	\$5,265	\$5,265	\$0	\$0	\$0	\$0	\$88
Bond Counsel	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Fees	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Credit Fees	0.00%	0.00%	0.00%	\$40,335	\$40,335	\$0	\$0	\$0	\$0	\$672
Tax Credit Monitoring	0.00%	0.00%	0.00%	\$36,009	\$36,009	\$0	\$0	\$0	\$0	\$600
<b>Soft Costs</b>										
Market Study	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Study	0.00%	100.00%	0.00%	\$33,518	\$33,518	\$0	\$33,518	\$0	\$33,518	\$559
Rent-up Expense/Marketing	0.00%	100.00%	0.00%	\$23,871	\$23,871	\$0	\$23,871	\$0	\$23,871	\$398
Appraisal	0.00%	0.00%	0.00%	\$1,800	\$1,800	\$0	\$0	\$0	\$0	\$30
Cost Certificate - & other ac	0.00%	50.00%	0.00%	\$11,250	\$11,250	\$0	\$5,625	\$0	\$5,625	\$188
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Syndication Cost</b>										
Organization	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bridge Loan Interest	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Opinion	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PV Adjustment	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Due Diligence	0.00%	0.00%	0.00%	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$1,000
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Developer Fees</b>										
Predevelopment Overhead	0.00%	100.00%	0.00%	\$300,000	\$300,000	\$0	\$0	\$0	\$300,000	\$0
Fee	0.00%	100.00%	0.00%	\$2,750,000	\$2,750,000	\$0	\$2,750,000	\$0	\$2,750,000	\$45,833
Construction Consultant	0.00%	100.00%	0.00%	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	100.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Legal</b>										
Legal Fees	0.00%	50.00%	0.00%	\$237,659	\$237,659	\$0	\$118,830	\$0	\$118,830	\$3,961
Permanent Finance Legal	0.00%	50.00%	0.00%	\$18,600	\$18,600	\$0	\$9,300	\$0	\$9,300	\$310
Construction Legal	0.00%	50.00%	0.00%	\$22,320	\$22,320	\$0	\$11,160	\$0	\$11,160	\$372
Real Estate Legal	0.00%	50.00%	0.00%	\$30,372	\$30,372	\$0	\$15,186	\$0	\$15,186	\$506
Syndication Legal	0.00%	50.00%	0.00%	\$25,000	\$25,000	\$0	\$12,500	\$0	\$12,500	\$417
Other	0.00%	50.00%	0.00%	\$18,600	\$18,600	\$0	\$9,300	\$0	\$9,300	\$310
Other	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Reserves</b>										
Lease Up Months:	0.00%	0.00%	0.00%	3.00	\$195,300	\$195,300	\$0	\$0	\$0	\$3,255
Operating Months:	0.00%	0.00%	0.00%	6.00	\$184,704	\$184,704	\$0	\$0	\$0	\$3,078
Debt Service Re:Months:	0.00%	0.00%	0.00%	6.00	\$153,856	\$153,856	\$0	\$0	\$0	\$2,564
Soft Cost Contingency	0.00%	50.00%	0.00%	\$150,000	\$150,000	\$0	\$75,000	\$0	\$75,000	\$2,500
Initial Replacement/Reserve	0.00%	0.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	50.00%	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEVELOPMENT COSTS</b>				\$25,413,430	\$24,963,430	\$0	\$23,023,355	\$0	\$23,473,355	\$416,057

## Fayetteville

## Operating Expense Summary

	Units	60	Comm SF	-
	Total	Per Unit	Total	Per SF
<b>SALARY AND BENEFITS</b>				
5010 On Site Management Salary	\$35,000	\$583	\$0	\$0.00
5012 Maintenance Salary/Contracts	\$15,000	\$131	\$0	\$0.00
5013 Janitorial Salary/Contracts	\$0	\$0	\$0	\$0.00
5014 Other Salary	\$15,000	\$250	\$0	\$0.00
5016 Payroll Taxes	\$2,184	\$36	\$0	\$0.00
5018 Employee Benefits	\$9,500	\$158	\$0	\$0.00
<b>Total Salary and Benefits</b>	<b>\$76,684</b>	<b>\$1,159</b>	<b>\$0</b>	<b>\$0</b>
<b>ADMINISTRATIVE</b>				
5020 Administrative	\$7,849	\$131	\$0	\$0.00
5021 Office Supplies	\$3,028	\$50	\$0	\$0.00
5022 Employee Training & Travel	\$680	\$11	\$0	\$0.00
5023 Administrative Fees	\$2,101	\$35	\$0	\$0.00
5024 Resident Services	\$0	\$0	\$0	\$0.00
5025 Bookkeeping Fees	\$0	\$0	\$0	\$0.00
5030 Compliance Fee	\$3,770	\$63	\$0	\$0.00
5046 Telephone/Internet	\$9,270	\$155	\$0	\$0.00
5047 Bank Charges	\$1,112	\$19	\$0	\$0.00
5080 Legal Fees	\$1,792	\$30	\$0	\$0.00
5085 Audit & Tax Prep Fees	\$10,444	\$174	\$0	\$0.00
5087 Other Professional Fees	\$618	\$10	\$0	\$0.00
5180 Other Operating Expenses	\$0	\$0	\$0	\$0.00
<b>Total Administrative</b>	<b>\$40,664</b>	<b>\$678</b>	<b>\$0</b>	<b>\$0</b>
<b>MARKETING AND MANAGEMENT</b>				
5045 Marketing and Advertising	\$3,028	\$50	\$0	\$0.00
<b>MANAGEMENT FEE</b>				
5040 Property Management Fee	5.13%	\$40,500	\$675	\$0
<b>UTILITIES</b>				
5060 Electricity	\$24,349	\$406	\$0	\$0.00
5051 Water	\$23,608	\$393	\$0	\$0.00
5052 Sewer	\$3,028	\$50	\$0	\$0.00
5053 Gas	\$4,017	\$67	\$0	\$0.00
5054 Trash Removal	\$3,955	\$66	\$0	\$0.00
5055 Other Utilities	\$0	\$0	\$0	\$0.00
<b>Total Utilities</b>	<b>\$58,957</b>	<b>\$983</b>	<b>\$0</b>	<b>\$0</b>
<b>REPAIRS AND MAINTENANCE</b>				
5026 Leasing Fees	\$6,365	\$106	\$0	\$0.00
5056 Electrical	\$3,090	\$52	\$0	\$0.00
5057 Exterminating	\$1,051	\$18	\$0	\$0.00
5058 Appliance Service and Repairs	\$803	\$13	\$0	\$0.00
5059 Locks and Keys	\$5,500	\$92	\$0	\$0.00
5060 Contracted Repairs and Maintenance	\$494	\$8	\$0	\$0.00
5061 Maintenance Supplies	\$1,421	\$24	\$0	\$0.00
5062 Janitorial Supplies	\$1,174	\$20	\$0	\$0.00
5063 Other Service Contracts	\$2,472	\$41	\$0	\$0.00
5064 HVAC	\$10,753	\$179	\$0	\$0.00
5066 Elevator	\$11,680	\$195	\$0	\$0.00
5067 Grounds and Landscaping	\$8,820	\$147	\$0	\$0.00
5068 Snow Removal	\$0	\$0	\$0	\$0.00
5069 Security	\$1,421	\$24	\$0	\$0.00
5070 Turnover/Unit Prep	\$2,596	\$43	\$0	\$0.00
5071 Plumbing	\$4,511	\$75	\$0	\$0.00
5073 Fire Protection	\$4,380	\$73	\$0	\$0.00
<b>Total Maintenance</b>	<b>\$66,533</b>	<b>\$1,109</b>	<b>\$0</b>	<b>\$0</b>
<b>REAL ESTATE TAXES</b>				
5090 Real Estate Taxes	\$0	\$0	\$0	\$0.00
5100 Other Taxes, Licenses, Permits	\$618	\$10	\$0	\$0.00
<b>Total Real Estate Taxes</b>	<b>\$618</b>	<b>\$10</b>	<b>\$0</b>	<b>\$0.00</b>
<b>INSURANCE</b>				
5110 Property & Liability Insurance	\$67,556	\$1,126	\$0	\$0.00
5112 Flood Insurance	\$0	\$0	\$0	\$0.00
5114 Other Insurance	\$0	\$0	\$0	\$0.00
<b>Total Insurance</b>	<b>\$67,556</b>	<b>\$1,126</b>	<b>\$0</b>	<b>\$0.00</b>
<b>ANNUAL OPERATING EXPENSES</b>	<b>\$354,541</b>	<b>\$5,790</b>	<b>\$0</b>	<b>\$0</b>
<b>REPLACEMENT RESERVE DEPOSITS</b>	<b>\$4,500</b>	<b>\$75</b>	<b>\$0</b>	<b>\$0.00</b>
<b>TOTAL OPERATING EXPENSES AND RESERVES</b>	<b>\$359,041</b>	<b>\$5,865</b>	<b>\$0</b>	<b>\$0.00</b>

**Tax Credit Inputs**

8/22/25  
11:12

Total Project Cost	\$25,413,430	
Four or nine percent credit? 4.00%	4.00%	
<b>ADD:</b> Eligible Basis	\$23,023,355	A
<b>LESS:</b> Non-Residential Deprec.Basis (commercial)	\$0	0.00%
Res. Portion of Historic Rehab Credit	\$0	
Disallowed Offsite Improvements	\$0	
Grants	\$0	
Acquisition Basis	\$0	
	\$ -	B
Eligible LIHTC Basis	\$23,023,355	A-B
Eligible Basis Limit as per Cost Caps	\$0	
Eligible Basis used in Tax Credit Calculation	\$0	
Adjust for Difficult to Develop Area (1)	100%	
Adjusted Eligible Basis	\$23,023,355	
Low-Income Occupancy Percentage	130.00%	
Qualified Basis	\$29,930,361	
Credit Percentage	4.00%	
Calculated Annual Credit	1,197,214	MAX
Allocated Credits (if 9%) <i>assumption</i>	\$0	\$0
Used in Forecast	1,200,000	
Credits to Limited Partner @ 99.99%	\$1,199,880	
Estimated Price	\$0.8800	
<b>Estimated Equity</b>	<b>\$ 10,558,944</b>	

(1) Only eligible basis attributable to new construction or rehabilitation expenditures can qualify for difficult to develop area basis increase.

37,500

**Federal Acquisition Credits**

Acquisition Basis ("Y" or "N")	y	\$0
Adjustment		\$0
4% Acquisition Credit Rate	Jan-00	0.00%
Acquisition Credits		\$0
Credits to LP @ 99.99%		\$0
Acquisition Equity @	\$0.000	\$0

**State LIHTC**

Annual Allocation		\$0
Total Allocation	0	\$0
Credits To LP		100%
Estimated Price		\$0.000
<b>Estimated State LIHTC Equity</b>		<b>\$0</b>

**Historic Credits**

Yes (Y) or No (N)	Federal	State	Total
Elig. Depr. Basis for Historic Credits	\$0	\$0	
Less Acquisition	\$0	\$0	
Less Personal Property	\$0	\$0	
Less Pro Rata Grant	\$0	\$0	
Eligible Hist. Basis	\$0	\$0	
Hist. Credit Rate	20%	25%	
Hist. Rehab. Credits	\$0	\$0	
Credits to LP @ 99.99%	\$0	\$0	
Estimated Price	\$0.750	\$0.750	
Estimated Equity	\$0	\$0	\$0

**Equity Summary**

Estimated LP Equity for Rehab Credits	\$10,558,944
Estimated LP Equity for Acquisition Credits	\$0
Estimated LP Equity for Historic Credits	\$0
Estimated LP Equity State LIHTC	\$0
<b>Total Estimated LP Equity</b>	<b>\$10,558,944</b>

# APPENDIX E

## ARTSPACE WINDGATE CAMPUS DETAILED BUDGET

**Artspace Little Rock : Combined Project**  
**Little Rock, AR**  
**Financial Summary**

8/21/25

### CAPITAL BUDGET

Sources of Funds	Combined	Residential	Commercial
First Mortgage	\$2,400,000	\$2,400,000	\$0
GP Capital LIHTC	\$15,505,319	\$15,505,319	\$0
Deferred Developer Fee	\$600,000	\$0	\$0
GP Equity - Artspace (Reinvested Developer F	\$1,715,538	\$0	\$600,000
LP Federal/State Historic TC	\$0	\$0	\$1,715,538
LP Equity - State LIHTC	\$0	\$0	\$0
LP Equity - LIHTC	\$12,201,100	\$0	\$0
<b>TOTAL PERMANENT FINANCING</b>	<b>\$41,216,638</b>	<b>\$30,106,419</b>	<b>\$11,110,219</b>

### Uses of Funds

Acquisition	\$600,000	\$309,600	\$290,400
Construction	\$31,057,620	\$22,402,893	\$8,654,727
Construction Related Professional Fees	\$1,948,082	\$1,641,395	\$306,687
Construction Financing and Interim Costs	\$1,845,125	\$1,763,125	\$82,000
Permanent Financing Fees	\$620,131	\$620,131	\$0
Soft Costs	\$26,745	\$20,025	\$6,720
Tax Credit Syndication Costs	\$50,000	\$50,000	\$0
Developer Fee	\$4,250,000	\$2,750,000	\$1,500,000
Legal	\$250,000	\$150,000	\$100,000
Reserves	\$568,935	\$399,250	\$169,685
<b>Total Uses of Funds</b>	<b>\$41,216,638</b>	<b>\$30,106,419</b>	<b>\$11,110,219</b>

