



Housing Tax Credit Supplement for Agenda Item 4(c)

**MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
July 29, 2010**

Requested Action

Approve the list of recommended Applications for Final Commitments of Housing Tax Credits from the 2010 State Housing Credit Ceiling; and

Approve the 2010 Housing Tax Credit Waiting List.

WHEREAS, the Board is required, by §2306.6724(f) of the Texas Government Code, to “issue final commitments for allocations of housing tax credits each year in accordance with the qualified allocation plan not later than July 31;” and

WHEREAS, the Board is required by §2306.6711(c) of the Texas Government Code to “establish a waiting list of additional Applications ranked by score in descending order of priority based on set-aside categories and regional allocation goals” concurrently with the initial issuance of commitments for Competitive Housing Tax Credits; therefore

BE IT RESOLVED, that the list of recommended Applications for Final Commitments of Housing Tax Credits from the 2010 State Housing Credit Ceiling and the 2010 Housing Tax Credit Waiting List is hereby approved in the form presented to this meeting.

Background

The Competitive Housing Tax Credit recommendations for June 29, 2010 are presented in a separate addendum to the Board materials. The addendum contains the following information that reflects the recommendations of the Executive Award and Review Advisory Committee (“EARAC”):

Reports located in the Board Book

- Report 1A: **At-Risk and USDA Recommended Applications (“At-Risk R”)** (only shows those Applications recommended for an award in the At-Risk and USDA Allocations).
- Report 1B: **Regional Recommended Applications (“Regional R”)** (only shows those Applications recommended for an award in the Rural and Urban Regional Allocations).
- Report 2A: **At-Risk and USDA Awarded and Active Applications (“At-Risk A/R/N”)** (complete list of all Applications previously awarded, recommended for an award and the waiting list of all active Applications not recommended for an award for the At-Risk Allocation)
- Report 2B: **Regional Awarded and Active Applications (“Regional A/R/N”)** (complete list of all Applications previously awarded, recommended for an award

and the waiting list of all active Applications not recommended for an award for the Regional Allocations)

- Report 3: **Hurricane Ike County Applications**
- Report 4: **Applications Recommended to Meet the Federal Non-Profit Allocation** (only shows those Applications recommended for an award from the federal Nonprofit Set-Aside)
- Report 5: **Applications Recommended to Meet the State Rural Allocation** (only shows those Applications recommended for an award from the state required Rural Allocation).

Located in the Board Material Addendum

- Board Summary: Development Information, Public Input and Staff Recommendation for each application (provided in Development number order for all active/eligible Applications)
- Real Estate Analysis Report for each application that has been underwritten as of July 22, 2010.

I. REGIONAL ALLOCATION FORMULA AND SET-ASIDES

The total amount of Housing Tax Credits available for the state of Texas to allocate in 2010 is \$69,285,151. This is comprised of approximately \$54M in State Housing Credit Ceiling and \$14.9M disaster area credits.

The total State Housing Credit Ceiling (“credit ceiling”) for 2010 is \$54,378,991 (as of July 23, 2009). This figure includes the amount of annual allocation authorized to the state, based on population, of \$52,042,834; amount carried forward from 2009 of \$936,595; and returned credits from previous years of \$1,399,562. The National Pool has not been announced as of July 23, 2010. The amount of total State Housing Credit Ceiling for 2010 to be awarded at this meeting is reduced by the forward commitments made by the Board in 2009. The forward commitments that remain active total \$4,593,824. In addition, the State received \$14,906,160 in disaster credits to help in the relief efforts of Hurricane Ike.

As required by §2306.111 of the Texas Government Code, and further addressed in §50.7(a) of the 2010 Qualified Allocation Plan and Rules (“QAP”), the Department utilizes a regional allocation formula to distribute eighty-five percent of the housing tax credits from the credit ceiling. There are thirteen Uniform State Service Regions which receive varying portions of the credit ceiling based on need in those regions. Each region is further divided into two allocations: a Rural Regional Allocation and an Urban Regional Allocation, as required. Based on the regional allocation formula, each of these twenty-six geographic areas, or sub-regions, is to have available a specific amount of tax credits.

Nonprofit Set-Aside

As required by §50.7(b)(1) of the 2010 QAP, several Set-Asides/allocations, are also required to be met with 2010 Housing Tax Credits. The only federally legislated Set-Aside is the Nonprofit Set-side, which requires that at least ten percent of the credit ceiling be allocated to Qualified Nonprofit Developments. As described in §50.9(d), Applications in the Nonprofit Set-Aside compete with Applications in the general pool,

rather than competing with one another in a separate pool. Only if the ten percent Set-Aside is not met when evaluating Applications based on score, will the Department then add the highest scoring Qualified Nonprofit Developments statewide until the ten percent Nonprofit Set-Aside is met. It should be noted that for the 2010 credit ceiling, the Nonprofit Set-Aside is satisfied purely through the general scoring competitiveness; it is unnecessary to recommend additional Nonprofit Applications for non-scoring reasons.

At-Risk Set-Aside and USDA Allocation

Pursuant to §50.7(b)(3) of the 2010 QAP, an At-Risk Set-Aside, which is legislated by Texas Government Code, requires that at least fifteen percent of the State Housing Credit Ceiling be set-aside for existing Developments that are at risk of losing their affordability. Pursuant to §50.7(b)(2) of the 2010 QAP, there is also a United States Department of Agriculture (“USDA”) Allocation that requires that at least five percent of the State Housing Credit Ceiling be awarded to Developments, proposing rehabilitation, that are funded by USDA. The five percent USDA set-aside is required to be taken from the fifteen percent At-Risk set-aside.

Allocation Distribution

The table below reflects the portion of the State Housing Credit Ceiling available to each region, the amount of tax credits dedicated to the Rural Allocation and the Urban Allocation, as well as the fifteen percent that must be allocated to At-Risk Applications. The fifteen percent dedicated to the At-Risk Allocation is calculated from the amount of State Credit Ceiling allocated to the state. (Table 1 on following page).

Table 1

<u>Region</u>	<u>Total Allocation for Each Region</u>	<u>Rural Allocation</u>	<u>Urban Allocation</u>
1	\$ 1,763,189	\$683,326	\$1,079,863
2	\$ 834,111	\$588,287	\$245,824
3	\$10,860,495	\$1,102,732	\$9,757,762
4	\$ 1,696,890	\$950,285	\$746,605
5	\$ 1,259,603	\$691,996	\$567,607
6	\$10,011,875	\$931,296	\$9,080,579
7	\$ 3,138,744	\$649,662	\$2,489,082
8	\$ 2,380,425	\$629,883	\$1,750,542
9	\$ 3,742,759	\$666,529	\$3,076,230
10	\$ 1,571,844	\$620,651	\$951,193
11	\$ 5,724,980	\$2,088,317	\$3,636,663
12	\$ 1,058,829	\$592,520	\$466,309
13	\$ 2,219,470	\$625,553	\$1,593,917

Total Regions	\$ 46,263,213	\$10,821,037	\$35,442,176
At-Risk	\$ 8,115,778		
Total Allocation	\$54,378,991		

II. APPLICATION SUBMISSION

There are currently 113 applications eligible for consideration, which are requesting credits totaling \$143,024,449. The attached lists include applications that received forward commitments by the Board in 2009 out of the 2010 State Housing Tax Credit Ceiling. The Developments that received forward commitments are indicated by an “A” in the column titled “Status” as they have already received an award from the 2010 cycle. The Applications being recommended for award are indicated by a “R” in the “Status” column. The Applications not being recommended for award are indicated by a “N” in the “Status” column.

III. APPLICATION EVALUATION

Evaluation and Review

Central to the each Application Round is the Department’s commitment to ensuring fairness and consistency in evaluating all Applications and ensuring adherence to all required guidelines. Each Application has been reviewed in accordance with the Eligibility and Selection Criteria. The eligible Applications were assessed a score according to the documentation that was submitted to the Department.

The Applications that appeared to be most competitive were reviewed in detail for Threshold Criteria, financial feasibility, and material non-compliance with Department programs. The final reviews of these few Applications were completed after the determination of appeals, challenges, and financial feasibility

Public Comment

The Department held six public hearings in April 2010 throughout the state (Odessa, El Paso, Harlingen, Houston, Austin and Dallas) to receive public comment from citizens, neighborhood groups, and elected officials concerning the 2010 Applications. In addition, the Department accepted written comments on all Applications, pursuant to §50.11(a)(9) of the 2010 QAP. A summary of the public comment received for each Application is provided in each Application’s Development Information, Public Input and Board Summary (“Board Summary”) report.

IV. STAFF RECOMMENDATION PROCESS

In making recommendations, staff relied on regional allocations, set-aside requirements and scores.

The recommended credit amounts are noted with an asterisk if the credit amount has not yet been evaluated; in these cases the credit amount reflected is the credit amount requested by the Applicant. If an Underwriting Report has not been completed for an Application, the Application may still be found to be infeasible, have the credit amount reduced and/or may have additional conditions placed on the allocation and the credit

award will not exceed the requested amount. **All recommendations made by staff are subject to underwriting conditions, application review conditions and any other special conditions the Board may consider appropriate.**

Recommendation Methodology

Staff followed the traditional regional allocation methodology for the available allocation amount. The recommendations in each Regional Sub-region are made by identifying the Applications, in descending scoring order, whose recommended credit amounts total the credit amount available in the sub-region, without exceeding the credit amounts available in each sub-region. By not exceeding the amounts available, in a few instances, there will be a significant balance of tax credits remaining in each sub-region.

All credits remaining in the Rural sub-regions are then combined together. Applications are then selected in order, by highest score, in the most under-served Rural sub-region, in the 2010 regional allocation, until the total combined amount is reached but not exceeded. These recommendations are considered the “Rural collapse.”

Any tax credits that have not been utilized from the “Rural collapse” will be combined with any remaining amounts from the Urban sub-regions. Applications are then selected in order, by highest score, in the most under-served sub-region, whether Urban or Rural. These recommendations are considered the “Statewide collapse.”

The “Ike Disaster” credits were utilized after the traditional allocation methodology was completed. All remaining applications in the Ike eligible counties that were not recommended the traditional method, were ranked by highest score and then recommendations were made until all Ike Credits were used.

VI. STAFF RECOMMENDATION – WAITING LIST

Consistent with §2306.6711 of the Texas Government Code and §50.10(b) of the 2010 QAP, “...the Board shall generate, concurrently with the issuance of commitments, a Waiting List of additional Applications ranked by score in descending order of priority based on Set-Aside categories and regional allocation goals...”

Staff recommends that the Board consider the Waiting List to be composed of all Applications that have not been approved by the Board for a commitment of 2010 Housing Tax Credits, and have not been terminated by the Department or withdrawn by the Applicant. Staff further recommends that the applications that remain be approved or amended and approved by the Board today be accepted as the Waiting List “ranked by score in descending order of priority” for regional allocation purposes.

Developments will be awarded from the waiting list as follows:

- If tax credits are returned from the Nonprofit Set-Aside, and the return of tax credits causes the Department to achieve less than the required 10% Set-Aside, the next highest scoring Qualified Nonprofit Development will be recommended for a commitment to the Board, regardless of the region in which it is located. If tax credits are returned from the Nonprofit Set-Aside, and the return of tax credits does not cause the Department to go below the required 10% Set-Aside, then the next highest scoring Development in the sub-region of the returned tax credits will be recommended for a commitment to the Board, regardless of Set-Aside.

- If tax credits are returned from the USDA Set-Aside Allocation and the return of tax credits causes the Department to achieve less than the required five percent allocation, the next highest scoring USDA Development from the At-Risk Waiting List will be recommended to the Board for a commitment. If there are no eligible USDA Applications available, then the next highest scoring At-Risk Application will be recommended for a commitment to the Board. If there are no eligible At-Risk Applications available, then the remaining ceiling will be added to the Statewide collapse pool.
- If tax credits are returned from the At-Risk Set-Aside Allocation and the return of tax credits causes the Department to achieve less than the required fifteen percent At-Risk set-aside, the next highest scoring At-Risk Development from the At-Risk Waiting List will be recommended for a commitment to the Board. If there are no eligible Applications available in the At-Risk set-aside, then the remaining ceiling will be added to the Statewide collapse pool.
- For all other Developments, if tax credits are returned from a Development not associated with any Set-Aside, the next highest scoring Development from that sub- region's waiting list, regardless of inclusion in a set-side, will be recommended for a commitment to the Board. If no other Development exists in the sub-region then to the extent that sufficient funds exist the next highest statewide collapse Development will be funded.

All Developments on the Waiting List not yet reviewed for Threshold or underwritten must still be found to be Acceptable, or Acceptable with Conditions, by the Multifamily and Real Estate Analysis Divisions. Credit amounts and conditions are subject to change based on underwriting and underwriting appeals. Allocations from the Waiting List remain subject to review by the Portfolio Management and Compliance Division to ensure no issues of Material Noncompliance exist. In the event that the credit amount returned is insufficient to fund the next appropriate Application, staff may wait to determine if other return credits would make the application whole or offer the Applicant an opportunity to adjust the size of their Development. If the Applicant declines the offer, staff will contact the next appropriate Applicant on the Waiting List, continuing in this manner until the Waiting List is exhausted. Staff will also review to ensure that no awards from the Waiting List would cause a violation of any sections of the 2010 QAP (for example, the \$2 million credit limitation, the one-mile rules, etc.).

**Report 1A: At-Risk and USDA Awarded and Active Applications ("At-Risk A/R")
2010 Competitive Housing Tax Credit Program
(As of July 29, 2010, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$8,115,778

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶	
10058	9 R	Guild Park Apts	779 W. Mayfield	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	114	114	G	2 RH	\$1,127,186	Gilbert M. Piette	<input type="checkbox"/>	223.0	Competitive in At-Risk Set-Aside	
10238	8 R	Prince Hall Plaza	700 Doris St.	Navasota	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	60	60	G	2 RH	\$624,203	K.T. (Ike) Akbari	<input checked="" type="checkbox"/>	219.0	Competitive in At-Risk Set-Aside	
10239	3 R	Prince Hall Gardens	1800 E. Robert	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	2 RH	\$1,064,555	K.T. (Ike) Akbari	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside	
10150	9 R	Woodlawn Ranch Apts	330 W. Cheryl Dr.	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	200	252	G	2 NC	\$2,000,000*	Stephen J. Poppoon	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside	
10020	9 R	La Posada del Rey Apts	3135 Roosevelt Ave.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	145	145	G	2 RH	\$1,375,120	Jennifer Chester	<input type="checkbox"/>	207.0	Competitive in At-Risk Set-Aside	
10212	8 R	Longbridge Apts	921 N. Tyus St.	Groesbeck	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	28	G	2 RH	\$206,362*	Dennis Hoover	<input checked="" type="checkbox"/>	206.0	Competitive in USDA Allocation	
10226	3 R	Red Oak Apts	413 & 507 West Red Oak Rd.	Red Oak	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	116	116	G	2 RH	\$1,029,742	Paul Patierno	<input checked="" type="checkbox"/>	203.0	Competitive in USDA Allocation	
10112	10 R	Country Village Apts	1500 Hackberry Ln.	Mathis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	E	2 RH	\$270,645*	Dennis Hoover	<input checked="" type="checkbox"/>	197.0	Competitive in USDA Allocation	
10213	6 R	Heritage Square Apts	7626 Hwy 60 South	Wallis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	2 RH	\$206,231*	Dennis Hoover	<input checked="" type="checkbox"/>	196.0	Competitive in USDA Allocation	
10211	4 R	Riverplace Apts	1304 West Ave. A	Hooks	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	40	G	2 RH	\$245,813*	Dennis Hoover	<input checked="" type="checkbox"/>	184.0	Competitive in USDA Allocation	
10253	6 R	Brookwood Apts	444 Jefferson St.	West Columbia	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	50	50	E	2 RH	\$321,049	Ronald Potterpin	<input checked="" type="checkbox"/>	183.0	Competitive in USDA Allocation	
Total:							901	965			\$8,470,906					
11 Total Applications							901	965			\$8,470,906					

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP, At-Risk=AR.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

**Report 1B: Regional Awarded and Active Applications ("Regional A/R")
2010 Competitive Housing Tax Credit Program
(As of July 29, 2010, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$45,989,408

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶	
Region: 1																
Allocation Information for Region 1:		Total Credits Available for Region: \$1,763,189					Urban Allocation: \$1,079,863			Rural Allocation: \$683,326						
Applications Submitted in Region 1: Urban																
10236	1 R	Viking Road Apts	Intersection of Viking Rd. and Ventura Rd.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	132	132	G	NC	\$1,417,000	Justin Zimmerman	<input type="checkbox"/>	191.0	Significant Sub-Regional Shortfall in Statewide Collapse	
							Total:	132	132			\$1,417,000				
							Total:	132	132			\$1,417,000				
Applications Submitted in Region 1: Rural																
10107	1 R	Tenth Street Apts	SE Corner Tenth St. and Whittenburg St.	Borger	Rural	<input type="checkbox"/> <input type="checkbox"/>	47	48	G	NC	\$583,000	Justin Zimmerman	<input type="checkbox"/>	157.0	Competitive in Region	
							Total:	47	48			\$583,000				
							Total:	47	48			\$583,000				
2 Applications in Region					Region Total:		179	180			\$2,000,000					

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.

2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.

3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 2

Allocation Information for Region 2:	Total Credits Available for Region:	\$834,111	Urban Allocation:	\$245,824	Rural Allocation:	\$588,287
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Applications Submitted in Region 2: Urban																	
10246	2	R	Green Briar Village Phase II	901 Airport Dr.	Wichita Falls	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	\$438,447	Randy Stevenson	<input type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in Statewide Collapse
									Total:	36	36			\$438,447			
									Total:	36	36			\$438,447			
Applications Submitted in Region 2: Rural																	
10000	2	A	Mustang Heights Apts	Intersection of Arizona Ave. & I-20 frontage Rd.	Sweetwater	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$950,000	Lucille Jones	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009
									Total:	80	80			\$950,000			
									Total:	80	80			\$950,000			
2 Applications in Region							Region Total:		116	116			\$1,388,447				

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$10,860,495	Urban Allocation: \$9,757,762	Rural Allocation: \$1,102,732
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Applications Submitted in Region 3:		Urban															
10119	3 R	Race Street Lofts	2817/2812/2820/2822/2902 McLemore St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	RH	\$592,207	Jesus "Jay" Chapa	<input type="checkbox"/>	228.0	Competitive in Region	
10284	3 R	Atmos Lofts	1900 Jackson St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	107	107	G	ADR	\$1,336,488*	Ted Hamilton	<input type="checkbox"/>	225.0	Competitive in Region	
10153	3 R	Britain Way	1954 Shoaf	Irving	Urban	<input type="checkbox"/>	<input type="checkbox"/>	168	168	G	RH	\$1,627,680*	Deepak Sulakhe	<input checked="" type="checkbox"/>	225.0	Competitive in Region	
10136	3 R	Evergreen at Richardson	SWC of Renner Rd. & N. Star Rd.	Richardson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	170	170	E	NC	\$2,000,000*	Don Maison	<input checked="" type="checkbox"/>	222.0	Competitive in Region	
10117	3 R	Terrell Homes I	Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 and W. of MLK Jr. Hwy)	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	54	54	G	NC	\$1,136,782*	Jesus "Jay" Chapa	<input type="checkbox"/>	217.0	Competitive in Region	
10079	3 R	Steeple Chase Farms	S. FM 1417 and Park Ave.	Sherman	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	\$1,996,605*	Chris Dischinger	<input type="checkbox"/>	217.0	Competitive in Region	
								Total:	691	691			\$8,689,762				
								Total:	691	691			\$8,689,762				
Applications Submitted in Region 3:		Rural															
10130	3 R	Meadow Vista	White Settlement Rd. (1/4 mile E. of FM 730)	Weatherford	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$895,498	Justin MacDonald	<input checked="" type="checkbox"/>	210.0	Competitive in Region	
								Total:	80	80			\$895,498				
								Total:	80	80			\$895,498				
7 Applications in Region								Region Total:	771	771			\$9,585,260				

1 = Status of Award Abbreviation: Development Previously Awarded 2009 Housing Tax Credits=A, Recommended for Award=R, Not Recommended for Award=N.
2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 4

Allocation Information for Region 4:	Total Credits Available for Region: \$1,696,890	Urban Allocation: \$746,605	Rural Allocation: \$950,285
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Applications Submitted in Region 4: Urban															
10028	4 R	Pecan Ridge	NWC of Milam and 15th St.	Texarkana	Urban	<input type="checkbox"/> <input type="checkbox"/>	124	124	G	RH	\$1,899,414	Naomi Byrne	<input type="checkbox"/>	225.0	Significant Sub-Regional Shortfall in Statewide Collapse
10198	4 R	Pinnacle at North Chase	E. side of N. Broadway, S. of Loop 323	Tyler	Urban	<input type="checkbox"/> <input type="checkbox"/>	120	120	G	NC	\$1,473,851	Lisa Stephens	<input type="checkbox"/>	216.0	Competitive in Hurricane Ike Counties
							Total:	244	244		\$3,373,265				
							Total:	244	244		\$3,373,265				
Applications Submitted in Region 4: Rural															
10026	4 R	Silverleaf at Chandler II	801 FM 2010	Chandler	Rural	<input type="checkbox"/> <input type="checkbox"/>	44	44	E	NC	\$518,601*	J Michael Sugrue	<input checked="" type="checkbox"/>	211.0	Competitive in Region
							Total:	44	44		\$518,601				
							Total:	44	44		\$518,601				
3 Applications in Region							Region Total:	288	288		\$3,891,866				

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 5

Allocation Information for Region 5:	Total Credits Available for Region: \$1,259,603	Urban Allocation: \$567,607	Rural Allocation: \$691,996
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Applications Submitted in Region 5: Urban																	
10031	5 R	The Crossing	3705 E. Lucas	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	E	NC	\$1,556,815	Robert L. Reyna	<input type="checkbox"/>	201.0	Significant Sub-Regional Shortfall in Statewide Collapse	
								Total:	150	150			\$1,556,815				

Applications Submitted in Region 5: Rural																	
10283	5 R	Lufkin Pioneer Crossing	1805 N John Reddit	Lufkin	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$945,626*	Noor Jooma	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse	
10271	5 R	Hudson Manor	4280 Old Union Rd.	Hudson	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$955,313*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties	
10279	5 R	Hudson Green	840 Mt. Carmel Rd.	Hudson	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$919,550*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties	
10126	5 R	Auburn Square	11.35 acres E. of 2390 N. Main St.	Vidor	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	NC	\$1,102,290*	Vivian L. Ballou	<input checked="" type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties	
								Total:	320	320			\$3,922,779				
								Total:	320	320			\$3,922,779				

5 Applications in Region	Region Total:	470	470	\$5,479,594
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3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$10,011,875	Urban Allocation: \$9,080,579	Rural Allocation: \$931,296
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Applications Submitted in Region 6: Urban																	
10003	6 A	Champion Homes at Marina Landing	7302 Heards Ln.	Galveston	Urban	<input type="checkbox"/> <input type="checkbox"/>		256	256	G	RH	\$1,643,824	Saleem Jafar	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009	
Total:								256	256			\$1,643,824					
10142	6 R	Mason Senior Apartment Homes	W. side of Mason Rd., N. of Franz Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>		120	120	E	NC	\$1,451,258	Kenneth G. Cash	<input type="checkbox"/>	216.0	Competitive in Region	
10084	6 R	Perry Street Apts	4415 Perry St.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>		160	160	G	NC	\$920,833	Joy Horak-Brown	<input type="checkbox"/>	216.0	Competitive in Region	
10035	6 R	Zion Gardens	St. Charles & Webster St.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>		70	70	G	NC	\$953,930	L. David Punch	<input type="checkbox"/>	214.0	Competitive in Region	
10178	6 R	Cypress Creek at Fayridge	NEC of Beltway 8 and Fayridge Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>		148	151	G	NC	\$2,000,000	Stuart B. Shaw	<input type="checkbox"/>	210.0	Competitive in Region	
10124	6 R	Golden Bamboo Village III	W. side of Synott Rd. (approx. 900LF N. of intersection of Synott Rd. & Bellaire Rd.)	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>		130	130	E	NC	\$1,611,321	Michael CaoMy Nguyen	<input type="checkbox"/>	210.0	Competitive in Region	
10266	6 R	Travis Street Plaza Apts	4500 Travis	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>		192	192	G	NC	\$1,374,101*	Tim Cantwell	<input type="checkbox"/>	210.0	Competitive in Hurricane Ike Counties	
10115	6 R	Tuscany Place	N. side of Northpark Dr. (Approx. 1200LF East of TX Loop 494)	Kingwood	Urban	<input type="checkbox"/> <input type="checkbox"/>		152	152	G	NC	\$2,000,000	Ben Amor	<input type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties	
10227	6 R	Tarrington Court Apts	Approx. 1/2 mile NEC of I-45 and S. Sam Houston Pkwy. E. on the SEC of the approx. 8000 Block of Sam Houston Pkwy. East	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>		153	153	E	NC	\$1,990,250*	J. Steve Ford	<input type="checkbox"/>	207.0	Competitive in Hurricane Ike Counties	
10094	6 R	Providence Town Square	3801 Center St.	Deer Park	Urban	<input type="checkbox"/> <input type="checkbox"/>		165	188	E	NC	\$1,721,277	Chris Richardson	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties	

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶		
10051	6 R	Parkway Ranch II	E. side of the approx. 10000 Block W. Montgomery	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	44	45	G	NC	\$962,945	W. Barry Kahn	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties		
10064	6 R	Cypress Gardens	Wallisville Rd. and Maxey Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	E	NC	\$1,386,662*	Scott Brian	<input type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties		
							Total:	1,434	1,461							\$16,372,577	
							Total:	1,690	1,717								\$18,016,401
Applications Submitted in Region 6:		Rural															
10061	6 R	Magnolia Trails	31000 Block of Nichols Sawmill Rd.	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$906,277	David Mark Koogler	<input type="checkbox"/>	212.0	Competitive in Region		
							Total:	80	80							\$906,277	
							Total:	80	80							\$906,277	
13 Applications in Region							Region Total:	1,770	1,797							\$18,922,678	

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

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Region: 7

Allocation Information for Region 7:	Total Credits Available for Region: \$3,138,744	Urban Allocation: \$2,489,082	Rural Allocation: \$649,662
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Applications Submitted in Region 7:		Urban												
10002	7 A Wildflower Terrace	NEC of Berkman Dr. & Tom Miller St.	Austin	Urban	<input type="checkbox"/>	<input type="checkbox"/>	170	200	E	NC	\$2,000,000	Diana McIver	<input type="checkbox"/>	Forward Commitment of 2010 Credits Made in 2009

Total:	170	200	\$2,000,000
Total:	170	200	\$2,000,000

Applications Submitted in Region 7:		Rural												
10143	7 R Oak Creek Townhomes	1110 Broadway St.	Marble Falls	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	RH	\$1,019,154*	Dennis Hoover	<input checked="" type="checkbox"/>	193.0 Significant Sub-Regional Shortfall in Rural Collapse

Total:	80	80	\$1,019,154
Total:	80	80	\$1,019,154

2 Applications in Region	Region Total:	250	280	\$3,019,154
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 4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
 5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
 6 = Comment: Reason for Recommendation
 * = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

File #	Region	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³	LI	Total	Target ⁴	Housing ⁵	Recommended* ⁶	Owner	TDHCA	Final	Score	Comment
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME			

Region: 8

Allocation Information for Region 8:	Total Credits Available for Region: \$2,380,425	Urban Allocation: \$1,750,542	Rural Allocation: \$629,883
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Applications Submitted in Region 8: Urban																	
10077	8	R	Fairways at Sammons Park	SWC of West Adams and 43rd St.	Temple	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	92	E	NC	\$1,000,000	Clifton Phillips	<input type="checkbox"/>	210.0	Competitive in Region
									Total:	92	92		\$1,000,000				
									Total:	92	92		\$1,000,000				
Applications Submitted in Region 8: Rural																	
10007	8	R	Mexia Gardens	NEC N. Bailey at E. Sumpster	Mexia	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$812,214	Richard Brown	<input type="checkbox"/>	184.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	80	80		\$812,214				
									Total:	80	80		\$812,214				
2 Applications in Region									Region Total:	172	172		\$1,812,214				

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
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Region: 9																
Allocation Information for Region 9:			Total Credits Available for Region: \$3,742,759					Urban Allocation: \$3,076,230			Rural Allocation: \$666,529					

Applications Submitted in Region 9: Urban																	
10169	9	R	La Risa	800 Babcock Rd.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	237	237	G	RH	\$1,954,346	Jerry Du Terroill	<input type="checkbox"/>	225.0	Competitive in Region
									Total:	237	237			\$1,954,346			
									Total:	237	237			\$1,954,346			
Applications Submitted in Region 9: Rural																	
10131	9	R	Guadalupe Crossing	End of Sunflower Ln.	Comfort	Rural	<input type="checkbox"/>	<input type="checkbox"/>	68	68	G	NC	\$858,688	Granger MacDonald	<input type="checkbox"/>	209.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	68	68			\$858,688			
									Total:	68	68			\$858,688			
2 Applications in Region									Region Total:	305	305			\$2,813,034			

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 10

Allocation Information for Region 10:	Total Credits Available for Region: \$1,571,844	Urban Allocation: \$951,193	Rural Allocation: \$620,651
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Applications Submitted in Region 10: Urban

10125	10 R	Costa Tarragona II	2240 N. Padre Island Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	G	NC	\$1,333,459*	John D. Bell	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Statewide Collapse
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Total:	96	96	\$1,333,459
Total:	96	96	\$1,333,459

Applications Submitted in Region 10: Rural

10220	10 R	Casa Ricardo	200 W. Yoakum Ave.	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	60	60	E	RH	\$650,580	Socorro "Cory" Hinosoja	<input checked="" type="checkbox"/>	218.0	Significant Sub-Regional Shortfall in Rural Collapse
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Total:	60	60	\$650,580
Total:	60	60	\$650,580

2 Applications in Region	Region Total:	156	156	\$1,984,039
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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
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Region: 11

Allocation Information for Region 11:	Total Credits Available for Region: \$5,724,980	Urban Allocation: \$3,636,663	Rural Allocation: \$2,088,317
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Applications Submitted in Region 11: Urban																	
10222	11	R	Citrus Gardens	2100 Grapefruit	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	148	148	G	RH	\$1,807,115	Antonio Juarez	<input type="checkbox"/>	222.0	Competitive in Region
10122	11	R	La Terraza at Lomas del Sur	E. side of Ejido Blvd. (approx. 2000LF S. of the intersection of Ejido Blvd. & Wormser Rd.)	Laredo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	128	128	G	NC	\$1,688,609	Carlos Villarreal	<input type="checkbox"/>	211.0	Competitive in Region
									Total:	276	276			\$3,495,724			
									Total:	276	276			\$3,495,724			
Applications Submitted in Region 11: Rural																	
10014	11	R	Artisan at Port Isabel	100 Hockaday and 100 Ash Dr.	Port Isabel	Rural	<input type="checkbox"/>	<input type="checkbox"/>	74	74	G	RH	\$1,396,089*	Ryan Wilson	<input checked="" type="checkbox"/>	216.0	Competitive in Region
									Total:	74	74			\$1,396,089			
									Total:	74	74			\$1,396,089			
3 Applications in Region									Region Total:	350	350			\$4,891,813			

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Recommended*	Owner	TDHCA	Final	Score	Comment
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME			

Region: 12

Allocation Information for Region 12:	Total Credits Available for Region:	\$1,058,829	Urban Allocation:	\$466,309	Rural Allocation:	\$592,520
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Applications Submitted in Region 12: Urban																	
10103	12	R	Gateway Plaza Apts	NWC of Loop 250 and W. Hwy. 80	Midland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	95	96	G	NC	\$1,077,000	Michael B. Wilhoit	<input type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in Statewide Collapse
									Total:	95	96			\$1,077,000			
									Total:	95	96			\$1,077,000			
Applications Submitted in Region 12: Rural																	
10270	12	R	Gateway to Eden	Grant/Rudder and Kelly St.	Eden	Rural	<input type="checkbox"/>	<input type="checkbox"/>	17	17	G	NC	\$268,527*	Ethan Horne	<input checked="" type="checkbox"/>	136.0	Competitive in Region
									Total:	17	17			\$268,527			
									Total:	17	17			\$268,527			
2 Applications in Region							Region Total:		112	113			\$1,345,527				

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3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Recommended*	Owner	TDHCA	Final	6
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME	Score	Comment

Region: 13

Allocation Information for Region 13:	Total Credits Available for Region: \$2,219,470	Urban Allocation: \$1,593,917	Rural Allocation: \$625,553
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Applications Submitted in Region 13: Urban																	
10176	13	R	Canyon Square Village	8622 & 8624 N. Loop Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	104	104	G	NC	\$1,293,104	Ike J. Monty	<input type="checkbox"/>	209.0	Competitive in Region
									Total:	104	104			\$1,293,104			
									Total:	104	104			\$1,293,104			
Applications Submitted in Region 13: Rural																	
10022	13	R	Presidio Dolores Apts	12473 Cuatro Aces Circle	San Elizario	Rural	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	\$725,184*	Albert Davalos	<input type="checkbox"/>	161.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	36	36			\$725,184			
									Total:	36	36			\$725,184			
2 Applications in Region									Region Total:	140	140			\$2,018,288			
47 Total Applications										5,079	5,138			\$59,151,914			

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2 = Allocation: Rural Regional Allocation or Urban Regional Allocation.
3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.
4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.
5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.
6 = Comment: Reason for Recommendation
* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

**Report 2A: At-Risk and USDA Awarded and Active Applications (“At-Risk A/R/N”)
2010 Competitive Housing Tax Credit Program
(As of July 29, 2010, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$8,115,778

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended*Owner Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10058	9 R	Guild Park Apts	779 W. Mayfield	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	114	114	G	2 RH	\$1,127,186	Gilbert M. Piette	<input type="checkbox"/>	223.0	Competitive in At-Risk Set-Aside
10238	8 R	Prince Hall Plaza	700 Doris St.	Navasota	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	60	60	G	2 RH	\$624,203	K.T. (Ike) Akbari	<input checked="" type="checkbox"/>	219.0	Competitive in At-Risk Set-Aside
10239	3 R	Prince Hall Gardens	1800 E. Robert	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	100	100	G	2 RH	\$1,064,555	K.T. (Ike) Akbari	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside
10150	9 R	Woodlawn Ranch Apts	330 W. Cheryl Dr.	San Antonio	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	200	252	G	2 NC	\$2,000,000*	Stephen J. Poppoon	<input type="checkbox"/>	211.0	Competitive in At-Risk Set-Aside
10020	9 R	La Posada del Rey Apts	3135 Roosevelt Ave.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	145	145	G	2 RH	\$1,375,120	Jennifer Chester	<input type="checkbox"/>	207.0	Competitive in At-Risk Set-Aside
10212	8 R	Longbridge Apts	921 N. Tyus St.	Groesbeck	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	28	G	2 RH	\$206,362*	Dennis Hoover	<input checked="" type="checkbox"/>	206.0	Competitive in USDA Allocation
10226	3 R	Red Oak Apts	413 & 507 West Red Oak Rd.	Red Oak	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	116	116	G	2 RH	\$1,029,742	Paul Patierno	<input checked="" type="checkbox"/>	203.0	Competitive in USDA Allocation
10112	10 R	Country Village Apts	1500 Hackberry Ln.	Mathis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	E	2 RH	\$270,645*	Dennis Hoover	<input checked="" type="checkbox"/>	197.0	Competitive in USDA Allocation
10213	6 R	Heritage Square Apts	7626 Hwy 60 South	Wallis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	2 RH	\$206,231*	Dennis Hoover	<input checked="" type="checkbox"/>	196.0	Competitive in USDA Allocation
10211	4 R	Riverplace Apts	1304 West Ave. A	Hooks	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	40	G	2 RH	\$245,813*	Dennis Hoover	<input checked="" type="checkbox"/>	184.0	Competitive in USDA Allocation
10253	6 R	Brookwood Apts	444 Jefferson St.	West Columbia	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	50	50	E	2 RH	\$321,049	Ronald Potterpin	<input checked="" type="checkbox"/>	183.0	Competitive in USDA Allocation
Total:							901	965			\$8,470,906				
10044	3 N	Wynnewood Seniors Housing	Approx. 1500 Block of S. Zang Blvd. (W. side of street)	Dallas	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	140	140	E	3 NC	\$1,606,374*	Brian L. Roop	<input type="checkbox"/>	204.0	Not Competitive in Region
10274	4 N	Grand Manor Apts	2700 N. Grand Ave.	Tyler	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	120	120	G	3 RH	\$1,197,939*	Owen Metz	<input type="checkbox"/>	196.0	Not Competitive in Region**
10225	6 N	North MacGregor Arms	3533 N. MacGregor	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	64	64	G	3 RH	\$690,966*	Janet Miller	<input type="checkbox"/>	190.0	Not Competitive in Region
Total:							324	324			\$3,495,279				
14 Total Applications							1,225	1,289			\$11,966,185				

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3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP, At-Risk=AR.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

** = Property site is located in a Hurricane Ike County.

**Report 2B: Regional Awarded and Active Applications ("Regional A/R/N")
2010 Competitive Housing Tax Credit Program
(As of July 29, 2010, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$45,989,408

Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
Region: 1															
Allocation Information for Region 1:		Total Credits Available for Region: \$1,763,189					Urban Allocation: \$1,079,863			Rural Allocation: \$683,326					
Applications Submitted in Region 1: Urban															
10236	1 R	Viking Road Apts	Intersection of Viking Rd. and Ventura Rd.	Amarillo	Urban	<input type="checkbox"/> <input type="checkbox"/>	132	132	G	NC	\$1,417,000	Justin Zimmerman	<input type="checkbox"/>	191.0	Significant Sub-Regional Shortfall in Statewide Collapse
							Total:	132	132			\$1,417,000			
							Total:	132	132			\$1,417,000			
Applications Submitted in Region 1: Rural															
10107	1 R	Tenth Street Apts	SE Corner Tenth St. and Whittenburg St.	Borger	Rural	<input type="checkbox"/> <input type="checkbox"/>	47	48	G	NC	\$583,000	Justin Zimmerman	<input type="checkbox"/>	157.0	Competitive in Region
							Total:	47	48			\$583,000			
							Total:	47	48			\$583,000			
2 Applications in Region					Region Total:		179	180			\$2,000,000				

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3 = Set-Aside Abbreviations: TRDO-USDA=USDA, Nonprofit=NP.

4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

* = Recommended Credit: Development is displaying the requested amount because a real estate analysis has not yet been completed.

Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 2

Allocation Information for Region 2:	Total Credits Available for Region:	\$834,111	Urban Allocation:	\$245,824	Rural Allocation:	\$588,287
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Applications Submitted in Region 2: Urban																	
10246	2 R	Green Briar Village Phase II	901 Airport Dr.	Wichita Falls	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	NC	\$438,447	Randy Stevenson	<input type="checkbox"/>	202.0	Significant Sub-Regional Shortfall in Statewide Collapse	
								Total:	36	36			\$438,447				
10108	2 N	Griffith Road Apts	SE corner of Griffith Rd. and Scottish Rd.	Abilene	Urban	<input type="checkbox"/>	<input type="checkbox"/>	83	84	G	NC	\$923,000	Michael B. Wilhoit	<input type="checkbox"/>	200.0	Not Competitive in Region	
								Total:	83	84			\$923,000				
								Total:	119	120			\$1,361,447				
Applications Submitted in Region 2: Rural																	
10000	2 A	Mustang Heights Apts	Intersection of Arizona Ave. & I-20 frontage Rd.	Sweetwater	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$950,000	Lucille Jones	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009	
								Total:	80	80			\$950,000				
10023	2 N	Burkburnett Pioneer Crossing for Seniors	109 Williams Dr.	Burkburnett	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$927,718*	Noor Jooma	<input checked="" type="checkbox"/>	205.0	\$2M Cap Violation; Not Competitive in Region	
								Total:	80	80			\$927,718				
								Total:	160	160			\$1,877,718				
4 Applications in Region								Region Total:	279	280			\$3,239,165				

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6 = Comment: Reason for Recommendation

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$10,860,495	Urban Allocation: \$9,757,762	Rural Allocation: \$1,102,732
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Applications Submitted in Region 3:			Urban													
10119	3 R	Race Street Lofts	2817/2812/2820/2822/2902 McLemore St.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	36	36	G	RH	\$592,207	Jesus "Jay" Chapa	<input type="checkbox"/>	228.0	Competitive in Region
10153	3 R	Britain Way	1954 Shoaf	Irving	Urban	<input type="checkbox"/>	<input type="checkbox"/>	168	168	G	RH	\$1,627,680*	Deepak Sulakhe	<input checked="" type="checkbox"/>	225.0	Competitive in Region
10284	3 R	Atmos Lofts	1900 Jackson St.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	107	107	G	ADR	\$1,336,488*	Ted Hamilton	<input type="checkbox"/>	225.0	Competitive in Region
10136	3 R	Evergreen at Richardson	SWC of Renner Rd. & N. Star Rd.	Richardson	Urban	<input type="checkbox"/>	<input type="checkbox"/>	170	170	E	NC	\$2,000,000*	Don Maison	<input checked="" type="checkbox"/>	222.0	Competitive in Region
10117	3 R	Terrell Homes I	Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 and W. of MLK Jr. Hwy)	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	54	54	G	NC	\$1,136,782*	Jesus "Jay" Chapa	<input type="checkbox"/>	217.0	Competitive in Region
10079	3 R	Steeple Chase Farms	S. FM 1417 and Park Ave.	Sherman	Urban	<input type="checkbox"/>	<input type="checkbox"/>	156	156	G	NC	\$1,996,605*	Chris Dischinger	<input type="checkbox"/>	217.0	Competitive in Region
Total:								691	691			\$8,689,762				
10200	3 N	Hillside West Seniors	Near 32 Pinnacle Park Blvd.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	\$1,632,728*	Brandon Bolin	<input type="checkbox"/>	216.0	Not Competitive in Region
10171	3 N	HomeTowne at Garland	1520 Castle Dr.	Garland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	144	144	E	NC	\$1,434,894	Carla Simmons	<input type="checkbox"/>	216.0	Not Competitive in Region
10158	3 N	Sedona Ranch	6101 Old Denton Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	E	NC	\$1,940,000	Chris Applequist	<input type="checkbox"/>	216.0	Not Competitive in Region
10137	3 N	Evergreen at Wylie	Approx. the 600 to 700 Block of S. McCreary Rd.	Wylie	Urban	<input type="checkbox"/>	<input type="checkbox"/>	160	160	E	NC	\$1,936,192*	Don Maison	<input checked="" type="checkbox"/>	215.0	Not Competitive in Region
10093	3 N	Greenhaus at East Side Apts	4611 E. Side Ave.	Dallas	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	G	NC	\$412,525*	Maria Machado	<input checked="" type="checkbox"/>	213.0	Not Competitive in Region
10202	3 N	Brae Estates	3715 NE 28th St. and 3650 Kimbo Rd.	Fort Worth	Urban	<input type="checkbox"/>	<input type="checkbox"/>	68	68	G	NC	\$1,292,507*	Kim McCaslin Schliker	<input type="checkbox"/>	212.0	Not Competitive in Region
10134	3 N	Champion Homes at Copperridge	5602 Maple Ave.	Dallas	Urban	<input type="checkbox"/>	<input type="checkbox"/>	107	107	G	NC	\$1,378,758*	Saleem Jafar	<input type="checkbox"/>	212.0	\$2M Cap Violation; Not Competitive in Region

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10009	3 N	Creekside Village	3601 Miller Rd.	Rowlett	Urban	<input type="checkbox"/> <input type="checkbox"/>	116	116	E	NC	\$1,311,710*	Charles Holcomb	<input type="checkbox"/>	211.0	Not Competitive in Region
10075	3 N	Vermillion Park	Eastern Terminus of Emporium Square	Mesquite	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	E	NC	\$1,000,000*	Clifton Phillips	<input type="checkbox"/>	210.0	Not Competitive in Region
10232	3 N	Evergreen Residences-3800 Willow	3800 Willow	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	G	SRO	\$1,151,210*	Graham Greene	<input type="checkbox"/>	210.0	Not Competitive in Region
10113	3 N	Promenade at Mercer Crossing	NWC of Whittington Pl. and Senlac Dr.	Farmers Branch	Urban	<input type="checkbox"/> <input type="checkbox"/>	124	124	E	NC	\$1,518,354*	Brad Kyles	<input type="checkbox"/>	209.0	Not Competitive in Region
10027	3 N	The Huntington at Greenville	300 Block S. Greenville Ave. and Main St.	Allen	Urban	<input type="checkbox"/> <input type="checkbox"/>	114	114	E	NC	\$1,387,546*	Mark Musemeche	<input type="checkbox"/>	207.0	Not Competitive in Region
10233	3 N	Kleberg Commons	12700 Kleberg Rd.	Dallas	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	200	E	NC	\$2,000,000*	Dale Lancaster	<input type="checkbox"/>	203.0	Not Competitive in Region
10062	3 N	Willow Bay Apts	E. side of Boat Club Rd. and Cromwell Marine Creek Dr.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	124	124	E	NC	\$1,631,681*	Mark Lechner	<input type="checkbox"/>	202.0	Not Competitive in Region
10045	3 N	North Court Villas	10 acres on the S. side of Stonebrook Pkwy. Between Woodstream Dr. and Preston Rd.	Frisco	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	G	NC	\$2,000,000*	Dru Childre	<input type="checkbox"/>	197.0	Not Competitive in Region
10221	3 N	Residences at Rowlett Creek	SWC of Firewheel Pkwy. & Castle Dr.	Garland	Urban	<input type="checkbox"/> <input type="checkbox"/>	160	160	G	NC	\$2,000,000*	Dan Allgeier	<input type="checkbox"/>	194.0	Not Competitive in Region
10089	3 N	Silver Spring at Chapel Hill	SWC of Bonds Ranch Rd. and Business 287/Saginaw Blvd.	Fort Worth	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	E	NC	\$914,179*	Alice Wong	<input type="checkbox"/>	190.0	Not Competitive in Region

Total: 2,089 2,089

\$24,942,284

Total: 2,780 2,780

\$33,632,046

Applications Submitted in Region 3: Rural

10130	3 R	Meadow Vista	White Settlement Rd. (1/4 mile E. of FM 730)	Weatherford	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$895,498	Justin MacDonald	<input checked="" type="checkbox"/>	210.0	Competitive in Region
							Total: 80	80			\$895,498				
10090	3 N	Silver Spring at Forney	SEC of FM 548 and Reeder Ln.	Forney	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$802,682*	Alice Wong	<input type="checkbox"/>	209.0	Not Competitive in Region
10257	3 N	The Colony at Lake Granbury	SWC Hwy 4 & Thorp Springs Rd.	Granbury	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$964,787*	Rick J. Deyoe	<input checked="" type="checkbox"/>	207.0	Not Competitive in Region
10050	3 N	West Park Senior Housing	West Park Row and 44th St.	Corsicana	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	48	48	E	NC	\$544,559*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	207.0	Not Competitive in Region

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10092	3 N	Silver Spring Grand Heritage	SWC of Hwy 78 and C.R. 484	Lavon	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$866,244*	Alice Wong	<input type="checkbox"/>	203.0	Not Competitive in Region
10059	3 N	Westway Place	44th St., off West Park Row	Corsicana	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/>	40	40	G	NC	\$546,741*	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	201.0	Not Competitive in Region
10018	3 N	Granbury Seniors	1300 N. Meadows Dr.	Granbury	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$1,019,323*	Ryan Wilson	<input type="checkbox"/>	200.0	Not Competitive in Region
							Total:	408	408			\$4,744,336			
							Total:	488	488			\$5,639,834			
30 Applications in Region							Region Total:	3,268	3,268			\$39,271,880			

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 4

Allocation Information for Region 4:	Total Credits Available for Region: \$1,696,890	Urban Allocation: \$746,605	Rural Allocation: \$950,285
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Applications Submitted in Region 4: Urban																	
10028	4 R	Pecan Ridge	NWC of Milam and 15th St.	Texarkana	Urban	<input type="checkbox"/>	<input type="checkbox"/>	124	124	G	RH	\$1,899,414	Naomi Byrne	<input type="checkbox"/>	225.0	Significant Sub-Regional Shortfall in Statewide Collapse	
10198	4 R	Pinnacle at North Chase	E. side of N. Broadway, S. of Loop 323	Tyler	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	\$1,473,851	Lisa Stephens	<input type="checkbox"/>	216.0	Competitive in Hurricane Ike Counties	
								Total:	244	244			\$3,373,265				
								Total:	244	244			\$3,373,265				

Applications Submitted in Region 4: Rural																	
10026	4 R	Silverleaf at Chandler II	801 FM 2010	Chandler	Rural	<input type="checkbox"/>	<input type="checkbox"/>	44	44	E	NC	\$518,601*	J Michael Sugrue	<input checked="" type="checkbox"/>	211.0	Competitive in Region	
								Total:	44	44			\$518,601				
10033	4 N	Sulphur Springs Pioneer Crossing for Seniors	Gossett Ln.	Sulphur Springs	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$929,204*	Noor Jooma	<input checked="" type="checkbox"/>	210.0	Not Competitive in Region	
10039	4 N	Paris Retirement Village II	1500 W. Washington St.	Paris	Rural	<input type="checkbox"/>	<input type="checkbox"/>	78	80	E	NC	\$864,182*	Joe Chamy	<input checked="" type="checkbox"/>	169.0	Not Competitive in Region	
								Total:	158	160			\$1,793,386				
								Total:	202	204			\$2,311,987				
5 Applications in Region								Region Total:	446	448			\$5,685,252				

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6 = Comment: Reason for Recommendation
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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Target ⁴ Units	Housing ⁵ Pop	Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 5

Allocation Information for Region 5:	Total Credits Available for Region:	\$1,259,603	Urban Allocation:	\$567,607	Rural Allocation:	\$691,996
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Applications Submitted in Region 5:		Urban														
10031	5 R	The Crossing	3705 E. Lucas	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	150	150	E	NC	\$1,556,815	Robert L. Reyna	<input type="checkbox"/>	201.0	Significant Sub-Regional Shortfall in Statewide Collapse

Total: 150 150 \$1,556,815
Total: 150 150 \$1,556,815

Applications Submitted in Region 5:		Rural														
10283	5 R	Lufkin Pioneer Crossing	1805 N John Reddit	Lufkin	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$945,626*	Noor Jooma	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse
10271	5 R	Hudson Manor	4280 Old Union Rd.	Hudson	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$955,313*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10279	5 R	Hudson Green	840 Mt. Carmel Rd.	Hudson	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$919,550*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10126	5 R	Auburn Square	11.35 acres E. of 2390 N. Main St.	Vidor	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	NC	\$1,102,290*	Vivian L. Ballou	<input checked="" type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties

Total: 320 320 \$3,922,779
Total: 80 80 \$858,909

10241	5 N	Timberland Trails Apts	2205 N. Timberland Dr.	Lufkin	Rural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	G	NC	\$858,909*	John D. Mathews	<input checked="" type="checkbox"/>	198.0	Not Competitive in Region
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Total: 400 400 \$4,781,688

6 Applications in Region

Region Total: 550 550 \$6,338,503

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6 = Comment: Reason for Recommendation

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 6

Allocation Information for Region 6:	Total Credits Available for Region: \$10,011,875	Urban Allocation: \$9,080,579	Rural Allocation: \$931,296
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Applications Submitted in Region 6: Urban																
10003	6 A	Champion Homes at Marina Landing	7302 Heards Ln.	Galveston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	256	256	G	RH	\$1,643,824	Saleem Jafar	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009
Total:								256	256			\$1,643,824				
10084	6 R	Perry Street Apts	4415 Perry St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	160	160	G	NC	\$920,833	Joy Horak-Brown	<input type="checkbox"/>	216.0	Competitive in Region
10142	6 R	Mason Senior Apartment Homes	W. side of Mason Rd., N. of Franz Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	120	120	E	NC	\$1,451,258	Kenneth G. Cash	<input type="checkbox"/>	216.0	Competitive in Region
10035	6 R	Zion Gardens	St. Charles & Webster St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	70	70	G	NC	\$953,930	L. David Punch	<input type="checkbox"/>	214.0	Competitive in Region
10178	6 R	Cypress Creek at Fayridge	NEC of Beltway 8 and Fayridge Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	148	151	G	NC	\$2,000,000	Stuart B. Shaw	<input type="checkbox"/>	210.0	Competitive in Region
10124	6 R	Golden Bamboo Village III	W. side of Synott Rd. (approx. 900LF N. of intersection of Synott Rd. & Bellaire Rd.)	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	130	130	E	NC	\$1,611,321	Michael CaoMy Nguyen	<input type="checkbox"/>	210.0	Competitive in Region
10266	6 R	Travis Street Plaza Apts	4500 Travis	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	192	192	G	NC	\$1,374,101*	Tim Cantwell	<input type="checkbox"/>	210.0	Competitive in Hurricane Ike Counties
10115	6 R	Tuscany Place	N. side of Northpark Dr. (Approx. 1200LF East of TX Loop 494)	Kingwood	Urban	<input type="checkbox"/>	<input type="checkbox"/>	152	152	G	NC	\$2,000,000	Ben Amor	<input type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10227	6 R	Tarrington Court Apts	Approx. 1/2 mile NEC of I-45 and S. Sam Houston Pkwy. E. on the SEC of the approx. 8000 Block of Sam Houston Pkwy. East	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	153	153	E	NC	\$1,990,250*	J. Steve Ford	<input type="checkbox"/>	207.0	Competitive in Hurricane Ike Counties
10094	6 R	Providence Town Square	3801 Center St.	Deer Park	Urban	<input type="checkbox"/>	<input type="checkbox"/>	165	188	E	NC	\$1,721,277	Chris Richardson	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10051	6 R	Parkway Ranch II	E. side of the approx. 10000 Block W. Montgomery	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	44	45	G	NC	\$962,945	W. Barry Kahn	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties
10064	6 R	Cypress Gardens	Wallisville Rd. and Maxey Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	100	100	E	NC	\$1,386,662*	Scott Brian	<input type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties
							Total: 1,434	1,461			\$16,372,577				
10184	6 N	Cypress Creek at Veterans Memorial	Approx. 8500 Block of Veterans Memorial Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	148	152	G	NC	\$2,000,000*	Stuart B. Shaw	<input type="checkbox"/>	208.0	\$2M Cap Violation
10096	6 N	The Orchard at Westchase	3802 Rodgerdale	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	153	153	E	NC	\$1,917,087	Stephan Fairfield	<input type="checkbox"/>	200.0	Not Competitive in Region
10290	6 N	Magnolia Place Apts	Wenda St. at the 9500 Block of Cullen Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	144	144	E	NC	\$1,995,026	Bert Magill	<input type="checkbox"/>	199.0	Not Competitive in Region
10186	6 N	Mariposa at Calder Drive	N. side of FM 517 approx. 1/5 mi W. of FM 646	League City	Urban	<input type="checkbox"/> <input type="checkbox"/>	172	176	E	NC	\$2,000,000*	Stuart B. Shaw	<input type="checkbox"/>	193.0	\$2M Cap Violation; Not Competitive in Region
10101	6 N	Lafayette Park Apts	Approx. 200 Block of Aldine Bender and 16000 Block of Cotillion Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	150	150	E	NC	\$1,930,643*	William D. Henson	<input type="checkbox"/>	192.0	Not Competitive in Region
10080	6 N	Rolling Meadows	S. Side of FM 518 Hwy	Kemah	Urban	<input type="checkbox"/> <input type="checkbox"/>	124	124	E	NC	\$1,698,491*	Chris Dischinger	<input type="checkbox"/>	192.0	Not Competitive in Region
10250	6 N	Willow Meadow Place Apts	10630 Beechnut	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	328	328	G	RH	\$2,000,000*	M. Dale Dodson	<input type="checkbox"/>	179.0	Not Competitive in Region
10128	6 N	Ventana Pointe	Red Oak Dr. & Butterfield Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/>	96	96	E	NC	\$1,232,530*	Monique Allen	<input type="checkbox"/>	178.0	Not Competitive in Region
10229	6 N	Hannover Park	Approx. 2828 FM 2920	Spring	Urban	<input type="checkbox"/> <input type="checkbox"/>	142	142	I	NC	\$2,000,000*	Paula Burns	<input type="checkbox"/>	175.0	Not Competitive in Region
10228	6 N	Wintersprings Apts	Approx. 6000 Block of Atascocita Rd.	Humble	Urban	<input type="checkbox"/> <input type="checkbox"/>	156	156	E	NC	\$1,998,701*	J. Steve Ford	<input type="checkbox"/>	173.0	\$2M Cap Violation; Not Competitive in Region
							Total: 1,613	1,621			\$18,772,478				
							Total: 3,303	3,338			\$36,788,879				
Applications Submitted in Region 6:		Rural													
10061	6 R	Magnolia Trails	31000 Block of Nichols Sawmill Rd.	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$906,277	David Mark Koogler	<input type="checkbox"/>	212.0	Competitive in Region
							Total: 80	80			\$906,277				

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
						Total:	80	80			\$906,277				
23 Applications in Region						Region Total:	3,383	3,418			\$37,695,156				

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 7

Allocation Information for Region 7:	Total Credits Available for Region: \$3,138,744	Urban Allocation: \$2,489,082	Rural Allocation: \$649,662
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Applications Submitted in Region 7: Urban																	
10002	7	A	Wildflower Terrace	NEC of Berkman Dr. & Tom Miller St.	Austin	Urban	<input type="checkbox"/> <input type="checkbox"/>	170	200	E	NC	\$2,000,000	Diana Mclver	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009	
								Total:	170	200			\$2,000,000				
10152	7	N	Shady Oaks	4320 S. Congress Ave.	Austin	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/>	238	238	G	RH	\$1,339,983	Walter Moreau	<input type="checkbox"/>	225.0	Not Competitive in Region	
10183	7	N	Cypress Creek at Four Seasons Farm	0.1 Miles East of Intersection of FM 150 and Lehman Rd.	Kyle	Urban	<input type="checkbox"/> <input type="checkbox"/>	148	151	G	NC	\$2,000,000*	Stuart B. Shaw	<input type="checkbox"/>	203.0	\$2M Cap Violation; Not Competitive in Region	
10162	7	N	Promontory Pointe	NWC I-35 and Fleischer Dr.	Austin	Urban	<input type="checkbox"/> <input type="checkbox"/>	200	200	G	NC	\$1,875,000*	Sarah Andre	<input type="checkbox"/>	203.0	Not Competitive in Region	
								Total:	586	589			\$5,214,983				
								Total:	756	789			\$7,214,983				
Applications Submitted in Region 7: Rural																	
10143	7	R	Oak Creek Townhomes	1110 Broadway St.	Marble Falls	Rural	<input type="checkbox"/> <input type="checkbox"/>	80	80	G	RH	\$1,019,154*	Dennis Hoover	<input checked="" type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in Rural Collapse	
								Total:	80	80			\$1,019,154				
10235	7	N	Villas of Giddings	40 lots in the Rolling Oaks subdivision	Giddings	Rural	<input type="checkbox"/> <input type="checkbox"/>	36	36	G	NC	\$751,056*	Jeffrey S. Spicer	<input checked="" type="checkbox"/>	192.0	Not Competitive in Region	
								Total:	36	36			\$751,056				
								Total:	116	116			\$1,770,210				
6 Applications in Region								Region Total:	872	905			\$8,985,193				

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Region: 8

Allocation Information for Region 8:	Total Credits Available for Region: \$2,380,425	Urban Allocation: \$1,750,542	Rural Allocation: \$629,883
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Applications Submitted in Region 8:		Urban															
10077	8 R	Fairways at Sammons Park	SWC of West Adams and 43rd St.	Temple	Urban	<input type="checkbox"/>	<input type="checkbox"/>	92	92	E	NC	\$1,000,000	Clifton Phillips	<input type="checkbox"/>	210.0	Competitive in Region	
								Total:	92	92		\$1,000,000					
								Total:	92	92		\$1,000,000					
Applications Submitted in Region 8:		Rural															
10007	8 R	Mexia Gardens	NEC N. Bailey at E. Sumpster	Mexia	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$812,214	Richard Brown	<input type="checkbox"/>	184.0	Significant Sub-Regional Shortfall in Rural Collapse	
								Total:	80	80		\$812,214					
								Total:	80	80		\$812,214					
2 Applications in Region						Region Total:		172	172			\$1,812,214					

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6 = Comment: Reason for Recommendation
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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 9

Allocation Information for Region 9:	Total Credits Available for Region: \$3,742,759	Urban Allocation: \$3,076,230	Rural Allocation: \$666,529
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Applications Submitted in Region 9: Urban																			
10169	9 R	La Risa	800 Babcock Rd.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	237	237	G	RH	\$1,954,346	Jerry Du Terroill	<input type="checkbox"/>	225.0	Competitive in Region			
Total:								237	237			\$1,954,346							
10040	9 N	Ashton Senior Village	SEC of Borgfeld Rd. and FM 3009 (Roy Richard Dr.)	Schertz	Urban	<input type="checkbox"/>	<input type="checkbox"/>	176	176	E	NC	\$2,000,000	Colby Denison	<input checked="" type="checkbox"/>	215.0	Not Competitive in Region			
10120	9 N	Montabella Senior	NWC of tract of land at NWC of Lakeview Dr. & Foster Rd.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	90	90	E	NC	\$1,161,397*	Susan Sheeran	<input type="checkbox"/>	212.0	Not Competitive in Region			
10076	9 N	Darson Marie Terrace	3142 Weir Ave.	San Antonio	Urban	<input type="checkbox"/>	<input type="checkbox"/>	56	57	E	NC	\$703,739*	Richard Washington	<input type="checkbox"/>	212.0	Not Competitive in Region			
10160	9 N	Creekside Place	SWC of Turner Dr. & Morrison Dr.	New Braunfels	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	176	176	E	NC	\$1,959,715*	Fernando S. Godinez	<input type="checkbox"/>	207.0	Not Competitive in Region			
10114	9 N	The Terrace at Haven for Hope	N. San Marcos & Perez St.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	140	140	G	NC	\$1,638,351*	Meghan Garza-Oswald	<input type="checkbox"/>	194.0	Not Competitive in Region			
10118	9 N	San Juan Square III	2200 Block of S. Calaveras St.	San Antonio	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	139	139	G	NC	\$1,908,261*	David Casso	<input type="checkbox"/>	190.0	Not Competitive in Region			
Total:								777	778			\$9,371,463							
Total:								1,014	1,015			\$11,325,809							
Applications Submitted in Region 9: Rural																			
10131	9 R	Guadalupe Crossing	End of Sunflower Ln.	Comfort	Rural	<input type="checkbox"/>	<input type="checkbox"/>	68	68	G	NC	\$858,688	Granger MacDonald	<input type="checkbox"/>	209.0	Significant Sub-Regional Shortfall in Rural Collapse			
Total:								68	68			\$858,688							
10121	9 N	Mesquite Place	Tract of land on S. side County Rd. 4010 (Gilliam Rd.) approx. 1950LF	Pearsall	Rural	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$1,096,573*	Lucille Jones	<input checked="" type="checkbox"/>	203.0	Not Competitive in Region			
Total:								80	80			\$1,096,573							
Total:								148	148			\$1,955,261							
9 Applications in Region								Region Total:		1,162	1,163			\$13,281,070					

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File #	Region	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³	LI	Total	Target ⁴	Housing ⁵	Recommended* ⁶	Owner	TDHCA	Final	Score	Comment
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME			

Region: 10

Allocation Information for Region 10:	Total Credits Available for Region: \$1,571,844	Urban Allocation: \$951,193	Rural Allocation: \$620,651
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Applications Submitted in Region 10: Urban																	
10125	10	R	Costa Tarragona II	2240 N. Padre Island Dr.	Corpus Christi	Urban	<input type="checkbox"/>	<input type="checkbox"/>	96	96	G	NC	\$1,333,459*	John D. Bell	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Statewide Collapse
									Total:	96	96			\$1,333,459			
10132	10	N	Seaside Manor	SWC of FM 1069 and Gallion St.	Ingleside	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	E	NC	\$1,103,591*	Justin MacDonald	<input checked="" type="checkbox"/>	206.0	Not Competitive in Region
									Total:	100	100			\$1,103,591			
									Total:	196	196			\$2,437,050			
Applications Submitted in Region 10: Rural																	
10220	10	R	Casa Ricardo	200 W. Yoakum Ave.	Kingsville	Rural	<input type="checkbox"/>	<input type="checkbox"/>	60	60	E	RH	\$650,580	Socorro "Cory" Hinosoja	<input checked="" type="checkbox"/>	218.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	60	60			\$650,580			
									Total:	60	60			\$650,580			
3 Applications in Region									Region Total:	256	256			\$3,087,630			

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 11

Allocation Information for Region 11:	Total Credits Available for Region: \$5,724,980	Urban Allocation: \$3,636,663	Rural Allocation: \$2,088,317
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Applications Submitted in Region 11: Urban																	
10222	11	R	Citrus Gardens	2100 Grapefruit	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	148	148	G	RH	\$1,807,115	Antonio Juarez	<input type="checkbox"/>	222.0	Competitive in Region
10122	11	R	La Terraza at Lomas del Sur	E. side of Ejido Blvd. (approx. 2000LF S. of the intersection of Ejido Blvd. & Wormser Rd.)	Laredo	Urban	<input type="checkbox"/>	<input type="checkbox"/>	128	128	G	NC	\$1,688,609	Carlos Villarreal	<input type="checkbox"/>	211.0	Competitive in Region
									Total:	276	276			\$3,495,724			
10135	11	N	Champion Homes at Canyon Creek	1700 N. Minnesota Ave.	Brownsville	Urban	<input type="checkbox"/>	<input type="checkbox"/>	100	100	G	NC	\$1,348,738*	Saleem Jafar	<input type="checkbox"/>	199.0	\$2M Cap Violation; Not Competitive in Region
10223	11	N	Sunset Terrace Senior Village	700 W. Egly	Pharr	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80	80	E	NC	\$837,980*	J. Fernando Lopez	<input checked="" type="checkbox"/>	193.0	Not Competitive in Region
									Total:	180	180			\$2,186,718			
									Total:	456	456			\$5,682,442			
Applications Submitted in Region 11: Rural																	
10014	11	R	Artisan at Port Isabel	100 Hockaday and 100 Ash Dr.	Port Isabel	Rural	<input type="checkbox"/>	<input type="checkbox"/>	74	74	G	RH	\$1,396,089*	Ryan Wilson	<input checked="" type="checkbox"/>	216.0	Competitive in Region
									Total:	74	74			\$1,396,089			
10262	11	N	Las Brisas Manor	1970 US Hwy 277 S.	Del Rio	Rural	<input type="checkbox"/>	<input type="checkbox"/>	48	48	E	NC	\$698,724*	Mark du Mas	<input checked="" type="checkbox"/>	215.0	Not Competitive in Region
10151	11	N	Sunflower Estates	404 Lion's Villa Ave.	La Feria	Rural	<input type="checkbox"/>	<input type="checkbox"/>	77	79	G	NC	\$1,010,136*	Sunny K. Philip	<input checked="" type="checkbox"/>	211.0	Not Competitive in Region
									Total:	125	127			\$1,708,860			
									Total:	199	201			\$3,104,949			
7 Applications in Region									Region Total:	655	657			\$8,787,391			

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Region	File #	Status	Development Name	Address	City	Allocation	Set-Asides	LI	Total	Target	Housing	Recommended*	Owner	TDHCA	Final	Score	Comment
							USDA NP	Units	Units	Pop	Activity	Credit	Contact	HOME			

Region: 12

Allocation Information for Region 12:	Total Credits Available for Region:	\$1,058,829	Urban Allocation:	\$466,309	Rural Allocation:	\$592,520
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Applications Submitted in Region 12:		Urban																
10103	12 R	Gateway Plaza Apts	NWC of Loop 250 and W. Hwy. 80	Midland	Urban	<input type="checkbox"/>	<input type="checkbox"/>	95	96	G	NC	\$1,077,000	Michael B. Wilhoit	<input type="checkbox"/>	200.0	Significant Sub-Regional Shortfall in Statewide Collapse		
								Total:	95	96			\$1,077,000					
								Total:	95	96			\$1,077,000					
Applications Submitted in Region 12:		Rural																
10270	12 R	Gateway to Eden	Grant/Rudder and Kelly St.	Eden	Rural	<input type="checkbox"/>	<input type="checkbox"/>	17	17	G	NC	\$268,527*	Ethan Horne	<input checked="" type="checkbox"/>	136.0	Competitive in Region		
								Total:	17	17			\$268,527					
								Total:	17	17			\$268,527					
2 Applications in Region								Region Total:	112	113			\$1,345,527					

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Region	File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
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Region: 13

Allocation Information for Region 13:	Total Credits Available for Region: \$2,219,470	Urban Allocation: \$1,593,917	Rural Allocation: \$625,553
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Applications Submitted in Region 13: Urban																	
10176	13	R	Canyon Square Village	8622 & 8624 N. Loop Rd.	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	104	104	G	NC	\$1,293,104	Ike J. Monty	<input type="checkbox"/>	209.0	Competitive in Region
									Total:	104	104			\$1,293,104			
10024	13	N	Canutillo Palms	Parcel directly South of Canutillo High School. 200 ft West of I-10	El Paso	Urban	<input type="checkbox"/>	<input type="checkbox"/>	172	172	G	NC	\$2,000,000*	R.L. "Bobby" Bowling IV	<input type="checkbox"/>	192.0	Not Competitive in Region
									Total:	172	172			\$2,000,000			
									Total:	276	276			\$3,293,104			
Applications Submitted in Region 13: Rural																	
10022	13	R	Presidio Dolores Apts	12473 Cuatro Aces Circle	San Elizario	Rural	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	36	36	G	NC	\$725,184*	Albert Davalos	<input type="checkbox"/>	161.0	Significant Sub-Regional Shortfall in Rural Collapse
									Total:	36	36			\$725,184			
									Total:	36	36			\$725,184			
3 Applications in Region									Region Total:	312	312			\$4,018,288			
102 Total Applications										11,646	11,722			\$135,547,269			

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6 = Comment: Reason for Recommendation

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**Report 3: Hurricane Ike Awarded and Active Applications
2010 Competitive Housing Tax Credit Program
(As of July 29, 2010, the recommendations may change due to pending appeals)**

Estimated State Ceiling to be Allocated: \$14,906,160

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³			LI Units	Total Target ⁴ Units	Pop	Housing ⁵ Activity	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
						USDA	NP	AR									
10003	6 A	Champion Homes at Marina Landing	7302 Heards Ln.	Galveston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	256	256	G	RH	\$0	Saleem Jafar	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009
									Total:	256	256						
10238	8 R	Prince Hall Plaza	700 Doris St.	Navasota	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	60	60	G	RH	\$0	K.T. (Ike) Akbari	<input checked="" type="checkbox"/>	219.0	Competitive in At-Risk Set-Aside
10213	6 R	Heritage Square Apts	7626 Hwy 60 South	Wallis	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	24	24	G	RH	\$0*	Dennis Hoover	<input checked="" type="checkbox"/>	196.0	Competitive in USDA Allocation
10253	6 R	Brookwood Apts	444 Jefferson St.	West Columbia	Rural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	50	50	E	RH	\$0	Ronald Potterpin	<input checked="" type="checkbox"/>	183.0	Competitive in USDA Allocation
10142	6 R	Mason Senior Apartment Homes	W. side of Mason Rd., N. of Franz Rd.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	120	120	E	NC	\$0	Kenneth G. Cash	<input type="checkbox"/>	216.0	Competitive in Region
10084	6 R	Perry Street Apts	4415 Perry St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	160	160	G	NC	\$0	Joy Horak-Brown	<input type="checkbox"/>	216.0	Competitive in Region
10035	6 R	Zion Gardens	St. Charles & Webster St.	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	70	70	G	NC	\$0	L. David Punch	<input type="checkbox"/>	214.0	Competitive in Region
10061	6 R	Magnolia Trails	31000 Block of Nichols Sawmill Rd.	Magnolia	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	80	E	NC	\$0	David Mark Koogler	<input type="checkbox"/>	212.0	Competitive in Region
10178	6 R	Cypress Creek at Fayridge	NEC of Beltway 8 and Fayridge Dr.	Houston	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	148	151	G	NC	\$0	Stuart B. Shaw	<input type="checkbox"/>	210.0	Competitive in Region
10124	6 R	Golden Bamboo Village III	W. side of Synott Rd. (approx. 900LF N. of intersection of Synott Rd. & Bellaire Rd.)	Houston	Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	130	130	E	NC	\$0	Michael CaoMy Nguyen	<input type="checkbox"/>	210.0	Competitive in Region
10283	5 R	Lufkin Pioneer Crossing	1805 N John Reddit	Lufkin	Rural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	80	80	G	NC	\$0*	Noor Jooma	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse
10031	5 R	The Crossing	3705 E. Lucas	Beaumont	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	150	150	E	NC	\$0	Robert L. Reyna	<input type="checkbox"/>	201.0	Significant Sub-Regional Shortfall in Statewide Collapse
10198	4 R	Pinnacle at North Chase	E. side of N. Broadway, S. of Loop 323	Tyler	Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	120	120	G	NC	\$1,473,851	Lisa Stephens	<input type="checkbox"/>	216.0	Competitive in Hurricane Ike Counties

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6 = Comment: Reason for Recommendation

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10266	6 R	Travis Street Plaza Apts	4500 Travis	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	192	192	G	NC	\$1,374,101*	Tim Cantwell	<input type="checkbox"/>	210.0	Competitive in Hurricane Ike Counties
10271	5 R	Hudson Manor	4280 Old Union Rd.	Hudson	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	NC	\$955,313*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10279	5 R	Hudson Green	840 Mt. Carmel Rd.	Hudson	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$919,550*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10115	6 R	Tuscany Place	N. side of Northpark Dr. (Approx. 1200LF East of TX Loop 494)	Kingwood	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	152	152	G	NC	\$2,000,000	Ben Amor	<input type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10227	6 R	Tarrington Court Apts	Approx. 1/2 mile NEC of I-45 and S. Sam Houston Pkwy. E. on the SEC of the approx. 8000 Block of Sam Houston Pkwy. East	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	153	153	E	NC	\$1,990,250*	J. Steve Ford	<input type="checkbox"/>	207.0	Competitive in Hurricane Ike Counties
10051	6 R	Parkway Ranch II	E. side of the approx. 10000 Block W. Montgomery	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	44	45	G	NC	\$962,945	W. Barry Kahn	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties
10094	6 R	Providence Town Square	3801 Center St.	Deer Park	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	165	188	E	NC	\$1,721,277	Chris Richardson	<input type="checkbox"/>	206.0	Competitive in Hurricane Ike Counties
10126	5 R	Auburn Square	11.35 acres E. of 2390 N. Main St.	Vidor	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$1,102,290*	Vivian L. Ballou	<input checked="" type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties
10064	6 R	Cypress Gardens	Wallisville Rd. and Maxey Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	100	100	E	NC	\$1,386,662*	Scott Brian	<input type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties
						Total: 2,238 2,265				\$13,886,239					
10096	6 N	The Orchard at Westchase	3802 Rodgerdale	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	153	153	E	NC	\$0	Stephan Fairfield	<input type="checkbox"/>	200.0	Not Competitive in Region
10290	6 N	Magnolia Place Apts	Wenda St. at the 9500 Block of Cullen Blvd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	144	144	E	NC	\$0	Bert Magill	<input type="checkbox"/>	199.0	Not Competitive in Region
10241	5 N	Timberland Trails Apts	2205 N. Timberland Dr.	Lufkin	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	80	80	G	NC	\$0*	John D. Mathews	<input checked="" type="checkbox"/>	198.0	Not Competitive in Region
10274	4 N	Grand Manor Apts	2700 N. Grand Ave.	Tyler	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	120	120	G	RH	\$0*	Owen Metz	<input type="checkbox"/>	196.0	Not Competitive in Region**
10101	6 N	Lafayette Park Apts	Approx. 200 Block of Aldine Bender and 16000 Block of Cotillion Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	150	150	E	NC	\$0*	William D. Henson	<input type="checkbox"/>	192.0	Not Competitive in Region

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File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³	LI	Total Units	Target ⁴	Housing ⁵	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	Comment ⁶	
						USDA NP AR	Units	Units	Pop	Activity						
10080	6 N	Rolling Meadows	S. Side of FM 518 Hwy	Kemah	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	124	124	E	NC	\$0*	Chris Dischinger	<input type="checkbox"/>	192.0	Not Competitive in Region	
10225	6 N	North MacGregor Arms	3533 N. MacGregor	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	64	64	G	RH	\$0*	Janet Miller	<input type="checkbox"/>	190.0	Not Competitive in Region	
10250	6 N	Willow Meadow Place Apts	10630 Beechnut	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	328	328	G	RH	\$0*	M. Dale Dodson	<input type="checkbox"/>	179.0	Not Competitive in Region	
10128	6 N	Ventana Pointe	Red Oak Dr. & Butterfield Rd.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	96	96	E	NC	\$0*	Monique Allen	<input type="checkbox"/>	178.0	Not Competitive in Region	
10229	6 N	Hannover Park	Approx. 2828 FM 2920	Spring	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	142	142	I	NC	\$0*	Paula Burns	<input type="checkbox"/>	175.0	Not Competitive in Region	
10184	6 N	Cypress Creek at Veterans Memorial	Approx. 8500 Block of Veterans Memorial Dr.	Houston	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	148	152	G	NC	\$0*	Stuart B. Shaw	<input type="checkbox"/>	208.0	\$2M Cap Violation	
10186	6 N	Mariposa at Calder Drive	N. side of FM 517 approx. 1/5 mi W. of FM 646	League City	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	172	176	E	NC	\$0*	Stuart B. Shaw	<input type="checkbox"/>	193.0	\$2M Cap Violation; Not Competitive in Region	
10228	6 N	Wintersprings Apts	Approx. 6000 Block of Atascocita Rd.	Humble	Urban	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	156	156	E	NC	\$0*	J. Steve Ford	<input type="checkbox"/>	173.0	\$2M Cap Violation; Not Competitive in Region	
							Total:	1,877	1,885		\$0					
35 Total Applications								4,371	4,406			\$13,886,239				

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5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR

6 = Comment: Reason for Recommendation

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**Report 4: 2010 9% Recommended Non Profit Applications
2010 Competitive Housing Tax Credit Program
(As of July 29, 2010, the recommendations may change due to pending appeals)**

Estimated Non-Profit Allocation: \$6,901,135

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10169	9 R	La Risa	800 Babcock Rd.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	237	237	G	2 RH	\$1,954,346	Jerry Du Terroill	<input type="checkbox"/>	225.0	Competitive in Region
10058	9 R	Guild Park Apts	779 W. Mayfield	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	114	114	G	2 RH	\$1,127,186	Gilbert M. Piette	<input type="checkbox"/>	223.0	Competitive in At-Risk Set-Aside
10084	6 R	Perry Street Apts	4415 Perry St.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	160	160	G	2 NC	\$920,833	Joy Horak-Brown	<input type="checkbox"/>	216.0	Competitive in Region
10035	6 R	Zion Gardens	St. Charles & Webster St.	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	70	70	G	2 NC	\$953,930	L. David Punch	<input type="checkbox"/>	214.0	Competitive in Region
10124	6 R	Golden Bamboo Village III	W. side of Synott Rd. (approx. 900LF N. of intersection of Synott Rd. & Bellaire Rd.)	Houston	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	130	130	E	2 NC	\$1,611,321	Michael CaoMy Nguyen	<input type="checkbox"/>	210.0	Competitive in Region
10020	9 R	La Posada del Rey Apts	3135 Roosevelt Ave.	San Antonio	Urban	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	145	145	G	2 RH	\$1,375,120	Jennifer Chester	<input type="checkbox"/>	207.0	Competitive in At-Risk Set-Aside
10126	5 R	Auburn Square	11.35 acres E. of 2390 N. Main St.	Vidor	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	80	80	G	2 NC	\$1,102,290*	Vivian L. Ballou	<input checked="" type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties
10022	13 R	Presidio Dolores Apts	12473 Cuatro Aces Circle	San Elizario	Rural	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	36	36	G	2 NC	\$725,184*	Albert Davalos	<input type="checkbox"/>	161.0	Significant Sub-Regional Shortfall in Rural Collapse
Total:							972	972			\$9,770,210				
8 Total Applications							972	972			\$9,770,210				

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4 = Target Population Abbreviation: Intergenerational=I, Elderly=E, General=G.

5 = Housing Activity: New Construction=NC, Rehabilitation (includes Reconstruction)=RH, Adaptive Reuse=ADR.

6 = Comment: Reason for Recommendation

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**Report 5: Applications Recommended to Meet the State Rural Allocation ("Rural R")
2010 Competitive Housing Tax Credit Program
(As of July 29, 2010, the recommendations may change due to pending appeals)**

Estimated Rural Allocation: \$13,802,269

File #	Region Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10000	2 A	Mustang Heights Apts	Intersection of Arizona Ave. & I-20 frontage Rd.	Sweetwater	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	1 NC	\$950,000	Lucille Jones	<input type="checkbox"/>		Forward Commitment of 2010 Credits Made in 2009
							Total:	80	80		\$950,000				
10238	8 R	Prince Hall Plaza	700 Doris St.	Navasota	Rural	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	60	60	G	2 RH	\$624,203	K.T. (Ike) Akbari	<input checked="" type="checkbox"/>	219.0	Competitive in At-Risk Set-Aside
10220	10 R	Casa Ricardo	200 W. Yoakum Ave.	Kingsville	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	60	60	E	2 RH	\$650,580	Socorro "Cory" Hinosoja	<input checked="" type="checkbox"/>	218.0	Significant Sub-Regional Shortfall in Rural Collapse
10014	11 R	Artisan at Port Isabel	100 Hockaday and 100 Ash Dr.	Port Isabel	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	74	74	G	2 RH	\$1,396,089*	Ryan Wilson	<input checked="" type="checkbox"/>	216.0	Competitive in Region
10061	6 R	Magnolia Trails	31000 Block of Nichols Sawmill Rd.	Magnolia	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	2 NC	\$906,277	David Mark Koogler	<input type="checkbox"/>	212.0	Competitive in Region
10026	4 R	Silverleaf at Chandler II	801 FM 2010	Chandler	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	44	44	E	2 NC	\$518,601*	J Michael Sugrue	<input checked="" type="checkbox"/>	211.0	Competitive in Region
10283	5 R	Lufkin Pioneer Crossing	1805 N John Reddit	Lufkin	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	2 NC	\$945,626*	Noor Jooma	<input checked="" type="checkbox"/>	211.0	Significant Sub-Regional Shortfall in Rural Collapse
10130	3 R	Meadow Vista	White Settlement Rd. (1/4 mile E. of FM 730)	Weatherford	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	2 NC	\$895,498	Justin MacDonald	<input checked="" type="checkbox"/>	210.0	Competitive in Region
10131	9 R	Guadalupe Crossing	End of Sunflower Ln.	Comfort	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	68	68	G	2 NC	\$858,688	Granger MacDonald	<input type="checkbox"/>	209.0	Significant Sub-Regional Shortfall in Rural Collapse
10279	5 R	Hudson Green	840 Mt. Carmel Rd.	Hudson	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	2 NC	\$919,550*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10271	5 R	Hudson Manor	4280 Old Union Rd.	Hudson	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	E	2 NC	\$955,313*	H. Elizabeth Young	<input checked="" type="checkbox"/>	208.0	Competitive in Hurricane Ike Counties
10212	8 R	Longbridge Apts	921 N. Tyus St.	Groesbeck	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	28	G	2 RH	\$206,362*	Dennis Hoover	<input checked="" type="checkbox"/>	206.0	Competitive in USDA Allocation

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Region File #	Status ¹	Development Name	Address	City	Allocation ²	Set-Asides ³ USDA NP AR	LI Units	Total Units	Target ⁴ Pop	Housing ⁵ Activity	Recommended* Credit	Owner Contact	TDHCA HOME	Final Score	Comment ⁶
10126	5 R	Auburn Square	11.35 acres E. of 2390 N. Main St.	Vidor	Rural	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	80	80	G	2 NC	\$1,102,290*	Vivian L. Ballou	<input checked="" type="checkbox"/>	204.0	Competitive in Hurricane Ike Counties
10226	3 R	Red Oak Apts	413 & 507 West Red Oak Rd.	Red Oak	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	116	116	G	2 RH	\$1,029,742	Paul Patierno	<input checked="" type="checkbox"/>	203.0	Competitive in USDA Allocation
10112	10 R	Country Village Apts	1500 Hackberry Ln.	Mathis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	36	36	E	2 RH	\$270,645*	Dennis Hoover	<input checked="" type="checkbox"/>	197.0	Competitive in USDA Allocation
10213	6 R	Heritage Square Apts	7626 Hwy 60 South	Wallis	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	24	24	G	2 RH	\$206,231*	Dennis Hoover	<input checked="" type="checkbox"/>	196.0	Competitive in USDA Allocation
10143	7 R	Oak Creek Townhomes	1110 Broadway St.	Marble Falls	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	2 RH	\$1,019,154*	Dennis Hoover	<input checked="" type="checkbox"/>	193.0	Significant Sub-Regional Shortfall in Rural Collapse
10211	4 R	Riverplace Apts	1304 West Ave. A	Hooks	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	28	40	G	2 RH	\$245,813*	Dennis Hoover	<input checked="" type="checkbox"/>	184.0	Competitive in USDA Allocation
10007	8 R	Mexia Gardens	NEC N. Bailey at E. Sumpter	Mexia	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	80	80	G	2 NC	\$812,214	Richard Brown	<input type="checkbox"/>	184.0	Significant Sub-Regional Shortfall in Rural Collapse
10253	6 R	Brookwood Apts	444 Jefferson St.	West Columbia	Rural	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	50	50	E	2 RH	\$321,049	Ronald Potterpin	<input checked="" type="checkbox"/>	183.0	Competitive in USDA Allocation
10022	13 R	Presidio Dolores Apts	12473 Cuatro Aces Circle	San Elizario	Rural	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	36	36	G	2 NC	\$725,184*	Albert Davalos	<input type="checkbox"/>	161.0	Significant Sub-Regional Shortfall in Rural Collapse
10107	1 R	Tenth Street Apts	SE Corner Tenth St. and Whittenburg St.	Borger	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	47	48	G	2 NC	\$583,000	Justin Zimmerman	<input type="checkbox"/>	157.0	Competitive in Region
10270	12 R	Gateway to Eden	Grant/Rudder and Kelly St.	Eden	Rural	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	17	17	G	2 NC	\$268,527*	Ethan Horne	<input checked="" type="checkbox"/>	136.0	Competitive in Region
							Total:	1,328	1,341			\$15,460,636			
23 Total Applications								1,408	1,421			\$16,410,636			

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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Mexia Gardens, TDHCA Number 10007

BASIC DEVELOPMENT INFORMATION

Site Address: NEC N. Bailey at E. Sumpter Development #: 10007
 City: Mexia Region: 8 Population Served: General
 County: Limestone Zip Code: 76667 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Mexia Housing, LLC
 Owner Contact and Phone: Richard Brown, (214) 521-0300
 Developer: Mexia Housing, L.L.C.
 Housing General Contractor: Roger Zais
 Architect: Architetura, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: WNC & Associates, Inc.
 Supportive Services: Mockingbird Management
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	80
	8 0 4 68	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 24 44 12 0 0	Total Development Units:	80
Type of Building:		Total Development Cost*:	\$7,349,862
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	20
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$812,214	\$812,214			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Mexia Gardens, TDHCA Number 10007

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, S

Points: 7

US Representative: Barton, District 6, NC

TX Representative: Cook, District 8, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Mexia Gardens, TDHCA Number 10007

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: 1

Total # Monitored: 1

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **184** Meeting a Required Set-Aside Credit Amount*: \$812,214

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when Rural tax credits are collapsed.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/03/10 PROGRAM: HTC 9% FILE NUMBER: 10007

DEVELOPMENT

Mexia Gardens

Location: North East Corner of N. Bailey Road and E. Sumpter Road Region: 8
 City: Mexia County: Limestone Zip: 76667 OCT DDA
 Key Attributes: General, New Construction, Rural

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$812,214			\$812,214		

CONDITIONS

- 1 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	4
60% of AMI	60% of AMI	68

STRENGTHS / MITIGATING FACTORS

- Occupancy is approximately 95% in the market (both physical and leased occupancy).
- Occupancy for 2BR units within the market is high, at approximately 97%.