**PROJECT SURPLUS (DEFICIT) \$0**

### OPERATING BUDGET

LIHTC

<b>Operating Income</b>	
Rental Income	\$599,364
Commercial Base Rent	\$0
<b>Operating Expenses</b>	
Property Management Fee	\$27,000
Expenses	\$264,780
Real Estate Taxes	\$41,500
Reserves	\$18,000

**Total Operating Expenses \$351,280**

**Net Operating Income (NOI) \$206,129**

/	LIHTC Debt Service Coverage Ratio	1.15
=	Supported Debt Service	\$178,968
	Rate	6.75%
	Term	35
	Supported First Mortgage	\$ 2,400,000

**Cash Available For Distribution \$27,161**

**Artspace Little Rock : Combined Project**  
**Little Rock, AR**  
**Capital Budget Summary**

SOURCES		DCR	Total	Residential	Commercial	% of TDC	Rate	Amort Term	8/21/25 Loan Term
First Mortgage	DCR (Services below the line)	1.15	\$2,400,000	\$2,400,000	\$0	6%	6.75%	35	35
Commercial First Mortgage		-	\$0	\$0	\$0	0%	1.00%	1	1
ADFA HOME		\$0.00	\$0	\$0	\$0	0%	1.00%	1	1
GP Capital LIHTC	Total Windgate/DU	\$288,421.98	\$15,505,319	\$15,505,319	\$0	38%	NA	NA	NA
GP Capital Commercial			\$8,794,681	\$0	\$8,794,681	21%	NA	NA	NA
Deferred Developer Fee	Cash Fee		\$600,000	\$0	\$600,000	1%	NA	NA	NA
GP Equity - Artspace (Reinvested Developer Fee)		\$1,934,462	\$1,715,538	\$0	\$1,715,538	4%	NA	NA	NA
LP Federal/State Historic TC			\$0	\$0	\$0	0%	NA	NA	NA
LP Equity - State LIHTC			\$0	\$0	\$0	0%	NA	NA	NA
LP Equity - LIHTC	Total ADFA per Unit	\$243,351.66	\$12,201,100	\$12,201,100	\$0	30%	NA	NA	NA
<b>TOTAL PERMANENT FINANCING</b>		\$501,773.64	\$41,216,638	\$30,106,419	\$11,110,219	100%			
<b>SURPLUS/(DEFICIT)</b>			\$0	\$0	\$0				

USES		% HTC	%LIHTC	%COMM	Total	Residential	Commercial	LIHTC Basis	Historic Basis	Depreciable	Per Unit
<b>Acquisition</b>						72.00%	28.00%				
Land		0.00%	0.00%	28.00%	\$600,000	\$309,600	\$290,400	\$0	\$0	\$0	\$5,160
<b>Construction Costs</b>											
Construction Costs		0.00%	100.00%	28.00%	\$29,249,414	\$21,056,759	\$8,192,655	\$21,056,759	\$0	\$29,249,414	\$350,946
P&P Bond		0.00%	100.00%	28.00%	\$145,235	\$133,400	\$11,835	\$133,400	\$0	\$145,235	\$2,223
Building Permits		0.00%	100.00%	28.00%	\$200,000	\$162,505	\$37,495	\$162,505	\$0	\$200,000	\$2,708
Construction Contingency		0.00%	100.00%	28.00%	\$1,462,971	\$1,050,229	\$412,742	\$1,050,229	\$0	\$1,462,971	\$17,504
Escalation		0.00%	100.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Professional Fees (Construction-Related)</b>											
Architect: Design		0.00%	100.00%	28.00%	\$1,673,754	\$1,416,042	\$257,712	\$1,416,042	\$0	\$1,673,754	\$23,601
Architect: Supervision		0.00%	100.00%	28.00%	\$264,328	\$217,853	\$46,475	\$217,853	\$0	\$264,328	\$3,631
Architectural Reimbursemen		0.00%	100.00%	28.00%	\$10,000	\$7,500	\$2,500	\$7,500	\$0	\$10,000	\$125
Survey		0.00%	100.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Geotech		0.00%	100.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Inspections		0.00%	100.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Monitoring		0.00%	50.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Construction Interim Costs</b>											
Hazard Insurance		0.00%	100.00%	28.00%	\$150,000	\$112,500	\$37,500	\$112,500	\$0	\$150,000	\$1,875
Liability Insurance		0.00%	100.00%	28.00%	\$50,000	\$37,500	\$12,500	\$37,500	\$0	\$50,000	\$625
FFE		0.00%	50.00%	28.00%	\$40,000	\$30,000	\$10,000	\$15,000	\$0	\$20,000	\$500
Title and Recording		0.00%	80.00%	28.00%	\$40,000	\$30,000	\$10,000	\$24,000	\$0	\$32,000	\$500
Construction Period Interest		0.00%	50.00%	28.00%	\$1,270,000	\$1,270,000	\$0	\$635,000	\$0	\$635,000	\$21,167
Construction Loan Origination		0.00%	50.00%	28.00%	\$151,250	\$151,250	\$0	\$75,625	\$0	\$75,625	\$2,521
ADFA Bond Premium		0.00%	75.00%	28.00%	\$75,625	\$75,625	\$0	\$56,719	\$0	\$56,719	\$1,260
Inspection Fees		0.00%	100.00%	28.00%	\$22,750	\$18,750	\$4,000	\$18,750	\$0	\$22,750	\$313
Lender Legal		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Period Taxes		0.00%	100.00%	28.00%	\$45,500	\$37,500	\$8,000	\$37,500	\$0	\$45,500	\$625
Construction Period Utilities		0.00%	100.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Permanent Financing</b>											
Origination Fee		0.00%	0.00%	28.00%	\$24,000	\$24,000	\$0	\$0	\$0	\$0	\$400
Underwriter Costs		0.00%	0.00%	28.00%	\$37,500	\$37,500	\$0	\$0	\$0	\$0	\$625
Bond Collateral		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FHA MIP		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Issuance		0.00%	0.00%	28.00%	\$1,365	\$1,365	\$0	\$0	\$0	\$0	\$23
Title and Recording		0.00%	0.00%	28.00%	\$12,000	\$12,000	\$0	\$0	\$0	\$0	\$200
Bond Counsel		0.00%	50.00%	28.00%	\$75,000	\$75,000	\$0	\$37,500	\$0	\$37,500	\$1,250
Bond Fees		0.00%	0.00%	28.00%	\$300,000	\$300,000	\$0	\$0	\$0	\$0	\$5,000
Tax Credit Fees		0.00%	0.00%	28.00%	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$417
Tax Credit Monitoring		0.00%	0.00%	28.00%	\$145,266	\$145,266	\$0	\$0	\$0	\$0	\$2,421
<b>Soft Costs</b>											
Market Study		0.00%	100.00%	28.00%	\$9,000	\$5,400	\$3,600	\$5,400	\$0	\$9,000	\$90
Rent-up Expense/Marketing		0.00%	100.00%	28.00%	\$4,550	\$3,750	\$800	\$3,750	\$0	\$4,550	\$63
Appraisal		0.00%	0.00%	28.00%	\$1,820	\$1,500	\$320	\$0	\$0	\$0	\$25
Cost Certificate - & other ac		0.00%	50.00%	28.00%	\$11,375	\$9,375	\$2,000	\$4,688	\$0	\$5,688	\$156
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Syndication Cost</b>											
Due Diligence		0.00%	0.00%	28.00%	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$833
<b>Developer Fees</b>											
Overhead		0.00%	100.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fee		0.00%	100.00%	28.00%	\$4,250,000	\$2,750,000	\$1,500,000	\$2,750,000	\$0	\$4,250,000	\$48,833
<b>Legal</b>											
Legal Fees		0.00%	50.00%	28.00%	\$250,000	\$150,000	\$100,000	\$75,000	\$0	\$125,000	\$2,500
<b>Reserves</b>											
Lease Up	Months:	0.00%	0.00%	28.00%	3.00	\$160,140	\$149,274	\$10,866	\$0	\$0	\$2,488
Operating / Debt	Months:	0.00%	0.00%	28.00%	6.00	\$285,798	\$226,979	\$58,819	\$0	\$0	\$3,783
Other	Months:	0.00%	0.00%	28.00%	6.00	\$0	\$0	\$0	\$0	\$0	\$0
Soft Cost Contingency		0.00%	50.00%	28.00%	\$104,997	\$4,997	\$100,000	\$2,499	\$0	\$52,499	\$83
Initial Replacement Reserve		0.00%	0.00%	28.00%	\$18,000	\$18,000	\$0	\$0	\$0	\$0	\$300
Commercial Leaseup and C		0.00%	0.00%	28.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEVELOPMENT COSTS</b>					\$41,216,638	\$30,106,419	\$11,110,219	\$27,935,718	\$0	\$38,577,532	\$501,774
						\$30,106,422					
						\$	(3)				
								<b>TE Bonds:</b>	\$15,125,000		
								<b>Basis + Acq</b>	\$28,535,718		
								<b>50% Test:</b>	53.00%		

**Artspace Little Rock : Combined Project**  
**Little Rock, AR**  
**Combined Residential/Commercial Cash Flow**

8/21/25

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
<b>Income</b>																	
Residential Rental Income	2.00%	\$599,364	\$611,351	\$623,578	\$636,050	\$648,771	\$661,746	\$674,981	\$688,481	\$702,250	\$716,295	\$730,621	\$745,234	\$760,138	\$775,341	\$790,848	\$806,665
Other Income	2.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Vacancy	7.00%	-\$41,955	-\$42,795	-\$43,650	-\$44,523	-\$45,414	-\$46,322	-\$47,249	-\$48,194	-\$49,158	-\$50,141	-\$51,143	-\$52,166	-\$53,210	-\$54,274	-\$55,359	-\$56,467
Commercial Base Rent	2.00%	\$84,814	\$86,510	\$88,240	\$90,005	\$91,805	\$93,642	\$95,514	\$97,425	\$99,373	\$101,361	\$103,388	\$105,456	\$107,565	\$109,716	\$111,910	\$114,148
Commercial Expense Reimbursement	3.00%	\$155,198	\$159,854	\$164,650	\$169,589	\$174,677	\$179,917	\$185,315	\$190,874	\$196,600	\$202,498	\$208,573	\$214,831	\$221,276	\$227,914	\$234,751	\$241,794
Commercial Vacancy	25.00%	-\$60,003	-\$61,591	-\$63,223	-\$64,899	-\$66,621	-\$68,390	-\$70,207	-\$72,075	-\$73,993	-\$75,965	-\$77,990	-\$80,072	-\$82,210	-\$84,407	-\$86,665	-\$88,986
Other Income	2.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Operating Res	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$737,418	\$753,330	\$769,596	\$786,222	\$803,219	\$820,593	\$838,354	\$856,511	\$875,073	\$894,049	\$913,449	\$933,282	\$953,559	\$974,290	\$995,485	\$1,017,155
<b>Expenses</b>																	
Residential Property Management Fee	2.00%	\$27,000	\$27,540	\$28,091	\$28,653	\$29,226	\$29,810	\$30,406	\$31,015	\$31,635	\$32,267	\$32,913	\$33,571	\$34,243	\$34,927	\$35,626	\$36,338
Residential Expenses	3.00%	\$264,780	\$272,723	\$280,905	\$289,332	\$298,012	\$306,953	\$316,161	\$325,646	\$335,415	\$345,478	\$355,842	\$366,517	\$377,513	\$388,838	\$400,504	\$412,519
Residential Real Estate Taxes	3.00%	\$41,500	\$42,745	\$44,027	\$45,348	\$46,709	\$48,110	\$49,553	\$51,040	\$52,571	\$54,148	\$55,773	\$57,446	\$59,169	\$60,944	\$62,772	\$64,656
Commercial Management Fee	3.00%	\$8,719	\$8,981	\$9,250	\$9,527	\$9,813	\$10,108	\$10,411	\$10,723	\$11,045	\$11,376	\$11,718	\$12,069	\$12,431	\$12,804	\$13,188	\$13,584
Commercial Expenses	3.00%	\$118,578	\$122,136	\$125,800	\$129,574	\$133,461	\$137,465	\$141,589	\$145,836	\$150,212	\$154,718	\$159,359	\$164,140	\$169,064	\$174,136	\$179,360	\$184,741
Commercial Real Estate Taxes	3.00%	\$17,438	\$17,961	\$18,500	\$19,055	\$19,627	\$20,215	\$20,822	\$21,447	\$22,090	\$22,753	\$23,435	\$24,138	\$24,862	\$25,608	\$26,377	\$27,168
Residential Reserves	3.00%	\$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	\$28,043
Commercial Reserves	3.00%	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>	<u>\$10,463</u>
Expenses and Reserves		\$496,015	\$521,089	\$536,132	\$551,621	\$567,569	\$583,990	\$600,898	\$618,307	\$636,232	\$654,689	\$673,693	\$693,261	\$713,409	\$734,155	\$755,517	\$777,512
<b>Net Operating Income</b>		\$241,402	\$232,241	\$233,463	\$234,601	\$235,649	\$236,603	\$237,456	\$238,204	\$238,841	\$239,360	\$239,756	\$240,021	\$240,150	\$240,135	\$239,968	\$239,643
First Mortgage Debt Service		\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968
Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subordinate Debt Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service		\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968	\$178,968
<b>First Mortgage Debt Coverage</b>		1.35	1.30	1.30	1.31	1.32	1.32	1.33	1.33	1.33	1.34	1.34	1.34	1.34	1.34	1.34	1.34
1st & 2nd Mortgage Debt Coverage		1.35	1.30	1.30	1.31	1.32	1.32	1.33	1.33	1.33	1.34	1.34	1.34	1.34	1.34	1.34	1.34
<b>Project Cash Flow Before Services</b>		\$62,434	\$53,273	\$54,496	\$55,633	\$56,681	\$57,635	\$58,488	\$59,236	\$59,873	\$60,392	\$60,788	\$61,053	\$61,182	\$61,167	\$61,000	\$60,675
<b>Other</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>First Mortgage Debt Coverage - After Services</b>		1.35	1.30	1.30	1.31	1.32	1.32	1.33	1.33	1.33	1.34	1.34	1.34	1.34	1.34	1.34	1.34
1st & 2nd Mortgage Debt Coverage		1.35	1.30	1.30	1.31	1.32	1.32	1.33	1.33	1.33	1.34	1.34	1.34	1.34	1.34	1.34	1.34
<b>Project Cash Flow</b>		\$62,434	\$53,273	\$54,496	\$55,633	\$56,681	\$57,635	\$58,488	\$59,236	\$59,873	\$60,392	\$60,788	\$61,053	\$61,182	\$61,167	\$61,000	\$60,675
LP Asset Management Fee		\$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	\$7,790
GP Partnership Management Fee		\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914	\$4,032	\$4,153	\$4,277	\$4,406	\$4,538	\$4,674
Deferred Developer Fee		<u>\$54,434</u>	<u>\$45,033</u>	<u>\$46,008</u>	<u>\$46,891</u>	<u>\$47,677</u>	<u>\$48,361</u>	<u>\$48,936</u>	<u>\$49,397</u>	<u>\$49,739</u>	<u>\$49,954</u>	<u>\$50,036</u>	<u>\$49,979</u>	<u>\$49,776</u>	<u>\$49,418</u>	<u>\$48,900</u>	<u>\$31,001</u>
Subordinate Loan Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cash Available For Distribution</b>		54,434	45,033	46,008	46,891	47,677	48,361	48,936	49,397	49,739	49,954	50,036	49,979	49,776	49,418	48,900	48,211

**INCOME SUMMARY**

<b>RESIDENTIAL</b>		Proposed	Gross	Utility	Net Rent	Total	Total	Unit Avg.	Total	Max	Market
Unit Type		Unit Count	Rent	Allowance	Paid	Rent/Mo.	Rent/Yr.	Sq. Ft.	Sq. Ft.	Rents	Rent
1 Bedroom 30% AMI		7	\$486	\$57.00	\$429	\$3,003	\$36,036	0	0	\$486	\$805
1 Bedroom 50% AMI		17	\$811	\$57.00	\$754	\$12,818	\$153,816	0	0	\$811	\$805
1 Bedroom HOME Hi		0	\$778	\$57.00	\$721	\$0	\$0	0	0	\$778	\$728
1 Bedroom 60% AMI		15	\$973	\$57.00	\$916	\$13,740	\$164,880	0	0	\$973	\$805
2 Bedroom 30% AMI		4	\$584	\$74.00	\$510	\$2,040	\$24,480	0	0	\$584	\$833
2 Bedroom 50% AMI%		4	\$973	\$74.00	\$899	\$3,596	\$43,152	0	0	\$973	\$920
2 Bedroom Home Hi		0	\$920	\$74.00	\$846	\$0	\$0	0	0	\$920	\$920
2 Bedroom 60% AMI		7	\$1,168	\$74.00	\$1,094	\$7,658	\$91,896	0	0	\$1,168	\$920
3 Bedroom 50% AMI%		2	\$1,125	\$93.00	\$1,032	\$2,064	\$24,768	0	0	\$1,125	\$1,227
3 Bedroom 60% AMI		4	\$1,350	\$93.00	\$1,257	\$5,028	\$60,336	0	0	\$1,350	\$1,227
<b>Residential Totals</b>		<b>60</b>				<b>\$49,947</b>	<b>\$599,364</b>	<b>0</b>	<b>0</b>		

<b>COMMERCIAL</b>		Unit	Base	NNN	Gross	Total	Total Add'l	Total	Unit	Total
Unit Type		Count	Rent/SF	Reimb.	Rent/SF	Base Rent/Yr	Rent/Year	Rent/Yr.	Sq. Ft.	Sq. Ft.
AIR Units		10	\$8.00	\$8.90	\$0.00	\$52,000	\$57,850	\$109,850	650	6,500
Commercial Space 3		0	\$3.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 4		1	\$3.00	\$8.90	\$0.00	\$32,814	\$97,348	\$130,162	10,938	10,938
Commercial Space 5		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 6		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 7		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 8		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 9		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 10		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 11		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
Commercial Space 12		0	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	0	0
<b>Commercial Totals</b>		<b>11</b>				<b>\$84,814</b>	<b>\$155,198</b>	<b>\$240,012</b>	<b>11,588</b>	<b>17,438</b>

<b>MISCELLANEOUS</b>				Notes
Laundry and other fees				\$0
Laundry and other fees		\$0.00	-	\$0

<b>PROJECT TOTAL</b>	<b>\$ 134,761</b>	<b>\$839,376</b>
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**Affordability Matrix**

AMI	Units	Pct
30%	11	18%
40%	23	38%
50%	0	0%
60%	26	43%
80% AMI	0	0%
<b>Total</b>	<b>60</b>	<b>100%</b>

**Utility Allowance Worksheet**

	Studio	1 BR	2 BR	3 BR	Description
Heat	\$15.00	\$18.00	\$20.00	\$22.00	
Cooking	\$5.00	\$6.00	\$8.00	\$11.00	
Other Electric	\$18.00	\$21.00	\$29.00	\$38.00	
AC	\$6.00	\$12.00	\$17.00	\$22.00	
Water Heat	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Water	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Sewer	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Trash	\$0.00	\$0.00	\$0.00	\$0.00	Owner
Other	\$0.00	\$0.00	\$0.00	\$0.00	
Electric Service	\$0.00	\$0.00	\$0.00	\$0.00	
<b>Total</b>	<b>\$44.00</b>	<b>\$57.00</b>	<b>\$74.00</b>	<b>\$93.00</b>	<b>HOME UA's</b>

**Unit Type Matrix**

Type	Units	Pct
Studio	0	0%
1BR	39	65.00%
2 BR	15	25.00%
3 BR	6	10.00%
<b>Total</b>	<b>60</b>	<b>100%</b>

<b>RESNET</b>	<b>\$44.00</b>	<b>\$57.00</b>	<b>\$74.00</b>	<b>\$93.00</b>	<b>LIHTC Unit UA's</b>
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**Artspace Little Rock : Combined Project  
Little Rock, AR**

8/21/25

**Operating Expense Summary**

		Units	60	Comm SF	17,438	
		Total	Per Unit	Total	Per SF	
<b>SALARY AND BENEFITS</b>						
5010	On Site Management Salary	\$44,640	\$744	\$8,719	\$0.50	
5012	Maintenance Salary/Contracts	\$39,000	\$650	\$17,438	\$1.00	
5013	Janitorial Salary/Contracts	\$1,620	\$27	\$17,438	\$1.00	
5014	Other Salary	\$4,200	\$70	\$4,360	\$0.25	
5016	Payroll Taxes	\$15,900	\$265	\$5,231	\$0.30	
5018	Employee Benefits	\$0	\$0	\$0	\$0.00	
<b>Total Salary and Benefits</b>		<b>\$105,360</b>	<b>\$1,756</b>	<b>\$53,186</b>	<b>\$3.05</b>	
<b>ADMINISTRATIVE</b>						
5020	Administrative	\$7,500	\$125	\$4,360	\$0.25	
5021	Office Supplies	\$3,000	\$50	\$872	\$0.05	
5022	Employee Training & Travel	\$600	\$10	\$0	\$0.00	
5023	Administrative Fees	\$2,100	\$35	\$4,360	\$0.25	
5024	Resident Services	\$0	\$0	\$0	\$0.00	
5025	Bookkeeping Fees	\$0	\$0	\$0	\$0.00	
5030	Compliance Fee	\$3,600	\$60	\$0	\$0.00	
5046	Telephone/Internet	\$7,500	\$125	\$0	\$0.00	
5047	Bank Charges	\$900	\$15	\$0	\$0.00	
5080	Legal Fees	\$1,500	\$25	\$0	\$0.00	
5085	Audit & Tax Prep Fees	\$9,600	\$160	\$0	\$0.00	
5087	Other Professional Fees	\$600	\$10	\$0	\$0.00	
5180	Other Operating Expenses	\$0	\$0	\$0	\$0.00	
<b>Total Administrative</b>		<b>\$36,900</b>	<b>\$615</b>	<b>\$9,591</b>	<b>\$0.55</b>	
<b>MARKETING AND MANAGEMENT</b>						
5045	Marketing and Advertising	\$3,000	\$50	\$4,360	\$0.25	
<b>MANAGEMENT FEE</b>						
5040	Property Management Fee	3.22%	\$27,000	\$450	\$8,719	\$0.50
<b>UTILITIES</b>						
5060	Electricity	\$23,400	\$390	\$4,360	\$0.25	
5051	Water	\$12,180	\$203	\$4,360	\$0.25	
5052	Sewer	\$2,160	\$36	\$1,744	\$0.10	
5053	Gas	\$3,900	\$65	\$0	\$0.00	
5054	Trash Removal	\$3,840	\$64	\$2,616	\$0.15	
5055	Other Utilities	\$0	\$0	\$0	\$0.00	
<b>Total Utilities</b>		<b>\$45,480</b>	<b>\$758</b>	<b>\$13,079</b>	<b>\$0.75</b>	
<b>REPAIRS AND MAINTENANCE</b>						
5026	Leasing Fees	\$0	\$0	\$0	\$0.00	
5056	Electrical	\$6,000	\$100	\$1,744	\$0.10	
5057	Exterminating	\$6,900	\$115	\$1,744	\$0.10	
5058	Appliance Service and Repairs	\$1,020	\$17	\$0	\$0.00	
5059	Locks and Keys	\$720	\$12	\$1,744	\$0.10	
5060	Contracted Repairs and Maintenance	\$5,400	\$90	\$1,744	\$0.10	
5061	Maintenance Supplies	\$480	\$8	\$1,744	\$0.10	
5062	Janitorial Supplies	\$1,200	\$20	\$1,744	\$0.10	
5063	Other Service Contracts	\$1,200	\$20	\$1,744	\$0.10	
5064	HVAC	\$2,400	\$40	\$1,744	\$0.10	
5066	Elevator	\$4,500	\$75	\$0	\$0.00	
5067	Grounds and Landscaping	\$9,000	\$150	\$3,488	\$0.20	
5068	Snow Removal	\$0	\$0	\$0	\$0.00	
5069	Security	\$2,700	\$45	\$6,975	\$0.40	
5070	Turnover/Unit Prep	\$1,500	\$25	\$1,744	\$0.10	
5071	Plumbing	\$2,520	\$42	\$1,744	\$0.10	
5073	Fire Protection	\$4,500	\$75	\$1,744	\$0.10	
<b>Total Maintenance</b>		<b>\$50,040</b>	<b>\$834</b>	<b>\$29,645</b>	<b>\$1.70</b>	
<b>REAL ESTATE TAXES</b>						
5090	Real Estate Taxes	\$40,000	\$667	\$17,438	\$1.00	
5100	Other Taxes, Licenses, Permits	\$1,500	\$25	\$0	\$0.00	
<b>Total Real Estate Taxes</b>		<b>\$41,500</b>	<b>\$692</b>	<b>\$17,438</b>	<b>\$1.00</b>	
<b>INSURANCE</b>						
5110	Property & Liability Insurance	\$24,000	\$400	\$8,719	\$0.50	
5112	Flood Insurance	\$0	\$0	\$0	\$0.00	
5114	Other Insurance	\$0	\$0	\$0	\$0.00	
<b>Total Insurance</b>		<b>\$24,000</b>	<b>\$400</b>	<b>\$8,719</b>	<b>\$0.50</b>	
<b>ANNUAL OPERATING EXPENSES</b>		<b>\$333,280</b>	<b>\$5,555</b>	<b>\$144,735</b>	<b>\$8.30</b>	
<b>REPLACEMENT RESERVE DEPOSITS</b>		<b>\$18,000</b>	<b>\$300</b>	<b>\$10,463</b>	<b>\$0.60</b>	
<b>TOTAL OPERATING EXPENSES AND RESERVES</b>		<b>\$351,280</b>	<b>\$5,855</b>	<b>\$155,198</b>	<b>\$8.90</b>	

Tax Credit Inputs		8/21/25
Total Project Cost	\$41,216,638	10:02
Four or nine percent credit? 4.00%	4.00%	
<b>ADD:</b> Eligible Basis	\$27,935,718 A	
<b>LESS:</b> Non-Residential Deprec.Basis (commercial)	\$0	0.00%
Res. Portion of Historic Rehab Credit	\$0	
Disallowed Offsite Improvements	\$0	
Grants	\$0	
Acquisition Basis	\$0	
	\$ - B	
Eligible LIHTC Basis	\$27,935,718 A-B	
Eligible Basis Limit as per Cost Caps	\$0	
Eligible Basis used in Tax Credit Calculation	\$0	
Adjust for Difficult to Develop Area (1)	130%	
Adjusted Eligible Basis	\$36,316,433	
Low-Income Occupancy Percentage	100.00%	
Qualified Basis	\$36,316,433	
Credit Percentage	4.00%	
Calculated Annual Credit	1,452,657	MAX
Allocated Credits (if 9%) <i>assumption</i>	1,452,657	\$0
Used in Forecast	1,452,657	
Credits to Limited Partner @ 99.99%	\$1,452,512	
Estimated Price	\$0.8400	
<b>Estimated Equity</b>	<b>\$ 12,201,100</b>	

(1) Only eligible basis attributable to new construction or rehabilitation expenditures can qualify for difficult to develop area basis increase.