WEAKNESSES / RISKS

- Proposed rents for the 60% units, which represent 85% of the total units, are between 4 and 10% below market rents.
- The capture rate for the two-bedroom units indicates that the subject must capture nearly three out of four eligible households.

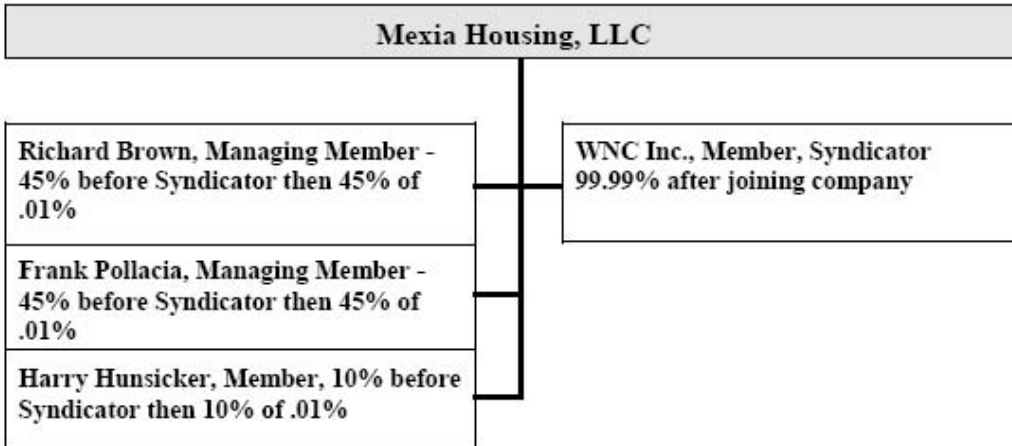
PREVIOUS UNDERWRITING REPORTS

The Applicant has previously applied for tax credit funds from the Department but did not score high enough to be underwritten or receive an allocation for this development.

This section intentionally left blank.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Richard Brown Phone: (214) 521-0300 Fax: (214) 521-8722
Email: rlb@hunsicker.org

IDENTITIES of INTEREST

- The Applicant, Developer, architect, property management company, and supportive service provider are all related entities. These are common relationships for HTC-funded developments.

This section intentionally left blank.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C									Total Buildings
Floors/Stories	1	1	1									
Number	6	12	2									20

BR/BA	SF	Units										Total Units	Total SF
1 1	750		2									24	18,000
2 2	1,040	2	2	4								44	45,760
3 2	1,181	2										12	14,172
Units per Building		4	4	4								80	77,932

SITE ISSUES

Total Size: 9.45 acres Scattered site? Yes No
 Flood Zone: C Within 100-yr floodplain? Yes No
 Zoning: Residential Div 3 Needs to be re-zoned? Yes No N/A
 Comments:

The Applicant is purchasing total acreage of 23.197 acres for a price of \$150,000; however, only 9.45 acres will be used for this subject development; therefore the acquisition price will be adjusted based upon an appraisal of the acreage to be used. Please refer to the Acquisition Information Section below for more detail.

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/14/2009
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:
 North: Residential / Residential/School East: Meadow/Residential
 South: Residential/Residential/Commercial West: Vacant Lot/Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: MB Consulting Group, LLC Date: 3/29/2010
 Recognized Environmental Concerns (RECs) and Other Concerns:
 • None

MARKET ANALYSIS

Provider: Ipser & Associates Date: 3/9/2010
 Contact: Ed Ipser Phone: 817-927-2838
 Number of Revisions: none Date of Last Applicant Revision: N / A
 Primary Market Area (PMA): 940 sq. miles 17 mile equivalent radius
 The Primary Market Area consists of Limestone County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,874	\$10,770	---	---	\$16,457	\$17,950	\$19,749	\$21,540
2	\$9,874	\$12,300	---	---	\$16,457	\$20,500	\$19,749	\$24,600
3	---	---	---	---	---	---	\$23,760	\$27,720
4	---	---	---	---	---	---	\$27,429	\$30,780
5	---	---	---	---	---	---	\$27,429	\$33,240
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	none				
Other Affordable Developments in PMA since 2006					
10212	Longbridge Apts	rehab	family	n/a	28
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		2	Total Units	92	

Proposed, Under Construction, and Unstabilized Comparable Supply:
 There is a current application for the Longbridge Apartments (# 10212), a 28-unit development in Groesbeck. This application is for the rehabilitation of an occupied property, and does not impact the demand calculation for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	8,078	8,005
Potential Demand from the Primary Market Area	697	739
Potential Demand from Other Sources	0	0
GROSS DEMAND	697	739
Subject Affordable Units	80	80
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	80	80
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	11%	11%

Demand Analysis:

The maximum Gross Capture Rate for a rural development targeting family households is 30%. The Underwriter has confirmed the Market Analyst's determination of an 11% Gross Capture Rate for the 80 proposed units. This indicates sufficient demand to support the subject development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	31	8	0	26%	24	8	0	34%
1 BR/50%	52	4	0	8%	41	4	0	10%
1 BR/60%	34	12	0	35%	39	12	0	31%
2 BR/60%	78	44	0	56%	60	44	0	73%
3 BR/60%	47	12	0	26%	30	12	0	39%

Primary Market Occupancy Rates:

"Occupancy in a total of 516 units surveyed by I&A staff was 94.8% (95.2% leased). The 140 conventional units are 95.7% occupied, the two RD-USDA/HTC locations are 98% occupied (100% leased), the 5 RD locations are 82% occupied, and the public housing units in Groesbeck and Mexia are 98.5% occupied. Among the 13 locations surveyed, 10 have a physical occupancy of 95% or greater, and 5 of the locations have a leased occupancy rate of 100%." (p. 2-16)

The capture rate for the two-bedroom units indicates that the subject must capture nearly 3 out of four eligible households. This is because all the units are targeting the 60% of AMI income range. In the event that the Applicant may eventually have to lease to households below the 60% range at reduced rents, the expense-to-income ratio may exceed the 65% limit.

Absorption Projections:

"There have not been any new multi-family projects built in Limestone County since 1985, therefore, no absorption data are available. The only indication of absorption is the high occupancy ...the low turnover and the waiting lists, including 300 at the only HTC (also RDUSDA) complex in Mexia ... Average absorption for the subject is estimated at approximately 9 to 10 units per month. It is expected that a 7 to 8 month lease-up period will be required to achieve 92.5% occupancy of the 80 units. The slow population growth would indicate a slow absorption, however, the new mining and power plant operations coming in the Limestone County and its surrounding area, along with its attraction as a central city for the area, indicates a higher absorption can be expected." (p. 3-5)

Market Impact:

The Market Analyst reports high occupancy, low turnover, and long waiting lists at existing properties, indicating the proposed development will not have an adverse impact on the market.

Comments:

Based on the overall Gross Capture Rate, the market study provides sufficient information on which to base a funding recommendation. However, the unit-specific capture rate for the two-bedroom units is high due to the narrow targeting of only the 60% of AMI income range. It is possible the subject may need to reduce the rent to attract households below the 60% range.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 4/14/2010

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of 2/2010 that were calculated by the Nelrod Company and approved by the TDHCA Compliance Division, from 2009 HTC Rural Rent Limits. Final 2010 rent limits were not available at the time of underwriting. Tenants will be required to pay electrical costs. The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines, and effective gross income is within 5% of the Underwriter's estimate. If normal program rent limits for Limestone County were used rather than the higher HTC Rural Rent Limits, both the Applicant's and the Underwriter's DCRs would decrease to levels below the Department's minimum program standard of 1.15, at .84 and .98 respectively.

Of note, the market analysis indicates a capture rate of 73% for the two-bedroom units due to the narrow targeting of only the 60% of AMI income range. If the Applicant finds it necessary to reduce the rent in order to attract households below the 60% range, the debt coverage would likely decrease below Department guidelines.

Expenses: Number of Revisions: 1 Date of Last Applicant Revision: 4/14/2010

The Applicant's total annual operating expense projection at \$4,083 per unit is within 5% of the Underwriter's estimate of \$3,904, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Underwriter utilized the Applicant's payroll expense estimate based on a staffing plan and operations at a comparable development in the Applicant's portfolio. Additionally, the Underwriter relied on an insurance quote provided by the Applicant to estimate insurance expense. The Applicant's "Other Expenses" category differs from the Underwriter's estimate because the Applicant included \$4,800 in syndication fees as an expense which the Underwriter did not include pursuant to Department guidelines, which do not allow syndication fees to be included in expenses.

Conclusion:

The Applicant's effective gross income and expenses are within 5% of the Underwriter's estimates; however, net operating income is not, therefore, the Underwriter's year one pro forma will be used to determine the development's debt capacity. The Underwriter's pro forma and the proposed debt service result in a debt coverage ratio (DCR) of 1.38 and an expense to income ratio of 61.96%. The recommended financing structure reflects an increase to the permanent loan of \$40K to bring DCR within the Department's maximum DCR of 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expenses and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION**APPRAISED VALUE**

Provider: Richard J. Tibbenham, Inc., MAI Date: 3/11/2010
 Number of Revisions: 0 Date of Last Applicant Revision: N/A
 Land Only: 9.45 acres \$90,000 As of: 3/9/2010
 Existing Buildings: (as-is) \$0 As of: 3/9/2010
 Total Development: (as-is) \$90,000 As of: 3/9/2010

ASSESSED VALUE

Land Only: 23.175 acres \$121,890 Tax Year: 2009
 Existing Buildings: \$0 Valuation by: Limestone CAD
 1 acre: 5,260
 Total Prorata: 9.45 acres \$49,703
 Total Assessed Value: \$49,703 Tax Rate: 2.237764

EVIDENCE of PROPERTY CONTROL

Type: Commercial Contract, Unimproved Property Acreage: 23.197
 Contract Expiration: 12/31/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$150,000 Other: Only 9.45 acres will be used for this development.
 Seller: Holloway Martin, Bryan Haenisch and Willi Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant is purchasing a 23.197 acre tract for a total price of \$150,000. This cost of \$6,466 per acre is considered to be reasonable since the acquisition is an arm's-length transaction; however, only 9.45 acres will be used for the subject development. The Applicant is claiming a total acquisition price of \$92,000 for the 9.45 acres. This \$92,000 consist of \$90,000 for the land plus an additional \$2,000 for closing costs and legal fees. The \$90,000 land value for the 9.45 acres is based upon an independent third party appraisal dated March 9, 2010 that has been provided by Applicant. The amount being assigned for the value of the 9.45 acre tract is higher than the prorated value based on the average of the entire tract; however, the Underwriter evaluated the appraisal and found the valuation of the 9.45 acre tract to be reasonable due to the fact that it has more road frontage than the remaining acreage. If a future application for funding is submitted using the remaining acreage not being used for the subject development, the assigned value cannot exceed the difference between the purchase contract price and the amount assigned to the land for this development, or a maximum of \$60,000.

Sitework Cost:

The Applicant's claimed sitework costs of \$7,250 per unit are within the Department's guidelines, and therefore, no third party substantiation is required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$86K or 2% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Although the development has some townhome features which could result in increased construction cost, the Underwriter used the lower Marshall & Swift multifamily costing due to the proposed use of cost-saving design features such as standard bath and kitchen designs across unit types.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area and it is proposed to be located in a school attendance zone that has an academic rating of "Exemplary" or "Recognized".

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$6,942,000 supports annual tax credits of \$812,214. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 0 Date of Last Applicant Revision: N/A

Source: Stearns Bank Type: Interim Financing

Principal: \$3,536,506 Interest Rate: 7.5% Fixed Term: 18 months

Comments:

The interest rate is to be a variable interest rate equal to the Wall Street Journal Prime Rate plus 1.0% at the time of closing with a floor of 7.5%.

Source: Stearns Bank Type: Permanent Financing

Principal: \$1,650,000 Interest Rate: 7.5% Fixed Amort: 360 months

Comments:

This loan will have an amortization based on 30 years with a term of 15 years.

Source: Heart of Texas HFC Type: Interim Financing

Principal: \$225,000 Interest Rate: AFR Term: TBD months

Comments:

Term will be the later of 12 months or until placement in service.

Source: WNC - HTC Equity Type: Syndication

Proceeds: \$5,278,863 Syndication Rate: 65% Anticipated HTC: \$ 812,214

Amount: \$420,999 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

As previously mentioned, the Underwriter's year one pro forma and the proposed permanent loan of \$1,650,000 results in a DCR above the Department's maximum of 1.35. Therefore, the recommended financing structure reflects an increased loan amount of \$1,690,000. The Applicant's total development cost estimate less the adjusted permanent loan of \$1,690,000 indicates the need for \$5,659,862 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$870,835 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$812,214
Allocation determined by gap in financing:	\$870,835
Allocation requested by the Applicant:	\$812,214

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$812,214 per year for 10 years results in total equity proceeds of \$5,278,863 at a syndication rate of \$0.65 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$380,999 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

Underwriter:	<i>D.P. Burrell</i>	Date:	June 3, 2010
Manager of Real Estate Analysis:	<i>Audrey Martin</i>	Date:	June 3, 2010
Director of Real Estate Analysis:	<i>Brent Stewart</i>	Date:	June 3, 2010

UNIT MIX/RENT SCHEDULE

Mexia Gardens, Mexia, HTC 9% #10007

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Mexia	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Limestone	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	24	30.0%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	8	2	44	55.0%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	Yes	3	12	15.0%								APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	80	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	8	1	1	750	\$288	\$66	\$222	\$0	\$0.30	\$222	\$1,776	\$1,776	\$222	\$0.30	\$0	\$565	\$343
TC 50%	4	1	1	750	\$480	\$66	\$414	\$0	\$0.55	\$414	\$1,656	\$1,656	\$414	\$0.55	\$0	\$565	\$151
TC 60%	12	1	1	750	\$576	\$66	\$510	\$0	\$0.68	\$510	\$6,120	\$6,120	\$510	\$0.68	\$0	\$565	\$55
TC 60%	44	2	2	1,040	\$693	\$91	\$602	\$0	\$0.58	\$602	\$26,488	\$26,488	\$602	\$0.58	\$0	\$660	\$58
TC 60%	12	3	2	1,181	\$800	\$119	\$681	\$0	\$0.58	\$681	\$8,172	\$8,172	\$681	\$0.58	\$0	\$710	\$29
TOTAL:	80			77,932							\$44,212	\$44,212					
AVG:				974				\$0	\$0.57	\$553			\$553	\$0.57	\$0	\$639	(\$86)
ANNUAL:											\$530,544	\$530,544					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Mexia Gardens, Mexia, HTC 9% #10007

				TDHCA	APPLICANT				
INCOME									
POTENTIAL GROSS RENT				\$530,544	\$530,544				
Secondary Income		Per Unit Per Month:	\$15.00	14,400	14,400	\$15.00		Per Unit Per Month	
Other Support Income:						\$0.00		Per Unit Per Month	
POTENTIAL GROSS INCOME				\$544,944	\$544,944				
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%	(40,871)	(40,872)	-7.50%		of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0					
EFFECTIVE GROSS INCOME				\$504,073	\$504,072				
EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI	
General & Administrative	4.43%	\$279	0.29	\$22,331	\$21,800	\$0.28	\$273	4.32%	
Management	5.00%	\$315	0.32	25,204	25,000	0.32	313	4.96%	
Payroll & Payroll Tax	15.08%	\$950	0.98	76,000	76,000	0.98	950	15.08%	
Repairs & Maintenance	9.45%	\$595	0.61	47,614	49,000	0.63	613	9.72%	
Utilities	3.96%	\$249	0.26	19,936	18,000	0.23	225	3.57%	
Water, Sewer, & Trash	6.33%	\$399	0.41	31,895	36,000	0.46	450	7.14%	
Property Insurance	3.45%	\$218	0.22	17,400	17,000	0.22	213	3.37%	
Property Tax 2.237764	8.52%	\$537	0.55	42,965	50,000	0.64	625	9.92%	
Reserve for Replacements	4.76%	\$300	0.31	24,000	24,000	0.31	300	4.76%	
TDHCA Compliance Fees	0.63%	\$40	0.04	3,200	3,200	0.04	40	0.63%	
Other: Cable TV	0.36%	\$23	0.02	1,800	6,600	0.08	83	1.31%	
TOTAL EXPENSES	61.96%	\$3,904	\$4.01	\$312,344	\$326,600	\$4.19	\$4,083	64.79%	
NET OPERATING INC	38.04%	\$2,397	\$2.46	\$191,729	\$177,472	\$2.28	\$2,218	35.21%	

DEBT SERVICE				TDHCA	APPLICANT				
Stearns Bank				\$138,444	\$138,444				
Second Lien				\$0					
TOTAL DEBT SERVICE				138,444	138,444				
NET CASH FLOW				\$53,284	\$39,028				
AGGREGATE DEBT COVERAGE RATIO				1.38	1.28				
RECOMMENDED DEBT COVERAGE RATIO				1.35					

CONSTRUCTION COST				TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL	
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					
Acquisition Cost (site or bldg)		1.27%	\$1,150	\$1.18	\$92,000	\$92,000	\$1.18	\$1,150	1.25%
Off-Sites		0.00%	\$0	\$0.00	0		0.00	0	0.00%
Sitework		8.03%	\$7,250	\$7.44	580,000	580,000	7.44	7,250	7.89%
Direct Construction		55.46%	\$50,101	\$51.43	4,008,116	4,094,500	52.54	51,181	55.71%
Contingency	5.00%	3.17%	\$2,868	\$2.94	229,406	230,000	2.95	2,875	3.13%
Contractor's Fees	14.00%	8.89%	\$8,029	\$8.24	642,336	652,500	8.37	8,156	8.88%
Indirect Construction		4.84%	\$4,369	\$4.48	349,500	349,500	4.48	4,369	4.76%
Ineligible Costs		1.46%	\$1,323	\$1.36	105,862	105,862	1.36	1,323	1.44%
Developer's Fees	15.00%	12.33%	\$11,137	\$11.43	890,979	905,000	11.61	11,313	12.31%
Interim Financing		1.81%	\$1,631	\$1.67	130,500	130,500	1.67	1,631	1.78%
Reserves		2.74%	\$2,479	\$2.54	198,293	210,000	2.69	2,625	2.86%
TOTAL COST		100.00%	\$90,337.39	\$92.73	\$7,226,991	\$7,349,862	\$94.31	\$91,873	100.00%
Construction Cost Recap		75.55%	\$68,248	\$70.06	\$5,459,858	\$5,557,000	\$71.31	\$69,463	75.61%

SOURCES OF FUNDS				TDHCA	APPLICANT	RECOMMENDED	
Stearns Bank	22.83%	\$20,625	\$21.17	\$1,650,000	\$1,650,000	\$1,690,000	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0		0	\$905,000
WNC - HTC Equity	73.04%	\$65,986	\$67.74	5,278,863	5,278,863	5,278,863	% of Dev. Fee Deferred
Deferred Developer Fees	5.83%	\$5,262	\$5.40	420,999	420,999	380,999	42%
Additional (Excess) Funds Req'd	-1.70%	(\$1,536)	(\$1.58)	(122,871)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$7,226,991	\$7,349,862	\$7,349,862	\$813,776

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Mexia Gardens, Mexia, HTC 9% #10007

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.81	\$4,349,680
Adjustments				
Exterior Wall Finish	4.00%		\$2.23	\$173,987
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.50%		1.95	152,239
Roofing			0.00	0
Subfloor			(2.48)	(193,271)
Floor Cover			2.38	185,478
Breezeways	\$23.05	0	0.00	0
Balconies	\$20.78	15,220	4.06	316,272
Plumbing Fixtures	\$845	168	1.82	141,960
Rough-ins	\$420	80	0.43	33,600
Built-In Appliances	\$1,850	80	1.90	148,000
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$45.89		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	16,000	1.99	155,200
Heating/Cooling			1.85	144,174
Garages	\$19.01	1,600	0.39	30,416
Comm &/or Aux Bldgs	\$77.73	2,157	2.15	167,658
Other: fire sprinkler	\$2.25	0	0.00	0
SUBTOTAL			74.49	5,805,393
Current Cost Multiplier	0.99		(0.74)	(58,054)
Local Multiplier	0.86		(10.43)	(812,755)
TOTAL DIRECT CONSTRUCTION COSTS			\$63.32	\$4,934,584
Plans, specs, survy, bld prgm	3.90%		(\$2.47)	(\$192,449)
Interim Construction Interest	3.38%		(2.14)	(166,542)
Contractor's OH & Profit	11.50%		(7.28)	(567,477)
NET DIRECT CONSTRUCTION COSTS			\$51.43	\$4,008,116

PROPOSED PAYMENT COMPUTATION

Stearns Bank	\$1,650,000	Amort	360
Int Rate	7.50%	DCR	1.38

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.384879332

0	\$0	Amort	
Int Rate		Aggregate DCR	1.384879332

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.384879332

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.384879332

RECOMMENDED FINANCING STRUCTURE:

Stearns Bank	\$141,801
Second Lien	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$141,801

Stearns Bank	\$1,690,000	Amort	360
Int Rate	7.50%	DCR	1.35

Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.35

0	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	\$1

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.352101123

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	\$1

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

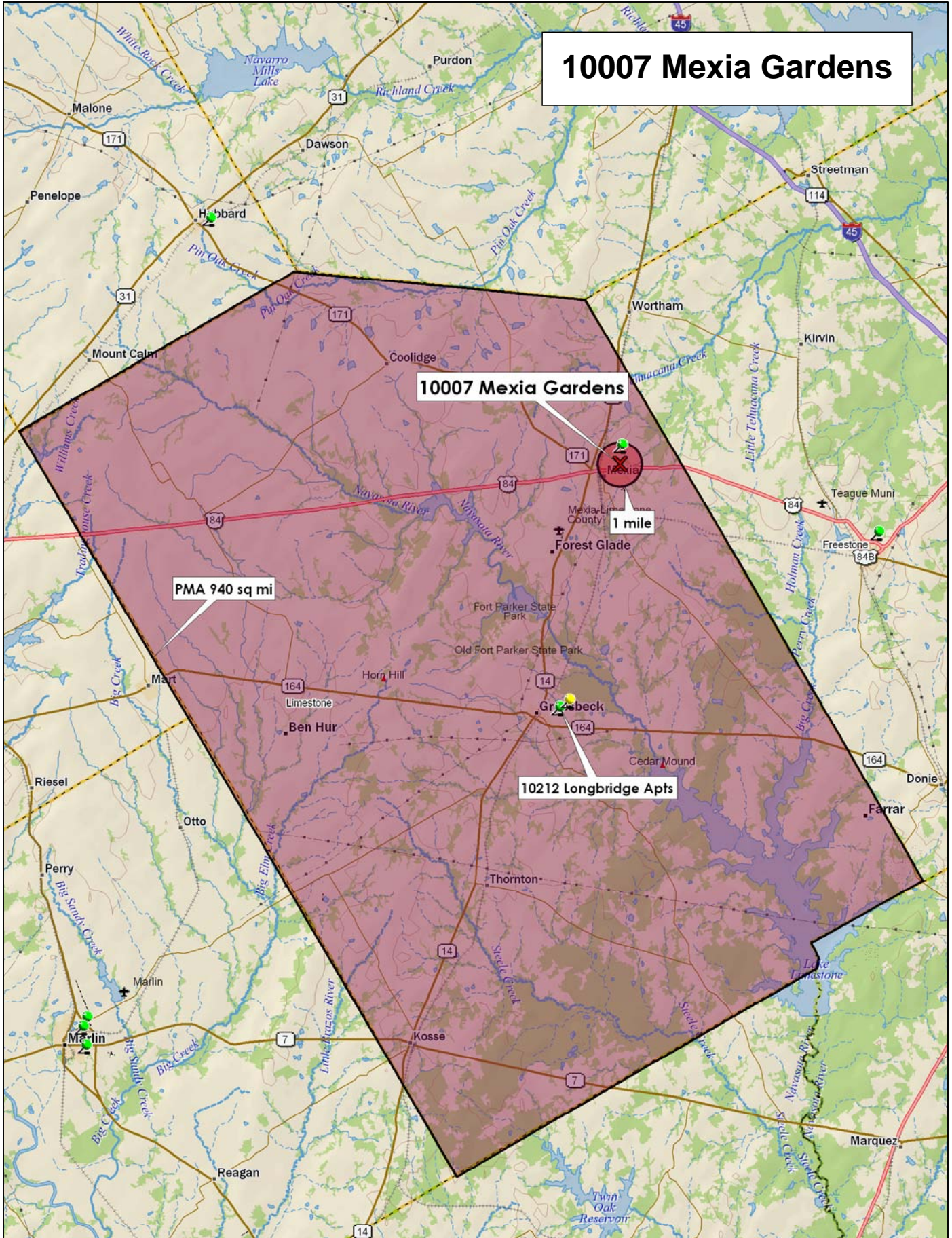
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$530,544	\$541,155	\$551,978	\$563,018	\$574,278	\$634,049	\$700,042	\$772,902	\$942,164
Secondary Income	14,400	14,688	14,982	15,281	15,587	17,209	19,000	20,978	25,572
Other Support Income:	0	0	0	0	0				
POTENTIAL GROSS INCOME	544,944	555,843	566,960	578,299	589,865	651,259	719,042	793,881	967,736
Vacancy & Collection Loss	(40,871)	(41,688)	(42,522)	(43,372)	(44,240)	(48,844)	(53,928)	(59,541)	(72,580)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$504,073	\$514,155	\$524,438	\$534,927	\$545,625	\$602,414	\$665,114	\$734,339	\$895,156
EXPENSES at 3.00%									
General & Administrative	\$22,331	\$23,001	\$23,691	\$24,401	\$25,133	\$29,136	\$33,777	\$39,157	\$52,624
Management	25,204	25,708	26,222	26,746	27,281	30,121	33,256	36,717	44,758
Payroll & Payroll Tax	76,000	78,280	80,628	83,047	85,539	99,163	114,957	133,266	179,099
Repairs & Maintenance	47,614	49,043	50,514	52,029	53,590	62,126	72,021	83,492	112,206
Utilities	19,936	20,534	21,150	21,785	22,438	26,012	30,155	34,958	46,981
Water, Sewer & Trash	31,895	32,852	33,837	34,852	35,898	41,615	48,244	55,928	75,162
Insurance	17,400	17,922	18,460	19,013	19,584	22,703	26,319	30,511	41,004
Property Tax	42,965	44,254	45,582	46,949	48,358	56,060	64,989	75,340	101,250
Reserve for Replacements	24,000	24,720	25,462	26,225	27,012	31,315	36,302	42,084	56,558
TDHCA Compliance Fee	3,200	3,296	3,395	3,497	3,602	4,175	4,840	5,611	7,541
Other	1,800	1,854	1,910	1,967	2,026	2,349	2,723	3,156	4,242
TOTAL EXPENSES	\$312,344	\$321,463	\$330,849	\$340,513	\$350,461	\$404,774	\$467,582	\$540,220	\$721,424
NET OPERATING INCOME	\$191,729	\$192,692	\$193,588	\$194,414	\$195,164	\$197,640	\$197,532	\$194,120	\$173,732
DEBT SERVICE									
First Lien Financing	\$141,801	\$141,801	\$141,801	\$141,801	\$141,801	\$141,801	\$141,801	\$141,801	\$141,801
Second Lien	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$49,928	\$50,891	\$51,788	\$52,613	\$53,364	\$55,839	\$55,731	\$52,319	\$31,931
DEBT COVERAGE RATIO	1.35	1.36	1.37	1.37	1.38	1.39	1.39	1.37	1.23

HTC ALLOCATION ANALYSIS -Mexia Gardens, Mexia, HTC 9% #10007

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$92,000	\$92,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$580,000	\$580,000	\$580,000	\$580,000
Construction Hard Costs	\$4,094,500	\$4,008,116	\$4,094,500	\$4,008,116
Contractor Fees	\$652,500	\$642,336	\$652,500	\$642,336
Contingencies	\$230,000	\$229,406	\$230,000	\$229,406
Eligible Indirect Fees	\$349,500	\$349,500	\$349,500	\$349,500
Eligible Financing Fees	\$130,500	\$130,500	\$130,500	\$130,500
All Ineligible Costs	\$105,862	\$105,862		
Developer Fees				
Developer Fees	\$905,000	\$890,979	\$905,000	\$890,979
Development Reserves	\$210,000	\$198,293		
TOTAL DEVELOPMENT COSTS	\$7,349,862	\$7,226,991	\$6,942,000	\$6,830,837

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$6,942,000	\$6,830,837
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$9,024,600	\$8,880,088
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$9,024,600	\$8,880,088
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$812,214	\$799,208

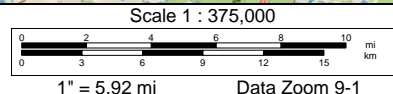
Syndication Proceeds	0.6499	\$5,278,863	\$5,194,332
Total Tax Credits (Eligible Basis Method)		\$812,214	\$799,208
Syndication Proceeds		\$5,278,863	\$5,194,332
Requested Tax Credits		\$812,214	
Syndication Proceeds		\$5,278,863	
Gap of Syndication Proceeds Needed		\$5,659,862	
Total Tax Credits (Gap Method)		\$870,835	
Recommended Tax Credits		\$812,214	
Syndication Proceeds		\$5,278,863	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Creekside Village, TDHCA Number 10009

BASIC DEVELOPMENT INFORMATION

Site Address: 3601 Miller Rd. Development #: 10009
 City: Rowlett Region: 3 Population Served: Elderly
 County: Dallas Zip Code: 77058 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Community Retirement Center of Rowlett, LP
 Owner Contact and Phone: Charles Holcomb, (713) 522-4141
 Developer: Community Retirement Centre, Inc.
 Housing General Contractor: TBD
 Architect: Joseph Hoover AIA + Associates / M Group
 Market Analyst: O'Conner & Associates
 Syndicator: Boston Capital
 Supportive Services: Lake Pointe Medical Center
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	116
	18 0 41 57	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 90 26 0 0 0	Total Development Units:	116
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	2
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,311,710	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Creekside Village, TDHCA Number 10009

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, N

Points: 0 US Representative: Johnson, District 3, NC

TX Representative: Driver, District 113, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 46

In Opposition: 10

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

The Gibson Company Inc., O, David Gibson

Rowlett Chamber of Commerce, S, Lisa Ferrell, President, Rowlett Chamber of Commerce

Hunton & Williams, O, Jeremy Anderson, Owner

Big Sky Construction, O, Robert C. Long, President

CTC Texas Associates, L.L.C., O, Richard D. Cass

CTC Texas Associates, L.L.C., O, Don E. Cass

Delphi Group, Inc., O, Jeff Swaney, President

Senior Citizens of Rowlett, S, Liz Grubaugh, Secretary

Element, O, Brent Anderson

WLS Lighting Systems, O, Dean Pritchard

Hickory Street Annex, O, Gary P. Kaelson, Owner

Joovy, Family Gear, O, Robert P. Gardner III

Madison Partners, O, Larry Vineyard, Owner

Concierge Asset Management, O, Maxwell Drever, Chairman

Simbolwood, Ltd., O, Glenn Solomon, Managing Partner

TKM Construction Inc., O, Thomas K. Motlow, Builder

Westdale Real Estate Investment & Management, O, Chuck Hixson, Vice President

DG Development, O, Thomas Granese, Managing Partner

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the City of Rowlett in the amount of \$675,000, or a commitment from a qualifying substitute source in an amount not less than \$675,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Creekside Village, TDHCA Number 10009

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Artisan at Port Isabel, TDHCA Number 10014

BASIC DEVELOPMENT INFORMATION

Site Address: 100 Hockaday and 100 Ash Dr. Development #: 10014
 City: Port Isabel Region: 11 Population Served: General
 County: Cameron Zip Code: 78578 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: ARDC Port Isabel, Ltd.
 Owner Contact and Phone: Ryan Wilson, (210) 694-2223
 Developer: Franklin Development Properties, Ltd.
 Housing General Contractor: Franklin Construction, Ltd.
 Architect: Gonzalez Newell, Bender, Inc. Architects
 Market Analyst: Butler Burgher Group, L.L.C.
 Syndicator: Hudson Housing Capital, L.L.C.
 Supportive Services: United Apartment Group
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	74	
	0	0	67	7	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	8	34	28	4	0	
Type of Building:						Total Development Units:	74
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	17

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,396,089	\$1,396,089			
HOME Activity Fund Amount:	\$2,000,000	\$2,000,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Artisan at Port Isabel, TDHCA Number 10014

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S Points: 14 US Representative: Ortiz, District 27, NC
TX Representative: Oliveira, District 37, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
S, Tara Rios Ybarra, State Representative, District 43

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Star of the South Residents Council, Pablo Villarreal Letter Score: 24 S or O: S

Our developments are old and having new tax credit apartments will be great for our community. We will have a nice affordable complex and it will beautify our area.

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0
Lighthouse Assembly of God, S, Steven Hyde, Pastor

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Housing Authority of the City of Port Isabel in the amount of \$1.5M, or a commitment from a qualifying substitute source in an amount not less than \$1.5M, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Artisan at Port Isabel, TDHCA Number 10014

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **8**

Total # Monitored: **6**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **216** Meeting a Required Set-Aside Credit Amount*: \$1,396,089

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$2,000,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Granbury Seniors, TDHCA Number 10018

BASIC DEVELOPMENT INFORMATION

Site Address: 1300 N. Meadows Dr. Development #: 10018
 City: Granbury Region: 3 Population Served: Elderly
 County: Hood Zip Code: 76048 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: ARDC Granbury, Ltd.
 Owner Contact and Phone: Ryan Wilson, (210) 694-2223
 Developer: Franklin Development Properties, Ltd.
 Housing General Contractor: Franklin Construction, Ltd.
 Architect: JHP Architecture
 Market Analyst: Butler Burgher Group, L.L.C.
 Syndicator: Hudson Housing Capital, L.L.C.
 Supportive Services: United Apartment Group
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	80	0	0	0	0	
Type of Building:						Total Development Units:	80
<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	23
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,019,323	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Granbury Seniors, TDHCA Number 10018

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22, S Points: 7 US Representative: Edwards, District 17, NC
TX Representative: Keffer, District 60, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Grandbury Housing Authority in the amount of \$950,000, or a commitment from a qualifying substitute source in an amount not less than \$950,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Granbury Seniors, TDHCA Number 10018

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **200** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

La Posada del Rey Apts, TDHCA Number 10020

BASIC DEVELOPMENT INFORMATION

Site Address: 3135 Roosevelt Ave. Development #: 10020
 City: San Antonio Region: 9 Population Served: General
 County: Bexar Zip Code: 78214 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: La Posada 1968, LLC
 Owner Contact and Phone: Jennifer Chester, (850) 443-1316
 Developer: National Community Renaissance Development, Corp
 Housing General Contractor: Genstar Development & Construction, Inc.
 Architect: Michael Gaertner Architects
 Market Analyst: Novogradac & Company, L.L.P.
 Syndicator: Wells Fargo
 Supportive Services: Wedge Management, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	145	
	8	0	65	72	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	26	64	55	0	0	
Type of Building:						Total Development Units:	145
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	37
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,392,259	\$1,392,259			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



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July 29, 2010

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PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Uresti, District 19, NC

Points: 0

US Representative: Rodriguez, District 23, NC

TX Representative: Gutierrez, District 119, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Mission San Jose Neighborhood Association, Armando Cortez

Letter Score: 24 S or O: S

A need to rehabilitate the units at La Posada del Rey to promote safe housing for community members. To enhance the area and for economic revitalization of the area.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



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COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **207** Meeting a Required Set-Aside Credit Amount*: \$1,392,259

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/21/10 PROGRAM: 9% HTC FILE NUMBER: 10020

DEVELOPMENT

La Posada del Rey Apartments

Location: 3135 Roosevelt Ave. Region: 9

City: San Antonio County: Bexar Zip: 78214 OCT DDA

Key Attributes: General, Acquisition/Rehabilitation, At-Risk, Non-Profit

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,392,259			\$1,375,120		

CONDITIONS

- 1 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing facilities, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	65
60% of AMI	60% of AMI	72

STRENGTHS/MITIGATING FACTORS

- 100% of the units are covered by a project-based Section 8 contract.
- The subject is currently 94% occupied and no permanent relocation of tenants is anticipated as a result of the rehabilitation.
- The gross capture rate is 1.5%.