Federal Acquisition Credits		
Acquisition Basis ("Y" or "N")	N	\$0
Adjustment		\$0
4% Acquisition Credit Rate	Jan-00	4.00%
Acquisition Credits		\$0
Credits to LP @ 99.99%		\$0
Acquisition Equity @	\$0.000	\$0

State LIHTC	
Annual Allocation	\$0
Total Allocation	0 \$0
Credits To LP	100%
Estimated Price	\$0.000
<b>Estimated State LIHTC Equity</b>	<b>\$0</b>

Historic Credits			
Yes (Y) or No (N)	y		
	Federal	State	Total
Elig. Depr. Basis for Historic Credits	\$0	\$0	
Less Acquisition	\$0	\$0	
Less Personal Property	\$0	\$0	
Less Pro Rata Grant	\$0	\$0	
Eligible Hist. Basis	\$0	\$0	
Hist. Credit Rate	20%	20%	
Hist. Rehab. Credits	\$0	\$0	
Credits to LP @ 99.99%	\$0	\$0	
Estimated Price	\$0.000	\$0.000	
Estimated Equity	\$0	\$0	\$0

Equity Summary	
Estimated LP Equity for Rehab Credits	\$12,201,100
Estimated LP Equity for Acquisition Credits	\$0
Estimated LP Equity for Historic Credits	\$0
Estimated LP Equity State LIHTC	\$0
<b>Total Estimated LP Equity</b>	<b>\$12,201,100</b>

\$ 12,203,909.00

# APPENDIX F

## ARTSPACE COLORADO SPRINGS DETAILED BUDGET

Artspace Colorado Springs  
Colorado Springs, CO  
Financial Summary

8/21/25

2/16/24

### UPDATED CAPITAL BUDGET

Sources of Funds		Status
First Mortgage	\$2,050,000	Qualified
DOLA Second	\$2,402,000	
El Paso Housing Trust Fund Loan	\$500,000	Secured
Sponsor Loan 1 - Grants	\$8,200,000	Secured
Sponsor Loan 2 - DOLA GAP FUNDING	\$1,980,642	
COS Fee and Sales Use Tax Rebate	\$171,585	Pending
Sponsor Loan 3 -Philanthropy	\$796,544	
Deferred Developer Fee	\$745,101	Secured
Artspace Equity	\$823,368	Secured
LP Equity - LIHTC	\$11,776,678	Qualified
<b>TOTAL PERMANENT FINANCING</b>	<b>\$29,445,918</b>	
	\$0.00	

### Uses of Funds

Acquisition	\$1
Construction	\$22,320,058
Construction Related Professional Fees	\$861,004
Construction Financing and Interim Costs	\$1,571,653
Permanent Financing Fees	\$222,050
Soft Costs	\$174,785
Tax Credit Syndication Costs	\$0
Developer Fee	\$2,856,500
Legal	\$824,418
Reserves	\$615,450
<b>Total Uses of Funds</b>	<b>\$29,445,918</b>

**PROJECT SURPLUS (DEFICIT) \$0**

### OPERATING BUDGET

Year 1

#### Operating Income

Residential Rental Income		\$701,796
Other Income		\$8,000
Residential Vacancy	7.00%	-\$49,686
Commercial Base Rent		\$0
Commercial Expense Reimbursement		\$14,961
Commercial Vacancy	0.00%	\$0

#### Operating Expenses

Residential Property Management Fee	\$35,950
Commercial Management Fee	\$1,275
Commercial Expenses	\$10,043
Commercial Real Estate Taxes	\$3,643
Residential Reserves	\$15,300
Commercial Reserves	\$0

**Total Operating Expenses \$374,775**

**Net Operating Income (NOI) \$308,296**

/ Debt Service Coverage Ratio	2.13
= Supported Debt Service	\$144,421
Rate	6.25%
Term	\$35.00
Supported First Mortgage	\$ 2,050,000

**Cash Available For Distribution \$163,875**

**Artspace Colorado Springs**  
**Colorado Springs, CO**  
**Capital Budget Summary**

SOURCES		DCR	Total	Residential	Commercial	% of TDC	Rate	Amort Term	Loan Term
First Mortgage	DCR	2.08	\$2,050,000	\$2,050,000	\$0	7%	6.25%	35.00	35.00
DOLA Second		1.30	\$2,402,000	\$2,402,000	\$0	8%	1.00%	35.00	35.00
El Paso Housing Trust Fund Loan		1.17	\$500,000	\$500,000	\$0	2%	2.00%	30.00	30.00
Sponsor Loan 1 - Grants			\$8,200,000	\$7,243,158	\$956,842	28%	0.00%	-	40.00
Sponsor Loan 2 - DOH	per unit:	38,836.12	\$1,980,642	\$1,980,642	\$0	7%	0.00%	-	40.00
Fee Rebate			\$12,786	\$0	\$12,786	0%	NA	NA	NA
COS Sales Tax Rebate			\$158,799	\$130,811	\$27,988	1%	0.00%	NA	NA
Sponsor Loan #3 (Philanthropy)			\$796,544	\$796,544	\$0	3%	NA	NA	NA
Deferred Developer Fee			\$745,101	\$745,101	\$0	3%	0.00%	-	40.00
Sponsor Loan #4 (Reinvested Fee)			\$923,368	\$797,451	\$25,917	3%	NA	NA	NA
LP Equity - LIHTC			\$11,776,878	\$11,772,444	\$4,234	40%	NA	NA	NA
<b>TOTAL PERMANENT FINANCING</b>			<b>\$29,445,918</b>	<b>\$28,418,151</b>	<b>\$1,027,767</b>	<b>100%</b>			
<b>SURPLUS/(DEFICIT)</b>			\$0	\$0	\$0				

USES		% HTC	%LIHTC	%COMM	Total	Residential	Commercial	LIHTC Basis	Historic Basis	Depreciable	Per Unit
						93.00%	7.00%				
<b>Acquisition</b>	Land	0.00%	0.00%	7.00%	\$1	\$1	\$0	\$0	\$0	\$0	\$0
<b>Construction Costs</b>											
	Source Blue Procurement	0.00%	100.00%	7.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Turner Construction Spent Costs	0.00%	100.00%	3.00%	\$1,636,279	\$1,587,191	\$49,088	\$1,587,191	\$0	\$49,088	\$31,121
	Bryan Construction	0.00%	100.00%	3.00%	\$17,722,176	\$17,190,511	\$531,665	\$17,190,511	\$0	\$17,722,176	\$337,069
	Bryan Subcontract Source Blue /	0.00%	100.00%	7.00%	\$1,252,177	\$1,164,525	\$87,652	\$1,164,525	\$0	\$1,252,177	\$22,834
	Sales Tax (COS & Comm S&U Tax)	0.00%	93.00%	7.00%	\$158,799	\$147,683	\$11,116	\$137,345	\$0	\$158,799	\$2,896
	Construction Contingency/Escala	0.00%	100.00%	7.00%	\$1,242,828	\$1,155,644	\$86,984	\$1,155,644	\$0	\$1,242,828	\$22,660
	Utility Work Fees	0.00%	100.00%	7.00%	\$55,328	\$51,455	\$3,873	\$51,455	\$0	\$55,328	\$1,009
	Impact Fees	0.00%	100.00%	7.00%	\$87,671	\$81,534	\$6,137	\$81,534	\$0	\$87,671	\$1,599
	Rehab Contingency	0.00%	100.00%	7.00%	\$150,000	\$139,500	\$10,500	\$139,500	\$0	\$150,000	\$2,735
	Century Link work for overhead li	0.00%	100.00%	7.00%	\$15,000	\$13,950	\$1,050	\$13,950	\$0	\$15,000	\$274
<b>Professional Fees (Construction-Related)</b>											
	Architect: Design	0.00%	100.00%	7.00%	\$570,900	\$530,937	\$39,963	\$530,937	\$0	\$570,900	\$10,411
	Architect: Supervision	0.00%	100.00%	7.00%	\$200,000	\$188,000	\$14,000	\$188,000	\$0	\$200,000	\$3,647
	Architectural Reimbursements	0.00%	100.00%	7.00%	\$50,000	\$46,500	\$3,500	\$46,500	\$0	\$50,000	\$912
	Survey	0.00%	50.00%	7.00%	\$36,104	\$33,577	\$2,527	\$16,788	\$0	\$18,052	\$658
	NEPA/EIS	0.00%	50.00%	7.00%	\$4,000	\$3,720	\$280	\$1,860	\$0	\$2,000	\$73
<b>Construction Interim Costs</b>											
	Hazard Insurance	0.00%	100.00%	7.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Liability Insurance	0.00%	100.00%	7.00%	\$54,436	\$50,625	\$3,810	\$50,625	\$0	\$54,436	\$993
	FFE	0.00%	0.00%	7.00%	\$40,000	\$37,200	\$2,800	\$0	\$0	\$40,000	\$729
	Title and Recording	0.00%	70.00%	0.00%	\$91,510	\$91,510	\$0	\$64,057	\$0	\$64,057	\$1,794
	Construction Period Interest	0.00%	70.00%	7.00%	\$975,000	\$906,750	\$68,250	\$634,725	\$0	\$682,500	\$17,779
	Construction Loan Origination	0.00%	100.00%	7.00%	\$72,500	\$72,500	\$0	\$50,750	\$0	\$72,500	\$1,422
	Bond Fees (Taxable Bonds)	0.00%	0.00%	7.00%	\$65,000	\$60,450	\$4,550	\$0	\$0	\$65,000	\$1,185
	Inspection Fees	0.00%	100.00%	7.00%	\$40,000	\$37,200	\$2,800	\$37,200	\$0	\$40,000	\$729
	Lender Legal	0.00%	70.00%	7.00%	\$71,875	\$66,844	\$5,031	\$46,791	\$0	\$50,313	\$1,311
	Construction Period Taxes	0.00%	100.00%	7.00%	\$48,334	\$44,951	\$3,383	\$44,951	\$0	\$48,334	\$881
	Construction Period Utilities	0.00%	100.00%	7.00%	\$33,000	\$30,690	\$2,310	\$30,690	\$0	\$33,000	\$602
	Construction Period EPC HTF P&	0.00%	0.00%	7.00%	\$79,998	\$74,398	\$5,600	\$0	\$0	\$79,998	\$1,459
<b>Permanent Financing</b>											
	Origination Fee	0.00%	0.00%	7.00%	\$20,500	\$19,065	\$1,435	\$0	\$0	\$0	\$374
	Origination Fee DOLA Loan	0.00%	0.00%	0.00%	\$12,010	\$12,010	\$0	\$0	\$0	\$0	\$235
	DOLA Interest Only Construction	0.00%	0.00%	7.00%	\$48,040	\$44,677	\$3,363	\$0	\$0	\$0	\$876
	FHA MIP	0.00%	0.00%	7.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Cost of Issuance	0.00%	0.00%	7.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Title and Recording	0.00%	0.00%	7.00%	\$5,000	\$4,650	\$350	\$0	\$0	\$0	\$91
	Forward Rate Lock	0.00%	0.00%	7.00%	\$41,000	\$38,130	\$2,870	\$0	\$0	\$0	\$748
	Construction Monitoring	0.00%	0.00%	7.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Tax Credit Fees	0.00%	0.00%	7.00%	\$63,500	\$59,055	\$4,445	\$0	\$0	\$0	\$1,158
	Tax Credit and Construction Mon	0.00%	0.00%	7.00%	\$32,000	\$29,760	\$2,240	\$0	\$0	\$0	\$584
<b>Soft Costs</b>											
	Market Study	0.00%	100.00%	7.00%	\$9,400	\$8,742	\$658	\$8,742	\$0	\$9,400	\$171
	Environ Study/Geotech	0.00%	50.00%	7.00%	\$25,385	\$23,608	\$1,777	\$11,804	\$0	\$12,693	\$463
	Rent-up Expense/Marketing	0.00%	0.00%	0.00%	\$40,000	\$40,000	\$0	\$0	\$0	\$0	\$784
	Appraisal	0.00%	50.00%	7.00%	\$25,000	\$23,250	\$1,750	\$11,625	\$0	\$12,500	\$456
	Cost Certificate - & other account	0.00%	100.00%	7.00%	\$12,500	\$11,625	\$875	\$11,625	\$0	\$12,500	\$228
	Breakage Fee / Original Perm Lo	0.00%	0.00%	7.00%	\$62,500	\$58,125	\$4,375	\$0	\$0	\$62,500	\$1,140
<b>Syndication Cost</b>											
<b>Developer Fees</b>											
	Fee	0.00%	100.00%	29.50%	\$2,790,000	\$2,790,000	\$0	\$2,790,000	\$0	\$2,790,000	\$54,706
	COS Housing Auth SLP Fee	0.00%	100.00%	0.00%	\$66,500	\$66,500	\$0	\$66,500	\$0	\$66,500	\$1,304
<b>Legal</b>											
	Legal Fees	0.00%	10.00%	7.00%	\$334,418	\$311,009	\$23,409	\$31,101	\$0	\$33,442	\$6,098
	Chase Legal	0.00%	0.00%	7.00%	\$100,000	\$93,000	\$7,000	\$0	\$0	\$0	\$1,824
	Construction Legal	0.00%	100.00%	7.00%	\$120,000	\$111,600	\$8,400	\$111,600	\$0	\$120,000	\$2,188
	Real Estate Legal	0.00%	0.00%	7.00%	\$45,000	\$41,850	\$3,150	\$0	\$0	\$0	\$821
	Syndication Legal - Raymond Jar	0.00%	0.00%	0.00%	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$2,451
	Bond Legal	0.00%	0.00%	7.00%	\$100,000	\$93,000	\$7,000	\$0	\$0	\$0	\$1,824
<b>Reserves</b>											
	Lease Up Months:	0.00%	0.00%	0.00%	\$175,449	\$175,449	\$0	\$0	\$0	\$0	\$3,440
	Operating Months:	0.00%	0.00%	0.00%	\$315,840	\$315,840	\$0	\$0	\$0	\$0	\$6,193
	Soft Cost Contingency	0.00%	50.00%	7.00%	\$111,411	\$103,612	\$7,799	\$51,806	\$0	\$55,706	\$2,032
	Initial Replacement Reserve	0.00%	0.00%	0.00%	\$12,750	\$12,750	\$0	\$0	\$0	\$0	\$250
	Commercial Soft Cost	0.00%	50.00%	7.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEVELOPMENT COSTS</b>					<b>\$29,445,918</b>	<b>\$28,418,151</b>	<b>\$1,027,767</b>	<b>\$26,358,331</b>	<b>\$0</b>	<b>\$25,731,698</b>	<b>\$557,219</b>

**Artspace Colorado Springs  
Colorado Springs, CO  
Combined Residential/Commercial Cash Flow**

8/21/25

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
<b>Income</b>																	
Residential Rental Income	2.00%	\$701,796	\$715,832	\$730,149	\$744,752	\$759,647	\$774,839	\$790,336	\$806,143	\$822,266	\$838,711	\$855,485	\$872,595	\$890,047	\$907,848	\$926,005	\$944,525
Other Income	2.00%	\$8,000	\$8,160	\$8,323	\$8,490	\$8,659	\$8,833	\$9,009	\$9,189	\$9,373	\$9,561	\$9,752	\$9,947	\$10,146	\$10,349	\$10,556	\$10,767
Residential Vacancy	7.00%	-\$49,686	-\$50,679	-\$51,693	-\$52,727	-\$53,781	-\$54,857	-\$55,954	-\$57,073	-\$58,215	-\$59,379	-\$60,567	-\$61,778	-\$63,014	-\$64,274	-\$65,559	-\$66,870
Commercial Base Rent	2.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial Expense Reimbursement	3.00%	\$14,961	\$15,410	\$15,872	\$16,348	\$16,839	\$17,344	\$17,864	\$18,400	\$18,952	\$19,521	\$20,107	\$20,710	\$21,331	\$21,971	\$22,630	\$23,309
Commercial Vacancy	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	2.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Operating Res	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$675,071	\$688,722	\$702,651	\$716,863	\$731,364	\$746,159	\$761,256	\$776,660	\$792,377	\$808,414	\$824,777	\$841,474	\$858,510	\$875,894	\$893,632	\$911,731
<b>Expenses</b>																	
Residential Property Management Fee	3.00%	\$35,950	\$37,029	\$38,139	\$39,284	\$40,462	\$41,676	\$42,926	\$44,214	\$45,540	\$46,907	\$48,314	\$49,763	\$51,256	\$52,794	\$54,378	\$56,009
Residential Expenses	3.00%	\$302,521	\$311,596	\$320,944	\$330,573	\$340,490	\$350,704	\$361,226	\$372,062	\$383,224	\$394,721	\$406,563	\$418,760	\$431,322	\$444,262	\$457,590	\$471,318
CO Springs H Auth Fee & Other (\$510)	3.00%	\$6,043	\$6,225	\$6,411	\$6,604	\$6,802	\$7,006	\$7,216	\$7,432	\$7,655	\$7,885	\$8,122	\$8,365	\$8,616	\$8,875	\$9,141	\$9,415
Commercial Management Fee	3.00%	\$1,275	\$1,313	\$1,353	\$1,393	\$1,435	\$1,478	\$1,522	\$1,568	\$1,615	\$1,664	\$1,714	\$1,765	\$1,818	\$1,872	\$1,929	\$1,986
Commercial Expenses	3.00%	\$10,043	\$10,344	\$10,655	\$10,974	\$11,304	\$11,643	\$11,992	\$12,352	\$12,722	\$13,104	\$13,497	\$13,902	\$14,319	\$14,749	\$15,191	\$15,647
Commercial Real Estate Taxes	3.00%	\$3,643	\$3,752	\$3,865	\$3,981	\$4,100	\$4,223	\$4,350	\$4,480	\$4,615	\$4,753	\$4,896	\$5,043	\$5,194	\$5,350	\$5,510	\$5,676
Residential Reserves	3.00%	\$15,300	\$15,759	\$16,232	\$16,719	\$17,220	\$17,737	\$18,269	\$18,817	\$19,382	\$19,963	\$20,562	\$21,179	\$21,814	\$22,469	\$23,143	\$23,837
Commercial Reserves	3.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses and Reserves		\$374,775	\$386,018	\$397,599	\$409,527	\$421,813	\$434,467	\$447,501	\$460,926	\$474,754	\$488,997	\$503,667	\$518,777	\$534,340	\$550,370	\$566,881	\$583,888
<b>Net Operating Income</b>		\$300,296	\$302,704	\$305,052	\$307,336	\$309,551	\$311,692	\$313,755	\$315,733	\$317,623	\$319,417	\$321,111	\$322,697	\$324,171	\$325,524	\$326,750	\$327,843
First Mortgage Debt Service		\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421	\$144,421
Other		\$112,483	\$112,150	\$111,816	\$111,483	\$111,150	\$110,816	\$110,483	\$110,150	\$109,816	\$109,483	\$109,150	\$108,816	\$108,483	\$108,150	\$107,817	\$95,817
Total Debt Service		\$256,904	\$256,570	\$256,237	\$255,904	\$255,571	\$255,237	\$254,904	\$254,571	\$254,237	\$253,904	\$253,571	\$253,237	\$252,904	\$252,571	\$252,237	\$240,238
<b>First Mortgage Debt Coverage</b>		2.08	2.10	2.11	2.13	2.14	2.16	2.17	2.19	2.20	2.21	2.22	2.23	2.24	2.25	2.26	2.27
1st & 2nd Mortgage Debt Coverage		1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.27	1.28	1.29	1.30	1.36
<b>Project Cash Flow Before Services</b>		\$43,392	\$46,133	\$48,815	\$51,432	\$53,980	\$56,455	\$58,851	\$61,163	\$63,385	\$65,513	\$67,540	\$69,460	\$71,267	\$72,953	\$74,513	\$87,605
<b>Other</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>First Mortgage Debt Coverage - After Services</b>		2.08	2.10	2.11	2.13	2.14	2.16	2.17	2.19	2.20	2.21	2.22	2.23	2.24	2.25	2.26	2.27
1st & 2nd Mortgage Debt Coverage		1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.27	1.28	1.29	1.30	1.36
<b>Project Cash Flow</b>		\$43,392	\$46,133	\$48,815	\$51,432	\$53,980	\$56,455	\$58,851	\$61,163	\$63,385	\$65,513	\$67,540	\$69,460	\$71,267	\$72,953	\$74,513	\$87,605
LP Asset Management Fee		\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914	\$4,032	\$4,153	\$4,277	\$4,406	\$4,538	\$4,674
GP Partnership Management Fee		\$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	\$7,790
<b>Cash Available For Distribution</b>		35,392	37,893	40,328	42,690	44,976	47,181	49,298	51,324	53,251	55,075	56,789	58,386	59,861	61,205	62,412	75,141

**INCOME SUMMARY**

<b>RESIDENTIAL</b>		Proposed	Gross	Utility	Net Rent	Total	Total	Unit Avg.	Total	Max	Market
<b>Unit Type</b>		<b>Unit Count</b>	<b>Rent</b>	<b>Allowance</b>	<b>Paid</b>	<b>Rent/Mo.</b>	<b>Rent/Yr.</b>	<b>Sq. Ft.</b>	<b>Sq. Ft.</b>	<b>Rents</b>	<b>Rent</b>
1 Bedroom	60% AMI	40	\$1,170	\$69.00	\$1,101	\$44,040	\$528,480	649	25,960	\$1,170	\$1,183
2 Bedroom	60% AMI	11	\$1,404	\$91.00	\$1,313	\$14,443	\$173,316	875	9,625	\$1,404	\$1,484
<b>Residential Totals</b>		<b>51</b>				<b>\$58,483</b>	<b>\$701,796</b>	<b>698</b>	<b>35,585</b>		

<b>COMMERCIAL</b>		Unit	Base	NNN	Gross	Total	Total Add'l	Total	Unit	Total
<b>Unit Type</b>		<b>Count</b>	<b>Rent/SF</b>	<b>Reimb.</b>	<b>Rent/SF</b>	<b>Base Rent/Yr</b>	<b>Rent/Year</b>	<b>Rent/Yr.</b>	<b>Sq. Ft.</b>	<b>Sq. Ft.</b>
Commercial Space 1		\$1.00	\$0.00	\$4.11	\$4.11	\$0	\$14,961	\$14,961	3,643	3,643
<b>Commercial Totals</b>		<b>\$1.00</b>				<b>\$0</b>	<b>\$14,961</b>	<b>\$14,961</b>	<b>3,643</b>	<b>3,643</b>

<b>MISCELLANEOUS</b>		Notes
Laundry and other fees		\$8,000
Laundry and other fees		\$0

<b>PROJECT TOTAL</b>			
		<b>\$ 58,483</b>	<b>\$724,757</b>

**Affordability Matrix**

AMI	Units	Pct	
30%	\$0.00	0%	0.00%
40%	\$0.00	0%	
50%	\$0.00	0%	0.00%
60%	\$51.00	100%	60.00%
80% AMI	\$0.00	0%	
<b>Total</b>	<b>\$51.00</b>	<b>100%</b>	<b>60.00%</b>

**Unit Type Matrix**

Type	Units	Pct
Studio	\$0.00	0%
1BR	\$40.00	78.43%
2 BR	\$11.00	21.57%
3 BR	\$0.00	0.00%
<b>Total</b>	<b>\$51.00</b>	<b>100%</b>

**Utility Allowance Worksheet**

	Studio	1 BR	2 BR	3 BR	Description	#		
Heat	\$0.00	\$26.00	\$36.00	\$0.00			\$35.00	\$11.00
Cooking	\$0.00	\$5.00	\$8.00	\$0.00			\$9.00	\$4.00
Other Electric	\$0.00	\$20.00	\$28.00	\$0.00			\$34.00	\$15.00
AC	\$0.00	\$2.00	\$3.00	\$0.00			\$6.00	\$0.00
Water Heat	\$0.00	\$0.00	\$0.00	\$0.00	Owner			\$3.00
Water	\$0.00	\$0.00	\$0.00	\$0.00	Owner			\$0.00
Sewer	\$0.00	\$0.00	\$0.00	\$0.00	Owner			\$0.00
Trash	\$0.00	\$0.00	\$0.00	\$0.00	Owner			\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00				\$5.00
Electric Servic	\$0.00	\$16.00	\$16.00	\$0.00				\$14.00
<b>Total</b>	<b>\$0.00</b>	<b>\$69.00</b>	<b>\$91.00</b>	<b>\$0.00</b>				<b>\$52.00</b>
RESNET	\$0.00	\$69.00	\$91.00	\$0.00	HOME UA's			
					LIHTC Unit UA's			