WEAKNESSES/RISKS

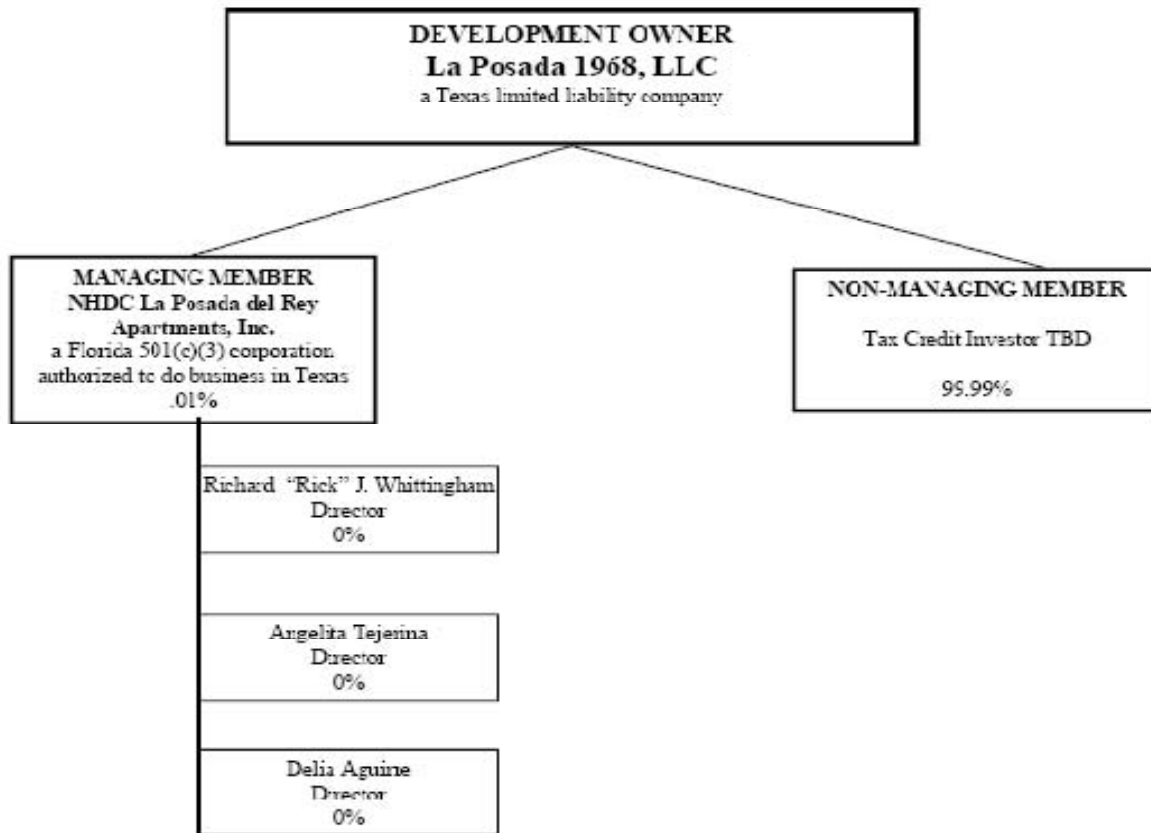
- Applicant appears to have limited to no previous tax credit experience.
- Proposed rents are on average 6% lower than market rents.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

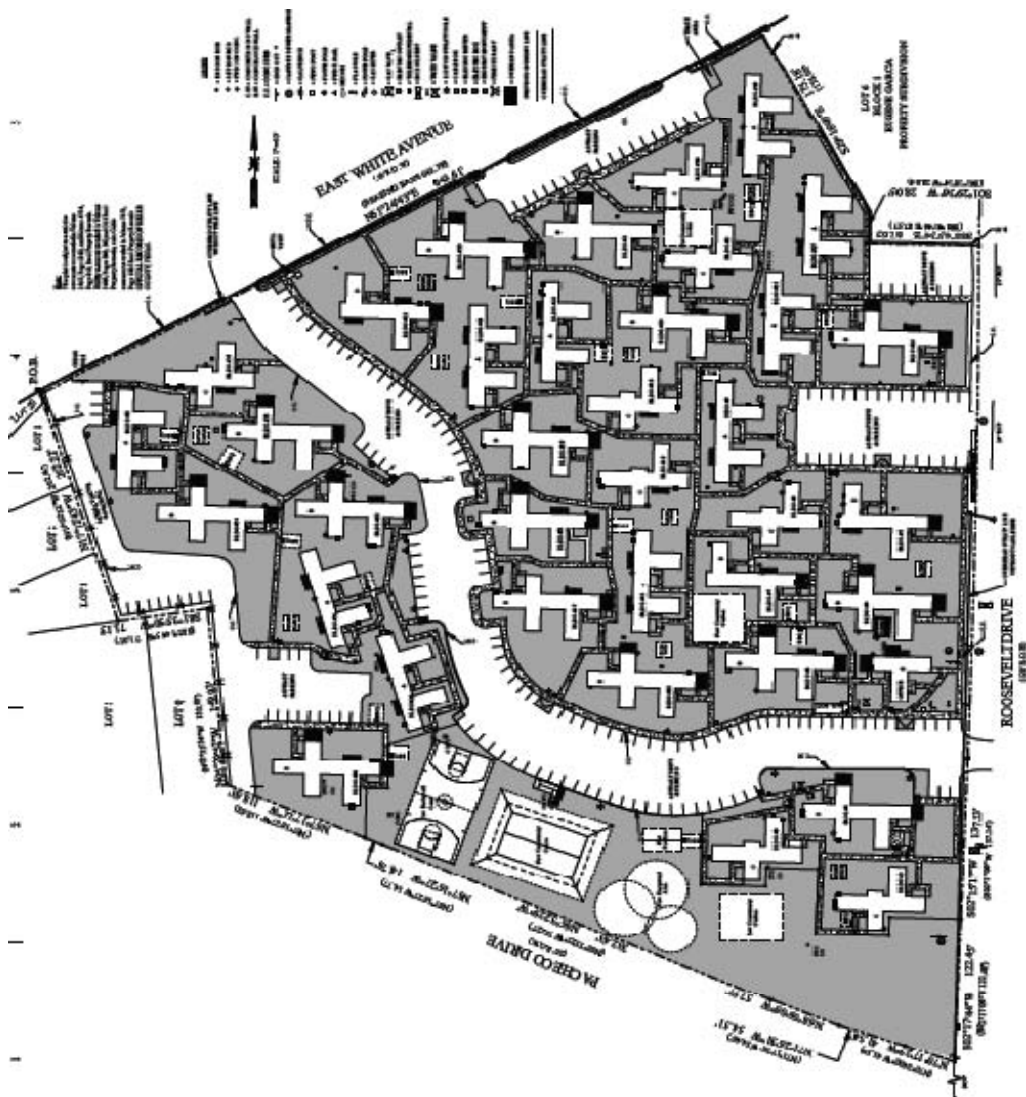
Contact: Jennifer Chester Phone: (850) 443-1316 Fax: (305) 357-6984
 Email: jchester@nationalcore.org

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. This is a common relationship for HTC-funded

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E						Total Buildings
Floors/Stories	2	2	2	2	2						
Number	10	15	8	3	1						37

BR/BA	SF	Units									Total Units	Total SF
1	552	1		2							26	14,352
2	684	2	1	2	4	1					64	43,776
3	840	1	3								55	46,200
Units per Building		4	4	4	4	1					145	104,328

SITE ISSUES

Total Size: 9.321 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: MF Needs to be re-zoned? Yes No N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/27/2010

Overall Assessment:

Excellent
 Acceptable
 Questionable
 Poor
 Unacceptable

Surrounding Uses:

North: <u>East White Ave, commercial &</u>	East: <u>Roosevelt Ave, vacant land &</u>
South: <u>Pacheco Dr & residential</u>	West: <u>East White Ave & Mission Rd, commercial & residential</u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: EMG Date: 2/9/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "This assessment has revealed no evidence of Recognized Environmental Conditions (RECs) or Historical RECs in connection with the Project." (p. 2)
- "EMG previously conducted a Phase I Environmental Site Assessment of the Project in October of 2004 ... Asbestos was detected in the mastic underlying the Project's vinyl floor tile. Consequently, an Asbestos Operations and Maintenance (O&M) Plan was prepared for the Project. The O&M Plan is currently in use at the subject property." (p. 15)
- "The identified asbestos-containing tile mastic is in good condition and can be maintained in place if the existing Operations and Maintenance (O&M) Program continues to be implemented. In addition, suspect asbestos-containing materials in the form of roofing materials and resilient floor tile were not sampled as a part of this assessment. These materials can also be maintained in the O&M Program. A properly designed O&M Program is sufficient to maintain the Project in accordance with current regulatory standards and sound business practice. ACM maintained with an O&M Program can remain in place, provided the ACM remain intact and undisturbed." (p. 3)
- "EMG previously conducted a Phase I Environmental Site Assessment of the Project in October of 2008 ... Based on the date of construction (1968), LBP may have been used at the Project. The painted surfaces were observed to be in good condition with no evidence of chipping, peeling or cracking paint observed ... A Lead-Based Paint Operations and Maintenance (O&M) Plan was prepared by EMG and dated October 28, 2008. The purpose of the O&M was for the Project to maintain LBP/PLBP surfaces in good condition. The O&M was designed to control the creation of lead-contaminated dust; control the scattering (dispersion) of the dust and to minimize lead exposure to building occupants, workers and contractors. The O&M will remain in effect until all LBP has been removed from the Project." (p. 14)
- "Considering the date of construction (1968), LBP may have been used at the Project. The painted surfaces were observed to be in good condition with no evidence of chipping peeling, or cracking paint observed. This type of application can be maintained if the existing Operations and Maintenance (O&M) Program continues to be implemented. A properly developed O&M Program is sufficient to maintain the Project in accordance with current regulatory standards and sound business practice." (p. 3)
- "The building was constructed prior to the 1986 ban on lead drinking water piping and lead solder and flux on copper drinking water piping. While the Project has been renovated multiple times since its initial construction in 1968, no information was available indicating if the renovations included complete gutting and replacement of the plumbing systems since 1986. Therefore, while the water supplied to the site is within applicable standards, there is no specific documentation that the water provided to the residents does not contain elevated lead concentrations. EMG recommends sampling and laboratory analysis of the drinking water at the Project in order to more fully evaluate the potential presence of lead in the water at the Project. Follow-up actions, if any, will be determined as a result of the laboratory analysis." (follow-up letter 7/14/10)

- "The Project is not located within 3,000 feet of a railroad or five miles of a civil airport. However, the Project is located within 1,000 feet of a busy road and within 15 miles of a military airport. The busy road, Roosevelt Avenue, is located adjacent to the east of the Project. The military airport, Kelly Air Force Base, is located approximately 5.15 miles west of the Project. Based on proximity to these sources of noise, the lender may be required to conduct a noise analysis using the HUD Noise Guidebook, and must meet HUD Guidelines with regard to environmental noise." (follow-up letter 7/14/10)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing facilities, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Novogradac & Company, LLP Date: 2/15/2010
 Contact: Andrea Shaw Phone: (512) 340-0420
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 21 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 20 census tracts in southeast San Antonio, south of Interstate 10, between Interstate 35 and US 87.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bexar County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$12,000	---	---	\$0	\$20,000	\$0	\$24,000
2	\$0	\$13,700	---	---	\$0	\$22,900	\$0	\$27,480
3	\$0	\$15,450	---	---	\$0	\$25,750	\$0	\$30,900
4	\$0	\$17,150	---	---	\$0	\$28,600	\$0	\$34,320
5	\$0	\$18,500	---	---	\$0	\$30,900	\$0	\$37,080
6	---	---	---	---	---	---	---	---

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AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None					
Other Affordable Developments in PMA since 2006					
10058	Guild Park Apts	rehab	family	n/a	114
060040	San Jose Apts	rehab	family	n/a	220
060426	Costa Almadena	new	family	n/a	176
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		8	Total Units		1,408

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no unstabilized or proposed comparable developments in the PMA that will impact the demand for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	32,377	32,779
Potential Demand from the Primary Market Area	1,608	9,412
Potential Demand from Other Sources	0	0
GROSS DEMAND	1,608	9,412
Subject Affordable Units	145	145
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	145	145
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	9.0%	1.5%

Demand Analysis:

The Market Analyst has calculated demand assuming households would need to meet a minimum income to be considered qualified. Based on this, the Market Analyst identified Gross Demand for 1,608 units, and a Gross Capture Rate of 9.0% for the subject 145 units.

Since all units at the subject are covered by a Section 8 HAP contract, the minimum qualifying income is effectively zero. The Underwriter identified Gross Demand for 9,412 units, and a Gross Capture Rate of 1.5%.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

Moreover, as existing Affordable Housing that is more than 50% occupied and will offer a leasing preference to current tenants, the Gross Capture Rate limit is not a criterion for feasibility for the subject application.

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UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	112	4	0	4%	171	4	0	2%
1 BR/50%	221	13	0	6%	264	13	0	5%
1 BR/60%	285	9	0	3%	166	9	0	5%
2 BR/30%	127	2	0	2%	215	2	0	1%
2 BR/50%	231	27	0	12%	166	27	0	16%
2 BR/60%	331	35	0	11%	276	35	0	13%
3 BR/30%	98	2	0	2%	125	2	0	2%
3 BR/50%	290	25	0	9%	196	25	0	13%
3 BR/60%	313	28	0	9%	192	28	0	15%

Primary Market Occupancy Rates:

The market study presents data on four LIHTC comparable properties, and five market rate properties. "The vacancy rates of the comparable properties range from 1.2 percent to 14.6 percent. The overall vacancy average is 7.3 percent. The average vacancy rate of the LIHTC comparables is 6.5 percent. The average vacancy rate of the market rate comparables is 8.5 percent." (pp. 49-50)

Absorption Projections:

"Only one of the comparable properties was able to provide absorption information. Costa Cadiz Apartments, a LIHTC comparable, opened in 2005 and reported an absorption pace of 16 units per month, for an absorption period of approximately 11 months. Additionally, three of the four LIHTC comparables in the market are currently reporting occupancies of 94 percent or higher. If the Subject was 100 percent vacant and had to re-lease units, without the HAP contract in place, we would estimate an absorption rate of 12 units per month, for an absorption period of approximately 12 months. It should be noted that this absorption analysis is hypothetical because the tenants at the Subject will remain in place during renovations and there will be no re-tenanting required." (p. 48)

Market Impact:

"The Subject property is currently operating at a stabilized occupancy of approximately 94 percent and there is limited turnover anticipated as a result of the renovation. Thus, we do not believe the renovation of the Subject will adversely impact this LIHTC comparables." (p. 52)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 2 Date of Last Applicant Revision: 6/28/2010

The Development is currently under a Rental Assistance agreement with the US Department of Housing and Urban Development. The terms of the agreement state that all 145 units are covered under the Section 8 HAP contract. The Applicant's projected rents collected per unit are based on the current HAP rents, as of May 1, 2010. Tenants will be responsible for electric & gas utility costs only.

The Applicant's secondary income is in line with current TDHCA underwriting guidelines; however, the Applicant uses a slightly lower vacancy and collection loss assumption of 6%. The development's actual operating history appears to support the standard 7.5% figure; therefore the Underwriter has utilized the standard vacancy loss figure of 7.5%. Despite the differences in vacancy, effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 7/1/2010

The Applicant's total annual operating expense projection at \$4,331 per unit is within 5% of the Underwriter's estimate of \$4,222, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Applicant's estimate of general & administrative is 50% higher than the Underwriter's estimate based on the TDHCA database; however, actual operating history of the development appears to support the lower database figure. The Underwriter's estimate of payroll & payroll tax is based on the IREM database which is in line with the Applicant's estimate, and is therefore considered reasonable. Of note, the actual operating history appears to be slightly inflated due to additional maintenance contracts for the prior year.

Repairs & maintenance and water, sewer & trash are 19% & 17% lower than the Underwriter's current estimate respectively; however, it is reasonable to assume that following extensive rehabilitation, the development would operate more efficiently, thus reducing repairs and maintenance and utility expenses.

Also of note, the Applicant's estimate of property tax is 6% higher than the Underwriter's estimate; however, the Underwriter's estimate of \$32K/unit is based on a 10% cap rate and substantiated by NOI.

Finally, the GP, NHDC La Posada del Rey Apartments, Inc. is a 501(c)(3) non-profit organization and as such would qualify for a property tax exemption. If the property were to secure a 50% or 100%, the impact on the NOI would warrant adjustment to the permanent loan amount in order to maintain maximum feasibility. Based on the Underwriter's analysis of these two scenarios, the development appears to remain financially feasible. The Underwriter's analysis assumes the development will have full property tax expense as reflected in the application. However, if it is determined at cost certification that the development obtained a property tax exemption, an adjustment to the credit allocation amount may be warranted.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.22, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>Novogradac & Company</u>	Date:	<u>3/10/2010</u>
Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	9.32 acres	<u>\$730,000</u>	As of: <u>12/3/2009</u>
Existing Buildings: (as-is)		<u>\$2,070,000</u>	As of: <u>12/3/2009</u>
Total Development: (as-is)		<u>\$2,800,000</u>	As of: <u>12/3/2009</u>

ASSESSED VALUE

Land Only:	9.32 acres	<u>\$537,390</u>	Tax Year:	<u>2010</u>
Existing Buildings:		<u>\$4,017,610</u>	Valuation by:	<u>Bexar CAD</u>
Total Assessed Value:		<u>\$4,555,000</u>	Tax Rate:	<u>2.789597</u>

EVIDENCE of PROPERTY CONTROL

Type: Deed of Trust Acreage: 9.321
Contract Expiration: N/A Valid Through Board Date? [X] Yes [] No
Acquisition Cost: \$4,200,000 Other: The general partner purchased the property from La Posada, Ltd. In 2005. Therefore, this is an identity of interest transaction.
Seller: La Posada, Ltd. Related to Development Team? [] Yes [X] No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant has claimed a total site acquisition cost of \$2.9M. The Applicant provided a settlement statement dated April 12, 2005 reflecting a total purchase price of \$4.2M for the Subject property. The claimed site cost of \$311,125 per acre or \$20K per unit is assumed to be reasonable. The Underwriter's acquisition cost has been limited to the lesser of the appraised value or the original acquisition cost plus holding costs.

Of note, The Applicant has estimated eligible building basis of \$2,030,000 or 70% of the total acquisition price. However, the 2010 Real Estate Analysis Rules state: "In no instance will the acquisition cost utilized by the Underwriter exceed the lesser of the original acquisition cost evidenced by clause (ii)(I) of this subparagraph plus costs identified in clause (ii)(II)(-b-) of this subparagraph, or the "as-is" value conclusion evidenced by clause (ii)(II)(-a-) of this subparagraph." The submitted appraisal indicates an 'as is' valuation for 8.2 acres of \$2.8M. In a follow-up email dated June 29, 2010, the Appraiser clarified, "After reviewing the survey for the Subject property, which reflects a slight increase in the total area of the site to approximately 9.321 acres, we have determined that there would be no change to the values reported by Novogradac in the original appraisal report dated March 10, 2010."

Therefore, the Underwriter deducted the appraisal concluded land value of \$730K from the 'as-is' appraised acquisition value to arrive at an eligible building acquisition basis of \$2,070,000.

Sitework Cost:

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$3,495 per unit, which is generally consistent with the estimate in the proposed work write-up/Property Condition Assessment (PCA).

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$50K or 1% lower than the estimate provided in the Property Condition Assessment (PCA). The underwriting analysis will reflect the PCA value.

Contingency & Contractor Fees:

The Applicant's eligible contingency costs were adjusted down by \$1 to meet the Department guideline of 5% of eligible sitework and direct construction costs for new construction developments. The Applicant's contractor fees exceed the 14% maximum allowed by HTC guidelines by a total of \$12,541 based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs.

This section intentionally left blank.

Developer Fees:

The Applicant's estimate of eligible developer fee exceeds limitations outlined in the REA rules. Pursuant to §1.32(e)(7)(B)(i) of the REA rules, "the allocation of eligible developer fee in calculating rehabilitation / new construction Tax Credits will not exceed 15% of the rehabilitation / new construction basis less developer fees." Additionally, §1.32(e)(7)(B)(ii) of the REA rules states that no developer fee may be claimed in acquisition eligible basis for identity of interest transactions.

The Applicant did not attribute any portion of the developer fee to acquisition eligible basis, but rather attributed all fee to rehabilitation / new construction eligible basis. Because rehabilitation / new construction eligible developer fee is limited to 15% of rehabilitation / new construction eligible basis less developer fee, the Applicant's claimed eligible developer fee is overstated by \$299,629. This reduction resulted in the recommended reduction to the tax credit allocation.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$13,203,932 supports annual tax credits of \$1,375,120. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: JP Morgan Chase Type: Interim to Permanent Financing

Interim: \$8,787,027 Interest Rate: 6.00% Fixed Term: 24 months
 Permanent: \$3,775,396 Interest Rate: 9.50% Fixed Amort: 360 months

Comments:

The Interim Rate Index is LIBOR + 350 bps with an underwriting rate of 6%. The term sheet indicates an alternate rate of Chase Bank Floating Rate plus 1%. The Underwriter assumed a rate equal to the underwriting rate of 6%. The Permanent Rate Index will be fixed at a spread over the 10 Year Treasury, and was underwritten at 9.5%. The term on the permanent loan will be 18 years.

Source: Wells Fargo Type: Syndication

Proceeds: \$10,023,263 Syndication Rate: 72% Anticipated HTC: \$ 1,392,259

Amount: \$801,002 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$3,775,396 indicates the need for \$10,824,266 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,503,521 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,375,120
Allocation determined by gap in financing:	\$1,503,521
Allocation requested by the Applicant:	\$1,392,259

The allocation amount determined by the eligible basis calculation is recommended. A tax credit allocation of \$1,375,120 per year for 10 years results in total equity proceeds of \$9,899,875 at a syndication rate of \$0.72 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$924,391 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

Underwriter:	_____	Date:	_____ July 21, 2010 _____
	<i>Diamond Unique Thompson</i>		
Manager of Real Estate Analysis:	_____	Date:	_____ July 21, 2010 _____
	<i>Audrey Martin</i>		
Director of Real Estate Analysis:	_____	Date:	_____ July 21, 2010 _____
	<i>Brent Stewart</i>		

UNIT MIX/RENT SCHEDULE

La Posada del Rey Apartments, San Antonio, 9% HTC #10020

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	San Antonio	# Beds	# Units	% Total	PROGRAMS:				Sec 8			DEVELOPMENT ACTIVITY:	Acq/Rehab	
COUNTY:	Bexar	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	26	17.9%	Sec 8		\$506	\$625	\$775			EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	9	2	64	44.1%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	55	37.9%								APPLICABLE FRACTION:	100.00%	
IREM REGION:	San Antonio	4										APP % - ACQUISITION:	3.50%	
		TOTAL	145	100.0%								APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS					TDHCA RENTS			OTHER UNIT DESIGNATION	MARKET RENTS		
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Sec 8	Market Rent	TDHCA Savings to Market
TC 30%	Sec 8	4	1	1	552	\$321	\$55	\$266	\$240	\$0.92	\$506	\$2,024	\$2,024	\$506	\$0.92	\$240	\$506	\$600	\$94
TC 50%	Sec 8	13	1	1	552	\$536	\$55	\$481	\$25	\$0.92	\$506	\$6,578	\$6,578	\$506	\$0.92	\$25	\$506	\$600	\$94
TC 60%	Sec 8	9	1	1	552	\$643	\$55	\$588	(\$82)	\$0.92	\$506	\$4,554	\$4,554	\$506	\$0.92	(\$82)	\$506	\$600	\$94
TC 30%	Sec 8	2	2	1	684	\$386	\$68	\$318	\$307	\$0.91	\$625	\$1,250	\$1,250	\$625	\$0.91	\$307	\$625	\$660	\$35
TC 50%	Sec 8	27	2	1	684	\$643	\$68	\$575	\$50	\$0.91	\$625	\$16,875	\$16,875	\$625	\$0.91	\$50	\$625	\$660	\$35
TC 60%	Sec 8	35	2	1	684	\$772	\$68	\$704	(\$79)	\$0.91	\$625	\$21,875	\$21,875	\$625	\$0.91	(\$79)	\$625	\$660	\$35
TC 30%	Sec 8	2	3	1	840	\$445	\$90	\$355	\$420	\$0.92	\$775	\$1,550	\$1,550	\$775	\$0.92	\$420	\$775	\$800	\$25
TC 50%	Sec 8	25	3	1	840	\$743	\$90	\$653	\$122	\$0.92	\$775	\$19,375	\$19,375	\$775	\$0.92	\$122	\$775	\$800	\$25
TC 60%	Sec 8	28	3	1	840	\$892	\$90	\$802	(\$27)	\$0.92	\$775	\$21,700	\$21,700	\$775	\$0.92	(\$27)	\$775	\$800	\$25
TOTAL:		145				104,328						\$95,781	\$95,781						
AVG:						720				\$20	\$0.92	\$661		\$661	\$0.92	\$20	\$661	\$702	(\$42)
ANNUAL:												\$1,149,372	\$1,149,372						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

La Posada del Rey Apartments, San Antonio, 9% HTC #10020

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$7.17

Other Support Income: \$0.00 Per Unit Per Month

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50% (\$104,726)

Employee or Other Non-Rental Units or Concessions 0

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	Jun 09 - May 10		PER SQ FT	PER UNIT	% OF EGI	
General & Administrative	4.74%	\$351	0.49	48,018	\$50,964	\$76,201	\$0.73	\$526	6.98%
Management	5.00%	\$371	0.52	48,567	53,735	55,555	0.53	383	5.09%
Payroll & Payroll Tax	13.45%	\$997	1.39	194,683	144,565	144,285	1.38	995	13.21%
Repairs & Maintenance	4.68%	\$347	0.48	50,288	50,288	40,667	0.39	280	3.72%
Utilities	1.48%	\$109	0.15	15,856	15,856	15,345	0.15	106	1.41%
Water, Sewer, & Trash	5.79%	\$429	0.60	62,172	62,172	51,818	0.50	357	4.74%
Property Insurance	3.14%	\$233	0.32	33,732	33,732	33,774	0.32	233	3.09%
Property Tax 2.789597	11.67%	\$865	1.20	121,982	125,392	134,794	1.29	930	12.34%
Reserve for Replacements	4.05%	\$300	0.42	43,500	43,500	43,500	0.42	300	3.98%
TDHCA Compliance Fees	0.54%	\$40	0.06	5,800	5,800	5,800	0.06	40	0.53%
Other: Security	2.44%	\$181	0.25	26,187	26,187	26,187	0.25	181	2.40%
TOTAL EXPENSES	56.96%	\$4,222	\$5.87	\$650,784.29	\$612,191	\$627,925	\$6.02	\$4,331	57.50%
NET OPERATING INC	43.04%	\$3,190	\$4.43		\$462,511	\$464,207	\$4.45	\$3,201	42.50%

DEBT SERVICE

JP Morgan Chase	\$380,947	\$380,964
Second Lien	\$0	\$0
Additional Financing	\$0	\$0
Additional Financing	0	0
Additional Financing	0	0
TOTAL DEBT SERVICE	380,947	380,964
NET CASH FLOW	\$81,564	\$83,243
AGGREGATE DEBT COVERAGE RATIO	1.21	1.22
RECOMMENDED DEBT COVERAGE RATIO		1.22

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		19.18%	\$19,310	\$26.84	\$2,800,000	\$2,900,000	\$27.80	\$20,000	19.86%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		3.81%	\$3,840	\$5.34	556,755	506,755	4.86	3,495	3.47%
Direct Construction		43.39%	\$43,688	\$60.72	6,334,690	6,284,690	60.24	43,343	43.05%
Contingency	9.85%	4.65%	\$4,684	\$6.51	679,145	679,145	6.51	4,684	4.65%
Contractor's Fees	12.54%	6.50%	\$6,548	\$9.10	949,444	949,444	9.10	6,548	6.50%
Indirect Construction		4.00%	\$4,025	\$5.59	583,646	583,646	5.59	4,025	4.00%
Ineligible Costs		1.02%	\$1,028	\$1.43	149,000	149,000	1.43	1,028	1.02%
Developer's Fees	14.76%	11.88%	\$11,966	\$16.63	1,735,000	1,735,000	16.63	11,966	11.88%
Interim Financing		3.96%	\$3,986	\$5.54	578,000	578,000	5.54	3,986	3.96%
Reserves		1.60%	\$1,614	\$2.24	233,982	233,982	2.24	1,614	1.60%
TOTAL COST		100.00%	\$100,687.32	\$139.94	\$14,599,662	\$14,599,662	\$139.94	\$100,687	100.00%
Construction Cost Recap		58.36%	\$58,759	\$81.67	\$8,520,034	\$8,420,034	\$80.71	\$58,069	57.67%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
JP Morgan Chase	25.86%	\$26,037	\$36.19	\$3,775,396	\$3,775,396	\$3,775,396	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0	0	0	\$1,435,371
Wells Fargo	68.65%	\$69,126	\$96.07	10,023,263	10,023,263	9,899,875	% of Dev. Fee Deferred
Deferred Developer Fees	5.49%	\$5,524	\$7.68	801,002	801,002	924,391	64%
Additional (Excess) Funds Req'd	0.00%	\$0	\$0.00	1	1	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$14,599,662	\$14,599,662	\$14,599,662	\$1,296,744

MULTIFAMILY COMPARATIVE ANALYSIS (continued)
La Posada del Rey Apartments, San Antonio, 9% HTC #10020

DIRECT CONSTRUCTION COST ESTIMATE
Marshall & Swift Residential Cost Handbook

PROPOSED PAYMENT COMPUTATION

JP Morgan Chase	\$3,775,396	Amort	360
Int Rate	9.50%	DCR	1.21
Second Lien			
Int Rate	\$0	Amort	
		Subtotal DCR	1.21
Additional Financii			
Int Rate	\$0	Amort	
		Aggregate DCR	1.21
Additional Financii			
Int Rate	\$0	Amort	
		Subtotal DCR	1.21
Additional Financii			
Int Rate	\$0	Amort	
		Aggregate DCR	1.21

RECOMMENDED FINANCING STRUCTURE
APPLICANT'S NOI:

JP Morgan Chase	\$380,947
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$380,947

JP Morgan Chase	\$3,775,396	Amort	360
Int Rate	9.50%	DCR	1.22
Second Lien			
Int Rate	\$0	Amort	0
	0.00%	Subtotal DCR	1.22
Additional Financii			
Int Rate	\$0	Amort	0
	0.00%	Aggregate DCR	1.22
Additional Financii			
Int Rate	\$0	Amort	0
	0.00%	Subtotal DCR	1.22
Additional Financii			
Int Rate	\$0	Amort	0
	0.00%	Aggregate DCR	1.22

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,149,372	\$1,172,359	\$1,195,807	\$1,219,723	\$1,244,117	\$1,373,606	\$1,516,572	\$1,674,418	\$2,041,106
Secondary Income	12,468	12,717	12,972	13,231	13,496	14,900	16,451	18,164	22,141
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,161,840	1,185,077	1,208,778	1,232,954	1,257,613	1,388,506	1,533,023	1,692,581	2,063,247
Vacancy & Collection Loss	(69,708)	(88,881)	(90,658)	(92,472)	(94,321)	(104,138)	(114,977)	(126,944)	(154,744)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,092,132	\$1,096,196	\$1,118,120	\$1,140,482	\$1,163,292	\$1,284,368	\$1,418,046	\$1,565,638	\$1,908,504
EXPENSES at 3.00%									
General & Administrative	\$76,201	\$78,487	\$80,841	\$83,266	\$85,764	\$99,424	\$115,260	\$133,618	\$179,572
Management	55,555	55761.9018	56,877	58,015	59,175	65,334	72,134	79,642	97,083
Payroll & Payroll Tax	144,285	148,613	153,072	157,664	162,394	188,259	218,243	253,004	340,016
Repairs & Maintenance	40,667	41,887	43,144	44,438	45,772	53,062	61,513	71,311	95,835
Utilities	15,345	15,805	16,279	16,767	17,270	20,021	23,210	26,907	36,160
Water, Sewer & Trash	51,818	53,372	54,974	56,623	58,321	67,611	78,379	90,863	122,112
Insurance	33,774	34,787	35,831	36,906	38,013	44,068	51,086	59,223	79,591
Property Tax	134,794	138,838	143,003	147,293	151,712	175,875	203,888	236,362	317,651
Reserve for Replacements	43,500	44,805	46,149	47,534	48,960	56,758	65,798	76,278	102,511
TDHCA Compliance Fee	5,800	5,974	6,153	6,338	6,528	7,568	8,773	10,170	13,668
Other	26,187	26,973	27,782	28,615	29,474	34,168	39,610	45,919	61,711
TOTAL EXPENSES	\$627,925	\$645,303	\$664,104	\$683,459	\$703,382	\$812,147	\$937,895	\$1,083,296	\$1,445,910
NET OPERATING INCOME	\$464,207	\$450,893	\$454,016	\$457,024	\$459,910	\$472,221	\$480,152	\$482,342	\$462,594
DEBT SERVICE									
First Lien Financing	\$380,947	\$380,947	\$380,947	\$380,947	\$380,947	\$380,947	\$380,947	\$380,947	\$380,947
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$83,260	\$69,946	\$73,069	\$76,077	\$78,963	\$91,275	\$99,205	\$101,395	\$81,647
DEBT COVERAGE RATIO	1.22	1.18	1.19	1.20	1.21	1.24	1.26	1.27	1.21

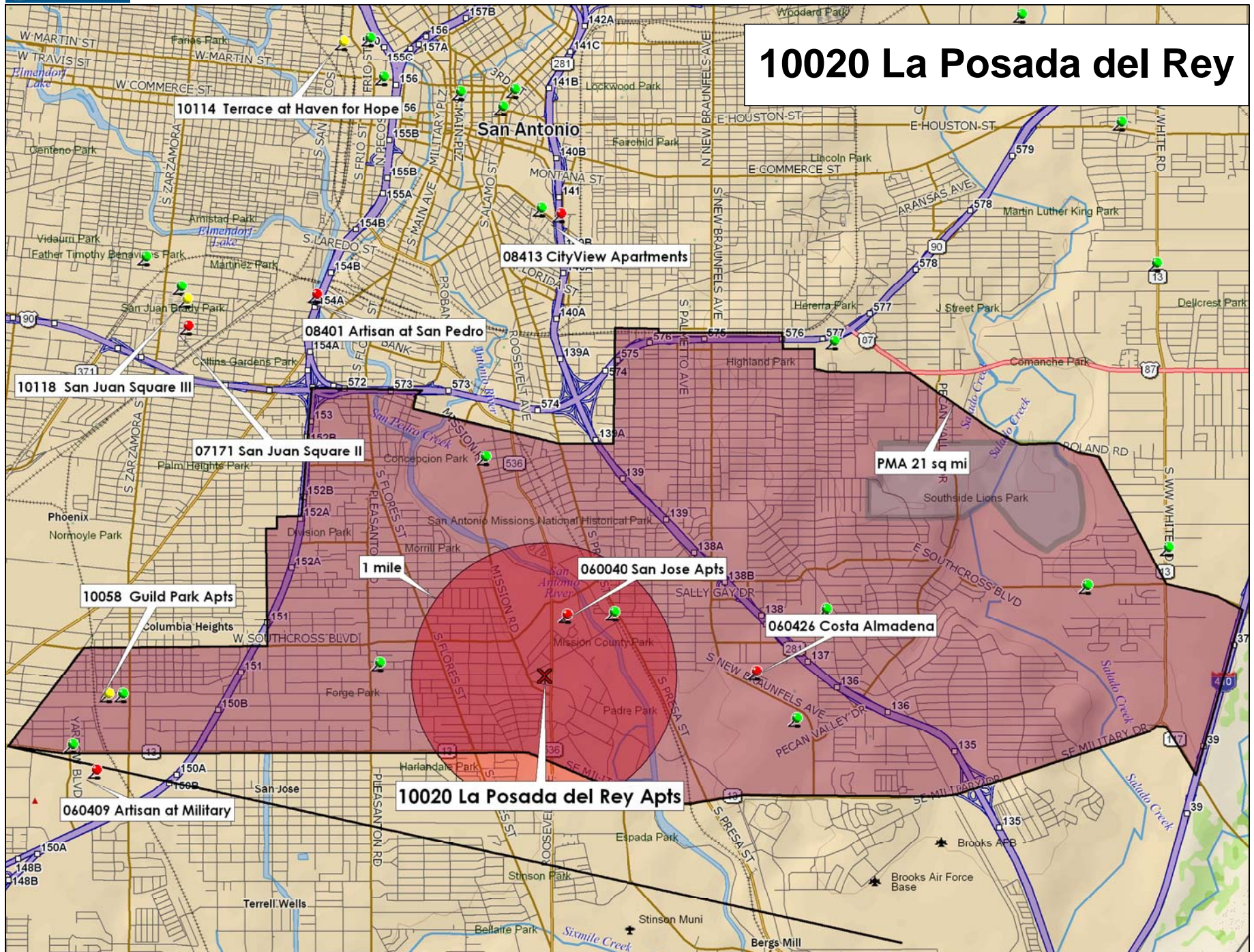
HTC ALLOCATION ANALYSIS -La Posada del Rey Apartments, San Antonio, 9% HTC #10020

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$870,000	\$730,000				
Purchase of buildings	\$2,030,000	\$2,070,000	\$2,030,000	\$2,070,000		
Off-Site Improvements						
Sitework	\$506,755	\$556,755			\$506,755	\$556,755
Construction Hard Costs	\$6,284,690	\$6,334,690			\$6,284,690	\$6,334,690
Contractor Fees	\$949,444	\$949,444			\$936,903	\$949,444
Contingencies	\$679,145	\$679,145			\$679,145	\$679,145
Eligible Indirect Fees	\$583,646	\$583,646			\$583,646	\$583,646
Eligible Financing Fees	\$578,000	\$578,000			\$578,000	\$578,000
All Ineligible Costs	\$149,000	\$149,000				
Developer Fees						
Developer Fees	\$1,735,000	\$1,735,000			\$1,435,371	\$1,452,252
Development Reserves	\$233,982	\$233,982				
TOTAL DEVELOPMENT COSTS	\$14,599,662	\$14,599,662	\$2,030,000	\$2,070,000	\$11,004,509	\$11,133,932

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$2,030,000	\$2,070,000	\$11,004,509	\$11,133,932
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$2,030,000	\$2,070,000	\$14,305,862	\$14,474,112
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$2,030,000	\$2,070,000	\$14,305,862	\$14,474,112
Applicable Percentage			3.50%	3.50%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$71,050	\$72,450	\$1,287,528	\$1,302,670

Syndication Proceeds	0.7199	\$511,509	\$521,588	\$9,269,272	\$9,378,287
Total Tax Credits (Eligible Basis Method)				\$1,358,578	\$1,375,120
Syndication Proceeds				\$9,780,781	\$9,899,875
Requested Tax Credits				\$1,392,259	
Syndication Proceeds				\$10,023,263	
Gap of Syndication Proceeds Needed				\$10,824,266	\$10,824,266
Total Tax Credits (Gap Method)				\$1,503,521	\$1,503,521
Recommended Tax Credits				1,375,120	
Syndication Proceeds				\$9,899,875	

10020 La Posada del Rey

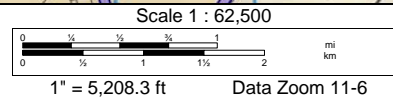


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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Presidio Dolores Apts, TDHCA Number 10022

BASIC DEVELOPMENT INFORMATION

Site Address: 12473 Cuatro Aces Circle Development #: 10022
 City: San Elizario Region: 13 Population Served: General
 County: El Paso Zip Code: 79849 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Presidio Dolores Apartments, LP
 Owner Contact and Phone: Albert Davalos, (575) 882-3554
 Developer: YES Housing, Inc.
 Housing General Contractor: Pavilion Construction
 Architect: IDEA Consultants
 Market Analyst: Prior & Associates
 Syndicator: Bank of America Merrill Lynch
 Supportive Services: San Elizario Independent School District
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	0	0	33	3	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	8	18	10	0	
Type of Building:						Total Development Units:	36
<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	18
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$725,184	\$725,184			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Presidio Dolores Apts, TDHCA Number 10022

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Uresti, District 19, NC

Points: 0

US Representative: Reyes, District 16, NC

TX Representative: Quintanilla, District 75, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 1

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 4

YES Housing, Development Community, S, Michelle Den Bleyker, Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Presidio Dolores Apts, TDHCA Number 10022

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **0**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **161** Meeting a Required Set-Aside Credit Amount*: \$725,184

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when Rural tax credits are collapsed.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Burkburnett Pioneer Crossing for Seniors, TDHCA Number 10023

BASIC DEVELOPMENT INFORMATION

Site Address: 109 Williams Dr. Development #: 10023
 City: Burkburnett Region: 2 Population Served: Elderly
 County: Wichita Zip Code: 76354 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Burkburnett Seniors, LP
 Owner Contact and Phone: Noor Jooma, (214) 253-2444
 Developer: Accent Developers, L.L.C.
 Housing General Contractor: Urban Progress, CDC
 Architect: Wright Group Architects Planners, PLLC
 Market Analyst: Mark C. Temple & Associates, L.L.C.
 Syndicator: Michel and Associates
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	40	40	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	16
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	4

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$927,718	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Burkburnett Pioneer Crossing for Seniors, TDHCA Number 10023

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Estes, District 30, NC

Points: 0 US Representative: Thornberry, District 13, NC

TX Representative: Farabee, District 69, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 4

Grace Ministries, S, Jerry Johnson, Board Member

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$1.8M in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1.8M, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$200,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$200,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Burkburnett Pioneer Crossing for Seniors, TDHCA Number 10023

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **205** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended due to \$2 million cap violation.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Canutillo Palms, TDHCA Number 10024

BASIC DEVELOPMENT INFORMATION

Site Address: Parcel directly South of Canutillo High School. 200 ft West of I-1 Development #: 10024
 City: El Paso Region: 13 Population Served: General
 County: El Paso Zip Code: 79932 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Canutillo Palms, LTD
 Owner Contact and Phone: R.L. "Bobby" Bowling IV, (915) 821-3550
 Developer: Tropicana Building Corporation
 Housing General Contractor: Tropicana Building Corporation
 Architect: ARTchitecture
 Market Analyst: Powers Group
 Syndicator: The Richman Group
 Supportive Services: Tropicana Properties
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	172
	9 0 78 85	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 20 68 72 12 0	Total Development Units:	172
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	43
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Canutillo Palms, TDHCA Number 10024

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Shapleigh, District 29, S

Points: 7

US Representative: Reyes, District 16, NC

TX Representative: Moody, District 78, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 1

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of El Paso for the \$185,000 in-kind contribution, or a commitment from a qualifying substitute source in an amount not less than \$185,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the City of El Paso in the amount of \$370,000, or a commitment from a qualifying substitute source in an amount not less than \$370,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Canutillo Palms, TDHCA Number 10024

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **192** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Silverleaf at Chandler II, TDHCA Number 10026

BASIC DEVELOPMENT INFORMATION

Site Address: 801 FM 2010 Development #: 10026
 City: Chandler Region: 4 Population Served: Elderly
 County: Henderson Zip Code: 75758 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: SilveLeaf at Chandler II, LP
 Owner Contact and Phone: J Michael Sugrue, (903) 887-4344
 Developer: StoneLeaf Development, L.L.C.
 Housing General Contractor: StoneLeaf, Inc.
 Architect: Architettura, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: National Equity Fund, Inc.
 Supportive Services: Texas Inter-Faith Supportive Services, Inc
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	44	
	3	0	20	21	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	20	24	0	0	0	
Type of Building:						Total Development Units:	44
<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	22
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	9

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$518,601	\$518,601			
HOME Activity Fund Amount:	\$1,539,272	\$1,539,272	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Silverleaf at Chandler II, TDHCA Number 10026

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, NC Points: 0 US Representative: Hensarling, District 5, NC
TX Representative: Brown, District 4, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
S, Ronny Lawrence, Commissioner, Pct. 3

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Northwest Chandler Neighborhood Alliance, Marshall Crawford, Jr. Letter Score: 24 S or O: S

Additionally, the development would attract needed growth in our area of the city which has been somewhat stagnant through the years, while the rest of the city has been considerable expansion of new homes and businesses.

The proposed site of the development is well placed and would be accessed from FM 2010 which is a well maintained road, and would not cause an undue increase in throughtraffic in our neighborhood.

Northwest Chandler Neighborhood Alliance, Marshall Crawford, Jr. Letter Score: 24 S or O: S

The city of Chandler has a shortage of housing available for senior adults, particularly those with limited income. The addition of the proposed development, with its smaller floor plans, maintained yards and common areas would be a welcome and needed addition to our community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$1,539,272 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1,539,272, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.