Artspace Colorado Springs  
Colorado Springs, CO  
Operating Expense Summary

8/21/25

	Units	51	Comm SF	3,643
	Total	Per Unit	Total	Per SF
<b>SALARY AND BENEFITS</b>				
##### On Site Management Salary	\$39,398	\$772.50	\$1,093	\$0.30
##### Maintenance Salary/Contracts	\$34,145	\$669.50	\$729	\$0.20
##### Janitorial Salary/Contracts	\$1,418	\$27.81	\$729	\$0.20
##### Other Salary	\$3,625	\$71.07	\$0	\$0.00
##### Payroll Taxes	\$13,920	\$272.95	\$0	\$0.00
##### Employee Benefits	\$8,773	\$172.01	\$0	\$0.00
<b>Total Salary and Benefits</b>	<b>\$101,278</b>	<b>\$1,986</b>	<b>\$2,550</b>	<b>\$1</b>
<b>ADMINISTRATIVE</b>				
##### Administrative	\$6,671	\$130.81	\$0	\$0.00
##### Office Supplies	\$2,574	\$50.47	\$0	\$0.00
##### Employee Training & Travel	\$578	\$11.33	\$0	\$0.00
##### Administrative Fees	\$1,786	\$35.02	\$0	\$0.00
##### Resident Services	\$0	\$0.00	\$0	\$0.00
##### Bookkeeping Fees	\$0	\$0.00	\$0	\$0.00
##### Compliance Fee	\$3,204	\$62.83	\$0	\$0.00
##### Telephone/Internet	\$7,880	\$154.50	\$0	\$0.00
##### Bank Charges	\$946	\$18.54	\$0	\$0.00
##### Legal Fees	\$1,523	\$29.87	\$0	\$0.00
##### Audit & Tax Prep Fees	\$8,878	\$174.07	\$0	\$0.00
##### Other Professional Fees	\$525	\$10.30	\$0	\$0.00
##### Other Operating Expenses	\$0	\$0.00	\$0	\$0.00
<b>Total Administrative</b>	<b>\$34,565</b>	<b>\$678</b>	<b>\$0</b>	<b>\$0</b>
<b>MARKETING AND MANAGEMENT</b>				
##### Marketing and Advertising	\$2,574	\$50	\$0	\$0.00
<b>MANAGEMENT FEE</b>				
##### Property Management Fee	5.06%	\$35,950	\$705	\$1,275
<b>UTILITIES</b>				
##### Electricity	\$20,697	\$405.82	\$911	\$0.25
##### Water	\$20,066	\$393.46	\$364	\$0.10
##### Sewer	\$2,574	\$50.47	\$182	\$0.05
##### Gas	\$3,414	\$66.95	\$0	\$0.00
##### Trash Removal	\$3,362	\$65.92	\$1,822	\$0.50
##### Other Utilities	\$0	\$0.00	\$0	\$0.00
<b>Total Utilities</b>	<b>\$50,114</b>	<b>\$983</b>	<b>\$3,279</b>	<b>\$1</b>
<b>REPAIRS AND MAINTENANCE</b>				
##### Leasing Fees	\$5,411	\$106.09	\$0	\$0.00
##### Electrical	\$2,627	\$51.50	\$0	\$0.00
##### Exterminating	\$893	\$17.51	\$0	\$0.00
##### Appliance Service and Repairs	\$683	\$13.39	\$0	\$0.00
##### Locks and Keys	\$4,675	\$91.67	\$0	\$0.00
##### Contracted Repairs and Maintenance	\$420	\$8.24	\$0	\$0.00
##### Maintenance Supplies	\$1,208	\$23.69	\$0	\$0.00
##### Janitorial Supplies	\$998	\$19.57	\$0	\$0.00
##### Other Service Contracts	\$2,101	\$41.20	\$0	\$0.00
##### HVAC	\$9,140	\$179.22	\$364	\$0.10
##### Elevator	\$9,928	\$194.67	\$0	\$0.00
##### Grounds and Landscaping	\$5,253	\$103.00	\$0	\$0.00
##### Snow Removal	\$2,259	\$44.29	\$0	\$0.00
##### Security	\$1,208	\$23.69	\$0	\$0.00
##### Turnover/Unit Prep	\$2,206	\$43.26	\$0	\$0.00
##### Plumbing	\$3,835	\$75.19	\$0	\$0.00
##### Fire Protection	\$3,723	\$73.00	\$0	\$0.00
<b>Total Maintenance</b>	<b>\$56,568</b>	<b>\$1,109</b>	<b>\$364</b>	<b>\$0</b>
<b>REAL ESTATE TAXES</b>				
##### Real Estate Taxes	\$0	\$0	\$3,643	\$1.00
##### Other Taxes, Licenses, Permits	\$525	\$10	\$0	\$0.00
<b>Total Real Estate Taxes</b>	<b>\$525</b>	<b>\$10</b>	<b>\$3,643</b>	<b>\$1.00</b>
<b>INSURANCE</b>				
##### Property & Liability Insurance	\$57,422	\$1,126	\$3,850	\$1.06
##### Flood Insurance	\$0	\$0	\$0	\$0.00
##### Other Insurance	\$0	\$0	\$0	\$0.00
<b>Total Insurance</b>	<b>\$57,422</b>	<b>\$1,126</b>	<b>\$3,850</b>	<b>\$1.06</b>
<b>ANNUAL OPERATING EXPENSES</b>	<b>\$338,996</b>	<b>\$6,647</b>	<b>\$14,961</b>	<b>\$4</b>
<b>REPLACEMENT RESERVE DEPOSITS</b>	<b>\$15,300</b>	<b>\$300</b>	<b>\$0</b>	<b>\$0.00</b>
<b>TOTAL OPERATING EXPENSES AND RESERVES</b>	<b>\$354,296</b>	<b>\$6,947</b>	<b>\$14,961</b>	<b>\$4.11</b>

Tax Credit Inputs		8/21/25
Total Project Cost	\$29,445,918	10:07
Four or nine percent credit?	4.00%	
	4.00%	
<b>ADD:</b> Eligible Basis	\$26,358,331	A
<b>LESS:</b> Non-Residential Deprec.Basis (commercial)	\$0	0.00%
Res. Portion of Historic Rehab Credit	\$0	
Disallowed Offsite Improvements	\$0	
Grants	\$171,585	
Acquisition Basis	\$0	
	\$ 171,585	B
Eligible LIHTC Basis	\$26,186,746	A-B
Eligible Basis Limit as per Cost Caps	\$0	
Eligible Basis used in Tax Credit Calculation	\$0	
Adjust for Difficult to Develop Area (1)	130%	
Adjusted Eligible Basis	\$34,042,770	
Low-Income Occupancy Percentage	100.00%	
Qualified Basis	\$34,042,770	
Credit Percentage	4.00%	
Calculated Annual Credit	1,361,711	MAX
Allocated Credits (if 9%) <i>assumption</i>	\$0	\$0
Used in Forecast	1,361,711	
Credits to Limited Partner @ 99.982%	\$1,361,466	
Estimated Price	\$0.8650	
<b>Estimated Equity</b>	<b>\$ 11,776,678</b>	

(1) Only eligible basis attributable to new construction or rehabilitation expenditures can qualify for difficult to develop area basis increase.

Federal Acquisition Credits	
Acquisition Basis ("Y" or "N")	n \$0
Adjustment	\$0
4% Acquisition Credit Rate	Jan-00 4.00%
Acquisition Credits	\$0
Credits to LP @ 99.99%	\$0
Acquisition Equity @	\$0.000 \$0

State LIHTC	
n229	
Annual Allocation	\$0
Total Allocation	0 \$0
Credits To LP	100%
Estimated Price	\$0.000
<b>Estimated State LIHTC Equity</b>	\$0

Historic Credits			
Yes (Y) or No (N)	y	State	Total
	Federal		
Elig. Depr. Basis for Historic Credits	\$0	\$0	\$0
Less Acquisition	\$0	\$0	\$0
Less Personal Property	\$0	\$0	\$0
Less Pro Rata Grant	\$0	\$0	\$0
Eligible Hist. Basis	\$0	\$0	\$0
Hist. Credit Rate	20%	20%	
Hist. Rehab. Credits	\$0	\$0	\$0
Credits to LP @ 99.99%	\$0	\$0	\$0
Estimated Price	\$0.000	\$0.000	
Estimated Equity	\$0	\$0	\$0

Equity Summary	
Estimated LP Equity for Rehab Credits	\$11,776,678
Estimated LP Equity for Acquisition Credits	\$0
Estimated LP Equity for Historic Credits	\$0
Estimated LP Equity State LIHTC	\$0
<b>Total Estimated LP Equity</b>	<b>\$11,776,678</b>



## **CITY OF FAYETTEVILLE**

### **DONATED PUBLIC ART, MONUMENT AND MEMORIAL POLICY**

#### **I. Purpose**

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to be significant of the individual, community or event being memorialized. Memorial proposals should represent the values of the community and be mindful of future generations. The artist must complete the attached form and submit it to the City of Fayetteville Planning Department at 125 W. Mountain St. Description of the project, as well as a biography of the artist, is to be included. The memorial should be designed by a qualified professional in the field appropriate to the size, scale and complexity of the proposal. The Fayetteville Arts Council and the Fayetteville City Council will reject display works of art that are obscene (as defined by A.C.A. § 5-68-302 *et seq.*) or violate other local, state or federal laws.

**2. Site:** All proposed public art, monuments or memorials must relate to and support their proposed site and/or community. While appropriate memorials may enrich a citizen's experience on public property, public open space is also a very precious commodity. Public art, monuments and memorials should be carefully reviewed to balance these two public benefits to protect the greater good. Any party proposing to install public art, monuments or memorials must propose three (3) feasible sites for their project along with an explanation of the significance and relationship to each site. A location may reach a saturation point and it may be appropriate to consider limitations or a moratorium of future art works or memorials at this particular location or area. Please consider the following when choosing a project site:

- a. The location will not interfere with existing and proposed circulation, use patterns or master plans.
- b. The quality, scale and character of the project is at a level commensurate with the particular location or setting.
- c. The project contributes to the proposed site location from a functional or design standpoint.

**3. All Inclusive Costs:** All costs of the project including, but not limited to cost of design, fabrication, plaques, transportation, installation, site preparation work, foundation, lighting, electrical, and permits must be financed by the requesting party. All inclusive costs should be stated clearly on the proposal form. Any party hired or employed by the requesting party must provide proof of insurance that may include and is not limited to: general liability, professional liability insurance, performance insurance bonds, workman's compensation coverage and others as required by the City.

**4. Maintenance:** The City may consider maintenance of approved donated art work, monuments and memorials if they meet City standards for construction and materials. However, complex or large memorials that require significant and costly maintenance may require insurance, a bond or an endowment fund, and a maintenance schedule by the donor to ensure the project's condition is satisfactory to the City, as well as the donor. The posted insurance or bond should cover costs of installation and/or removal. If an adequate level of maintenance is not continued, the City reserves the right to remove or modify the project or a portion of the project. If the City commits to maintaining a particular art work, monument or memorial, and is unable to maintain the project at a level satisfactory to the donor, the donor shall have the opportunity to supplement maintenance as approved by the City in a written agreement.

### III. APPROVAL PROCESS

**In order for donated art work, monument, or memorial to be accepted by the City of Fayetteville, each request must be reviewed in the following process.**

- 1. Initial Feasibility Consultation:** Applicants desiring to place art work, monument, or a memorial project on public property must submit a letter to the City of Fayetteville's Planning Staff that outlines in sufficient detail the main purpose and concept of their proposal. Staff will schedule a feasibility consultation with the applicant and advise of this procedure. Planning Staff reserves the right to submit proposals that are substantial or significant in size or scope to the Fayetteville Arts Council for their approval of the project's concept before embarking on further costly planning and study.
- 2. Written Proposal:** After the consultation meeting with Planning Staff, the applicant must complete the attached form. Applicant may be required to review the plans with the Engineering Division in order to comply with City regulations. (e.g. right-of-way, property set-back requirements, grading permit, etc.) A maintenance plan developed and approved by a conservator must also be submitted prior to final approval.
- 3. Proposal Review, Approval, Modification or Rejection:** The Fayetteville Arts Council will meet to review the proposal and schedule the applicant for a presentation of the project in order to make a recommendation to the City Council regarding the quality, validity and significance of the requested art work, monument or memorial to be placed on public lands. The Fayetteville Arts Council will consider appropriateness of the site location, size, shape and design, as well as general aesthetics in its review. The Fayetteville Arts Council will review the project to determine:
  - a. If the project is adequately documented.
  - b. The appropriateness and availability of the requested site for placement of the item.
  - c. Whether the City has sufficient resources to: authenticate, document, research, display, retrofit or add buildings, improvements, lighting or landscaping, interpret, store, protect, conserve, insure and maintain the item(s).
  - d. Public safety of the project.
  - e. The legal issues, including but not limited to, ability of the current legal owner of the items to deliver unrestricted clear legal title together with all applicable copyrights, patents or other title rights in or to the item(s) without any limitations or conditions on the City's ownership and the time and costs required to acquire the item(s).

Planning Staff reserves the right to submit the project for review to the Parks and Recreation Advisory Board if the project is viewed as having a significant impact on a City Park or a recreational program. The recommendation for this project by the Parks and Recreation Advisory Board will be submitted to the Fayetteville Arts Council.

The Fayetteville Arts Council will recommend approval, approval with modification, or rejection of the project. Fayetteville Arts Council's recommendation to reject the proposal is final unless the City Council requests a review.

If approved, the Fayetteville Arts Council will request the applicant to complete the following steps prior to submittal to the City Council if deemed necessary.

- a. Prepare any additional submission requests as required by City Staff or the Fayetteville Arts Council.
- b. Provide evidence of financing or fund raising activities.
- c. Submit proof of insurance requirements for review by City Staff.
- d. Notify and present the project to the appropriate neighboring community groups or business associations that may be affected by the location of the project.
- e. Provide the Fayetteville Arts Council with comments and feedback from these organizations.
- f. Provide additional site plans, detailed design, schematic drawings and information as deemed necessary.
- g. Finalize engineering, structural or other similar review of the project with appropriate City Staff.

**4. Legal Department Review and Documentation:** If the Fayetteville Arts Council should recommend accepting an offer of donation, the Fayetteville Arts Council will forward the project to the City Attorney for review and/or preparation of title transfer documents acceptable to the City.