2. Receipt of a firm commitment of funding from the Chandler Area Economic Development Corporation in the amount of \$140,000, or a commitment from a qualifying substitute source in an amount not less than \$140,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Silverleaf at Chandler II, TDHCA Number 10026

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: \$518,601

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$1,539,272

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Huntington at Greenville, TDHCA Number 10027

BASIC DEVELOPMENT INFORMATION

Site Address: 300 Block S. Greenville Ave. and Main St. Development #: 10027
 City: Allen Region: 3 Population Served: Elderly
 County: Collin Zip Code: 75002 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Allen Huntington Partners, Ltd.
 Owner Contact and Phone: Mark Musemeche, (713) 522-4141
 Developer: MGroup, L.L.C.
 Housing General Contractor: NRP Contractors, L.L.C.
 Architect: MGroup + Architects, Inc.
 Market Analyst: O'Connor & Associates
 Syndicator: N/A
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	114
	6	0	51	57	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	61	53	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	114
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,387,546	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Huntington at Greenville, TDHCA Number 10027

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Shapiro, District 8, NC

Points: 0

US Representative: Hall, District 4, NC

TX Representative: Paxton, District 70, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$700,000, or a commitment from a qualifying substitute source in an amount not less than \$700,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Allen and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Allen in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Huntington at Greenville, TDHCA Number 10027

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **207** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Pecan Ridge, TDHCA Number 10028

BASIC DEVELOPMENT INFORMATION

Site Address: NWC of Milam and 15th St. Development #: 10028
 City: Texarkana Region: 4 Population Served: General
 County: Bowie Zip Code: 75501 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Pecan Ridge at RoseHill, LP
 Owner Contact and Phone: Naomi Byrne, (903) 838-8548
 Developer: Pecan Ridge at RoseHill GP, L.L.C./Printice L. Gary
 Housing General Contractor: Carleton Construction, Ltd.
 Architect: BGO Architects, Inc.
 Market Analyst: Integra Realty Resources
 Syndicator: National Equity Fund
 Supportive Services: Housing Authority of the City of Texarkana
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	124	
	7	0	56	61	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	32	56	36	0	0	
Type of Building:						Total Development Units:	124
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$18,595,065
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	24
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,953,734	\$1,899,414			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Pecan Ridge, TDHCA Number 10028

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Eltife, District 1, S Points: 14 US Representative: Hall, District 4, NC
TX Representative: Frost, District 1, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Rosehill Neighborhood Improvement Association, Inc., Erma Stenson Letter Score: 24 S or O: S

- 1. The new development will replace old, crime-ridden public housing, and will provide nice new housing for low-income residents. It will also compliment a coming townhome development that will be completed early 2010.
2. The development is in line with the City of Texarkana's improvement initiatives in the area which are quite extensive and represent millions of dollars in investment.
3. The new housing being introduced into this neighborhood will be a magnet for new business development, as retail needs grow with the coming residents.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by Commitment, of a detailed cost breakdown prepared by a Third Party engineer or architect related to the site work costs, and a letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.
2. Receipt, review, and acceptance by Commitment Notice of a firm commitment from City of Texarkana for interim funds describing all terms and conditions of repayment.
3. Receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion clearly establishing that the proposed Texarkana Public Facility Corporation HOPE VI loans can be considered to be a valid debt with the reasonable expectation that they will be repaid in full.
4. Receipt, review, and acceptance by Carryover of satisfactory documentation reporting release of liens held in place on the site, and a nothing further certificate from the title company.
5. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
6. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
7. Receipt, review, and acceptance, by carryover, of evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.
8. Receipt of a firm commitment of funding from the City of Texarkana in the amount of \$975,000, or a commitment from a qualifying substitute source in an amount not less than \$975,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
9. Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Pecan Ridge, TDHCA Number 10028

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **21**

Total # Monitored: **18**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **225** Meeting a Required Set-Aside Credit Amount*: \$1,899,414

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when tax credits are collapsed state-wide.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/20/10 PROGRAM: 9% LIHTC FILE NUMBER: 10028

DEVELOPMENT

Pecan Ridge

Location: NW Corner of Milam & 15th Street Region: 4

City: Texarkana County: Bowie Zip: 75501 OCT DDA

Key Attributes: General, Reconstruction, Urban, Multifamily

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,953,734			\$1,899,414		

CONDITIONS

- 1 Receipt, review, and acceptance, by Commitment, of a detailed cost breakdown prepared by a Third Party engineer or architect related to the site work costs, and a letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.
- 2 Receipt, review, and acceptance by Commitment Notice of a firm commitment from City of Texarkana for interim funds describing all terms and conditions of repayment.
- 3 Receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion clearly establishing that the proposed Texarkana Public Facility Corporation HOPE VI loans can be considered to be a valid debt with the reasonable expectation that they will be repaid in full.
- 4 Receipt, review, and acceptance by Carryover of satisfactory documentation reporting release of liens held in place on the site, and a nothing further certificate from the title company.
- 5 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 6 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- 7 Receipt, review, and acceptance, by carryover, of evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.
- 8 Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	7
50% of AMI	50% of AMI	56
60% of AMI	60% of AMI	61

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

- Overall occupancy in the PMA is 95%, and existing HTC properties are at 96%.
- The gross capture rate is 5% and the capture rate for each unit type is at or below 7%.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

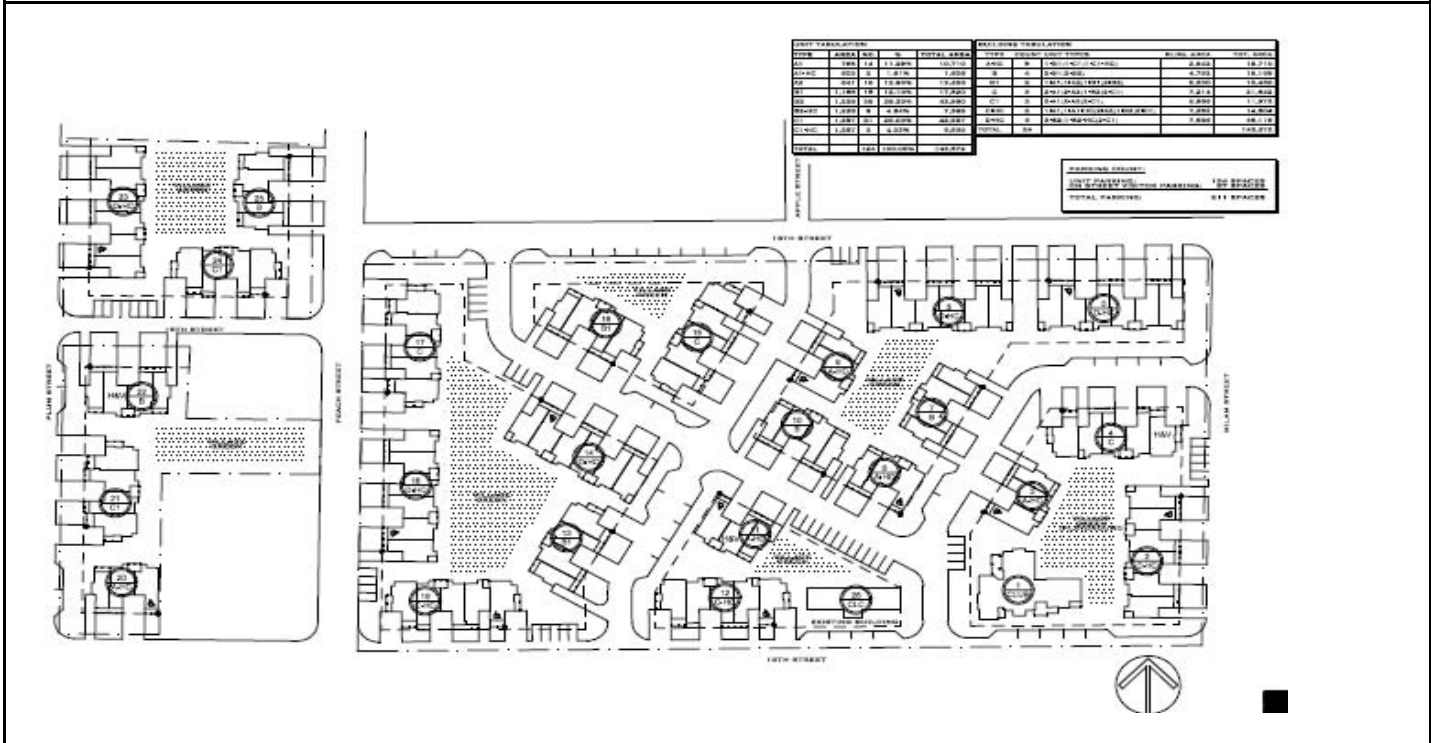
Contact: Naomi Byrne Phone: (903) 838-8548 Fax: (903) 832-2899
 Email: nbyrne@texarkanaha.org

IDENTITIES of INTEREST

- o The Applicant and Developer are related entities. These are common relationships for HTC-funded developments. The supportive services provider is listed as the Housing Authority of the City of Texarkana.
- o The seller is also regarded as a related party to the General Partner (GP) as the GP's board is made up entirely of the seller's board members or employees. The acquisition price will be based upon the lesser of the declared price, the appraised value, or the original acquisition and holding costs. This is discussed at greater length in the construction cost section of this report.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A-HC	B	B1	C	C1	C-HC	D-HC				Total Buildings
Floors/Stories	2	2	2	2	2	2	2				
Number	5	4	2	3	2	2	6				24

BR/BA	SF	Units									Total Units	Total SF
1	765			1	2	2	1				14	10,710
1	803						1				2	1,606
1	841			1	2	2	2				16	13,456
2	1,168	1	2	1							15	17,520
2	1,228		2	2	1		1	3			35	42,980
2	1,228							1			6	7,368
3	1,387	1			2	2	2	2			31	42,997
3	1,387	1									5	6,935
Units per Building		3	4	5	7	6	7	6			124	143,572

Rehabilitation/Reconstruction Activities:

Stevens Courts is an existing 124-unit family development consisting of 14 residential buildings and 1 management/leasing office on approximately 8.2 acres; which has reportedly reached the end of its useful life. The proposed reconstruction activities include the abatement and demolition of all residential buildings which is projected to take about 3 months (September - November 2010). The existing management/leasing office was formerly the Administration Building for the Housing Authority of Texarkana and this building will be abated and rehabilitated in order to house a small museum to the former development (Steven Courts) and two other developments in Texarkana as requested by the State Historical Preservation Office. This building will also house a computer learning center. The proposed development will include the same number of units (124) and the City has added additional land to bring the total site up to 10.26 acres. The new development will consist of 24 residential buildings, 1 clubhouse/leasing office, and the preserved/rehabilitated Administration Building (museum/computer center).

Tenant Relocation Plan:

The Applicant has included \$212,291 in tenant relocation expenses. The Housing Authority of Texarkana, Texas (HATT) has provided a comprehensive relocation plan which combines several planned rehabilitation/reconstruction developments within Bowie County. Overall, HATT expects approximately 124 families to be displaced from the existing Stevens Courts development during the Summer of 2010. Excerpt from the HATT Relocation Plan:

"The construction of new residential units will occur in five phases and include a combination of 529 public housing and tax credit rental units, and 25 affordable homeownership units scattered on sites throughout the Rosehill neighborhood. The first 120 rental units were recently completed in fall 2008 with Renaissance Plaza – a new building built on a vacant parcel that did not require resident relocation. Phase 2 (Covington), which consists of 126 affordable rental units, is completed as of spring 2010. Phase 3 (Stevens Courts) will total 124 affordable units and construction will begin in Q1 2011. Phase 4 will consist of 25 homeownership units for sale to low income households in the City of Texarkana. It will be constructed concurrently with Griff King and Stevens Courts rental developments. Construction on Phase 5 (Griff King) will begin in Q2 2012 and will include 120-158 units. The redevelopment will be completed by Q3 2013 and the grant will closeout in 2013."

SITE ISSUES

Total Size:	<u>10.26</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>Zone X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>MF-1</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

TDHCA SITE INSPECTION

Inspector: TDHCA Manufactured Housing Staff Date: 4/6/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North:	<u>Residential, Businesses</u>	East:	<u>Residential, Businesses</u>
South:	<u>Residential, Businesses</u>	West:	<u>Residential, Businesses</u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Alpha testing, Inc. Date: 3/24/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the Site." (p. 3)
- "Based on the age of the (existing) facilities (pre circa 1940s) and the Site reconnaissance, asbestos containing materials (ACM), lead-based paint (LBP), and lead-in-drinking water are considered to be potentially present at the Site." (p. 2)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.

MARKET ANALYSIS

Provider: Integra Realty Resources DFW Date: 3/19/2010
 Contact: Jon Cruse Phone: (972) 960-1222
 Number of Revisions: none Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 155 sq. miles 7 mile equivalent radius
 The Primary Market Area is defined by 17 census tracts encompassing Texarkana, Texas and Texarkana, Arkansas.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bowie County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$10,850	---	---	\$0	\$18,100	\$0	\$21,720
2	\$0	\$12,400	---	---	\$0	\$20,700	\$0	\$24,840
3	\$0	\$13,950	---	---	\$0	\$23,250	\$0	\$27,900
4	\$0	\$15,500	---	---	\$0	\$25,850	\$0	\$31,020
5	\$0	\$16,750	---	---	\$0	\$27,900	\$0	\$33,480
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
07164	Oaks at Rose Hill fka Covington Townhomes	recon	family	126	126
Other Affordable Developments in PMA since 2006					
060050	Renaissance Plaza	new	senior	n/a	120
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		4	Total Units		552

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Market Analyst reports two proposed developments in PMA: Cowhorn Creek at Rosehill and Lakeridge Apts Phase II. Apparently both of these developments had intended to submit applications for the 2010 HTC cycle, but neither actually did. So these are not considered in the underwriting analysis.

Another development, The Oaks at Rosehill (#07164, fka Covington Townhomes) is located less than one mile from the subject. The market study reports this property to be 100% occupied, but Department data indicates it is 94% occupied in April 2010, and has not been at least 90% occupied for 12 consecutive months. The underwriting analysis includes the 126 units at the Oaks at Rosehill in the Capture Rate calculation.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	32,565	32,565
Potential Demand from the Primary Market Area	4,916	5,030
Potential Demand from Other Sources	0	0
GROSS DEMAND	4,916	5,030
Subject Affordable Units	124	124
Unstabilized Comparable Units	188	126
RELEVANT SUPPLY	312	250
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	6.3%	5.0%

Demand Analysis:

The Market Analyst identifies Gross Demand for 4,916 units, and a Gross Capture rate of 6.3% for a total Relevant Supply of 312 units (including the two proposed developments that did not apply). The Underwriter identifies Gross Demand for 5,030 units, and a Gross Capture rate of 5.0% for 250 units (the 124 subject units, and 126 units at the Oaks at Rosehill).

The maximum Gross Capture rate for urban developments targeting family households is 10%. The analysis indicates sufficient demand to support the subject as well as the unstabilized comparable units in the PMA.

Additionally, the subject will be Replacement Housing for existing Affordable Housing; as such, the Gross Capture Rate limit is not a criterion for feasibility.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	688	2		not reported	4,229	2	4	0%
1 BR/50%	727	14		not reported	6,293	14	0	0%
1 BR/60%	400	16		not reported	632	16	28	7%
2 BR/30%	462	3		not reported	8,770	3	10	0%
2 BR/50%	609	23		not reported	11,978	23	0	0%
2 BR/60%	179	30		not reported	7,649	30	84	1%
3 BR/30%	295	2		not reported	2,356	2	0	0%
3 BR/50%	458	19		not reported	5,292	19	0	0%
3 BR/60%	145	15		not reported	3,473	15	0	0%

Primary Market Occupancy Rates:

The market study reports that "the average occupancy for the supply of multifamily properties within the subject's PMA is 95% ... (and) the average occupancy for the supply of LIHTC properties within the subject's PMA is 96%." (pp. 46-48)

Absorption Projections:

"We were able to obtain absorption information on two LIHTC projects within the PMA. Chapel Ridge – Phase II, which consists of 72 units (mix of market rent and income and rent restricted units), opened in November 2004 and reached stabilized occupancy five months later. This equates to an absorption pace of approximately 13 units per month. Lakeridge Apartments, which consists of 112 units (100% income and rent restricted), opened in November 2004 and reached stabilized occupancy ten months later. This equates to an absorption pace of approximately 11 units per month. Based the preceding, a new property, the size of the subject as proposed with 124 units, is likely to be absorbed within 12 months of opening, equating to an absorption pace of approximately 10 units per month. (p. 50)

Market Impact:

"The subject is located in an area with above average occupancy levels, below (average) rents, and two new LIHTC projects, other than the subject, forecast to come online within the next 24 months ... we conclude there to be sufficient unmet demand to support the development of the subject." (summary of conclusions)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

HTC-Only Units: The Applicant's current rent schedule reflects that 94 units are tax credit only units with projected rents collected per unit calculated by subtracting tenant-paid utility allowances as maintained by the Housing Authority of Texarkana, Texas from the 2009 housing tax credit program rent limits. Tenants will be required to pay for electric utility expenses while the development will cover water, sewer, and trash related expenses.

Public Housing Units: The remaining 30 units will be considered public housing units (PHUs). According to the Applicant, for the 30 PHUs, the Housing Authority will be executing an Operating Subsidy Agreement which covers the 30 PHUs to be reconstructed. Under the agreement, HUD pays an annual operating subsidy equal to the difference between operating expenses for the PHUs and the amount of rent for tenants earning less than 30% of the Area Median Family Income (AMFI), but in no event shall the rent charged to tenants exceed the operating subsidy paid to the Housing Authority by HUD on a per unit basis. In calculating the income, the subsidy will be equal to the public housing units' prorated share of expenses less the tenant contribution, and no debt can be serviced by the PHUs. The Underwriter used the same rents as reported by the Applicant for the PHUs. However, these rents did not yield enough income to completely offset the PHUs' pro rata share of operating expenses; therefore, the Underwriter included in secondary income an amount of public housing subsidy necessary to cover the remaining pro rata PHU operating expenses. This resulted in overall effective gross income being within 5% of the Applicant's projection.

Secondary income is estimated at \$5/unit/month (or \$7,440 annually) for telephone and vending machine fees collected. Current secondary income guidelines allow for \$5 to \$20/unit/month; however, the Underwriter used a conservative assumption that secondary income would not be collected on the public housing units. Therefore, for this development the Underwriter compared the maximum amount of secondary income allowed (\$20/unit/month) for the 94 HTC-only units to the Applicant's secondary income figure. Since the Applicant is using the minimum secondary income figure of \$5/unit/month the Underwriter is able to include the Applicant's projection of \$7,440 in annual secondary income.

Vacancy and collection losses of -7.5% are assumed.

The Applicant's secondary income and vacancy and collection loss assumptions are within current TDHCA guidelines.

2009 HTC Rent Limits were utilized in this analysis per current underwriting guidelines. 2009 HTC rents compared to 2010 HTC rents and PHU rents reported by the Applicant for the subject will result in a potential increase of \$7,410 annually for gross rents collected.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 6/11/2010

The Applicant's total annual operating expense projection per unit of \$3,469 is within 5% of the Underwriter's estimate of \$3,514 per unit. The Applicant's projected expense to income ratio is 62.89% which is below the 65% limit for initial feasibility requirements. The Underwriter's expense estimates are derived from TDHCA, IREM database figures, and an operating budget for a completed, comparable development, #07164/08901 - Covington Townhomes (aka - The Oaks at Rosehill).

For payroll, the Underwriter utilized the IREM average, as it was comparable to the Applicant's estimate, which was based on the operating budget for a comparable development. The normal methodology for estimating utilities yielded estimates higher than the Applicant's projection; however, the Underwriter relied on the operating budget for the comparable development, Covington Townhomes, in determining an estimate of utility expenses (including water, sewer, and trash). The Applicant's estimate of replacement reserve expense, \$300 per unit per year, is 20% higher than the Underwriter's estimate. The Underwriter's estimate is equal to \$250 per unit per year, which is consistent with the Department's guidelines for new construction, and consistent with Sterling Bank's requirement.

Of note, the Applicant has indicated that the development will receive a property tax exemption. The Applicant did not provide documentation from the taxing jurisdiction to support this claim; however, based on the ownership of the property by the Housing Authority, the Underwriter has also assumed that the development will be tax exempt. However, this report is conditioned on receipt, review, and acceptance, by Carryover, of evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are all within 5% of the Underwriter's estimates; therefore, the Applicant's year one operating pro forma will be used to determine the development's debt capacity. The Applicant's estimated debt service is within 1% (or \$872 less than) of the Underwriter's calculation. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.34, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>Integra Realty Resources</u>	Date:	<u>3/19/2010</u>
Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only: 10.26 acres	<u>\$510,000</u>	As of:	<u>3/2/2010</u>
Existing Buildings: (as-is)	<u>\$0</u>	As of:	<u>3/2/2010</u>
Total Development: (as-is)	<u>\$510,000</u>	As of:	<u>3/2/2010</u>

ASSESSED VALUE

Land Only: 10.312 acres	<u>\$187,727</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>\$1,232,912</u>	Valuation by:	<u>Bowie CAD</u>
Total Assessed Value:	<u>\$1,420,639</u>	Tax Rate:	<u>2.34589</u>

Comments:

The difference in total acreage between the appraisal and CAD is due to land reserved for "right of way" which is accounted for in the appraisal district's overall acreage calculation, but is not accounted for in the Applicant's overall acreage calculation. The boundary survey reports tract I being 8.194 acres and tract being 2.066 acres for a total of 10.260 acres.

EVIDENCE of PROPERTY CONTROL

Type: Contract for Lease Acreage: 10.26
 Contract Expiration: 12/31/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$500,000 Other: _____
 Seller: Housing Authority of the City of Texarkana, Texas Related to Development Team? Yes No

Comments:
 The Contract for Lease describes an upfront capitalized payment of \$500,000 and a lease term of 99 years with no annual lease payment required.
 The seller is a related-party to the lease transaction as the General Partner's board is made up entirely of the seller's board members or employees.
 A portion of the development site is reported on Bowie CAD as being owned by Union Hill Missionary Baptist Church. The Applicant purchased this land for future expansion during the reconstruction activities on 1/14/2010 as evidenced by two General Warranty Deeds. These lots are included in the overall site acreage of 10.26 and encumbered by the Contract for Lease.

TITLE

Comments:
 Demolition Lien filed for record on July 31, 2003, executed by Philip Ball, Director of Public Works for the City of Texarkana, Texas to Union Hill Missionary Baptist Church in the amount of \$2,187.44 and recorded in Volume 4055, Page 163 of the Real Property Records of Bowie County, Texas. (As to Lot 6 & Pt. Lot 7, Byrd Addition) (NO RELEASE FILED OF RECORD AT THIS TIME.)
 Abstract of Judgment dated June 22, 2007, wherein the plaintiff, Citibank (South Dakota) N.A. recovered judgment against the defendant, Rose H. Stewart the amount of \$9,250.72, said Abstract of Judgment recorded in Volume 5183, Page 201 of the Real Property Records of Bowie County, Texas. (As to Lot 3, Elk 2, Norwood Addition).

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 4 Date of Last Applicant Revision: 7/19/2010

Acquisition Value:
 The controlling Housing Authority is the current owner of the property, therefore the transaction represents an identity of interest. According to the Applicant, because the acquisition of the subject property took place in 1953, the Applicant was not able to provide a settlement statement for the original land purchase; however, the Applicant did submit original property ledgers used in the audited financials for the property, indicating an original acquisition cost of \$37,426, and utilized a return on equity calculation for the land at a rate of 5% of the original purchase price to substantiate the claimed acquisition cost.
 The submitted documentation was insufficient to allow the Underwriter to establish the original acquisition cost for the purpose of calculating an identity of interest acquisition cost pursuant to REA rules. However, REA rules allow a 10% return on original acquisition costs and holding costs. Applying a 10% rate of return to a transaction completed in 1953, an original purchase price of approximately \$2,400 would be enough to substantiate an acquisition cost of \$500K. The Underwriter considers it reasonable to assume that since 1953, the Housing Authority has made investments in the property of sufficient size to, with a 10% return, substantiate a current acquisition cost of \$500K.
 The submitted Contract for Lease executed January 8, 2010 indicates the owner (Housing Authority of the City of Texarkana) grants an option to lease the subject site to Pecan Ridge at Rosehill, LP (the Applicant) at an upfront payment of \$500,000 for a term of 99 years; there is no annual lease payment.
 The Applicant's claimed value of \$500K for the 10.260-acre site is below the appraised value (\$510K) and a return of 5% per year; therefore the Applicant's acquisition value of \$500,000 has been used for this analysis. This value represents \$48,733/acre or \$4,032/unit.

Site Work Cost:

The Applicant's claimed site work costs of \$14,736 exceed \$9,000 per unit; therefore, third party engineer and CPA documentation is required. The required documentation has not been provided as of the date of this report. The Underwriter has assumed that the Applicant's estimate of eligible sitework costs can be substantiated. However, this report is conditioned on receipt, review, and acceptance, by Commitment, of a detailed cost breakdown prepared by a Third Party engineer or architect, and a letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$548K or 7.3% higher than the Underwriter's Marshall & Swift derived estimate. Of note, the Applicant supplied a General Contractor's Final G702/703 for a comparable property completed by an affiliate of the Applicant. The final costs as reflected in the G702/703 were in line with the Underwriter's Marshall & Swift-derived estimate.

Ineligible Costs:

The Applicant has estimated \$500,000 for demolition costs associated with the reconstruction.

Interim Interest Expense:

The Applicant overstated one year's worth of fully drawn interim loan interest by \$424,400; therefore the eligible basis was adjusted by an equivalent amount.

Contingency & Fees:

The Applicant overstated the Developer Fee by \$51,354; therefore the eligible basis calculation was reduced by an equivalent amount.

Reserves:

The syndicator (NEF) requires Lease-up Reserves of \$100K and an Operating Deficit Reserve of \$300K to be funded by the Owner at closing. The Applicant has estimated \$600K for the total reserve fund, and provided a lease-up schedule to substantiate \$245,350 in lease-up reserves; therefore the Underwriter has included the syndicator's required \$300K operating reserve plus the Applicant's projected lease-up reserve of \$245,350 for a total reserve amount of \$545,350.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible OCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$16,234,311 and the 9% applicable percentage rate supports annual tax credits of \$1,899,414. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

<i>SOURCES & USES</i>		Number of Revisions:	<u>1</u>	Date of Last Applicant Revision:	<u>3/26/2010</u>
Source:	<u>Sterling Bank</u>	Type:	<u>Interim Financing</u>		
Principal:	<u>\$9,000,000</u>	Interest Rate:	<u>5.5%</u>	<input type="checkbox"/> Fixed	Term: <u>30</u> months
Source:	<u>Sterling Bank</u>	Type:	<u>Permanent Financing</u>		
Principal:	<u>\$1,959,168</u>	Interest Rate:	<u>9.0%</u>	<input checked="" type="checkbox"/> Fixed	Amort: <u>360</u> months

Comments:

\$9M will be available for interim financing at a rate of "Prime floating + 1% subject to a minimum all in rate of 5.50% for an expected term up to 30 months, and is anticipated to be repaid with LIHTC equity proceeds.

Permanent loan rate to be locked no later than construction loan closing. The commitment letter dated 2/22/10 states a fixed rate of 9% underwriting rate of interest based on market conditions at that time. The loan will carry a term of 15 years with principle and interest payments based on a 30 year amortization schedule with a balloon payment due upon maturity. The Owner will be required to fund and Operating Deficit Reserve equal to 6 months of the higher of actual or underwritten operating expenses (including replacement reserves) and debt service. The commitment is contingent upon TDHCA allocation of an LIHTC award.

Source: City of Texarkana Type: Interim Loan

Principal: \$975,000 Interest Rate: Short-Term AFR Fixed Amort: 12 months

Comments:

The Applicant has applied for these funds from the City for a short-term loan not to exceed 1 year, to be repaid upon maturity at the current short term AFR. This report will be conditioned upon a firm commitment of these funds from the City of Texarkana with terms clearly defined.

Source: Texarkana Public Facility Corporation Type: Interim to Permanent Loan (HOPE VI)

Principal: \$400,000 Interest Rate: AFR Fixed Term: 45 years

Comments:

The Applicant has received a commitment for an interim to permanent loan, with an interest rate equal to the long term AFR, and a term of 45 years. During the interim phase the loan will require monthly interest only payments, payable through cash flow. The loan will accrue interest at long-term AFR (3.94% as of this report). Upon stabilization and funding of the permanent senior lien financing, the entire outstanding balance owed will be amortized over 45 years, and shall be payable through available cash flow, with the entire outstanding balance and all accrued and unpaid interest due at maturity. The current terms are conditioned upon closing on or before 12/31/10. These loans are being made with funds which will be granted to the Lender by the HATT and HOPE VI funds granted to HATT by the HUD.

Source: Texarkana Public Facility Corporation Type: Interim to Permanent Loan (HOPE VI)

Principal: \$3,392,808 Interest Rate: AFR Fixed Term: 45 years

Comments:

The Applicant has received a commitment for an interim to permanent loan, with an interest rate equal to the long term AFR, and a term of 45 years. During the interim phase the loan will require monthly interest only payments, payable through cash flow. The loan will accrue interest at long-term AFR (3.94% as of this report). Upon stabilization and funding of the permanent senior lien financing, the entire outstanding balance owed will be amortized over 45 years, and shall be payable through available cash flow, with the entire outstanding balance and all accrued and unpaid interest due at maturity. The current terms are conditioned upon closing on or before 12/31/10. These loans are being made with funds which will be granted to the Lender by the HATT and HOPE VI funds granted to HATT by the HUD.

Ability to Repay Permanent Loans from Texarkana Public Facility Corporation:

The recommended financing structure indicates insufficient cash flow to repay the proposed Texarkana Public Facility Corporation loans. Because the ultimate source of these funds is federal (HOPE VI), if the loans cannot be repaid and therefore treated as valid debt, the amount of the loans must be removed from eligible basis. Because of this, this report is conditioned upon receipt, review, and acceptance, by Cost Certification, of an attorney or CPA opinion clearly establishing that the proposed Texarkana Public Facility Corporation HOPE VI loans can be considered to be a valid debt with the reasonable expectation that they will be repaid in full.

Source: National Equity Fund, Inc. (NEF) Type: Syndication

Proceeds: \$ 12,698,003 Syndication Rate: 65% Anticipated HTC: \$ 1,953,734

Comments:

The syndicator will require the project to capitalize reserves for lease-up of \$100K and an operating reserve (long-term) of \$300K.

Amount: \$145,087 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the total permanent loans of \$5,751,976 indicates the need for \$12,843,089 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,976,057 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<u>Allocation determined by eligible basis:</u>	<u>\$1,899,414</u>
Allocation determined by gap in financing:	\$1,976,057
Allocation requested by the Applicant:	\$1,953,734

The allocation amount determined by the Underwriter's calculation of the eligible basis is recommended. A tax credit allocation of \$1,899,414 per year for 10 years results in total equity proceeds of \$12,344,961 at a syndication rate of \$0.65 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$498,128 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cash flow within 15 years of stabilized operation.

Underwriter:	<u>Colton Sanders</u>	Date:	<u>July 20, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>July 20, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 20, 2010</u>

UNIT MIX/RENT SCHEDULE

Pecan Ridge, Texarkana, 9% LIHTC #10028

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS			
CITY:	Texarkana	# Beds	# Units	% Total	PROGRAMS:										
COUNTY:	Bowie	Eff			Rent Limit	Eff	1	2	3	4	Total Units	DEVELOPMENT ACTIVITY:			
SUB-MARKET:		1	32	25.8%	PHU		\$247	\$247	\$247		30	REVENUE GROWTH:	2.00%		
PROGRAM REGION:	4	2	56	45.2%								EXPENSE GROWTH:	3.00%		
RURAL RENT USED:	No	3	36	29.0%								HIGH COST ADJUSTMENT:			
IREM REGION:		4										APPLICABLE FRACTION:	100.00%		
		TOTAL	124	100.0%	MISC		\$0	\$0	\$0			APP % - ACQUISITION:			
												APP % - CONSTRUCTION:			

UNIT MIX / MONTHLY RENT SCHEDULE																			
UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	PHU	Market Rent	TDHCA Savings to Market
TC 30%	PHU	1	1	1	765	\$290	\$67	\$223	\$24	\$0.32	\$247	\$247	\$247	\$247	\$0.32	\$24	\$247	\$555	\$308
TC 50%	PHU	3	1	1	765	\$485	\$67	\$418	(\$171)	\$0.32	\$247	\$741	\$741	\$247	\$0.32	(\$171)	\$247	\$555	\$308
TC 50%		4	1	1	765	\$485	\$67	\$418	\$0	\$0.55	\$418	\$1,672	\$1,672	\$418	\$0.55	\$0		\$555	\$137
TC 60%		6	1	1	765	\$582	\$67	\$515	\$0	\$0.67	\$515	\$3,090	\$3,090	\$515	\$0.67	\$0		\$555	\$40
TC 60%		2	1	1	803	\$582	\$67	\$515	\$0	\$0.64	\$515	\$1,030	\$1,030	\$515	\$0.64	\$0		\$570	\$55
TC 30%	PHU	1	1	1	841	\$290	\$67	\$223	\$24	\$0.29	\$247	\$247	\$247	\$247	\$0.29	\$24	\$247	\$585	\$338
TC 50%	PHU	3	1	1	841	\$485	\$67	\$418	(\$171)	\$0.29	\$247	\$741	\$741	\$247	\$0.29	(\$171)	\$247	\$585	\$338
TC 50%		4	1	1	841	\$485	\$67	\$418	\$0	\$0.50	\$418	\$1,672	\$1,672	\$418	\$0.50	\$0		\$585	\$167
TC 60%		8	1	1	841	\$582	\$67	\$515	\$0	\$0.61	\$515	\$4,120	\$4,120	\$515	\$0.61	\$0		\$585	\$70
TC 30%	PHU	1	2	1.5	1,168	\$348	\$82	\$266	(\$19)	\$0.21	\$247	\$247	\$247	\$247	\$0.21	(\$19)	\$247	\$745	\$498
TC 50%	PHU	4	2	1.5	1,168	\$581	\$82	\$499	(\$252)	\$0.21	\$247	\$988	\$988	\$247	\$0.21	(\$252)	\$247	\$745	\$498
TC 50%		5	2	1.5	1,168	\$581	\$82	\$499	\$0	\$0.43	\$499	\$2,495	\$2,495	\$499	\$0.43	\$0		\$745	\$246
TC 60%		5	2	1.5	1,168	\$697	\$82	\$615	\$0	\$0.53	\$615	\$3,075	\$3,075	\$615	\$0.53	\$0		\$745	\$130
TC 30%	PHU	2	2	2	1,228	\$348	\$82	\$266	(\$19)	\$0.20	\$247	\$494	\$494	\$247	\$0.20	(\$19)	\$247	\$775	\$528
TC 50%	PHU	2	2	2	1,228	\$581	\$82	\$499	(\$252)	\$0.20	\$247	\$494	\$494	\$247	\$0.20	(\$252)	\$247	\$775	\$528
TC 50%		12	2	2	1,228	\$581	\$82	\$499	\$0	\$0.41	\$499	\$5,988	\$5,988	\$499	\$0.41	\$0		\$775	\$276
TC 60%		25	2	2	1,228	\$697	\$82	\$615	\$0	\$0.50	\$615	\$15,375	\$15,375	\$615	\$0.50	\$0		\$775	\$160
TC 30%	PHU	2	3	2	1,387	\$403	\$104	\$299	(\$52)	\$0.18	\$247	\$494	\$494	\$247	\$0.18	(\$52)	\$247	\$855	\$608
TC 50%	PHU	11	3	2	1,387	\$671	\$104	\$567	(\$320)	\$0.18	\$247	\$2,717	\$2,717	\$247	\$0.18	(\$320)	\$247	\$855	\$608
TC 50%		8	3	2	1,387	\$671	\$104	\$567	\$0	\$0.41	\$567	\$4,536	\$4,536	\$567	\$0.41	\$0		\$855	\$288
TC 60%		15	3	2	1,387	\$806	\$104	\$702	\$0	\$0.51	\$702	\$10,530	\$10,530	\$702	\$0.51	\$0		\$855	\$153
TOTAL:		124				143,572						\$60,993	\$60,993						
AVG:						1,158			(\$50)	\$0.42	\$492			\$492	\$0.42	(\$50)	\$60	\$742	(\$250)
ANNUAL:												\$731,916	\$731,916						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Pecan Ridge, Texarkana, 9% LIHTC #10028

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$5.00
Other Support Income: PHU Subsidy		
Other Support Income:		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

TDHCA	APPLICANT
\$731,916	\$731,916
7,440	7,440
16,496	0
	0
\$755,852	\$739,356
(56,689)	(55,452)
0	0
\$699,163	\$683,904

\$5.00	Per Unit Per Month
\$0.00	Per Unit Per Month
\$0.00	Per Unit Per Month
-7.50%	of Potential Gross Income

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EGI	
General & Administrative	6.06%	\$342	0.30	\$42,395	\$30,568	\$0.21	\$247	4.47%
Management	5.00%	\$282	0.24	34,958	34,195	0.24	276	5.00%
Payroll & Payroll Tax	25.87%	\$1,459	1.26	180,901	185,441	1.29	1,495	27.12%
Repairs & Maintenance	5.32%	\$300	0.26	37,190	35,290	0.25	285	5.16%
Utilities	3.39%	\$191	0.16	23,668	19,826	0.14	160	2.90%
Water, Sewer, & Trash	5.49%	\$310	0.27	38,381	40,020	0.28	323	5.85%
Property Insurance	2.96%	\$167	0.14	20,667	21,000	0.15	169	3.07%
Property Tax	2.34589	\$0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements	4.43%	\$250	0.22	31,000	37,200	0.26	300	5.44%
TDHCA Compliance Fees	0.71%	\$40	0.03	4,960	4,960	0.03	40	0.73%
Other: Security & Supp. Serv.	3.09%	\$174	0.15	21,600	21,600	0.15	174	3.16%
TOTAL EXPENSES	62.32%	\$3,514	\$3.03	\$435,720	\$430,100	\$3.00	\$3,469	62.89%
NET OPERATING INC	37.68%	\$2,125	\$1.83	\$263,443	\$253,804	\$1.77	\$2,047	37.11%

DEBT SERVICE

Sterling Bank	\$189,167	\$190,039
Texarkana Public Facility Corp. (HOPE IV)	\$0	\$0
Texarkana Public Facility Corp.	\$0	\$0
City of Texarkana, TX	0	0
TOTAL DEBT SERVICE	189,167	190,039
NET CASH FLOW	\$74,276	\$63,765
AGGREGATE DEBT COVERAGE RATIO	1.39	1.34
RECOMMENDED DEBT COVERAGE RATIO		1.34

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		2.80%	\$4,032	\$3.48	\$500,000	\$500,000	\$3.48	\$4,032	2.69%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		10.23%	\$14,736	\$12.73	1,827,227	1,827,227	12.73	14,736	9.83%
Direct Construction		41.84%	\$60,239	\$52.03	7,469,668	8,017,422	55.84	64,657	43.12%
Contingency	5.22%	2.72%	\$3,914	\$3.38	485,348	485,348	3.38	3,914	2.61%
Contractor's Fees	14.00%	7.67%	\$11,044	\$9.54	1,369,514	1,373,620	9.57	11,078	7.39%
Indirect Construction		8.37%	\$12,055	\$10.41	1,494,791	1,494,791	10.41	12,055	8.04%
Ineligible Costs		6.77%	\$9,753	\$8.42	1,209,400	1,209,400	8.42	9,753	6.50%
Developer's Fees	15.00%	11.40%	\$16,409	\$14.17	2,034,740	2,168,873	15.11	17,491	11.66%
Interim Financing		5.14%	\$7,406	\$6.40	918,384	918,384	6.40	7,406	4.94%
Reserves		3.05%	\$4,398	\$3.80	545,350	600,000	4.18	4,839	3.23%
TOTAL COST		100.00%	\$143,987.27	\$124.36	\$17,854,422	\$18,595,065	\$129.52	\$149,960	100.00%
Construction Cost Recap		62.46%	\$89,934	\$77.67	\$11,151,757	\$11,703,617	\$81.52	\$94,384	62.94%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Sterling Bank	10.97%	\$15,800	\$13.65	\$1,959,168	\$1,959,168	\$1,959,168	Developer Fee Available
Texarkana Public Facility Corp. (HOPE IV)	19.00%	\$27,361	\$23.63	3,392,808	3,392,808	3,392,808	\$2,117,519
Texarkana Public Facility Corp.	2.24%	\$3,226	\$2.79	400,000	400,000	400,000	
National Equity Fund	71.12%	\$102,403	\$88.44	12,698,003	12,698,003	12,344,961	% of Dev. Fee Deferred
Deferred Developer Fees	0.81%	\$1,170	\$1.01	145,087	145,087	498,128	24%
Additional (Excess) Funds Req'd	-4.15%	(\$5,973)	(\$5.16)	(740,644)	(1)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$17,854,422	\$18,595,065	\$18,595,065	\$942,536

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Pecan Ridge, Texarkana, 9% LIHTC #10028

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Town Home Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$60.86	\$8,737,136
Adjustments				
Exterior Wall Finish	0.40%		\$0.24	\$34,949
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.05%		1.86	266,483
Roofing			0.00	0
Subfloor			(0.16)	(22,972)
Floor Cover			2.22	319,089
Breezeways	\$23.05	0	0.00	0
Proches / Balconies	\$21.63	17.617	2.65	381,056
Plumbing Fixtures	\$1,015	13	0.09	13,195
Rough-ins	\$445	124	0.38	55,180
Built-In Appliances	\$2,525	124	2.18	313,100
Internal Stairs	\$1,575	0	0.00	0
Enclosed Corridors	\$50.94	0	0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.86	267,044
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$67.77	6,712	3.17	454,879
Other: fire sprinkler	\$2.25	0	0.00	0
SUBTOTAL			75.36	10,819,138
Current Cost Multiplier	0.99		(0.75)	(108,191)
Local Multiplier	0.86		(10.55)	(1,514,679)
TOTAL DIRECT CONSTRUCTION COSTS			\$64.05	\$9,196,267
Plans, specs, survy, bid prmts	3.90%		(\$2.50)	(\$358,654)
Interim Construction Interest	3.38%		(2.16)	(310,374)
Contractor's OH & Profit	11.50%		(7.37)	(1,057,571)
NET DIRECT CONSTRUCTION COSTS			\$52.03	\$7,469,668

PROPOSED PAYMENT COMPUTATION

Sterling Bank	\$1,959,168	Amort	360
Int Rate	9.00%	DCR	1.39
Texarkana Public Facility Corp. (HOPE IV)	\$3,392,808	Amort	0
Int Rate	3.94%	Subtotal DCR	1.39
Texarkana Public Facility Corp.	\$400,000	Amort	0
Int Rate	3.94%	Aggregate DCR	1.39
City of Texarkana, TX	\$0	Amort	
Int Rate		Subtotal DCR	1.39
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.39

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Sterling Bank	\$189,167
Texarkana Public Facility Corp. (HOPE IV)	0
Texarkana Public Facility Corp.	0
City of Texarkana, TX	0
Additional Financing	0
TOTAL DEBT SERVICE	\$189,167

Sterling Bank	\$1,959,168	Amort	360
Int Rate	9.00%	DCR	1.34
Texarkana Public Facility Corp. (HOPE IV)	\$3,392,808	Amort	0
Int Rate	3.94%	Subtotal DCR	1.34
Texarkana Public Facility Corp.	\$400,000	Amort	0
Int Rate	3.94%	Aggregate DCR	1.34
City of Texarkana, TX	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.34

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

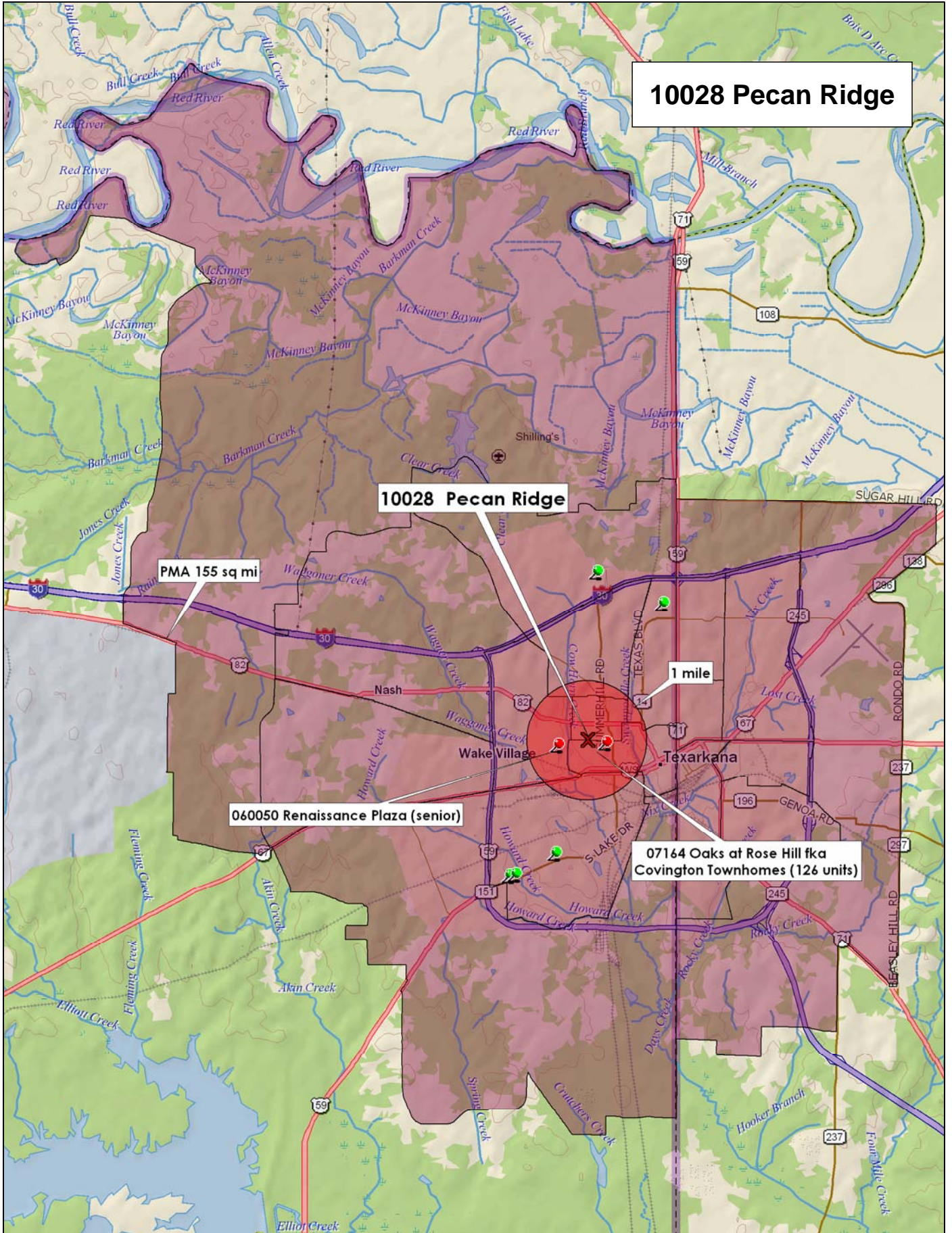
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$731,916	\$746,554	\$761,485	\$776,715	\$792,249	\$874,707	\$965,748	\$1,066,263	\$1,299,769
Secondary Income	7,440	7,589	7,741	7,895	8,053	8,891	9,817	10,839	13,212
Other Support Income: PHU Subt	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	739,356	754,143	769,226	784,611	800,303	883,599	975,565	1,077,102	1,312,981
Vacancy & Collection Loss	(55,452)	(56,561)	(57,692)	(58,846)	(60,023)	(66,270)	(73,167)	(80,783)	(98,474)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$683,904	\$697,582	\$711,534	\$725,765	\$740,280	\$817,329	\$902,397	\$996,319	\$1,214,508
EXPENSES at 3.00%									
General & Administrative	\$30,568	\$31,485	\$32,430	\$33,402	\$34,405	\$39,884	\$46,237	\$53,601	\$72,035
Management	34,195	34,878.9153	35,576	36,288	37,014	40,866	45,120	49,816	60,725
Payroll & Payroll Tax	185,441	191,004	196,734	202,636	208,715	241,958	280,496	325,172	437,004
Repairs & Maintenance	35,290	36,349	37,439	38,562	39,719	46,045	53,379	61,881	83,163
Utilities	19,826	20,421	21,033	21,664	22,314	25,868	29,989	34,765	46,721
Water, Sewer & Trash	40,020	41,221	42,457	43,731	45,043	52,217	60,534	70,175	94,310
Insurance	21,000	21,630	22,279	22,947	23,636	27,400	31,764	36,824	49,488
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	37,200	38,316	39,465	40,649	41,869	48,538	56,268	65,230	87,664
TDHCA Compliance Fee	4,960	5,109	5,262	5,420	5,583	6,472	7,502	8,697	11,689
Other	26,560	27,357	28,178	29,023	29,894	34,655	40,174	46,573	62,590
TOTAL EXPENSES	\$435,060	\$447,770	\$460,854	\$474,324	\$488,191	\$563,904	\$651,464	\$752,735	\$1,005,390
NET OPERATING INCOME	\$248,844	\$249,813	\$250,680	\$251,441	\$252,089	\$253,425	\$250,933	\$243,585	\$209,118
DEBT SERVICE									
First Lien Financing	\$189,167	\$189,167	\$189,167	\$189,167	\$189,167	\$189,167	\$189,167	\$189,167	\$189,167
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$59,677	\$60,646	\$61,513	\$62,274	\$62,922	\$64,258	\$61,766	\$54,418	\$19,951
DEBT COVERAGE RATIO	1.32	1.32	1.33	1.33	1.33	1.34	1.33	1.29	1.11

HTC ALLOCATION ANALYSIS -Pecan Ridge, Texarkana, 9% LIHTC #10028

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$500,000	\$500,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,827,227	\$1,827,227	\$1,827,227	\$1,827,227
Construction Hard Costs	\$8,017,422	\$7,469,668	\$8,017,422	\$7,469,668
Contractor Fees	\$1,373,620	\$1,301,565	\$1,373,620	\$1,301,565
Contingencies	\$485,348	\$485,348	\$485,348	\$485,348
Eligible Indirect Fees	\$1,494,791	\$1,494,791	\$1,494,791	\$1,494,791
Eligible Financing Fees	\$918,384	\$918,384	\$918,384	\$918,384
All Ineligible Costs	\$1,209,400	\$1,209,400		
Developer Fees			\$2,117,519	\$2,024,548
Developer Fees	\$2,168,873	\$2,034,740		
Development Reserves	\$600,000	\$545,350		
TOTAL DEVELOPMENT COSTS	\$18,595,065	\$17,786,473	\$16,234,311	\$15,521,531

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$16,234,311	\$15,521,531
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$21,104,604	\$20,177,990
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$21,104,604	\$20,177,990
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,899,414	\$1,816,019

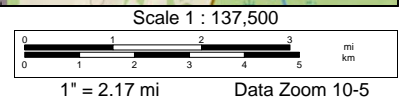
Syndication Proceeds	0.6499	\$12,344,961	\$11,802,946
Total Tax Credits (Eligible Basis Method)		\$1,899,414	\$1,816,019
Syndication Proceeds		\$12,344,961	\$11,802,946
Requested Tax Credits		\$1,953,734	
Syndication Proceeds		\$12,698,003	
Gap of Syndication Proceeds Needed		\$12,843,089	
Total Tax Credits (Gap Method)		\$1,976,057	
Recommended Tax Credits		1,899,414	
Syndication Proceeds		\$12,344,961	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

The Crossing, TDHCA Number 10031

BASIC DEVELOPMENT INFORMATION

Site Address: 3705 E. Lucas Development #: 10031
 City: Beaumont Region: 5 Population Served: Elderly
 County: Jefferson Zip Code: 77708 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: BHA Crossing, LP
 Owner Contact and Phone: Robert L. Reyna, (409) 951-7201
 Developer: Golden Triangle Redevelopment Corp. R. David Kelly
 Housing General Contractor: Carleton Construction, Ltd.
 Architect: Beeler, Guest, Owens Architects, LP
 Market Analyst: Integra Realty Resources
 Syndicator: National Equity Fund
 Supportive Services: Beaumont Housing Authority
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	150
	23 0 52 75	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 126 24 0 0 0	Total Development Units:	150
Type of Building:		Total Development Cost*:	\$14,724,944
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	3
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,592,948	\$1,556,815			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

The Crossing, TDHCA Number 10031

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Williams, District 4, S Points: 7 US Representative: Poe, District 2, NC
TX Representative: Deshotel, District 22, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
2. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for demolition and removal of any such materials.
4. Receipt, review, and acceptance, by TDHCA Commitment of documentation of a loan commitment from City of Beaumont (or an acceptable Alternate source) for the proposed \$775,000.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
6. Receipt of a firm commitment of funding from the City of Beaumont in the amount of \$775,000, or a commitment from a qualifying substitute source in an amount not less than \$775,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

The Crossing, TDHCA Number 10031

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **17**

Total # Monitored: **14**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **201** Meeting a Required Set-Aside Credit Amount*: \$1,556,815

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when tax credits are collapsed state-wide.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/22/10 PROGRAM: HTC 9% FILE NUMBER: 10031

DEVELOPMENT

The Crossing Apartments

Location: 3705 East Lucas Street Region: 5
 City: Beaumont County: Jefferson Zip: 77708 OCT DDA
 Key Attributes: Elderly, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,587,098			\$1,556,815		

CONDITIONS

- 1 Receipt, review, and acceptance, by the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 4 Receipt, review, and acceptance by TDHCA commitment of documentation of a loan commitment from City of Beaumont (or an acceptable alternate source) for the proposed \$775,000.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	23
50% of AMI	50% of AMI	52
60% of AMI	60% of AMI	75

PROS

- Gross capture rate for the tax credit units is 5% and for public housing units is 2%.
- The majority-interest Developer has experience with 2,624 tax credit units in Texas.
- Average occupancy in PMA for all multifamily properties is 97% and average occupancy of LIHTC properties is 99%.

CONS

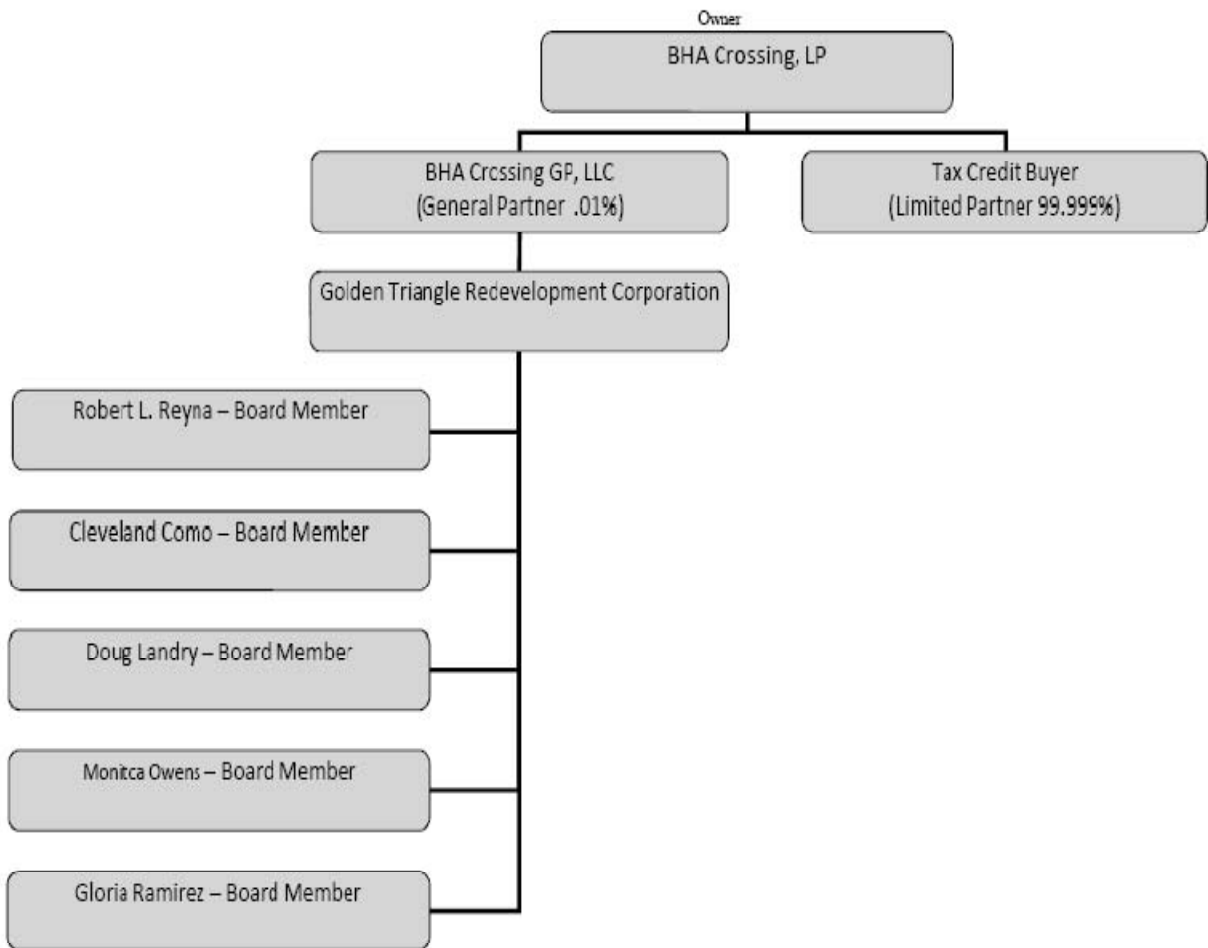
- Deferred developer fee is equal to 97% of 15-year cash flow.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

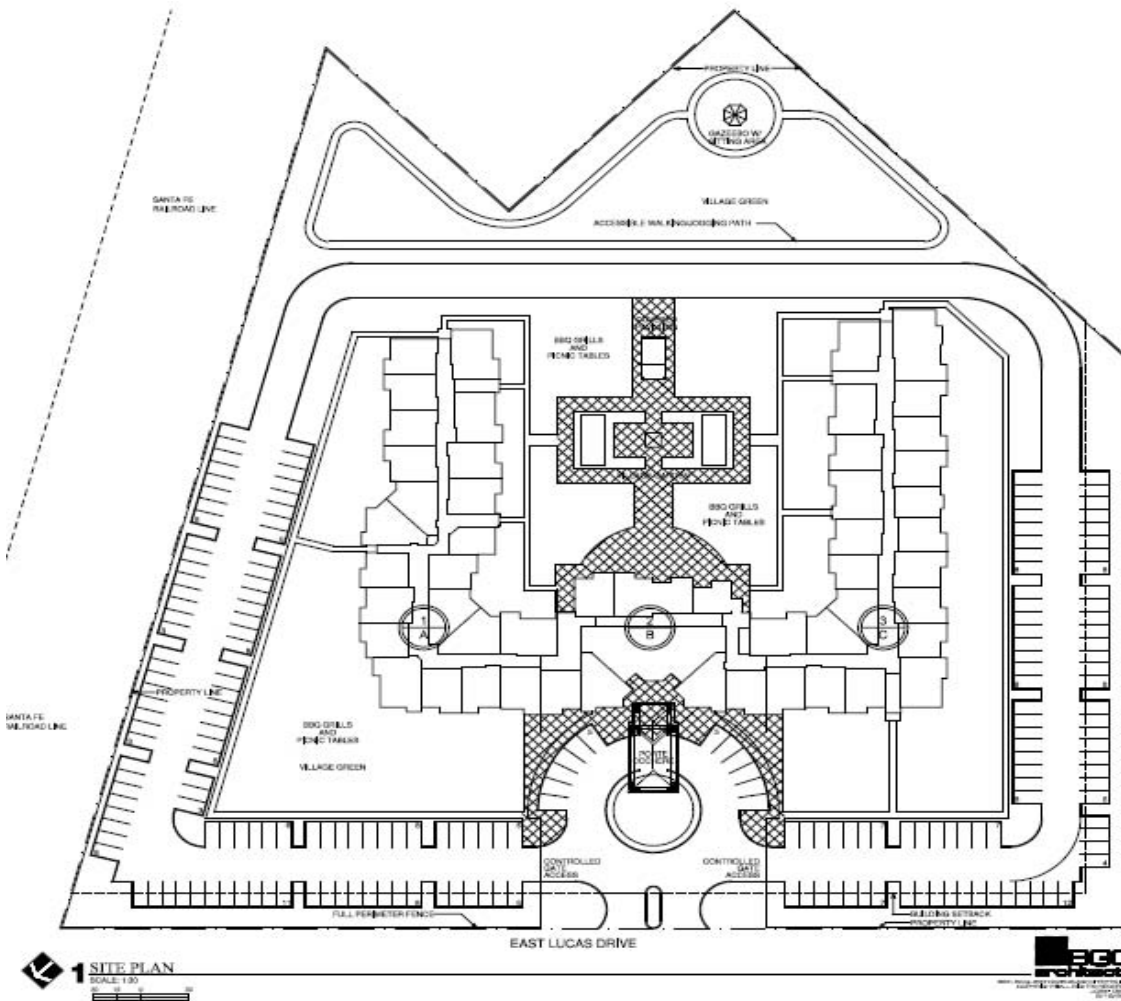
Contact: Robert L. Reyna Phone: (409) 951-7201 Fax: (409) 951-7275
 Email: reynaro@bmtha.org

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments.
- The seller, the Beaumont Housing Authority is regarded as a related party to the Applicant, as the General Partner's board is made up entirely of the Seller's board members or employees.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E	F	G	H	I	J	Total Buildings
Floors/Stories	3	3	3								
Number	1	1	1								3

BR/BA	SF	Units									Total Units	Total SF
1	610	12	16	14							42	25,620
1	735	25		31							56	41,160
1	793	12	10	6							28	22,204
2	876	12		12							24	21,024
Units per Building		61	26	63							150	110,008

Comments

The subject development will consist of one building that is separated in three based upon firewalls.

Relocation Plan

The site for the development of The Crossing Apartments currently has 56 units of affordable housing for senior citizens. All of the existing units and buildings will be demolished, and all 56 families will be relocated off-site to other Beaumont Housing Authority public housing developments or into private housing with a Section 8 Housing Choice Voucher. The expenses of the move, which are estimated to be \$125K has been budgeted in the Development Cost Schedule and will be paid by the Applicant.

SITE ISSUES

Total Size:	<u>7.703</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>GC-MD-General</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/15/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North:	<u>Commercial/Residential</u>	East:	<u>Single Family Residential</u>
South:	<u>Single Family Residential/Commercial</u>	West:	<u>Commercial</u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Alpha Testing, Inc. Date: 3/12/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- None

Comments:

The ESA provider reported that "No Federal Emergency Management Agency's (FEMA) Flood Insurance Maps (FIRM) with the Site location was available for review at the time of this assessment." However, the Market Analyst reported the FEMA flood panel number, and the map was readily accessible on the FEMA website; the site is located in Zone X, outside the 100-year floodplain.

"Based on the HUD Noise Guidebook's Noise Assessment Guidelines, the subject Site is considered to have a "normally unacceptable" level of combined noise." (p. 30)

"The Site is currently developed with the Lucas Gardens apartment complex, a multi-family residential property constructed in 1965. Based on the age of the Site structures, asbestos-containing materials (ACM) ... lead-based paint ... and lead in the drinking water ... are considered to be potentially present at the Site." (p. 27)

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.

MARKET ANALYSIS

Provider: Integra Realty Resources Date: 3/19/2010
 Contact: Jon Cruse Phone: (972) 960-1222
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 67 sq. miles 5 mile equivalent radius

The primary market area is defined by 28 census tracts in the Beaumont area. The approximate geographic boundaries are Keith Road to the west; Pine Island Bayou to the north; the Neches River and Highland Avenue to the east; and the LNVA Canal, Hildebrandt Bayou, and Walden Road to the south.

ELIGIBLE HOUSEHOLDS BY INCOME								
Jefferson County Income Limits								
HH size	PHU / 30%		PHU / 50%		HTC / 50%		HTC / 60%	
	min	max	min	max	min	max	min	max
1	\$0	\$11,400	\$0	\$19,000	\$12,192	\$19,000	\$14,640	\$22,800
2	\$0	\$13,050	\$0	\$21,700	\$12,192	\$21,700	\$14,640	\$26,040
3	\$0	\$14,650	\$0	\$24,450	\$14,664	\$24,450	\$17,592	\$29,340

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09104	Stone Hearst Seniors	new	senior	34	36
08133	Gardens of Sienna (fka Timber Creek Senior Living)	new	senior	109	120
Other Affordable Developments in PMA since 2006					
09183	Grace Lake Townhomes	new	family	n/a	128
08417	Seville Row Apts	rehab	senior	n/a	90
08416	Timbers Edge (fka Park Shadows Apts)	rehab	family	n/a	150
07907	Virginia Estates Apts	rehab	family	n/a	110
07901	Pointe North	recon	family	n/a	158
07416	Regent I	new	family	n/a	160
07189	Sunlight Manor Apts	rehab	family	n/a	120
060239	Timber Creek at Sienna Trails	new	family	n/a	36
060202	Beaumont Downtown Lofts	recon	family	n/a	36
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		6	Total Units		886

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Market Analyst failed to identify any unstabilized comparable supply in the primary market area. But there are in fact two senior developments under construction. The Gardens of Sienna (# 08133, fka Timber Creek Senior) is a 2008 Tax Credit development with 120 units, 109 of which will compete directly with proposed units at the subject. Stone Hearst Seniors (# 09104) is a 2009 Tax Credit development with 36 units, 34 of which will compete directly with proposed units at the subject.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
		HTC Units	PH Units
Total Households in the Primary Market Area	39,597	39,597	39,597
Target Households in the Primary Market Area	15,860	15,860	15,860
Potential Demand from the Primary Market Area	7,337	4,406	2,895
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	7,337	4,406	2,895
Subject Affordable Units	150	94	56
Unstabilized Comparable Units	0	143	0
RELEVANT SUPPLY	150	237	56
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	2%	5%	2%

Demand Analysis:

The Market Analyst considered demand for all 150 proposed units. This includes 56 public housing units, for which the Market Analyst considered the minimum household income to be \$1,200 per year. Based on this minimum income for the public housing units, and a maximum income of \$29,340 for a three-person household at 60% of AMI, the Market Analyst calculates Gross Demand for 7,337 units. This results in a Gross Capture Rate of 2% for the 150 proposed units.

There is actually no minimum income for public housing units; the tenant is required to pay 30% of their gross income, and the property receives a subsidy to cover the difference up to the operating expenses for the unit. The Underwriter assumes the demand pool of households eligible for the non-public housing units will be the limiting factor due to minimum income requirements. Therefore, the underwriting analysis considers demand separately for the public housing units and the non-public housing units. Based on a minimum income of \$12,192 for the one-bedroom unit at 50% of AMI, and a maximum income of \$29,340 for a three-person household at 60% of AMI, the Underwriter calculates Gross Demand for 4,406 units. With a total Relevant Supply of 237 units (94 proposed LIHTC units at the subject, and 143 comparable units under construction in the PMA), the Underwriter concludes a Gross Capture Rate of 5%.

Gross Demand for the public housing units is assumed to consist of all senior households below the minimum income for the tax credit units. Gross Demand for 2,895 units indicates a Gross Capture Rate of 2% for the 56 proposed public housing units.

The maximum Gross Capture Rate for a senior development is 10%; the subject is therefore considered feasible in terms of market demand.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30% PHU	1634	18	0	1%	2,017	18	0	0%
1 BR/50% PHU	459	40	0	9%	2,152	23	0	0%
1 BR/50%					1,421	17	38	4%
1 BR/60%	1788	68	0	4%	569	68	37	18%
2 BR/30% PHU	1261	5	0	0%	653	5	0	0%
2 BR/50% PHU	305	12	0	4%	677	10	0	0%
2 BR/50%					751	2	22	3%
2 BR/60%	1019	7	0	1%	397	7	46	13%

The Market Analyst calculates demand for total 50% units, combining the public housing units with those that are only subject to LIHTC restrictions.

Primary Market Occupancy Rates:

"The average occupancy for the supply of multifamily properties within the subject's PMA is 97%." (p. 48) The average occupancy for the supply of LIHTC properties within the subject's PMA is 99%." (p. 51)

Absorption Projections:

"Since 2000, average annual absorption in the PMA has been at a rate of 267 units per year ... data on two recently constructed apartment complexes in the Beaumont area ... equates to an absorption pace of approximately 12 units per month. Based the preceding, a new "seniors only" property, the size of the subject as proposed with 150 units, is likely to be absorbed within 12 months of opening, equating to an absorption pace of approximately 12 units per month." (p. 53)

Market Impact:

"We conclude there to be sufficient unmet demand to support the development of the subject." (p. 77)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 2 Date of Last Applicant Revision: 4/29/2010

HTC-Only Units: The Applicant's current rent schedule reflects that 94 of the units are tax credit only units with projected rents collected per unit calculated by subtracting tenant-paid utilities (as maintained by the Beaumont Housing Authority) from the 2009 housing tax credit program rent limits. Tenants will be required to pay all electrical costs.

Public Housing Units: The remaining 56 units will be considered public housing units (PHUs). According to the Applicant, for the 56 public housing units, the Beaumont Housing Authority will be executing an amendment to an existing Operating Subsidy Agreement which covers the existing 56 PHU units that will be demolished. Under the agreement, HUD pays an annual operating subsidy equal to the difference between operating expenses for the PHU units and the amount of rent for tenants earning less than 60% of Area Median Family Income (AMFI), but in no event can the rent charged to tenants exceed the operating subsidy paid to the Housing Authority by HUD on a per unit basis. In calculating income, the subsidy will be equal to the public housing units' prorated share of expenses less the tenant contribution; no debt can be serviced by the public housing units. The Underwriter did not use the same rents as the Applicant in calculating the development's income and PHU subsidy, the Underwriter used \$0 rents, with all of the income coming from the PHU subsidy for analysis purposes. The net result is that the Applicant's effective gross income is not within 5% of the Underwriter's estimate.

Of note, rents limits increased approximately 2.3% in 2010. The use of 2010 rent limits by the Underwriter and Applicant would have increased DCR to 1.21 and 1.37, respectively; however, because the Underwriter's pro forma would continue to be used, the recommended tax credits would not be affected.

The Applicant's secondary income and vacancy and collection loss are within current TDHCA underwriting guidelines. Current TDHCA rules allow between \$5 and \$20 per unit per month for secondary income. The Underwriter did not include secondary income for the 56 PHA units; only the 94 Non-PHA units are assumed to have secondary income; however, the Applicant's estimate of \$18K annually is less than annual income (\$22K) would be if they used the maximum of \$20/unit/month for the 94 non-PHUs; therefore, based on this the Underwriter used the Applicant's projection of \$18K, since it falls within the allowable range when only the non-PHUs are considered. Additionally, the Underwriter anticipates that the PHUs will operate at an occupancy level of 100% and the non-PHU units should operate at 95% or more occupancy based upon information provided in the market study provided with the application. This results in a total vacancy and collection loss rate of 3.13%.

Expenses: Number of Revisions: 2 Date of Last Applicant Revision: 4/29/2010

The Applicant's total annual operating expense projection at \$3,216 per unit is within 5% of the Underwriter's estimate of \$3,179, derived from the TDHCA database, and third-party data sources.

The Underwriter is assuming the 100% property tax exemption as proposed by the Applicant. This will be achieved through a long-term ground lease of the property for 99 years by the Applicant from the Beaumont Housing Authority. The Beaumont Housing Authority currently owns the property and it has been exempt from property taxes for many years because of the existing affordable housing that will be demolished to make way for the proposed new development units.

Conclusion:

The Applicant's total operating expenses are within 5% of the Underwriter's estimates; however, effective gross income and net operating income are not. Therefore, the Underwriter's year one pro forma will be used to determine the development's debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) of 1.15 which is acceptable and within the maximum underwriting guidelines of 1.35. Additionally, the Applicant's and the Underwriter's expense to income ratios, which are 59.84% and 62.67% respectively, are both within the Departments maximum guideline of 65%, and are considered acceptable.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: Integra Realty Resources Date: 3/19/2010
 Number of Revisions: 0 Date of Last Applicant Revision: N/A
 Land Only: 7.703 acres \$520,000 As of: 3/19/2010
 Existing Buildings: (as-is) \$0 As of: 3/19/2010
 Total Development: (as-is) \$520,000 As of: 3/19/2010

Comments:

The Subject site currently consists of 13 two-story multifamily structures (known as Lucas Garden); however, plans are to demolish the existing structures and to replace them with new affordable housing structures.

ASSESSED VALUE

Land Only: 7.9 acres \$141,780 Tax Year: 2009
 Existing Buildings: \$2,486,780 Valuation by: Jefferson CAD
 1 acre: 17,947
 Total Prorata: 7.703 acres \$138,244
 Total Assessed Value: \$2,625,024 Tax Rate: 2.576465

EVIDENCE of PROPERTY CONTROL

Type: Exclusive Option Agreement For Ground Lease Acreage: 7.703
 Contract Expiration: 12/31/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$1 Other: _____
 Seller: Beaumont Housing Authority Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 6/21/2010

Acquisition Value:

The Applicant has not claimed any acquisition value for the subject property, as the current owner, the Beaumont Housing Authority is an affiliate and will be providing a 99-year ground lease at a cost of \$1. The subject site currently has 13 affordable housing buildings that will be completely demolished to make way for the construction of the 150 new seniors housing units.

Sitework Cost:

Total sitework cost of \$9,000 per unit is below the limit for which additional information is required to document the costs. Accordingly, no additional documentation is required from the Applicant to substantiate sitework cost. Additionally, the \$9,000 per unit estimate by the Applicant includes demolition costs of \$4,733 per unit which cannot be included in eligible basis calculations; therefore, sitework cost that is to be included in eligible basis is \$4,267 per unit.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$268K or 4% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Interim Interest Expense:

The Applicant's estimate included more than 12 months of fully drawn interest on construction financing in eligible basis. In accordance with Department guidelines, the Underwriter has effectively shifted any interim interest exceeding 12 months of fully drawn interest to ineligible costs. This has resulted in \$224,498 being moved into ineligible cost from interim interest expense.

Contingency & Fees:

The Applicant's developer fee also exceeds 15% of the Applicant's adjusted eligible basis by \$34,332 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount. The overstatement of the developer fee is due to the Applicant's overstatement of interest expense.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$13,306,114 supports annual tax credits of \$1,556,815. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 4/6/2010

Source: Sterling Bank Type: Interim Financing
Principal: \$8,489,904 Interest Rate: 5.5% Fixed Term: 30 months
Comments:

This loan is to be priced at a variable rate of Prime floating plus 1%, subject to a minimum all-in rate of 5.50%.

Source: Sterling Bank Type: Permanent Financing
Principal: \$2,732,408 Interest Rate: 8.24% Fixed Amort: 360 months
Comments:

The loan will have a term of 15 years, with a 30 year amortization period. The loan was underwritten at 8.24%; however, the rate has not been locked to date. According to the proposal letter, if the rate was locked as of the date of the letter, February 15, 2010, it would have been 8%. The rate will be locked no later than construction loan closing.

Source: City of Beaumont Type: Interim Financing

Principal: \$775,000 Interest Rate: AFR Fixed Amort: 12 months

Comments:

The Beaumont Housing Authority has provided a copy of their letter to the City of Beaumont which is an intent to apply for a loan. They are stating that they will request the loan be at an interest rate based on the short term AFR; however, to date they have not provided documentation to the Department that they have actually applied or received a commitment of funding from the City of Beaumont. Accordingly, this report is conditioned upon the receipt, review and acceptance by TDHCA commitment, of a loan commitment from the City of Beaumont (or an acceptable alternate source) with acceptable rates and terms.

Source: HTC Syndication Proceeds Type: Syndication

Proceeds: \$11,627,358 Syndication Rate: 73% Anticipated HTC: \$ 1,592,948

Amount: \$415,178 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,732,408 indicates the need for \$11,992,536 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,642,977 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,556,815
Allocation determined by gap in financing:	\$1,642,977
Allocation requested by the Applicant:	\$1,587,098

The allocation amount determined by the eligible basis calculation of \$1,556,815 is recommended. A tax credit allocation of \$1,556,815 per year for 10 years results in total equity proceeds of \$11,363.616 at a syndication rate of \$0.73 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$628,920 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

Underwriter: _____ Date: June 22, 2010

D.P. Burrell

Manager of Real Estate Analysis: _____ Date: June 22, 2010

Audrey Martin

Director of Real Estate Analysis: _____ Date: June 22, 2010

Brent Stewart

UNIT MIX/RENT SCHEDULE

The Crossing Apartments, Beaumont, HTC 9% #10031

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS			
CITY:	Beaumont	# Beds	# Units	% Total	PROGRAMS:		PHU					DEVELOPMENT ACTIVITY:	New		
COUNTY:	Jefferson	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%		
SUB-MARKET:		1	126	84.0%	PHU		\$0	\$0				EXPENSE GROWTH:	3.00%		
PROGRAM REGION:	5	2	24	16.0%								HIGH COST ADJUSTMENT:	130%		
RURAL RENT USED:		3										APPLICABLE FRACTION:	100.00%		
IREM REGION:		4										APP % - ACQUISITION:			
		TOTAL	150	100.0%	MISC		\$0	\$0				APP % - CONSTRUCTION:	9.00%		

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS			
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	PHU	Market Rent	TDHCA Savings to Market
TC 30%	PHU	6	1	1	610	\$305	\$76	\$229	\$164	\$0.64	\$393	\$2,358	\$0	\$0	\$0.00	(\$229)	\$0	\$825	\$825
TC 50%	PHU	5	1	1	610	\$508	\$76	\$432	(\$39)	\$0.64	\$393	\$1,965	\$0	\$0	\$0.00	(\$432)	\$0	\$825	\$825
TC 50%		5	1	1	610	\$508	\$76	\$432	\$0	\$0.71	\$432	\$2,160	\$2,160	\$432	\$0.71	\$0		\$825	\$393
TC 60%		26	1	1	610	\$610	\$76	\$534	\$0	\$0.88	\$534	\$13,884	\$13,884	\$534	\$0.88	\$0		\$825	\$291
TC 30%	PHU	6	1	1	735	\$305	\$76	\$229	\$164	\$0.53	\$393	\$2,358	\$0	\$0	\$0.00	(\$229)	\$0	\$930	\$930
TC 50%	PHU	11	1	1	735	\$508	\$76	\$432	(\$39)	\$0.53	\$393	\$4,323	\$0	\$0	\$0.00	(\$432)	\$0	\$930	\$930
TC 50%		7	1	1	735	\$508	\$76	\$432	\$0	\$0.59	\$432	\$3,024	\$3,024	\$432	\$0.59	\$0		\$930	\$498
TC 60%		32	1	1	735	\$610	\$76	\$534	\$0	\$0.73	\$534	\$17,088	\$17,088	\$534	\$0.73	\$0		\$930	\$396
TC 30%	PHU	6	1	1	793	\$305	\$76	\$229	\$164	\$0.50	\$393	\$2,358	\$0	\$0	\$0.00	(\$229)	\$0	\$970	\$970
TC 50%	PHU	7	1	1	793	\$508	\$76	\$432	(\$39)	\$0.50	\$393	\$2,751	\$0	\$0	\$0.00	(\$432)	\$0	\$970	\$970
TC 50%		5	1	1	793	\$508	\$76	\$432	\$0	\$0.54	\$432	\$2,160	\$2,160	\$432	\$0.54	\$0		\$970	\$538
TC 60%		10	1	1	793	\$610	\$76	\$534	\$0	\$0.67	\$534	\$5,340	\$5,340	\$534	\$0.67	\$0		\$970	\$436
TC 30%	PHU	5	2	1	876	\$366	\$99	\$267	\$126	\$0.45	\$393	\$1,965	\$0	\$0	\$0.00	(\$267)	\$0	\$1,010	\$1,010
TC 50%	PHU	10	2	1	876	\$611	\$99	\$512	(\$119)	\$0.45	\$393	\$3,930	\$0	\$0	\$0.00	(\$512)	\$0	\$1,010	\$1,010
TC 50%		2	2	1	876	\$611	\$99	\$512	\$0	\$0.58	\$512	\$1,024	\$1,024	\$512	\$0.58	\$0		\$1,010	\$498
TC 60%		7	2	1	876	\$733	\$99	\$634	\$0	\$0.72	\$634	\$4,438	\$4,438	\$634	\$0.72	\$0		\$1,010	\$376
TOTAL:		150				110,008						\$71,126	\$49,118						
AVG:						733			\$10	\$0.65	\$474			\$327	\$0.45	(\$137)	\$0	\$921	(\$593)
ANNUAL:												\$853,512	\$589,416						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

The Crossing Apartments, Beaumont, HTC 9% #10031

INCOME		Total Net Rentable Sq Ft:		TDHCA	APPLICANT				
POTENTIAL GROSS RENT				\$589,416	\$853,512				
Secondary Income		Per Unit Per Month:	\$10.00	18,000	18,000	\$10.00	Per Unit Per Month		
PHU Subsidy Income				178,017		\$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME				\$785,433	\$871,512				
Vacancy & Collection Loss		% of Potential Gross Income:	-3.13%	(24,610)	(65,364)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions				0					
EFFECTIVE GROSS INCOME				\$760,823	\$806,148				
EXPENSES						PER SQ FT	PER UNIT	% OF EGI	
General & Administrative	6.64%	PER UNIT	\$337	0.46	\$50,551	\$71,232	\$0.65	\$475	8.84%
Management	5.00%		\$254	0.35	38,041	38,054	0.35	254	4.72%
Payroll & Payroll Tax	14.83%		\$752	1.03	112,823	110,000	1.00	733	13.65%
Repairs & Maintenance	11.89%		\$603	0.82	90,458	80,000	0.73	533	9.92%
Utilities	4.17%		\$212	0.29	31,735	34,331	0.31	229	4.26%
Water, Sewer, & Trash	6.66%		\$338	0.46	50,690	46,140	0.42	308	5.72%
Property Insurance	6.44%		\$327	0.45	49,034	49,109	0.45	327	6.09%
Property Tax	2.576465	0.00%	\$0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements	4.93%		\$250	0.34	37,500	37,500	0.34	250	4.65%
TDHCA Compliance Fees	0.79%		\$40	0.05	6,000	6,000	0.05	40	0.74%
Other: Supportive Services	1.31%		\$67	0.09	10,000	10,000	0.09	67	1.24%
TOTAL EXPENSES				\$476,832	\$482,366	\$4.38	\$3,216	59.84%	
NET OPERATING INC				\$283,991	\$323,782	\$2.94	\$2,159	40.16%	
DEBT SERVICE									
Sterling Bank				\$246,102	\$246,851				
Other Financing				\$0					
Additional Financing				0					
TOTAL DEBT SERVICE				246,102	246,851				
NET CASH FLOW				\$37,890	\$76,931				
AGGREGATE DEBT COVERAGE RATIO				1.15	1.31				
RECOMMENDED DEBT COVERAGE RATIO				1.15					
CONSTRUCTION COST									
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		0.00%	\$0	\$0.00	\$0	\$0	\$0.00	\$0	0.00%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		4.45%	\$4,267	\$5.82	639,999	639,999	5.82	4,267	4.35%
Direct Construction		52.41%	\$50,199	\$68.45	7,529,851	7,798,445	70.89	51,990	52.96%
Contingency	5.00%	2.84%	\$2,723	\$3.71	408,493	421,874	3.83	2,812	2.87%
Contractor's Fees	13.18%	7.50%	\$7,181	\$9.79	1,077,149	1,077,149	9.79	7,181	7.32%
Indirect Construction		6.58%	\$6,300	\$8.59	945,000	945,000	8.59	6,300	6.42%
Ineligible Costs		6.85%	\$6,563	\$8.95	984,498	984,498	8.95	6,563	6.69%
Developer's Fees	15.00%	11.79%	\$11,289	\$15.39	1,693,284	1,769,912	16.09	11,799	12.02%
Interim Financing		4.79%	\$4,587	\$6.25	688,067	688,067	6.25	4,587	4.67%
Reserves		2.78%	\$2,667	\$3.64	400,000	400,000	3.64	2,667	2.72%
TOTAL COST				\$14,366,341	\$14,724,944	\$133.85	\$98,166	100.00%	
Construction Cost Recap				\$9,655,492	\$9,937,467	\$90.33	\$66,250	67.49%	
SOURCES OF FUNDS						RECOMMENDED			
Sterling Bank		19.02%	\$18,216	\$24.84	\$2,732,408	\$2,732,408	\$2,732,408	Developer Fee Available	
Other Financing		0.00%	\$0	\$0.00	0	0	0	\$1,735,580	
HTC Syndication Proceeds		80.93%	\$77,516	\$105.70	11,627,358	11,627,358	11,363,616	% of Dev. Fee Deferred	
Deferred Developer Fees		2.89%	\$2,768	\$3.77	415,178	415,178	628,920	36%	
Additional (Excess) Funds Req'd		-2.84%	(\$2,724)	(\$3.71)	(408,603)	(50,000)	0	15-Yr Cumulative Cash Flow	
TOTAL SOURCES				\$14,366,341	\$14,724,944	\$14,724,944	\$646,816		

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Crossing Apartments, Beaumont, HTC 9% #10031

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$57.11	\$6,282,575
Adjustments				
Exterior Wall Finish	8.00%		\$4.57	\$502,606
Elderly	3.00%		1.71	188,477
9-Ft. Ceilings	4.00%		2.28	251,303
Roofing			0.00	0
Subfloor			1.33	146,677
Floor Cover			2.22	244,493
Breezeways	\$23.05	0	0.00	0
Balconies	\$22.09	8,580	1.72	189,552
Plumbing Fixtures	\$845	0	0.00	0
Rough-ins	\$420	150	0.57	63,000
Built-In Appliances	\$1,850	150	2.52	277,500
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$47.19	29,077	12.47	1,372,149
Hurricane (wind adj)	\$0.99	146,681	1.32	145,214
Elevators	\$53,600	2	0.97	107,200
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	203,515
Garages	\$30.00	0	0.00	0
Common Area & Offices	\$57.11	7,596	3.94	433,809
Other: fire sprinkler	\$2.25	110,008	2.25	247,518
SUBTOTAL			96.86	10,655,588
Current Cost Multiplier	0.99		(0.97)	(106,556)
Local Multiplier	0.88		(11.62)	(1,278,671)
TOTAL DIRECT CONSTRUCTION COSTS			\$84.27	\$9,270,362
Plans, specs, survy, bld perm	3.90%		(\$3.29)	(\$361,544)
Interim Construction Interest	3.38%		(2.84)	(312,875)
Contractor's OH & Profit	11.50%		(9.69)	(1,066,092)
NET DIRECT CONSTRUCTION COSTS			\$68.45	\$7,529,851

PROPOSED PAYMENT COMPUTATION

Sterling Bank	\$2,732,408	Amort	360
Int Rate	8.24%	DCR	1.15
Other Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

RECOMMENDED FINANCING STRUCTURE:

Sterling Bank	\$246,102
Other Financing	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$246,102

Sterling Bank	\$2,732,408	Amort	360
Int Rate	8.24%	DCR	1.15
Other Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	\$1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.153959525
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	\$1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$589,416	\$601,204	\$613,228	\$625,493	\$638,003	\$704,407	\$777,722	\$858,668	\$1,046,711
Secondary Income	18,000	18,360	18,727	19,102	19,484	21,512	23,751	26,223	31,965
PHU Subsidy Income	178,017	183,246	188,629	194,172	199,878	231,045	267,107	308,836	413,014
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	785,433	802,810	820,585	838,766	857,365	956,964	1,068,579	1,193,726	1,491,690
Vacancy & Collection Loss	(24,610)	(25,155)	(25,712)	(26,281)	(26,864)	(29,985)	(33,482)	(37,403)	(46,740)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$760,823	\$777,655	\$794,873	\$812,485	\$830,501	\$926,979	\$1,035,097	\$1,156,323	\$1,444,950
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$50,551	\$52,067	\$53,630	\$55,238	\$56,896	\$65,958	\$76,463	\$88,641	\$119,127
Management	38,041	38,883	39,744	40,624	41,525	46,349	51,755	57,816	72,248
Payroll & Payroll Tax	112,823	116,208	119,694	123,285	126,984	147,209	170,655	197,836	265,875
Repairs & Maintenance	90,458	93,172	95,967	98,846	101,811	118,027	136,826	158,619	213,170
Utilities	31,735	32,687	33,667	34,677	35,717	41,406	48,001	55,647	74,784
Water, Sewer & Trash	50,690	52,211	53,777	55,390	57,052	66,139	76,673	88,885	119,454
Insurance	49,034	50,505	52,020	53,581	55,188	63,978	74,168	85,981	115,552
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	37,500	38,625	39,784	40,977	42,207	48,929	56,722	65,756	88,371
TDHCA Compliance Fee	6,000	6,180	6,365	6,556	6,753	7,829	9,076	10,521	14,139
Other	10,000	10,300	10,609	10,927	11,255	13,048	15,126	17,535	23,566
TOTAL EXPENSES	\$476,832	\$490,837	\$505,257	\$520,103	\$535,388	\$618,871	\$715,465	\$827,238	\$1,106,286
NET OPERATING INCOME	\$283,991	\$286,818	\$289,617	\$292,382	\$295,113	\$308,108	\$319,632	\$329,085	\$338,664
DEBT SERVICE									
First Lien Financing	\$246,102	\$246,102	\$246,102	\$246,102	\$246,102	\$246,102	\$246,102	\$246,102	\$246,102
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$37,890	\$40,717	\$43,515	\$46,281	\$49,011	\$62,006	\$73,531	\$82,983	\$92,563
DEBT COVERAGE RATIO	1.15	1.17	1.18	1.19	1.20	1.25	1.30	1.34	1.38