**5. City Council Approval:** The Fayetteville Arts Council will prepare and submit the City Council Agenda Item. If approved, City Council will execute a formal resolution including any conditions to be placed on the donated projected and approve a contractual agreement with the artist and/or applicant and the City. The decision of the City Council is final. No offer to donate an item to the City will be deemed accepted without adoption and recording of a formal resolution by the City Council, duly executed and expressly accepting title to the donated item(s).

The City Council has no obligation to accept, display, or maintain any item(s) donated to the City. The City Council has the right to determine, in its sole and absolute discretion, what item(s) offered to it for public display will be accepted, displayed or maintained by the City. Once an item(s) is accepted by the City Council, the City shall be the sole owner of the donated item(s) and will have the right, in its sole and absolute discretion, except as limited by written title documents, to deaccession any donated item(s) without notice to or obtaining the consent of the donor.

**Deaccessioning:** In order to maintain growing collections of Public Art it may be necessary, from time to time, to deaccession donated item(s).

#### **IV. RETENTION POLICY:**

Donated item(s) will be retained in the City's Public Art Collection so long as they:

- a. Continue to be relevant and useful to the purposes and activities of the City.
- b. An appropriate site for public display is available.
- c. A public safety problem is not created by the project.
- d. No adverse environmental effects are created.
- e. Project remains authentic and original.
- f. The project withstands exposure to the natural elements.
- g. Project can be properly and cost-effectively stored, maintained, preserved, and/or used.

#### **V. DEACCESSIONING POLICY:**

Deaccessioning of donated item(s) may be considered when the conditions identified in the Retention Policy no longer prevail, or in the interest of improving the quality of the Public Art Collection. Examples of situations where deaccessioning would be considered include:

- a. The item(s) has deteriorated beyond a reasonable means of conservation or in deteriorating, has lost its usefulness.
- b. The authenticity, attribution, or genuineness of the item(s) is determined to be false or fraudulent.
- c. The item(s) is redundant or is a duplicate that has no value as part of a series.
- d. The item(s) is located in an area where jurisdiction will be transferred to another entity or is made inaccessible to the public.

**Consensus:** Donated items which have been accepted into the City's Public Art Collection will be deaccessioned only at the direction of the City Council, which shall consider the recommendations and comments of the Fayetteville Arts Council, City Staff and any public comment received.

**Deaccessioning Donated Items:** The City will comply with all applicable laws pertaining to deaccessioning of art items, including contacting the donor and artist (if known). If the Title Transfer Documents provide for deaccessioning, such documents will determine the method and manner of the deaccessioning. Otherwise, the City will select from one of the deaccessioning methods outlined below. Generally, preference will be given to public sale, unless the City's analysis determines that another method would yield advantages or better serve the interests of the public or the City. In appropriate instances, appraisals of the item(s) to be deaccessioned will be sought from outside sources. Deaccessioned item(s) may be disposed of by means of private sale; exchange for another work; gifting the item(s) to a tax-exempt public institution; donating the item for recycling or destruction. In each case, the applicable laws will be followed before an

item(s) is deaccessioned. Destruction of the item(s) may be considered where the physical condition of the work is severely deteriorated or will be irreparably damaged by the deaccessioning process.

**Records of Public Art and Other Property:** The City will be responsible for maintaining a data base in the City Clerk's Office of all Public Art Collection items acquired by the City under this policy. The database and/or files will include the following information:

- a. Copies of all correspondence and submittals from the donor(s);
- b. Copies of all correspondence and submittals to the donor(s) from the City;
- c. Copies of all executed title documents;
- d. Copies of all other documentation associated with a particular item(s), including but not limited to: drawings, photos, written descriptions, estimates of costs associated with acquiring, maintaining, providing security and legal expenses, etc.; any agreements between the City and donor(s) regarding the item(s); all estimates of value and appraisals, any public comment on the item(s); environmental impact reports or studies, if applicable; all written descriptions of the background/historical information associated with the item, including, information about the creation of the item(s) and the artist (if applicable) who created it; any warrant of originality; and any other information acquired by the City pertaining to the item(s);
- e. Copies of the Title Transfer Documents and any other written agreements;
- f. Records of maintenance; and
- g. Records of any deaccessioning.



FAYETTEVILLE ARTS COUNCIL
DONATED PUBLIC ART / MONUMENT / MEMORIAL
REQUEST FORM

Name: Gretchen Wilkes
Address: PO Box 3054
City: Fayetteville State: AR Zip: 72702
Phone - Home Work/Cell 479-530-5840
Email: ggdwilkes@gmail.com

1. Types of Donation

- Monument Fountain
Sculpture Other (Please specify below.)
Memorial

Student generated painted mural consisting of six 4' x 8' plywood panels

2. Artist Description of Donated Art/Monument: A written description of the background/historical information associated with any donated art item, including but not limited to, information about the creation of the item(s) and materials used. Additional information may be attached. (Models and/or pictures are to be attached or submitted with the proposal.)

'We Are the Differece' is the product of a Partnership between Farmington Junior High art educator Gretchen Wilkes and internationally known mural artist Octavio Logo. Logo mentored Wilkes' ninth grade art club students through a five moth residency that resulted in the creation of a large scale mural loosely based on the Greek myth of Pandora's Box. In the end, instead of despair, there is hope that comes in the form of young people with the will to heal the wounds they will inherit. The characters are self portraits and voice their commitment to the world.

**If a plaque is requested in this project, please complete the following:**

**Plaque Exact Wording:** There is an existing plaque that could be used. See attached.

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**Size of Plaque:** 8' x 24'

**Plaque Material:** painted plywood panels

**3. Biography of artist(s):** (To be attached.)

**4. Location for Donation:** (Please prioritize.)

**Priority 1**

**Site:** Fayetteville Square

**Specific Location:** west side of West Mountain Brewery, west side of Onyx, north side of Bank of Fayetteville  
**(Please attach a map.)**

**Site Geographic Justification:** Visibility

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**Priority 2**

**Site:** Courthouse

**Specific Location:** \_\_\_\_\_  
**(Please attach a map.)**

**Site Geographic Justification:** mural topic relates to youth involvement, specifically voting

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**Priority 3**

**Site:** Boys and Girls Club or Yvonne Richardson Center

**Specific Location:** \_\_\_\_\_  
**(Please attach a map.)**

**Site Geographic Justification:** Mural is student generated and give voice to the involvement of young people and their commitment to the world.

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**5. Project Budget**

**Site Preparation Required:** **Cost:** minimal

Narrative: Mural only needs bolting to a surface

\_\_\_\_\_  
\_\_\_\_\_

**Foundation:** **Cost:** \_\_\_\_\_

Narrative: none

\_\_\_\_\_  
\_\_\_\_\_

**Donated Art/Monument/Memorial:** **Cost:** \_\_\_\_\_

**Electricity Required:** **Cost:** \_\_\_\_\_

Be specific: none

\_\_\_\_\_  
\_\_\_\_\_

**Lighting Required:** **Cost:** \_\_\_\_\_

Be specific: none

\_\_\_\_\_  
\_\_\_\_\_

**Maintenance/Endowment:** **Cost:** \_\_\_\_\_

Note: A maintenance plan must be attached. If an Endowment Fund is setup, please give proper justification for the funding required.

**Other:** **Cost:** \_\_\_\_\_  
Be specific: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Total Project Cost:**     \$

**6. Cost Exclusion:** Please list any cost or part of the project that will not be provided by the artist / donor.

It would be difficult for me to install this piece, so my hope is that a city facilities crew would be assist with this process

\_\_\_\_\_  
\_\_\_\_\_

**7. Additional Employment Required by Artist:** Please list additional party(s) hired or employed by artist to assist with work:

none

\_\_\_\_\_  
\_\_\_\_\_

- 8.** Written explanation of legal issues, including but not limited to, identifying the current legal owner of the items, the existence of any copyrights, patents or other title rights in or to the item(s) - such as any interests to remain with the artist or designer of the item(s), and an explanation of any conditions or limitations on the donation of the item(s) and whether the City or donor will pay for such costs.

I am responsible for this work of art

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- 9.** The estimated value of each item, including appraisals of the item(s) if available:  
The total monetary investment in this mural was approximately \$3000
- 
- 

- 10.** The anticipated date for the project to begin, construction schedule, and completion date: As quickly as possible. The mural is currently on display at the Fayetteville

Public Library, but I was recently given a few weeks to find another location for it.

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- 11.** Environmental effects of the item(s): None, that I'm aware of
- 

- 12.** Anticipated life of the item(s): 10+ years

- 13.** Please attach public support for the proposed donation.

- 14.** Please attach a warrant of originality (if applicable).

Please include any additional information or documentation you deem as necessary or appropriate for the Fayetteville Arts Council to evaluate the project. Failure to provide the information outlined above may result in the City's rejection of this proposal until all the requested information is provided.

# **We Are the Difference** (November 2019-July 2020)

**We Are the Difference** is the product of a partnership between Farmington Junior High Art Educator, Gretchen Wilkes and internationally known mural artist, Octavio Logo . The collaboration began in the fall of 2019 when the two met at the site of Logo's Fayetteville mural, Athena. Following a couple of strategy sessions, the two determined Logo would mentor Wilkes' ninth grade art club students through a five month residency that would result in the creation of a large-scale mural. Project funding was secured through Donors Choose by a generous donation from the Thea Foundation, and from contributions from parents, family members and friends.

Logo's regular project meetings with students came to a halt in March 2020 due to the COVID-19 pandemic. However, by late May, Wilkes and Logo had devised safety protocols so that students could return to work. The final design phase took approximately eight hours to complete. Preparing the surface of six 4' x 8' panels, dropping in a grid, transferring the design and completing the painting process consumed another two weeks, with students working 4-7 hours per day. Cleaning, touch up painting and varnishing followed, and the piece was ready for installation in August 2020.

The mural is loosely based on the Greek myth, Pandora's Box. From the jar came disease and destruction. In the end, instead of despair, there is hope that comes in the form of young people with the will and energy to heal the wounds they will inherit. The characters in this piece are self-portraits of the artists and give voice to their commitment to care for the planet, care for themselves and for each other.

Muralists: Bianca Burciaga, Haley Clanton, Leigh Davis, Landon Gadberry, Joselyn McCall, Aubree McWhorter, Cooper Tidwell

## **“We Are the Difference” Mural Maintenance Plan**

The plywood surface was primed prior to being painted with a specially formulated paint designed specifically for outdoor murals.

Prior to exterior mounting, two coats of Minwax Polycrylic Protective Sealant will need to be applied

## **Artist Biographies**

The following student artists were ninth grade Art I students at Farmington Junior high from August 2019 - May 2020.

Bianca Burciaga

Haley Claton

Leigh Davis

Landon Gadberry

Joselyn McCall

Aubree McWorter

Cooper Tidwell



MOVEMENT  
O



Department of Cultural Preservation





## **CITY OF FAYETTEVILLE**

### **DONATED PUBLIC ART, MONUMENT AND MEMORIAL POLICY**

#### **I. Purpose**

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**2. Site:** All proposed public art, monuments or memorials must relate to and support their proposed site and/or community. While appropriate memorials may enrich a citizen's experience on public property, public open space is also a very precious commodity. Public art, monuments and memorials should be carefully reviewed to balance these two public benefits to protect the greater good. Any party proposing to install public art, monuments or memorials must propose three (3) feasible sites for their project along with an explanation of the significance and relationship to each site. A location may reach a saturation point and it may be appropriate to consider limitations or a moratorium of future art works or memorials at this particular location or area. Please consider the following when choosing a project site:

- a. The location will not interfere with existing and proposed circulation, use patterns or master plans.
- b. The quality, scale and character of the project is at a level commensurate with the particular location or setting.
- c. The project contributes to the proposed site location from a functional or design standpoint.

**3. All Inclusive Costs:** All costs of the project including, but not limited to cost of design, fabrication, plaques, transportation, installation, site preparation work, foundation, lighting, electrical, and permits must be financed by the requesting party. All inclusive costs should be stated clearly on the proposal form. Any party hired or employed by the requesting party must provide proof of insurance that may include and is not limited to: general liability, professional liability insurance, performance insurance bonds, workman's compensation coverage and others as required by the City.

**4. Maintenance:** The City may consider maintenance of approved donated art work, monuments and memorials if they meet City standards for construction and materials. However, complex or large memorials that require significant and costly maintenance may require insurance, a bond or an endowment fund, and a maintenance schedule by the donor to ensure the project's condition is satisfactory to the City, as well as the donor. The posted insurance or bond should cover costs of installation and/or removal. If an adequate level of maintenance is not continued, the City reserves the right to remove or modify the project or a portion of the project. If the City commits to maintaining a particular art work, monument or memorial, and is unable to maintain the project at a level satisfactory to the donor, the donor shall have the opportunity to supplement maintenance as approved by the City in a written agreement.

### III. APPROVAL PROCESS

**In order for donated art work, monument, or memorial to be accepted by the City of Fayetteville, each request must be reviewed in the following process.**

- 1. Initial Feasibility Consultation:** Applicants desiring to place art work, monument, or a memorial project on public property must submit a letter to the City of Fayetteville's Planning Staff that outlines in sufficient detail the main purpose and concept of their proposal. Staff will schedule a feasibility consultation with the applicant and advise of this procedure. Planning Staff reserves the right to submit proposals that are substantial or significant in size or scope to the Fayetteville Arts Council for their approval of the project's concept before embarking on further costly planning and study.
- 2. Written Proposal:** After the consultation meeting with Planning Staff, the applicant must complete the attached form. Applicant may be required to review the plans with the Engineering Division in order to comply with City regulations. (e.g. right-of-way, property set-back requirements, grading permit, etc.) A maintenance plan developed and approved by a conservator must also be submitted prior to final approval.
- 3. Proposal Review, Approval, Modification or Rejection:** The Fayetteville Arts Council will meet to review the proposal and schedule the applicant for a presentation of the project in order to make a recommendation to the City Council regarding the quality, validity and significance of the requested art work, monument or memorial to be placed on public lands. The Fayetteville Arts Council will consider appropriateness of the site location, size, shape and design, as well as general aesthetics in its review. The Fayetteville Arts Council will review the project to determine:
  - a. If the project is adequately documented.
  - b. The appropriateness and availability of the requested site for placement of the item.
  - c. Whether the City has sufficient resources to: authenticate, document, research, display, retrofit or add buildings, improvements, lighting or landscaping, interpret, store, protect, conserve, insure and maintain the item(s).
  - d. Public safety of the project.
  - e. The legal issues, including but not limited to, ability of the current legal owner of the items to deliver unrestricted clear legal title together with all applicable copyrights, patents or other title rights in or to the item(s) without any limitations or conditions on the City's ownership and the time and costs required to acquire the item(s).

Planning Staff reserves the right to submit the project for review to the Parks and Recreation Advisory Board if the project is viewed as having a significant impact on a City Park or a recreational program. The recommendation for this project by the Parks and Recreation Advisory Board will be submitted to the Fayetteville Arts Council.

The Fayetteville Arts Council will recommend approval, approval with modification, or rejection of the project. Fayetteville Arts Council's recommendation to reject the proposal is final unless the City Council requests a review.

If approved, the Fayetteville Arts Council will request the applicant to complete the following steps prior to submittal to the City Council if deemed necessary.

- a. Prepare any additional submission requests as required by City Staff or the Fayetteville Arts Council.
- b. Provide evidence of financing or fund raising activities.
- c. Submit proof of insurance requirements for review by City Staff.
- d. Notify and present the project to the appropriate neighboring community groups or business associations that may be affected by the location of the project.
- e. Provide the Fayetteville Arts Council with comments and feedback from these organizations.
- f. Provide additional site plans, detailed design, schematic drawings and information as deemed necessary.
- g. Finalize engineering, structural or other similar review of the project with appropriate City Staff.

**4. Legal Department Review and Documentation:** If the Fayetteville Arts Council should recommend accepting an offer of donation, the Fayetteville Arts Council will forward the project to the City Attorney for review and/or preparation of title transfer documents acceptable to the City.

**5. City Council Approval:** The Fayetteville Arts Council will prepare and submit the City Council Agenda Item. If approved, City Council will execute a formal resolution including any conditions to be placed on the donated projected and approve a contractual agreement with the artist and/or applicant and the City. The decision of the City Council is final. No offer to donate an item to the City will be deemed accepted without adoption and recording of a formal resolution by the City Council, duly executed and expressly accepting title to the donated item(s).

The City Council has no obligation to accept, display, or maintain any item(s) donated to the City. The City Council has the right to determine, in its sole and absolute discretion, what item(s) offered to it for public display will be accepted, displayed or maintained by the City. Once an item(s) is accepted by the City Council, the City shall be the sole owner of the donated item(s) and will have the right, in its sole and absolute discretion, except as limited by written title documents, to deaccession any donated item(s) without notice to or obtaining the consent of the donor.

**Deaccessioning:** In order to maintain growing collections of Public Art it may be necessary, from time to time, to deaccession donated item(s).

#### **IV. RETENTION POLICY:**

Donated item(s) will be retained in the City's Public Art Collection so long as they:

- a. Continue to be relevant and useful to the purposes and activities of the City.
- b. An appropriate site for public display is available.
- c. A public safety problem is not created by the project.
- d. No adverse environmental effects are created.
- e. Project remains authentic and original.
- f. The project withstands exposure to the natural elements.
- g. Project can be properly and cost-effectively stored, maintained, preserved, and/or used.

#### **V. DEACCESSIONING POLICY:**

Deaccessioning of donated item(s) may be considered when the conditions identified in the Retention Policy no longer prevail, or in the interest of improving the quality of the Public Art Collection. Examples of situations where deaccessioning would be considered include:

- a. The item(s) has deteriorated beyond a reasonable means of conservation or in deteriorating, has lost its usefulness.
- b. The authenticity, attribution, or genuineness of the item(s) is determined to be false or fraudulent.
- c. The item(s) is redundant or is a duplicate that has no value as part of a series.
- d. The item(s) is located in an area where jurisdiction will be transferred to another entity or is made inaccessible to the public.

**Consensus:** Donated items which have been accepted into the City's Public Art Collection will be deaccessioned only at the direction of the City Council, which shall consider the recommendations and comments of the Fayetteville Arts Council, City Staff and any public comment received.

**Deaccessioning Donated Items:** The City will comply with all applicable laws pertaining to deaccessioning of art items, including contacting the donor and artist (if known). If the Title Transfer Documents provide for deaccessioning, such documents will determine the method and manner of the deaccessioning. Otherwise, the City will select from one of the deaccessioning methods outlined below. Generally, preference will be given to public sale, unless the City's analysis determines that another method would yield advantages or better serve the interests of the public or the City. In appropriate instances, appraisals of the item(s) to be deaccessioned will be sought from outside sources. Deaccessioned item(s) may be disposed of by means of private sale; exchange for another work; gifting the item(s) to a tax-exempt public institution; donating the item for recycling or destruction. In each case, the applicable laws will be followed before an

item(s) is deaccessioned. Destruction of the item(s) may be considered where the physical condition of the work is severely deteriorated or will be irreparably damaged by the deaccessioning process.

**Records of Public Art and Other Property:** The City will be responsible for maintaining a data base in the City Clerk's Office of all Public Art Collection items acquired by the City under this policy. The database and/or files will include the following information:

- a. Copies of all correspondence and submittals from the donor(s);
- b. Copies of all correspondence and submittals to the donor(s) from the City;
- c. Copies of all executed title documents;
- d. Copies of all other documentation associated with a particular item(s), including but not limited to: drawings, photos, written descriptions, estimates of costs associated with acquiring, maintaining, providing security and legal expenses, etc.; any agreements between the City and donor(s) regarding the item(s); all estimates of value and appraisals, any public comment on the item(s); environmental impact reports or studies, if applicable; all written descriptions of the background/historical information associated with the item, including, information about the creation of the item(s) and the artist (if applicable) who created it; any warrant of originality; and any other information acquired by the City pertaining to the item(s);
- e. Copies of the Title Transfer Documents and any other written agreements;
- f. Records of maintenance; and
- g. Records of any deaccessioning.



**FAYETTEVILLE ARTS COUNCIL  
DONATED PUBLIC ART / MONUMENT / MEMORIAL  
REQUEST FORM**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone – Home \_\_\_\_\_ Work/Cell \_\_\_\_\_

Email: \_\_\_\_\_

**1. Types of Donation**

\_\_\_ Monument

\_\_\_ Fountain

\_\_\_ Sculpture

\_\_\_ Other (Please specify below.)

\_\_\_ Memorial

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**2. Artist Description of Donated Art/Monument:** A written description of the background/historical information associated with any donated art item, including but not limited to, information about the creation of the item(s) and materials used. Additional information may be attached. (Models and/or pictures are to be attached or submitted with the proposal.)

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If a plaque is requested in this project, please complete the following:

Plaque Exact Wording: \_\_\_\_\_  
\_\_\_\_\_

Size of Plaque: \_\_\_\_\_

Plaque Material: \_\_\_\_\_

3. **Biography of artist(s):** (To be attached.) See the Appendix 1.

4. **Location for Donation:** (Please prioritize.)

**Priority 1**

Site: \_\_\_\_\_

Specific Location: \_\_\_\_\_  
(Please attach a map.)

Site Geographic Justification: \_\_\_\_\_  
\_\_\_\_\_

**Priority 2**

Site: \_\_\_\_\_

Specific Location: \_\_\_\_\_  
(Please attach a map.)

Site Geographic Justification: \_\_\_\_\_  
\_\_\_\_\_

**Priority 3**

Site: \_\_\_\_\_

Specific Location: \_\_\_\_\_  
(Please attach a map.)

Site Geographic Justification: \_\_\_\_\_  
\_\_\_\_\_

**5. Project Budget**

**Site Preparation Required:** **Cost:** \_\_\_\_\_

Narrative: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Foundation:** **Cost:** \_\_\_\_\_

Narrative: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Donated Art/Monument/Memorial:** **Cost:** \_\_\_\_\_

Student labor and painting materials provided through UA School of Art.

**Electricity Required:** **Cost:** \_\_\_\_\_

Be specific: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Lighting Required:** **Cost:** \_\_\_\_\_

Be specific: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Maintenance/Endowment:** **Cost:** \_\_\_\_\_

Note: A maintenance plan must be attached. If an Endowment Fund is setup, please give proper justification for the funding required.

**Other:** **Cost:** \_\_\_\_\_  
Be specific: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Total Project Cost:**     **\$** \_\_\_\_\_

**6. Cost Exclusion:** Please list any cost or part of the project that will not be provided by the artist / donor.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**7. Additional Employment Required by Artist:** Please list additional party(s) hired or employed by artist to assist with work:

\_\_\_\_\_  
\_\_\_\_\_

**8.** Written explanation of legal issues, including but not limited to, identifying the current legal owner of the items, the existence of any copyrights, patents or other title rights in or to the item(s) - such as any interests to remain with the artist or designer of the item(s), and an explanation of any conditions or limitations on the donation of the item(s) and whether the City or donor will pay for such costs.

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**9.** The estimated value of each item, including appraisals of the item(s) if available:

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**10.** The anticipated date for the project to begin, construction schedule, and completion date: \_\_\_\_\_

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**11.** Environmental effects of the item(s): \_\_\_\_\_

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**12.** Anticipated life of the item(s): \_\_\_\_\_

**13.** Please attach public support for the proposed donation. See the Appendix 2.

**14.** Please attach a warrant of originality (if applicable).

Please include any additional information or documentation you deem as necessary or appropriate for the Fayetteville Arts Council to evaluate the project. Failure to provide the information outlined above may result in the City's rejection of this proposal until all the requested information is provided.

## **Appendix 1. Biography of Artist**

**Su A Chae** is an artist and educator with a primary focus on painting. Having initially worked in accounting academia in South Korea, she gained insights into the role of accounting in reducing information asymmetry and moral hazards within capitalism. After relocating to the United States and transitioning to a career as an artist, Chae now explores the evolving role of painting in the digital age. She holds an MFA in Painting from Indiana University and an MA and BA in Business from Ewha Womans University in South Korea. She completed the Tyler School of Art Summer Painting Intensive. Chae's work has been widely exhibited at venues including the Painting Center, Deanna Evans Projects, Ortega y Gasset Projects, Paradise Palace, 5-50 Gallery, and Wassaic Project in New York, as well as Gross McCleaf Gallery and Icebox Project Space in Philadelphia, the Indianapolis Art Center, and many others across the Midwest. Her work has been featured on platforms like Young Space and the Hopper Prize, and in publications such as *New American Paintings*, *White Hot Magazine*, and *I Like Your Work*. Chae has participated in artist residencies at Penland School of Craft, Wassaic Project, Vermont Studio Center, and ACRE. She has served as a juror for the Dairy Barn Arts Center and as a guest lecturer at the University of Connecticut. Her work is collected by Eskenazi Health, Indiana University, and private collectors.

Chae is currently an Assistant Professor of Painting at the University of Arkansas. Her mural painting course focuses on community-engaged learning and large-scale public art projects. Students gain hands-on experience in collaborative design, site preparation, and painting for civic spaces. Chae recently successfully completed the Community Art Wall project in partnership with the City of Fayetteville.

**Appendix 2.** Photos of Past and Current Mural Projects demonstrating Public Support

Image 1: Community Art Wall at Poplar Street, September 2025



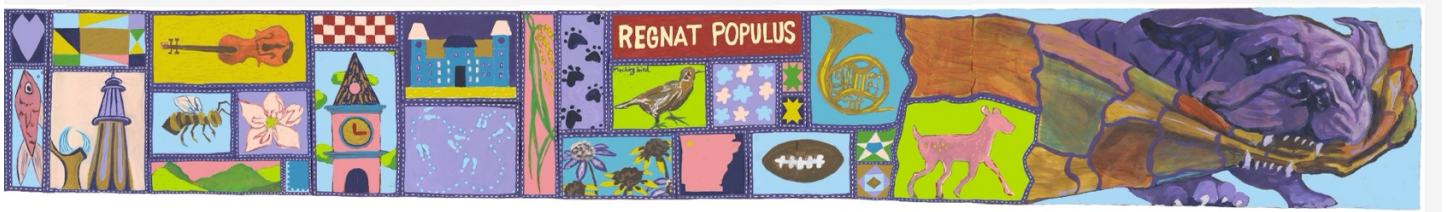
Image 2: Magdalene Serenity House Project, October 2025



Image 3: Fayetteville High School Project Mockup Design



Detail 1- Right Half



Detail 2 – Left Half