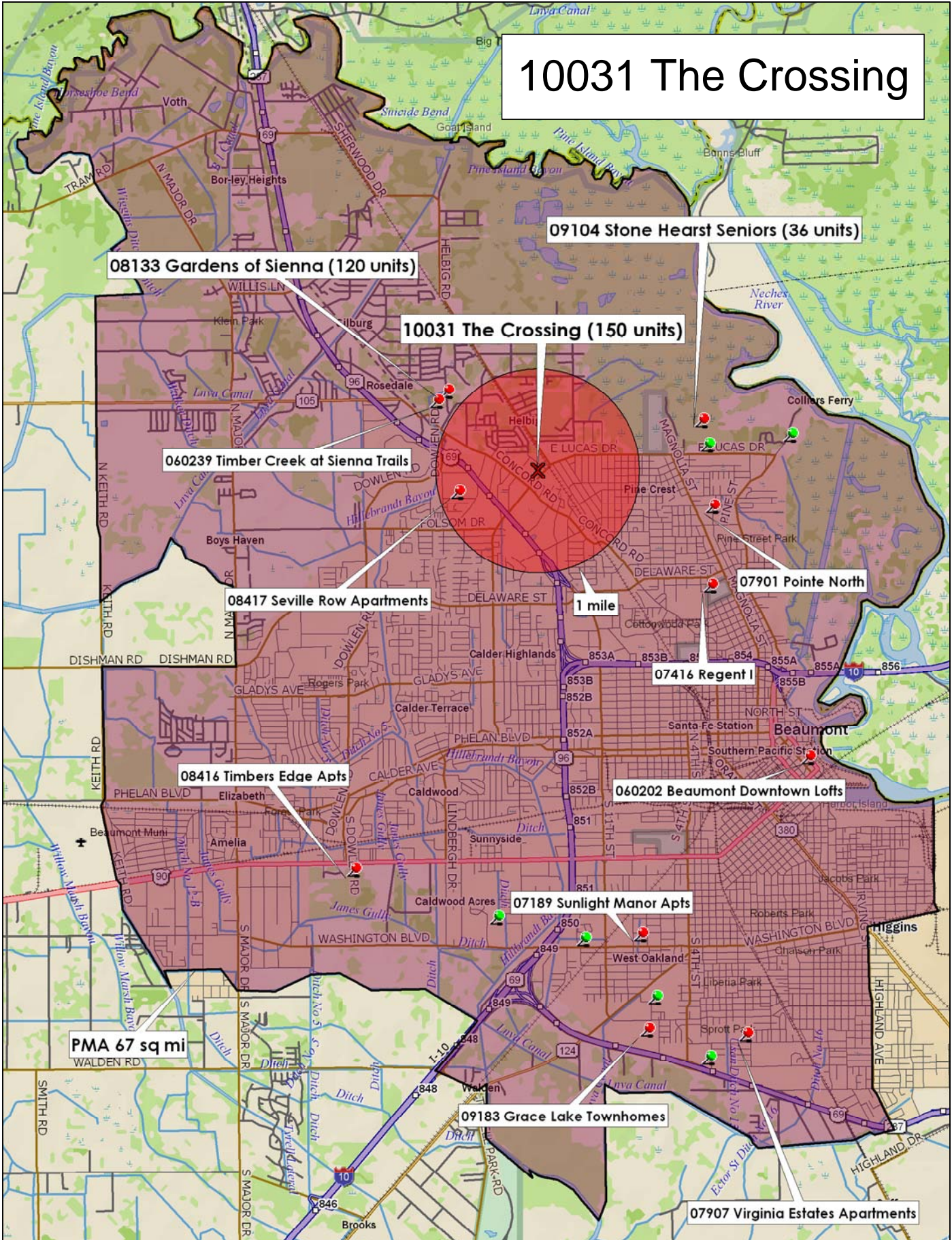
HTC ALLOCATION ANALYSIS -The Crossing Apartments, Beaumont, HTC 9% #10031

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land				
Purchase of buildings				
Off-Site Improvements				
Sitework	\$639,999	\$639,999	\$639,999	\$639,999
Construction Hard Costs	\$7,798,445	\$7,529,851	\$7,798,445	\$7,529,851
Contractor Fees	\$1,077,149	\$1,077,149	\$1,077,149	\$1,077,149
Contingencies	\$421,874	\$408,493	\$421,874	\$408,493
Eligible Indirect Fees	\$945,000	\$945,000	\$945,000	\$945,000
Eligible Financing Fees	\$688,067	\$688,067	\$688,067	\$688,067
All Ineligible Costs	\$984,498	\$984,498		
Developer Fees			\$1,735,580	
Developer Fees	\$1,769,912	\$1,693,284		\$1,693,284
Development Reserves	\$400,000	\$400,000		
TOTAL DEVELOPMENT COSTS	\$14,724,944	\$14,366,341	\$13,306,114	\$12,981,843

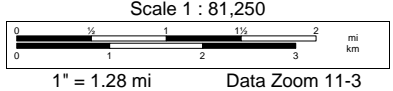
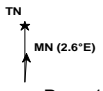
Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$13,306,114	\$12,981,843
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$17,297,949	\$16,876,396
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$17,297,949	\$16,876,396
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,556,815	\$1,518,876

Syndication Proceeds	0.7299	\$11,363,616	\$11,086,684
Total Tax Credits (Eligible Basis Method)		\$1,556,815	\$1,518,876
Syndication Proceeds		\$11,363,616	\$11,086,684
Requested Tax Credits		\$1,587,098	
Syndication Proceeds		\$11,584,657	
Gap of Syndication Proceeds Needed		\$11,992,536	
Total Tax Credits (Gap Method)		\$1,642,977	
Recommended Tax Credits		1,556,815	
Syndication Proceeds		\$11,363,616	

10031 The Crossing



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Sulphur Springs Pioneer Crossing for Seniors, TDHCA Number 10033

BASIC DEVELOPMENT INFORMATION

Site Address: Gossett Ln. Development #: 10033
 City: Sulphur Springs Region: 4 Population Served: Elderly
 County: Hopkins Zip Code: 75482 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: SS Seniors, LLC
 Owner Contact and Phone: Noor Jooma, (214) 448-0829
 Developer: Accent Developers, L.L.C.
 Housing General Contractor: Urban Progress, CDC
 Architect: Terrance J. Wright
 Market Analyst: Mark C. Temple & Associates, L.L.C.
 Syndicator: Michel Associates, Ltd.
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	4	0	36	40	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	40	40	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	12
		HOME Low Total Units:	8

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$929,204	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Sulphur Springs Pioneer Crossing for Seniors, TDHCA Number 10033

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, NC

Points: 0 US Representative: Hall, District 4, NC

TX Representative: Homer, District 3, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$1.8M in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1.8M, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$200,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$200,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Sulphur Springs Pioneer Crossing for Seniors, TDHCA Number 10033

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **2**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Zion Gardens, TDHCA Number 10035

BASIC DEVELOPMENT INFORMATION

Site Address: St. Charles & Webster St. Development #: 10035
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77003 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Zion Gardens Ltd.
 Owner Contact and Phone: L. David Punch, (713) 659-7735
 Developer: Welling & Sons Development Co. L.L.C.
 Housing General Contractor: Welling & Sons Development Co. L.L.C.
 Architect: SIR, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Raymond James
 Supportive Services: Greater Zion Missionary Baptist Church
 Consultant and Contact: Simco Ministry Development, Inc.,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	70	
	0	0	70	0	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	38	28	4	0	
Type of Building:						Total Development Units:	70
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$9,225,244
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$953,930	\$953,930			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Zion Gardens, TDHCA Number 10035

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, S Points: 7 US Representative: Jackson Lee, District 18, NC
TX Representative: Coleman, District 147, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Upper Third Ward Civic Association, Frence Thompson Letter Score: 24 S or O: S

This development is needed in this area. There is none of this sort and it will improve lives and will enhance the community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
3. Receipt of a firm commitment of funding from the City of Houston in the amount of \$898,750, or a commitment from a qualifying substitute source in an amount not less than \$898,750, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Zion Gardens, TDHCA Number 10035

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **0**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **214** Meeting a Required Set-Aside Credit Amount*: \$953,930

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/07/10 PROGRAM: HTC 9% FILE NUMBER: 10035

DEVELOPMENT

Zion Gardens

Location: St. Charles & Webster St. Region: 6
 City: Houston County: Harris Zip: 77003 OCT DDA
 Key Attributes: General, New Construction, Urban, Non-Profit, Supportive Housing

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$953,930			\$953,930		

CONDITIONS

- 1 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.
- 2 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	70

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

- The non-conventional sources of local financing for this development could be safely replaced by deferral of developer fees if needed.
- Proposed rents are on average 34% lower than market rents.
- The gross capture rate is 2.9%.
- According to the market analyst, the existing 4 tax credit general occupancy developments in the PMA have an overall occupancy rate of 99.4% (99.7% leased)

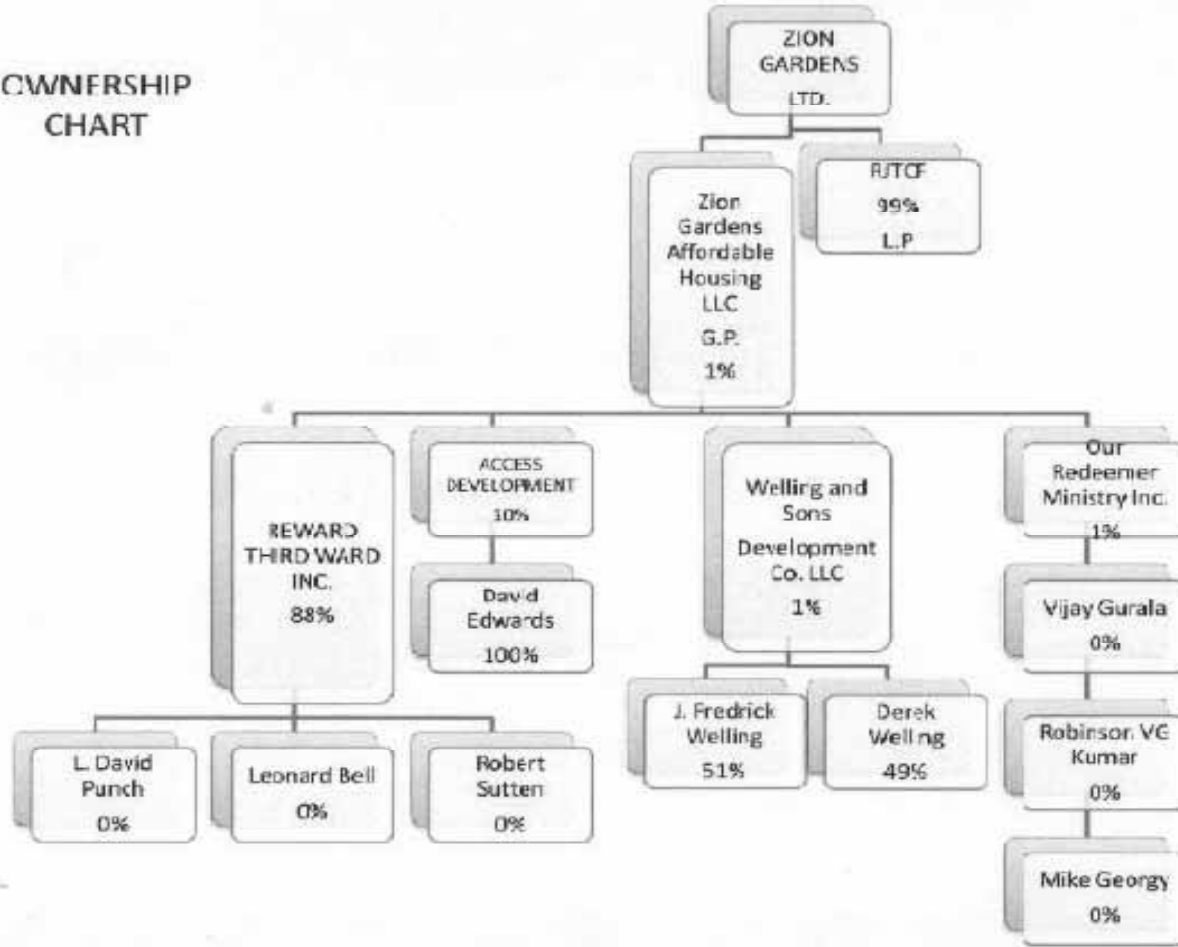
PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

OWNERSHIP CHART



CONTACT

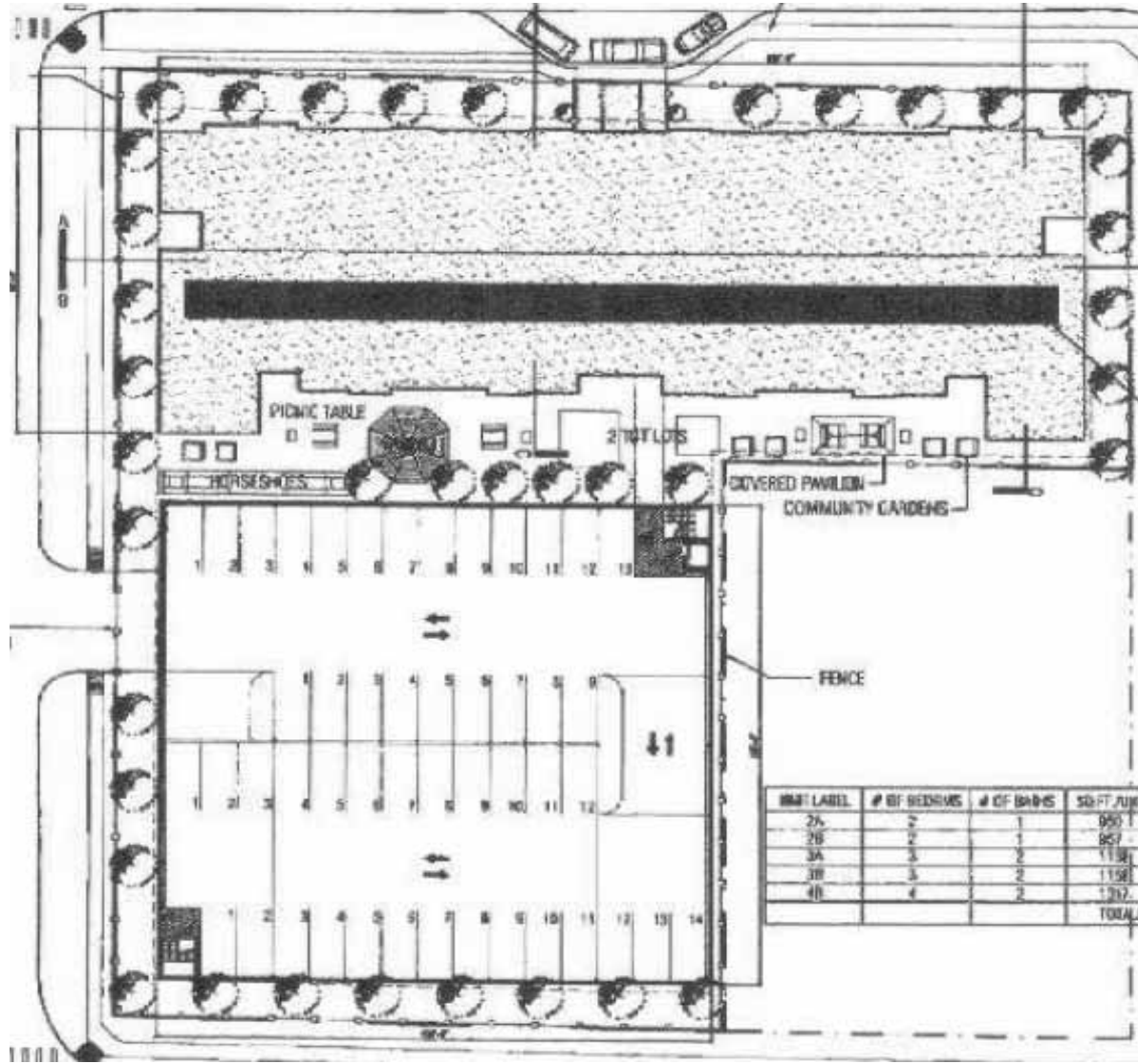
Contact: David Punch Phone: (713) 659-7735 Fax: N/A
 Email: pastorpunch@yahoo.com

IDENTITIES of INTEREST

- The Applicant, Developer & General Contractor, and the property manager & supportive services provider are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A																		Total Buildings
Floors/Stories	6																		
Number	1																		1

BR/BA	SF	Units										Total Units	Total SF		
2	1	950	30											30	28,500
2	1	957	8											8	7,656
3	2	1,158	28											28	32,424
4	2	1,317	4											4	5,268
Units per Building		70												70	73,848

SITE ISSUES

Total Size: 1.09 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: N/A Needs to be re-zoned? Yes No N/A
 Comments:
 No zoning in Houston.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/11/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Webster St & residential East: Live Oak & residential
 South: Hadley St & residential West: Saint Charles St & commercial

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Commercial Due Diligence Services Date: 3/4/2010
 Recognized Environmental Concerns (RECs) and Other Concerns:
 • None

MARKET ANALYSIS

Provider: Ipser & Associates Date: 3/6/2010
 Contact: Ed Ipser Phone: (817) 927-2838
 Number of Revisions: none Date of Last Applicant Revision: 3/18/2010
 Primary Market Area (PMA): 17 sq. miles 2 mile equivalent radius
 The Primary Market Area is defined by 23 census tracts in central Houston.

ELIGIBLE HOUSEHOLDS BY INCOME

Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	---	---	---	---
2	---	---	---	---	\$24,583	\$25,500	---	---
3	---	---	---	---	\$24,583	\$28,700	---	---
4	---	---	---	---	\$28,423	\$31,900	---	---
5	---	---	---	---	\$28,423	\$34,450	---	---
6	---	---	---	---	\$31,714	\$37,000	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA

File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
none					
Other Affordable Developments in PMA since 2006					
10225	North MacGregor Arms	rehab	family	n/a	64
10266	Travis Street Apts	new	SRO	n/a	192
09817	Bayou Bend	rehab	family	n/a	107
07306	Zion Village	new	senior	n/a	50
07210	New Hope Housing at Bray's Crossing	new	SRO	n/a	149
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		8	Total Units		994

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no unstabilized comparable developments in the Primary Market Area that would impact the capture rate for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	30,082	32,653
Potential Demand from the Primary Market Area	3,084	2,391
Potential Demand from Other Sources	0	0
GROSS DEMAND	3,084	2,391
Subject Affordable Units	70	70
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	70	70
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.3%	2.9%

Demand Analysis:

The Market Analyst identifies Gross Demand for 3,084 units, resulting in a Gross Capture Rate of 2.3% for the subject 70 units.

The subject does not offer any one-bedroom units, and the maximum income for a one-person household at 50% of AMI is lower than the minimum income for the two-bedroom unit. The underwriting analysis therefore only considers 2-6 person households. This results in Gross Demand for 2,391 units, indicating a Gross Capture Rate of 2.9% for the subject 70 units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; this indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
2 BR/50%	557	36	0	6%	222	38	0	17%
3 BR/50%	446	30	0	7%	251	28	0	11%
4 BR/50%	8	4	0	50%	198	4	0	2%

Primary Market Occupancy Rates:

"The existing 4 HTC general occupancy locations surveyed have a combined total of 696 units with an overall occupancy rate of 99.4% (99.7% leased). Only one of these sites reported a waiting list (10 names). They range in size from 84 units to 260 units, and in age from 1996 to 2007. The nearest, and newest, HTC location to the subject site is Canal Place, about 1.5 miles northeast of the subject. With 202 units, their occupancy is 95% (98% leased), and this is the location with a waiting list. They have a mix of rents at 60% of AMI, along with market-rate units. The 5 conventional locations surveyed have a total of 1,174 units, which are 92.4% occupied (the number of pre-leased units was not available). None of these complexes reported a waiting list; all have efficiency, one and/or 2-Bd units; none of them have 3-Bd units." (p. 2-15)

Absorption Projections:

"Reportedly, the 152 HTC units (at Canal Place) at 60% of AMI leased as quickly as they were ready, averaging about 30 per month. The 50 market rated units were slower to fill. It was stated that the project reached 95% occupancy before hurricane Ike hit the area in September 2007 ... The Zion Village apartments, an elderly project a few blocks from the subject, leased at a rate of about 12 per month and is 100% occupied with a waiting list. With an occupancy rate of 94.5% (97.4% economic occupancy) in the HTC units in the market area, a rapid absorption of the subject is expected, but not as high as that experienced at Canal Place. Average absorption for the subject is conservatively estimated at 10 to 12 units per month, and it is expected that a 5 to 7 month lease-up period will be required to achieve 92.5% occupancy of the 70 units as they are made ready." (p. 2-19)

Market Impact:

The Applicant identifies the subject as Supportive Housing, and indicates they have "implemented an array of support services assisting tenants in achieving needed residential stability". While it is difficult to quantify the demand for this target market, the analysis indicates sufficient income-qualified demand to support the subject from the general population. In addition, the Market Analyst notes that "Absorption will be accelerated by the acceptance of Section 8 Vouchers ... The Harris County Consolidated Plan indicates a need for 10,000 spaces for homeless emergency and transitional shelters. The Houston/Harris County Coalition for the Homeless has targeted the use of 10% of local HOME funds for housing vouchers to place homeless in existing, scattered rental units stating that there is a dire shortage of permanent, subsidized housing ... The subject could work with the Coalition and serve as permanent housing." (p. 3-6)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 5/24/2010

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 1, 2010, maintained by the Houston Housing Authority, from the 2009 program gross rent limits. Of note, although 2010 rent limits have been released, for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Rent limits have increased by approximately 2.3%, and if used in the Underwriter's and Applicant's pro formas, DCR would increase to 1.22 and 1.28, respectively, and the recommended tax credit amount would not be affected.

Tenants will be required to pay electric & natural gas utilities.

The Applicant did not include an estimate for secondary income. The Underwriter estimated \$5 per unit per month consistent with Department guidelines. The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines and effective gross income is within 5% of the Underwriter's estimate.

The application indicates that 43% of the units will be characterized as supportive housing units. The Real Estate Analysis Rules allow exceptions to certain feasibility criteria for developments that propose at least 50% of the units as supportive housing. Although the percent of supportive housing units for this development is not great enough to qualify for these feasibility exceptions, the Underwriter has determined that as structured, the deal is feasible without using these feasibility exceptions for supportive housing.

The tax credit LURA does not include any additional restrictions based on the classification of 43% of the units as supportive housing. Additionally, the market study indicates sufficient income-qualified demand to support the subject from the general population. Therefore, if the Applicant is unable to find additional subsidy for the supportive housing units, it is reasonable to expect that there will be sufficient demand from income-qualified tenants to lease the supportive housing units to otherwise qualifying residents at the tax credit rents.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 5/25/2010

The Applicant's total annual operating expense projection at \$4,744 per unit is within 5% of the Underwriter's estimate of \$4,941, derived from the TDHCA database, and third-party data sources. Of note, the Applicant's payroll & payroll tax estimate is considerably lower than the database. However, the Applicant provided a staffing plan indicating that the property will employ only two FTE's, one of which will serve as both the related-party property manager & the support service manager. This could reasonably account for lower payroll & payroll tax estimate. Also of note, although higher than the PHA-derived estimate of utilities, the Applicant's utility estimate is generally comparable with the database, reasonably accounting for the smaller 70-unit, unconventional style supportive housing development.

The Applicant's estimate of water, sewer, and trash expense is also on the high-end of the range of available data points; however, the proposed community activity center & children's activity center will be used by not only tenants, but residents of the community as well. Furthermore, the Applicant's estimate is in line with the TDHCA database and as such is considered reasonable. Accordingly, the Underwriter's utility & water, sewer, trash estimates have been adjusted to reflect the database estimates as described previously. Finally, the Applicant's estimate of TDHCA compliance fees appears to be slightly overstated.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.21, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 1.09 acres	<u>\$596,004</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>N/A</u>	Valuation by:	<u>Harris CAD</u>
Total Assessed Value:	<u>\$596,004</u>	Tax Rate:	<u>2.6387</u>

EVIDENCE of PROPERTY CONTROL

Type: <u>Commercial Contract - Unimproved Property</u>	Acreage: <u>1.09</u>
Contract Expiration: <u>7/31/2010</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$750,000</u>	Other: _____
Seller: <u>Centerpointe Living @ Gray, LP</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 5/24/2010

Acquisition Value:

The site cost of \$688,073 per acre or \$10,714 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs of \$7K per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$121K or 3% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, the 28K square foot detached parking garage structure will be free of charge for the tenants' use.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$8,153,244 supports annual tax credits of \$953,930. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 5/14/2010

Source: City of Houston Type: Permanent Financing

Principal: \$898,750 Interest Rate: 3.0% Fixed Amort: 360 months

Comments:

The Applicant has applied for the local HOME funds. The application indicates a request for the funds loaned at a 3% interest rate and amortized over 30 years. Of note, should the requested HOME funds ultimately not be received, there is sufficient developer fee to fill the gap in financing. Receipt, review and acceptance by commitment of a firm commitment for these funds at the proposed terms is a condition of this report.

Source: Bank of Oklahoma Type: Interim to Permanent Financing

Interim: \$2,872,494 Interest Rate: 4.50% Fixed Term: 24 months

Permanent: \$1,567,463 Interest Rate: 7.50% Fixed Amort: 360 months

Comments:

The Interim Rate Index is the Bank of Oklahoma National Prime + 50 bps, which as of the date of the term sheet was 4.5%. The Permanent Rate Index will be fixed at Bank of Oklahoma's cost of funds + 300 bps, with a @ 7.50% ceiling. The term on the permanent loan will be 15 years from the date of conversion.

Source: Raymond James Type: Syndication

Proceeds: \$6,677,510 Syndication Rate: 70% Anticipated HTC: \$ 953,930

Amount: \$81,521 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the first lien permanent loan of \$1,567,463 and \$898,750 HOME loan indicates the need for \$6,759,031 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$965,576 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$953,930
Allocation determined by gap in financing:	\$965,576
Allocation requested by the Applicant:	\$953,930

The allocation amount determined by the eligible basis calculation and requested by the Applicant is recommended. A tax credit allocation of \$953,930 per year for 10 years results in total equity proceeds of \$6,677,507 at a syndication rate of \$0.70 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$81,524 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within three years of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Diamond Unique Thompson</i>		July 7, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		July 7, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		July 7, 2010

UNIT MIX/RENT SCHEDULE

Zion Gardens, Houston, HTC 9% #10035

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:			HOME				DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1			LH	\$558	\$598	\$717	\$829	\$925	70	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	38	54.3%	HH	\$640	\$714	\$866	\$1,044	\$1,145	0	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	28	40.0%								APPLICABLE FRACTION:	100.00%	
IREM REGION:	Houston	4	4	5.7%								APP % - ACQUISITION:	3.50%	
		TOTAL	70	100.0%								APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS	
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market
TC 50%	LH	30	2	1	950	\$717	\$63	\$654	\$1	\$0.69	\$655	\$19,650	\$19,620	\$654	\$0.69	\$0	\$717	\$960	\$306
TC 50%	LH	8	2	1	957	\$717	\$63	\$654	\$1	\$0.68	\$655	\$5,240	\$5,232	\$654	\$0.68	\$0	\$717	\$960	\$306
TC 50%	LH	28	3	2	1,158	\$829	\$76	\$753	(\$1)	\$0.65	\$752	\$21,056	\$21,084	\$753	\$0.65	\$0	\$829	\$1,150	\$397
TC 50%	LH	4	4	2	1,317	\$925	\$97	\$828	\$3	\$0.63	\$831	\$3,324	\$3,312	\$828	\$0.63	\$0	\$925	\$1,390	\$562
TOTAL:		70				73,848						\$49,270	\$49,248						
AVG:						1,055				\$0	\$0.67	\$704		\$704	\$0.67	\$0	\$774	\$1,061	(\$357)
ANNUAL:												\$591,240	\$590,976						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Zion Gardens, Houston, HTC 9% #10035

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$590,976	\$591,240			
Secondary Income	Per Unit Per Month:	\$5.00		4,200	0	\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$595,176	\$591,240			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(44,638)	(44,340)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$550,538	\$546,900			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.26%	\$335	0.32	\$23,430	\$19,000	\$0.26	\$271	3.47%
Management	5.00%	\$393	0.37	27,527	27,850	0.38	398	5.09%
Payroll & Payroll Tax	10.74%	\$845	0.80	59,132	47,000	0.64	671	8.59%
Repairs & Maintenance	8.94%	\$703	0.67	49,239	40,000	0.54	571	7.31%
Utilities	4.04%	\$318	0.30	22,225	30,000	0.41	429	5.49%
Water, Sewer, & Trash	5.76%	\$453	0.43	31,694	40,800	0.55	583	7.46%
Property Insurance	4.69%	\$369	0.35	25,847	24,000	0.32	343	4.39%
Property Tax 2.6387	9.76%	\$768	0.73	53,750	50,000	0.68	714	9.14%
Reserve for Replacements	3.81%	\$300	0.28	21,000	21,000	0.28	300	3.84%
TDHCA Compliance Fees	0.51%	\$40	0.04	2,800	3,200	0.04	46	0.59%
Other: Cable, Sup. Servs, Security	5.30%	\$417	0.40	29,200	29,200	0.40	417	5.34%
TOTAL EXPENSES	62.82%	\$4,941	\$4.68	\$345,844	\$332,050	\$4.50	\$4,744	60.71%
NET OPERATING INC	37.18%	\$2,924	\$2.77	\$204,694	\$214,850	\$2.91	\$3,069	39.29%

DEBT SERVICE

Bank of Oklahoma	\$131,519	\$131,648
City of Houston	\$45,470	\$46,100
Additional Financing	\$0	
TOTAL DEBT SERVICE	176,989	177,748
NET CASH FLOW	\$27,705	\$37,102
AGGREGATE DEBT COVERAGE RATIO	1.16	1.21
RECOMMENDED DEBT COVERAGE RATIO		1.21

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		8.24%	\$10,714	\$10.16	\$750,000	\$750,000	\$10.16	\$10,714	8.13%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		5.39%	\$7,000	\$6.64	490,000	490,000	6.64	7,000	5.31%
Direct Construction		49.63%	\$64,496	\$61.14	4,514,706	4,635,408	62.77	66,220	50.25%
Contingency	4.40%	2.42%	\$3,143	\$2.98	220,000	220,000	2.98	3,143	2.38%
Contractor's Fees	13.00%	7.15%	\$9,298	\$8.81	650,832	650,832	8.81	9,298	7.05%
Indirect Construction		9.45%	\$12,282	\$11.64	859,742	859,742	11.64	12,282	9.32%
Ineligible Costs		1.34%	\$1,743	\$1.65	122,000	122,000	1.65	1,743	1.32%
Developer's Fees	15.00%	11.51%	\$14,954	\$14.17	1,046,781	1,054,000	14.27	15,057	11.43%
Interim Financing		2.67%	\$3,475	\$3.29	243,262	243,262	3.29	3,475	2.64%
Reserves		2.20%	\$2,857	\$2.71	200,000	200,000	2.71	2,857	2.17%
TOTAL COST		100.00%	\$129,961.77	\$123.19	\$9,097,324	\$9,225,244	\$124.92	\$131,789	100.00%
Construction Cost Recap		64.59%	\$83,936	\$79.56	\$5,875,538	\$5,996,240	\$81.20	\$85,661	65.00%

SOURCES OF FUNDS

						RECOMMENDED	
Bank of Oklahoma	17.23%	\$22,392	\$21.23	\$1,567,463	\$1,567,463	\$1,567,463	Developer Fee Available
City of Houston	9.88%	\$12,839	\$12.17	898,750	898,750	898,750	\$1,054,000
Raymond James	73.40%	\$95,393	\$90.42	6,677,510	6,677,510	6,677,507	% of Dev. Fee Deferred
Deferred Developer Fees	0.90%	\$1,165	\$1.10	81,521	81,521	81,524	8%
Additional (Excess) Funds Req'd	-1.41%	(\$1,827)	(\$1.73)	(127,920)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$9,097,324	\$9,225,244	\$9,225,244	\$663,475

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Zion Gardens, Houston, HTC 9% #10035

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$52.62	\$3,885,579
Adjustments				
Exterior Wall Finish	6.00%		\$3.16	\$233,135
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.75%		1.97	145,709
Roofing			0.00	0
Subfloor			4.99	368,255
Floor Cover			2.41	177,974
Breezeways	\$23.61	0	0.00	0
Balconies	\$23.61	3,728	1.19	88,031
Plumbing Fixtures	\$845	96	1.10	81,120
Rough-ins	\$420	140	0.80	58,800
Built-In Appliances	\$3,100	70	2.94	217,000
Exterior Stairs	\$1,900	8	0.21	15,200
Enclosed Corridors	\$42.70	240	0.14	10,247
Elevators:	\$114,700	2	3.11	229,400
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	136,619
Garages	\$17.37	28,000	6.59	486,360
Comm &/or Aux Bldgs	\$84.82	1,052	1.21	89,232
Other: fire sprinkler	\$2.25	73,848	2.25	166,158
SUBTOTAL			86.51	6,388,818
Current Cost Multiplier	0.99		(0.87)	(63,888)
Local Multiplier	0.88		(10.38)	(766,658)
TOTAL DIRECT CONSTRUCTION COSTS			\$75.27	\$5,558,272
Plans, specs, survy, bld prm	3.90%		(\$2.94)	(\$216,773)
Interim Construction Interest	3.38%		(2.54)	(187,592)
Contractor's OH & Profit	11.50%		(8.66)	(639,201)
NET DIRECT CONSTRUCTION COSTS			\$61.14	\$4,514,706

PROPOSED PAYMENT COMPUTATION

Bank of Oklahoma	\$1,567,463	Amort	360
Int Rate	7.50%	DCR	1.56
City of Houston	\$898,750	Amort	360
Int Rate	3.00%	Subtotal DCR	1.16
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.16
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.16
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.16

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Bank of Oklahoma	\$131,519
City of Houston	45,470
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$176,989

Bank of Oklahoma	\$1,567,463	Amort	360
Int Rate	7.50%	DCR	1.63
City of Houston	\$898,750	Amort	360
Int Rate	3.00%	Subtotal DCR	1.21
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.21
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.21
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.21

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$591,240	\$603,065	\$615,126	\$627,429	\$639,977	\$706,587	\$780,129	\$861,325	\$1,049,950
Secondary Income	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	591,240	603,065	615,126	627,429	639,977	706,587	780,129	861,325	1,049,950
Vacancy & Collection Loss	(44,340)	(45,230)	(46,134)	(47,057)	(47,998)	(52,994)	(58,510)	(64,599)	(78,746)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$546,900	\$557,835	\$568,992	\$580,371	\$591,979	\$653,593	\$721,619	\$796,726	\$971,204
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$19,000	\$19,570	\$20,157	\$20,762	\$21,385	\$24,791	\$28,739	\$33,317	\$44,775
Management	27,850	28406.84417	28,975	29,554	30,146	33,283	36,747	40,572	49,457
Payroll & Payroll Tax	47,000	48,410	49,862	51,358	52,899	61,324	71,092	82,415	110,759
Repairs & Maintenance	40,000	41,200	42,436	43,709	45,020	52,191	60,504	70,140	94,263
Utilities	30,000	30,900	31,827	32,782	33,765	39,143	45,378	52,605	70,697
Water, Sewer & Trash	40,800	42,024	43,285	44,583	45,921	53,235	61,714	71,543	96,148
Insurance	24,000	24,720	25,462	26,225	27,012	31,315	36,302	42,084	56,558
Property Tax	50,000	51,500	53,045	54,636	56,275	65,239	75,629	87,675	117,828
Reserve for Replacements	21,000	21,630	22,279	22,947	23,636	27,400	31,764	36,824	49,488
TDHCA Compliance Fee	3,200	3,296	3,395	3,497	3,602	4,175	4,840	5,611	7,541
Other	29,200	30,076	30,978	31,908	32,865	38,099	44,168	51,202	68,812
TOTAL EXPENSES	\$332,050	\$341,733	\$351,701	\$361,962	\$372,525	\$430,195	\$496,877	\$573,989	\$766,324
NET OPERATING INCOME	\$214,850	\$216,102	\$217,291	\$218,409	\$219,454	\$223,397	\$224,742	\$222,737	\$204,880
DEBT SERVICE									
First Lien Financing	\$131,519	\$131,519	\$131,519	\$131,519	\$131,519	\$131,519	\$131,519	\$131,519	\$131,519
Second Lien	45,470	45,470	45,470	45,470	45,470	45,470	45,470	45,470	45,470
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$37,861	\$39,113	\$40,302	\$41,420	\$42,464	\$46,408	\$47,753	\$45,748	\$27,891
DEBT COVERAGE RATIO	1.21	1.22	1.23	1.23	1.24	1.26	1.27	1.26	1.16

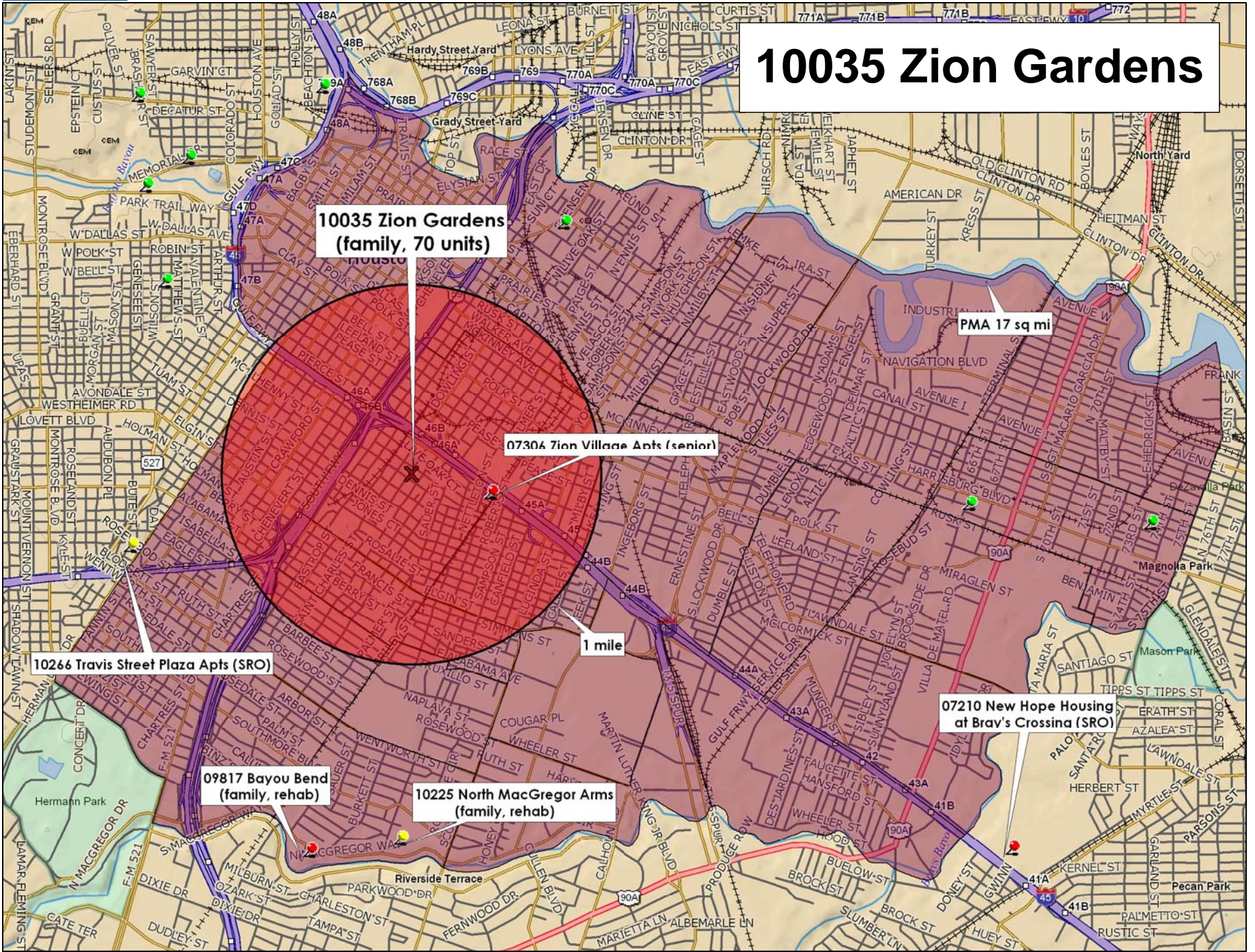
HTC ALLOCATION ANALYSIS -Zion Gardens, Houston, HTC 9% #10035

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$750,000	\$750,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$490,000	\$490,000	\$490,000	\$490,000
Construction Hard Costs	\$4,635,408	\$4,514,706	\$4,635,408	\$4,514,706
Contractor Fees	\$650,832	\$650,832	\$650,832	\$650,832
Contingencies	\$220,000	\$220,000	\$220,000	\$220,000
Eligible Indirect Fees	\$859,742	\$859,742	\$859,742	\$859,742
Eligible Financing Fees	\$243,262	\$243,262	\$243,262	\$243,262
All Ineligible Costs	\$122,000	\$122,000		
Developer Fees				
Developer Fees	\$1,054,000	\$1,046,781	\$1,054,000	\$1,046,781
Development Reserves	\$200,000	\$200,000		
TOTAL DEVELOPMENT COSTS	\$9,225,244	\$9,097,324	\$8,153,244	\$8,025,324

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$8,153,244	\$8,025,324
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$10,599,217	\$10,432,921
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$10,599,217	\$10,432,921
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$953,930	\$938,963

Syndication Proceeds	0.7000	\$6,677,507	\$6,572,740
Total Tax Credits (Eligible Basis Method)		\$953,930	\$938,963
Syndication Proceeds		\$6,677,507	\$6,572,740
Requested Tax Credits		\$953,930	
Syndication Proceeds		\$6,677,510	
Gap of Syndication Proceeds Needed		\$6,759,031	
Total Tax Credits (Gap Method)		\$965,576	
Recommended Tax Credits		953,930	
Syndication Proceeds		\$6,677,507	

10035 Zion Gardens



10035 Zion Gardens (family, 70 units)

PMA 17 sq mi

07304 Zion Village Apts (senior)

1 mile

10266 Travis Street Plaza Apts (SRO)

09817 Bayou Bend (family, rehab)

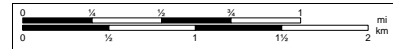
10225 North MacGregor Arms (family, rehab)

07210 New Hope Housing at Bray's Crossina (SRO)

Data use subject to license.



Scale 1 : 43,750



1" = 3,645.8 ft Data Zoom 12-2



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Paris Retirement Village II, TDHCA Number 10039

BASIC DEVELOPMENT INFORMATION

Site Address: 1500 W. Washington St. Development #: 10039
 City: Paris Region: 4 Population Served: Elderly
 County: Lamar Zip Code: 75460 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Paris Retirement Village II, LTD.
 Owner Contact and Phone: Joe Chamy, (817) 285-6315
 Developer: Valcrest Investments, Inc.
 Housing General Contractor: Compass Point Development Company, Inc.
 Architect: Apex Architectural Designers, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Raymond James Tax Credit Funds, Inc.
 Supportive Services: Lamar County Human Resource Council
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	78	
	4	0	35	39	Market Rate Units:	2	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	72	8	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	20
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	15
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	4

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$864,182	\$0			
HOME Activity Fund Amount:	\$1,850,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Paris Retirement Village II, TDHCA Number 10039

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Eltife, District 1, S

Points: 7

US Representative: Hall, District 4, NC

TX Representative: Homer, District 3, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$1,850,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1,850,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Paris Retirement Village II, TDHCA Number 10039

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **169** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Ashton Senior Village, TDHCA Number 10040

BASIC DEVELOPMENT INFORMATION

Site Address: SEC of Borgfeld Rd. and FM 3009 (Roy Richard Dr.) Development #: 10040
 City: Schertz Region: 9 Population Served: Elderly
 County: Guadalupe Zip Code: 78154 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: DDC Ashton, Ltd.
 Owner Contact and Phone: Colby Denison, (512) 732-1226
 Developer: DDC Investments, Ltd. (Crossroads Housing Dev. Corp.)
 Housing General Contractor: TBD
 Architect: Architettura, Inc.
 Market Analyst: O'Connor & Associates
 Syndicator: NEF, Inc.
 Supportive Services: Better Texans, Inc
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	176	
	27	0	62	87	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	64	112	0	0	0	
Type of Building:						Total Development Units:	176
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$20,617,776
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	25
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	11

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Ashton Senior Village, TDHCA Number 10040

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Wentworth, District 25, S Points: 7 US Representative: Cuellar, District 28, NC
TX Representative: Kuempel, District 44, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Gleaming Springs Neighborhood Association, Inc, Rebecca A. Scheffler Letter Score: 24 S or O: S
Critical need for affordable housing for our senior citizens in our town.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance by commitment of evidence of the appropriate zoning change or a variance for the proposed development from the City.
2. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt, review, and acceptance by commitment that the use of the HUD Utility model for the Subject has been approved by the Department, with allowance between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units, or alternatively confirmation that the Schertz Housing Authority Utility Allowances will be used.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
6. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$2,000,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$2,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Ashton Senior Village, TDHCA Number 10040

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **9**

Total # Monitored: **4**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **215** Meeting a Required Set-Aside Credit Amount*: **\$0**

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: **\$0**

HOME CHDO Operating Expense Grant: Grant Amount: **\$0**

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/14/10 PROGRAM: HTC 9%/HOME FILE NUMBER: 10040

DEVELOPMENT

Ashton Senior Village

Location: SE corner of Borgfeld Rd & FM 3009 (Roy Richard Dr.) Region: 9
 City: Schertz County: Guadalupe Zip: 78154 OCT DDA
 Key Attributes: Elderly, New Construction, Urban, CHDO

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
HOME Activity Funds	\$2,000,000	0.00%	35/18	\$2,000,000	0.00%	35/18	2nd
HOME CHDO Operating Expenses	\$50,000			\$50,000			
Housing Tax Credit (Annual)	\$2,000,000			\$2,000,000			

CONDITIONS

- 1 Receipt, review, and acceptance by commitment of evidence of the appropriate zoning change or a variance for the proposed development from the City.
- 2 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt, review and acceptance by commitment that the use of the HUD Utility model for the Subject has been approved by the Department, with allowances between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units, or alternatively confirmation that the Schertz Housing Authority utility allowances will be used.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	27
50% of AMI	50% of AMI	62
60% of AMI	60% of AMI	87

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

- The three nearest senior HTC properties report occupancies of 100%, 95%, and 90%.
- The principals of the Applicant have experience developing and owning 776 Housing Tax Credit units.
- Proposed rents are on average 37% lower than market rents.
- Unit capture rates for all unit types are 17% or lower.

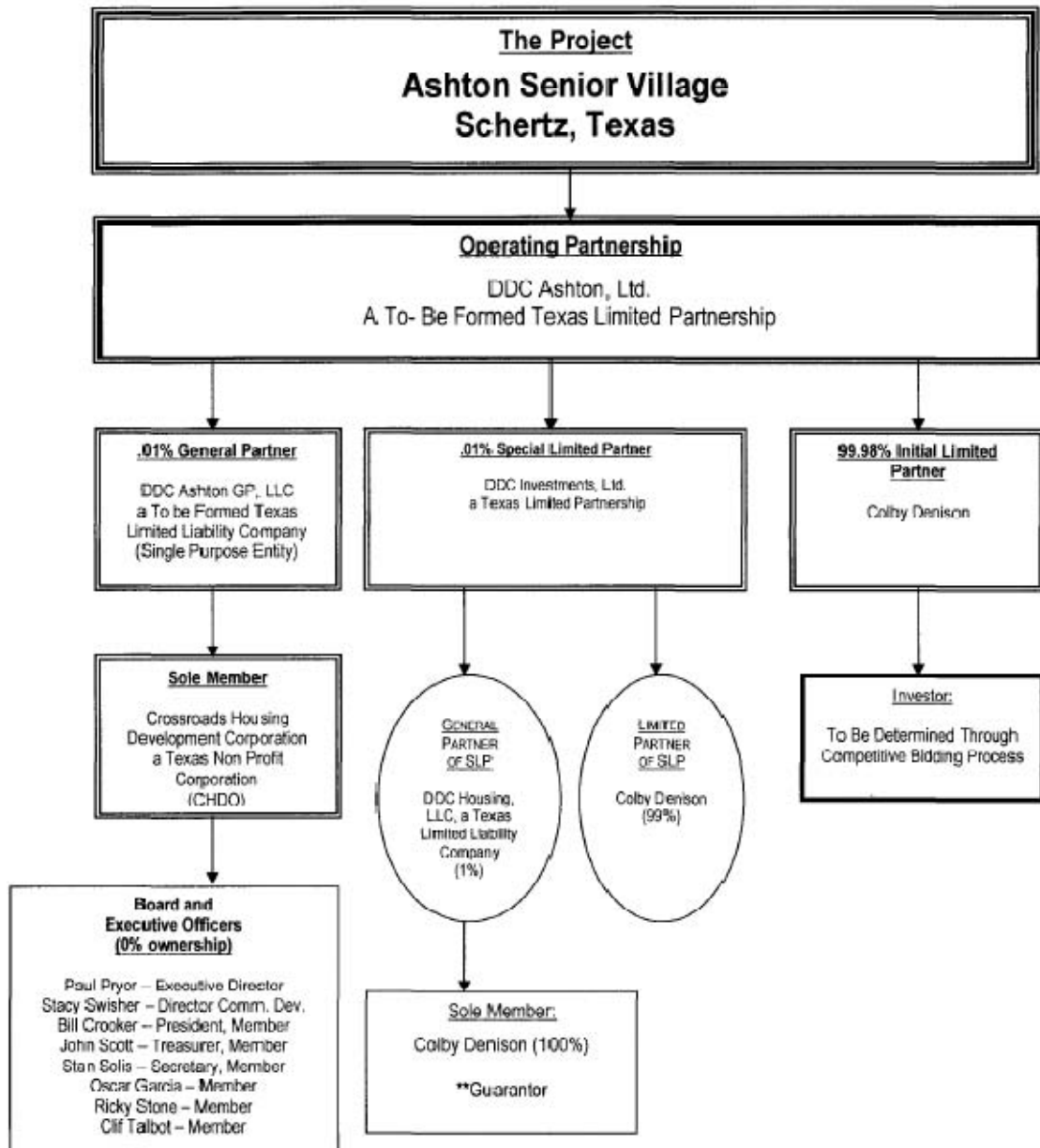
- The overall occupancy in the PMA is 89%.
- 64% of the units are 2BR. Of the 15 vacant units at the three nearest senior HTC properties, 12 (or 80%) are 2BR units.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

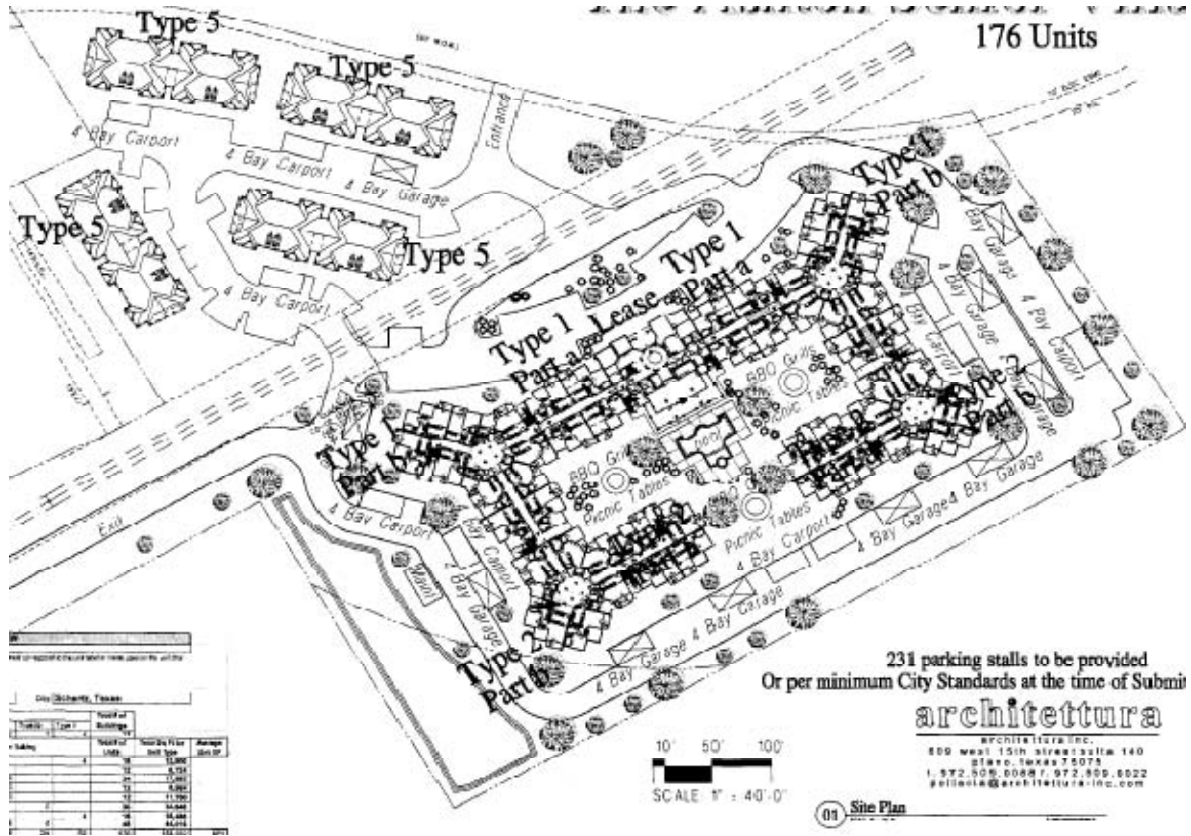
Contact: Colby Denison Phone: (512) 732-1226 Fax: (512) 732-1276
 Email: colby@denisondevelopment.com

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. This is a common relationship for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E						Total Buildings
Floors/Stories	3	3	3	3	1						
Number	2	2	2	2	4						12

BR/BA	SF	Units								Total Units	Total SF
1	727		6							12	8,724
1	733		6	6						24	17,592
1	747		3	3						12	8,964
1	750					4				16	12,000
2	917	6	6	6	6					48	44,016
2	968	6	6		6	4				52	50,336
2	975		3	3						12	11,700
Units per Building		12	30	18	12	8				176	153,332

SITE ISSUES

Total Size:	10.629 acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	Zone X	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Zoning:	Neighborhood Services	Needs to be re-zoned?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> N/A

Comments:

The subject property is currently zoned Neighborhood Services. The Applicant has made application to the city for a zoning change to R-4 Multifamily, which allows for the proposed property. Receipt, review, and acceptance by commitment of evidence of the appropriate zoning change or a variance for the proposed development from the City is a condition of this report.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/27/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North:	Borgfeld Rd, commercial & residential	East:	Borgfeld Rd & commercial & vacant land
South:	Vacant/undeveloped land	West:	Roy Richard Dr, commercial & residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: ECS, LLP Date: 1/29/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "ECS considers Bradzoil Ten-Minute Oil Change to be a potential contamination source and a recognized environmental conditions (REC) of the site." (p. 1)
- "Quix was identified at ... approximately 200 feet northwest and topographically cross-gradient of the site. According to the EDR On Demand report, the property contains three 10,000-gallon gasoline USTs and one 10,000-gallon diesel UST ... and are currently active. There are no reported releases associated with the property. However, based on the surface topography, potential exists for an undocumented release to impact the site. ECS considers the property to be a potential contamination source and a REC of the site." (p. 2)
- "With respect to the off-site RECs, additional assessment could determine if the site has been adversely impacted. Additional assessment is recommended if groundwater is anticipated to be encountered during or used for redevelopment of the site ... Based on the standard policy towards contaminated aquifers from an off-site source and the fact that city water and sewer services are available for the site and surrounding areas, additional assessment is not recommended." (p. 2)
- "The subject site is located within 15 miles of a military airfield, Randolph Air Force Base, and within 3,000 feet of a railroad. Based on the site location, a noise study is recommended for this property if the proposed development is deemed to be noise sensitive." (addendum letter 2/19/10)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 2/12/2010
 Contact: Robert Coe Phone: (713) 375-4279
 Number of Revisions: 1 Date of Last Applicant Revision: 3/26/2010

Primary Market Area (PMA): 450 sq. miles 12 mile equivalent radius
 The Primary Market Area is defined by fourteen census tracts northeast of San Antonio, straddling Bexar, Comal, and Guadalupe Counties.

Secondary Market Area (SMA): 31 sq. miles 3 mile equivalent radius
 The market study defines a Secondary Market Area just to the southeast of the PMA, but offers no analysis of

ELIGIBLE HOUSEHOLDS BY INCOME								
Guadalupe County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$7,704	\$12,000	---	---	\$12,864	\$20,000	\$15,432	\$24,000
2	\$7,704	\$13,700	---	---	\$12,864	\$22,900	\$15,432	\$27,480
3	\$9,264	\$15,450	---	---	\$15,432	\$25,750	\$18,528	\$30,900
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
none					
Other Affordable Developments in PMA since 2006					
none					
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		1		Total Units	24

COMPARABLE SUPPLY in EXTENDED MARKET AREA					
10160	Creekside Place	new	senior	n/a	176
10120	Montabella Senior	new	senior	n/a	90
060007	Landa Place	new	senior	n/a	100
Other Affordable Developments in Extended Market since 2006					
none					
09198	Montabella Pointe	new	family	n/a	144
08150	Oak Manor/Oak Village	rehab	family	n/a	229
08190	Sutton Homes	recon	family	n/a	194
060416	The Landing	rehab	family	n/a	216
060417	Artisan at Salado Heights	new	family	n/a	252
060426	Costa Almadena	new	family	n/a	176
Stabilized Affordable Developments in Extended Market (pre-2006)					
Total Properties (pre-2006)		13		Total Units	2,454

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed, under construction, or unstabilized comparable properties inside the Primary Market Area. It is noted that there are two additional 2010 applications for senior developments in an extended area around the PMA. Creekside Place (#10160) is located 15 miles northeast of the subject. Three census tracts are common between the subject PMA and the PMA defined for Creekside, accounting for 19% of the senior population in the subject PMA. The underwriting analysis considers the demand for the subject with an without this common population.

Montabella Senior (#10120) is located nine miles southwest of the subject. The PMA defined for Montabella Senior does not intersect the subject PMA. Also Landa Place (#060007) is a 2006 senior development located 12 miles northeast of the subject. Landa Place has achieved stabilized operation and is not considered in the demand calculations.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
	PMA	PMA	Reduced Market
Total Households in the Primary Market Area	38,118	38,118	31,866
Target Households in the Primary Market Area	11,805	14,481	11,806
Potential Demand from the Primary Market Area	2,721	2,916	2,373
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	2,721	2,916	2,373
Subject Affordable Units	176	176	176
Unstabilized Comparable Units	0	0	0
RELEVANT SUPPLY	176	176	176
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	6.5%	6.0%	7.4%

Demand Analysis:

The 2010 Real Estate Analysis Rules state that "the Market Analyst should use demographic data specific to the elderly population for an elderly Development, if available, and should avoid making adjustments from more general demographic data". The market study disregards this guideline. The senior household population is estimated indirectly as the proportion of seniors to adults, and the senior household growth rate is determined based on a general national trend by doubling the overall household growth rate for the PMA. The underwriting analysis has relied on available demographic data specific to the senior households in the PMA.

The Market Analyst identifies Gross Demand for 2,721 senior units in the PMA, indicating a Gross Capture Rate of 6.5% for the subject's 176 proposed units. The Underwriter identifies Gross Demand for 2,916 units based on senior-specific demographics data for the PMA, indicating a Gross Capture Rate of 6.0% for the subject's 176 units.

As stated above, Creekside Place is a proposed senior development located northeast of the subject. Three census tracts, containing 19% of the senior population in the subject PMA, are shared by the PMA for Creekside Place. In order to eliminate the conflicting demand for this population, the Underwriter has calculated demand from a reduced market area, excluding the common census tracts. This analysis identifies Gross Demand for 2,373 units, and a Gross Capture Rate of 7.4%.

The maximum Gross Capture Rate for urban developments targeting senior households is 10%; this indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	363	10	0	1%	351	10	0	3%
1 BR/50%	187	16	0	8%	673	23	0	3%
1 BR/60%	791	38	0	2%	294	31	0	11%
2 BR/30%	331	17	0	2%	183	17	0	9%
2 BR/50%	171	39	0	25%	373	39	0	10%
2 BR/60%	983	56	0	6%	331	56	0	17%

footnote: The Market Analyst's data reflects an incorrect mix of 50% and 60% one-bedroom units.

Primary Market Occupancy Rates:

The Market Analyst reports quarterly averages for overall occupancy in the PMA that ranged between 88% and 91% during 2009, up from a range of 83% to 89% during 2008. The Market Analyst states the average is reduced by what is reported to be the nearest HTC project in the PMA, Stratton Oaks, which has recently been in transition due to management issues. Stratton Oaks is one of the nearest HTC developments, but it is actually located outside the PMA in Seguin.

There is one HTC project inside the PMA: Cibolo Plaza, a 1992 project with 24 units, all one- and two-bedrooms, is located less than two miles from the subject. Department data indicates that it is 100% occupied. The Underwriter identified a senior development in Seguin, Eden Place (#01088) with 60 units, which currently reports 90% occupancy. Two additional senior developments were noted west and southwest of the subject toward San Antonio. Legacy on O'Connor Road, with 150 units, is 8 miles west of the subject and reports 100% occupancy. Midcrown Senior Pavilion (#05453), with 196 units, is 9 miles southwest of the subject and reports 95% occupancy.

Absorption Projections:

"The most recent Seniors HTC projects which have come on-line in the San Antonio MSA were Landa Place, which ... attained stabilized occupancy in May 2008, (with) an average absorption of approximately 49 units per month from completion. Midcrown Senior Pavilion is a 196-unit Seniors HTC ... completed in May 2007, and attained stabilized occupancy in December 2008, (with) an average absorption of approximately 10 units per month. Primrose at Mission Hills ... reported attaining stabilized occupancy in January 2009, (with) an average absorption of approximately 19 units per month. We estimate absorption at 10 to 20 units a month and the property should stabilize within 9 to 18 months of opening." (p. 12)

Market Impact:

"The HTC properties we were able to contact all reported a waiting list. As previously indicated, there is one existing Family HTC project within the subject's primary market area, and no existing Seniors HTC complexes. With average rental rates in all projects at \$0.910 PSF, and occupancy rates averaging 89.88% overall, it is reasonable to project that a new affordable housing project with competitive amenities and an average rent of \$0.618 per square foot per month, such as the subject property, would perform favorably in this market." (p. 41)

Comments:

The market analysis, based on the market study and additional information gathered by the Underwriter, indicates sufficient demand to support a funding recommendation for the subject.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 2 Date of Last Applicant Revision: 6/2/2010

The Underwriter's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances based on the HUD Utility Model (which has not yet been approved by the Department), from the 2009 program gross rent limits. It should be noted, subsequent to a request from the Underwriter, the Applicant chose to update the program gross rents to incorporate the newly published 2010 rent limits. While rents for each unit type increased slightly (\$4 to \$9), for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Tenants will be required to pay electric utility costs only.

Because the utility allowances used in the analysis have not been approved by the Department, the Underwriter evaluated the range of utility allowances which would not cause a change in the recommendation or the feasibility conclusion of the analysis. This range is between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units. Of note, the Schertz Housing Authority's utility allowances fall within these ranges. This report is conditioned on receipt, review and acceptance by commitment that the use of the HUD Utility model for the Subject has been approved by the Department, with allowances between \$77 and \$102 for 1BR units and between \$94 and \$131 for 2BR units, or alternatively confirmation that the Schertz Housing Authority utility allowances will be used.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines; however, secondary income assumptions are not, as the Applicant included an additional \$7.91 per unit over the \$20 guideline. The Applicant indicated that \$15.91 of the total \$27.91 per unit per month in secondary income being claimed would be from garage and carport income but provided limited support that these additional amounts are achievable in this market. Moreover, the market study provided no support for such additional income. The Underwriter's secondary income estimate is equal to the maximum \$20 per unit per month guideline.

Despite the use of the lower 2009 gross program rents, effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 6/2/2010

The Applicant's total annual operating expense projection at \$3,751 per unit is within 5% of the Underwriter's estimate of \$3,634, derived from the TDHCA database, and third-party data sources. Of note, the Underwriter adjusted management fees from the typical 5% to 3.5% of EGI, as evidenced in the Management Agreement contract provided by the Applicant. Also of note, the Applicant's estimate of property tax is 25% lower than the Underwriter's estimate. The Underwriter's estimate of \$21K/unit is based on a 10% cap rate and the Underwriter's NOI; however, the Subject qualifies as a CHDO, and as such, the Applicant's lower property tax estimate is reasonable.

The Applicant's estimate of water, sewer, and trash expense is 27% higher than the Underwriter's estimate; however, the Applicant's estimate is in line with the TDHCA database and as such is considered reasonable. Also of note, the lender requirement for reserve for replacement is \$200/unit/year; however, the Underwriter and Applicant have utilized the standard \$250/unit/year per REA rules. All other expense line items vary slightly; however, the Applicant's estimates are in line with the TDHCA database and as such are considered reasonable.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.31, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	10.623 acres	\$555,285	Tax Year:	2010
			Valuation by:	Guadalupe CAD
			Tax Rate:	2.2437

EVIDENCE of PROPERTY CONTROL

Type:	Unimproved Commercial Property Contract		Acreage:	10.629
Contract Expiration:	10/31/2010	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Acquisition Cost:	\$1,388,214	Other:		
Seller:	Oryx Development, LLC	Related to Development Team?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

<i>COST SCHEDULE</i>	Number of Revisions:	None	Date of Last Applicant Revision:	N/A
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Acquisition Value:

The site cost of \$130,606 per acre or \$7,888 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. Of note, the seller is providing an interim loan in the amount of \$450K. This is discussed further in the Proposed Financing Structure section below.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit largely due to on-site paving & utility extension across the site. The Applicant provided sufficient third party certification through a detailed certified cost estimate by an Engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Thomas Stephen & Company, LLC, to preliminarily opine that all of the total \$2,058,303 will be considered eligible. The CPA has indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$145K or 2% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, garages and carports are being provided for a fee, and as a result the both the Applicant and Underwriter have excluded the cost of these amenities from eligible basis.

Ineligible Costs:

The Applicant included \$70K in bridge loan interest and fees as an eligible cost. These costs are generally regarded to be ineligible since the submitted commitment letters do not explicitly document the loan. Therefore, the Underwriter reduced the Applicant's eligible basis by an equivalent amount. Also of note, the Underwriter's ineligible cost is adjusted for carport and garages. Specifically, the Underwriter determined carports & garages to be \$148,756 based on Marshall & Swift; however, the Applicant has included \$432K for these costs.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by \$132,250 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Contingency & Fees:

The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. However, the Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$30,338 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,858,615 supports annual tax credits of \$2,089,458. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Oryx Development, LLC Type: Interim Financing

Principal: \$450,000 Interest Rate: Prime + 1% Fixed Term: 6 months

Comments:

Oryx Development, the seller of the Subject site, will provide a loan in the amount of \$450K to cover predevelopment costs. The loan will be fixed at 1% over Prime and carry a 6 month term.

Source: TDHCA - HOME Type: Interim to Permanent Financing

Principal: \$2,000,000 Interest Rate: 0.0% Fixed Amort: 420 months

Comments:

The Applicant has requested this interim-to-permanent HOME loan that will be in a second lien position. The permanent component is requested to have an 18 year term and 35 year amortization, consistent with the first lien.

Source: CitiBank Type: Interim to Permanent Financing

Interim: \$11,500,000 Interest Rate: 4.85% Fixed Term: 30 months

Permanent: \$3,200,000 Interest Rate: 8.50% Fixed Amort: 420 months

Comments:

The Interim Rate Index is LIBOR + 450 bps; underwritten at 6%. The Permanent Rate Index will be fixed at 8.5%. The term on the permanent loan will be 18 years from the date of conversion.

Source: NEF Type: Syndication

Proceeds: \$14,797,040 Syndication Rate: 74% Anticipated HTC: \$ 2,000,000

Amount: \$620,737 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3.2M and requested \$2M in TDHCA HOME funds indicates the need for \$15,417,776 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,083,900 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,089,458
Allocation determined by gap in financing:	\$2,083,900
Allocation requested by the Applicant:	\$2,000,000

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$2M per year for 10 years results in total equity proceeds of \$14,797,040 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter recommends a HOME loan not to exceed \$2M structured as a fully repayable mortgage with an interest rate of 0% and with an amortization and term to mirror the Citibank mortgage or replacement source of financing (currently with 18 year term and 35 year amortization). If the HOME award is ultimately not received the substantial resulting gap in financing would render this transaction infeasible. CHDO Operating Funds in the amount of \$50K is also recommended.

The Underwriter's recommended financing structure indicates the need for \$620,736 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Underwriter:	_____	Date:	_____
	<i>Diamond Unique Thompson</i>		June 14, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 14, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 14, 2010

UNIT MIX/RENT SCHEDULE

Ashton Senior Village, Schertz, HTC 9%/HOME #10040

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Schertz	# Beds	# Units	% Total	PROGRAMS:			HOME				DEVELOPMENT ACTIVITY:	New	
COUNTY:	Guadalupe	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	64	36.4%	LH	\$500	\$536	\$643	\$743	\$830	11	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	9	2	112	63.6%	HH	\$577	\$642	\$792	\$934	\$1,021	25	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4										APP % - ACQUISITION:	N/A	
		TOTAL	176	100.0%								APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS					TDHCA RENTS					OTHER UNIT DESIGNATION	MARKET RENTS	
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market	
TC 30%	LH / 30% AMI	4	1	1	727	\$321	\$80	\$241	\$4	\$0.34	\$245	\$980	\$964	\$241	\$0.33	\$0	\$321	\$775	\$534	
TC 30%	HH / 60% AMI	6	1	1	727	\$321	\$80	\$241	\$4	\$0.34	\$245	\$1,470	\$1,446	\$241	\$0.33	\$0	\$642	\$775	\$534	
TC 50%		2	1	1	727	\$536	\$80	\$456	\$6	\$0.64	\$462	\$924	\$912	\$456	\$0.63	\$0		\$775	\$319	
TC 50%		18	1	1	733	\$536	\$80	\$456	\$6	\$0.63	\$462	\$8,316	\$8,208	\$456	\$0.62	\$0		\$775	\$319	
TC 50%	HH / 60% AMI	3	1	1	733	\$536	\$80	\$456	\$6	\$0.63	\$462	\$1,386	\$1,368	\$456	\$0.62	\$0	\$642	\$775	\$319	
TC 60%		3	1	1	733	\$643	\$80	\$563	\$8	\$0.78	\$571	\$1,713	\$1,689	\$563	\$0.77	\$0		\$775	\$212	
TC 60%		12	1	1	747	\$643	\$80	\$563	\$8	\$0.76	\$571	\$6,852	\$6,756	\$563	\$0.75	\$0		\$750	\$187	
TC 60%		16	1	1	750	\$643	\$80	\$563	\$8	\$0.76	\$571	\$9,136	\$9,008	\$563	\$0.75	\$0		\$750	\$187	
TC 30%	LH / 30% AMI	3	2	1	917	\$386	\$102	\$284	\$4	\$0.31	\$288	\$864	\$852	\$284	\$0.31	\$0	\$386	\$855	\$571	
TC 30%	HH / 60% AMI	4	2	1	917	\$386	\$102	\$284	\$4	\$0.31	\$288	\$1,152	\$1,136	\$284	\$0.31	\$0	\$792	\$855	\$571	
TC 50%		14	2	1	917	\$643	\$102	\$541	\$8	\$0.60	\$549	\$7,686	\$7,574	\$541	\$0.59	\$0		\$855	\$314	
TC 50%	HH / 60% AMI	3	2	1	917	\$643	\$102	\$541	\$8	\$0.60	\$549	\$1,647	\$1,623	\$541	\$0.59	\$0	\$792	\$855	\$314	
TC 60%		24	2	1	917	\$772	\$102	\$670	\$9	\$0.74	\$679	\$16,296	\$16,080	\$670	\$0.73	\$0		\$855	\$185	
TC 30%	LH / 30% AMI	4	2	2	968	\$386	\$102	\$284	\$4	\$0.30	\$288	\$1,152	\$1,136	\$284	\$0.29	\$0	\$386	\$905	\$621	
TC 30%	HH / 60% AMI	6	2	2	968	\$386	\$102	\$284	\$4	\$0.30	\$288	\$1,728	\$1,704	\$284	\$0.29	\$0	\$792	\$905	\$621	
TC 50%		19	2	2	968	\$643	\$102	\$541	\$8	\$0.57	\$549	\$10,431	\$10,279	\$541	\$0.56	\$0		\$905	\$364	
TC 50%	HH / 60% AMI	3	2	2	968	\$643	\$102	\$541	\$8	\$0.57	\$549	\$1,647	\$1,623	\$541	\$0.56	\$0	\$792	\$905	\$364	
TC 60%		20	2	2	968	\$772	\$102	\$670	\$9	\$0.70	\$679	\$13,580	\$13,400	\$670	\$0.69	\$0		\$905	\$235	
TC 60%		12	2	2	975	\$772	\$102	\$670	\$9	\$0.70	\$679	\$8,148	\$8,040	\$670	\$0.69	\$0		\$905	\$235	
TOTAL:		176				153,332						\$95,108	\$93,798							
AVG:						871				\$7	\$0.62	\$540		\$533	\$0.61	\$0	\$127	\$840	(\$307)	
ANNUAL:												\$1,141,296	\$1,125,576							

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Ashton Senior Village, Schertz, HTC 9%/HOME #10040

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$20.00
Other Support Income: Carports (40) & Garages (40)		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.73%	\$351	0.40	\$61,859	\$53,000	\$0.35	\$301	4.77%
Management	3.50%	\$215	0.25	37,808	44,408	0.29	252	4.00%
Payroll & Payroll Tax	15.23%	\$934	1.07	164,469	179,800	1.17	1,022	16.20%
Repairs & Maintenance	7.66%	\$470	0.54	82,760	90,000	0.59	511	8.11%
Utilities	4.35%	\$267	0.31	47,025	50,000	0.33	284	4.50%
Water, Sewer, & Trash	6.12%	\$376	0.43	66,092	84,000	0.55	477	7.57%
Property Insurance	3.38%	\$208	0.24	36,557	36,960	0.24	210	3.33%
Property Tax 2.2437	7.68%	\$471	0.54	82,927	62,000	0.40	352	5.58%
Reserve for Replacements	4.07%	\$250	0.29	44,000	44,000	0.29	250	3.96%
TDHCA Compliance Fees	0.65%	\$40	0.05	7,040	7,040	0.05	40	0.63%
Other: Supportive Services, Security	0.84%	\$51	0.06	9,040	9,040	0.06	51	0.81%
TOTAL EXPENSES	59.21%	\$3,634	\$4.17	\$639,577	\$660,248	\$4.31	\$3,751	59.47%
NET OPERATING INC	40.79%	\$2,504	\$2.87	\$440,653	\$449,968	\$2.93	\$2,557	40.53%

DEBT SERVICE

CitiBank	\$286,794	\$286,794
TDHCA - HOME	\$57,143	\$57,143
Additional Financing	\$0	
TOTAL DEBT SERVICE	343,937	343,937
NET CASH FLOW	\$96,715	\$106,031
AGGREGATE DEBT COVERAGE RATIO	1.28	1.31
RECOMMENDED DEBT COVERAGE RATIO		1.31

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		7.02%	\$8,030	\$9.22	\$1,413,214	\$1,413,214	\$9.22	\$8,030	6.85%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		10.22%	\$11,695	\$13.42	2,058,303	2,058,303	13.42	11,695	9.98%
Direct Construction		44.67%	\$51,109	\$58.67	8,995,233	9,140,000	59.61	51,932	44.33%
Contingency	5.07%	2.78%	\$3,181	\$3.65	559,915	559,915	3.65	3,181	2.72%
Contractor's Fees	14.00%	7.79%	\$8,908	\$10.22	1,567,762	1,567,762	10.22	8,908	7.60%
Indirect Construction		6.77%	\$7,747	\$8.89	1,363,500	1,363,500	8.89	7,747	6.61%
Ineligible Costs		3.14%	\$3,593	\$4.12	632,366	915,610	5.97	5,202	4.44%
Developer's Fees	15.00%	11.46%	\$13,112	\$15.05	2,307,669	2,359,722	15.39	13,408	11.45%
Interim Financing		4.17%	\$4,771	\$5.48	839,750	839,750	5.48	4,771	4.07%
Reserves		1.99%	\$2,273	\$2.61	400,000	400,000	2.61	2,273	1.94%
TOTAL COST		100.00%	\$114,418.82	\$131.33	\$20,137,712	\$20,617,776	\$134.46	\$117,146	100.00%
Construction Cost Recap		65.46%	\$74,893	\$85.97	\$13,181,213	\$13,325,980	\$86.91	\$75,716	64.63%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
CitiBank	15.89%	\$18,182	\$20.87	\$3,200,000	\$3,200,000	\$3,200,000	Developer Fee Available
TDHCA - HOME	9.93%	\$11,364	\$13.04	2,000,000	2,000,000	2,000,000	\$2,329,385
NEF	73.48%	\$84,074	\$96.50	14,797,040	14,797,040	14,797,040	% of Dev. Fee Deferred
Deferred Developer Fees	3.08%	\$3,527	\$4.05	620,737	620,737	620,736	27%
Additional (Excess) Funds Req'd	-2.38%	(\$2,728)	(\$3.13)	(480,065)	(1)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$20,137,712	\$20,617,776	\$20,617,776	\$1,818,541

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Ashton Senior Village, Schertz, HTC 9%/HOME #10040

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$56.24	\$8,623,150
Adjustments				
Exterior Wall Finish	0.80%		\$0.45	\$68,985
Elderly	3.00%		1.69	258,694
9-Ft. Ceilings	3.10%		1.74	267,318
Roofing			0.00	0
Subfloor			1.10	168,227
Floor Cover			2.41	369,530
Breezeways	\$26.77		0.00	0
Balconies	\$26.77	14,580	2.55	390,327
Plumbing Fixtures	\$871	192	1.09	167,290
Rough-ins	\$424	176	0.49	74,601
Built-In Appliances	\$1,954	176	2.24	343,982
Exterior Stairs	\$1,900	28	0.35	53,200
Enclosed Corridors	\$46.32	24,318	7.35	1,126,371
Elevators:	\$81,175	5	2.65	405,875
Carports	\$9.70	8,000	0.51	77,600
Heating/Cooling			1.85	283,664
Garages	\$18.16	8,000	0.95	145,280
Comm &/or Aux Bldgs	\$65.64	8,527	3.65	559,693
Other: fire sprinkler	\$2.25	153,332	2.25	344,997
SUBTOTAL			89.54	13,728,785
Current Cost Multiplier	0.99		(0.90)	(137,288)
Local Multiplier	0.83		(15.22)	(2,333,894)
TOTAL DIRECT CONSTRUCTION COSTS			\$73.42	\$11,257,604
Plans, specs, survy, bid prm	3.90%		(\$2.86)	(\$439,047)
Interim Construction Interest	3.38%		(2.48)	(379,944)
Contractor's OH & Profit	11.50%		(8.44)	(1,294,624)
NET DIRECT CONSTRUCTION COSTS			\$59.64	\$9,143,989

PROPOSED PAYMENT COMPUTATION

CitiBank	\$3,200,000	Amort	420
Int Rate	8.50%	DCR	1.54

TDHCA - HOME	\$2,000,000	Amort	420
Int Rate	0.00%	Subtotal DCR	1.28

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.28

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.28

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.28

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

CitiBank	\$286,794
TDHCA - HOME	57,143
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$343,937

CitiBank	\$3,200,000	Amort	420
Int Rate	8.50%	DCR	1.57

TDHCA - HOME	\$2,000,000	Amort	420
Int Rate	0.00%	Subtotal DCR	1.31

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.31

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.31

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.31

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

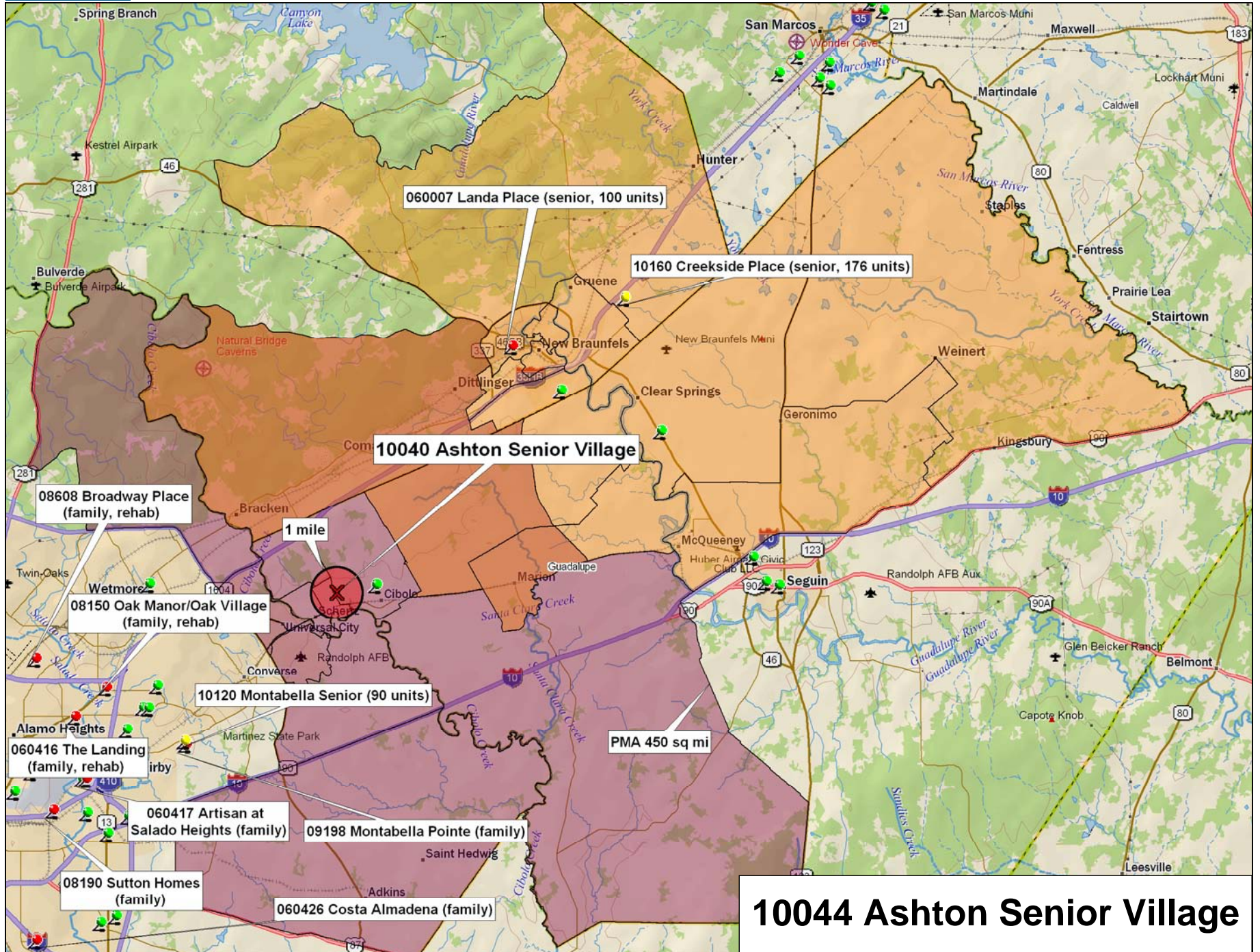
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,141,296	\$1,164,122	\$1,187,404	\$1,211,152	\$1,235,375	\$1,363,954	\$1,505,916	\$1,662,653	\$2,026,764
Secondary Income	25,344	25,851	26,368	26,895	27,433	30,288	33,441	36,921	45,007
Other Support Income: Carports	33,600	34,272	34,957	35,657	36,370	40,155	44,334	48,949	59,668
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,200,240	1,224,245	1,248,730	1,273,704	1,299,178	1,434,398	1,583,691	1,748,523	2,131,440
Vacancy & Collection Loss	(90,024)	(91,818)	(93,655)	(95,528)	(97,438)	(107,580)	(118,777)	(131,139)	(159,858)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,110,216	\$1,132,426	\$1,155,075	\$1,178,176	\$1,201,740	\$1,326,818	\$1,464,914	\$1,617,384	\$1,971,582
EXPENSES at 3.00%									
General & Administrative	\$53,000	\$54,590	\$56,228	\$57,915	\$59,652	\$69,153	\$80,167	\$92,936	\$124,898
Management	44,408	45,296,4048	46,202	47,126	48,069	53,072	58,596	64,694	78,862
Payroll & Payroll Tax	179,800	185,194	190,750	196,472	202,366	234,598	271,964	315,280	423,710
Repairs & Maintenance	90,000	92,700	95,481	98,345	101,296	117,430	136,133	157,816	212,091
Utilities	50,000	51,500	53,045	54,636	56,275	65,239	75,629	87,675	117,828
Water, Sewer & Trash	84,000	86,520	89,116	91,789	94,543	109,601	127,058	147,295	197,952
Insurance	36,960	38,069	39,211	40,387	41,599	48,224	55,905	64,810	87,099
Property Tax	62,000	63,860	65,776	67,749	69,782	80,896	93,781	108,717	146,107
Reserve for Replacements	44,000	45,320	46,680	48,080	49,522	57,410	66,554	77,154	103,689
TDHCA Compliance Fee	7,040	7,251	7,469	7,693	7,924	9,186	10,649	12,345	16,590
Other	9,040	9,311	9,591	9,878	10,175	11,795	13,674	15,852	21,303
TOTAL EXPENSES	\$660,248	\$679,612	\$699,547	\$720,071	\$741,202	\$856,603	\$990,109	\$1,144,574	\$1,530,129
NET OPERATING INCOME	\$449,968	\$452,815	\$455,528	\$458,105	\$460,538	\$470,215	\$474,805	\$472,810	\$441,452
DEBT SERVICE									
First Lien Financing	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794	\$286,794
Second Lien	57,143	57,143	57,143	57,143	57,143	57,143	57,143	57,143	57,143
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$106,031	\$108,878	\$111,591	\$114,168	\$116,600	\$126,277	\$130,868	\$128,873	\$97,515
DEBT COVERAGE RATIO	1.31	1.32	1.32	1.33	1.34	1.37	1.38	1.37	1.28

HTC ALLOCATION ANALYSIS -Ashton Senior Village, Schertz, HTC 9%/HOME #10040

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,413,214	\$1,413,214		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$2,058,303	\$2,058,303	\$2,058,303	\$2,058,303
Construction Hard Costs	\$9,140,000	\$8,995,233	\$9,140,000	\$8,995,233
Contractor Fees	\$1,567,762	\$1,567,762	\$1,567,762	\$1,567,762
Contingencies	\$559,915	\$559,915	\$559,915	\$559,915
Eligible Indirect Fees	\$1,363,500	\$1,363,500	\$1,363,500	\$1,363,500
Eligible Financing Fees	\$839,750	\$839,750	\$839,750	\$839,750
All Ineligible Costs	\$915,610	\$632,366		
Developer Fees			\$2,329,385	
Developer Fees	\$2,359,722	\$2,307,669		\$2,307,669
Development Reserves	\$400,000	\$400,000		
TOTAL DEVELOPMENT COSTS	\$20,617,776	\$20,137,712	\$17,858,615	\$17,692,132

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$17,858,615	\$17,692,132
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$23,216,199	\$22,999,772
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$23,216,199	\$22,999,772
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$2,089,458	\$2,069,979

Syndication Proceeds	0.7399	\$15,458,896	\$15,314,785
Total Tax Credits (Eligible Basis Method)		\$2,089,458	\$2,069,979
Syndication Proceeds		\$15,458,896	\$15,314,785
Requested Tax Credits		\$2,000,000	
Syndication Proceeds		\$14,797,040	
Gap of Syndication Proceeds Needed		\$15,417,776	
Total Tax Credits (Gap Method)		\$2,083,900	
Recommended Tax Credits		2,000,000	
Syndication Proceeds		\$14,797,040	



10044 Ashton Senior Village

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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Wynnewood Seniors Housing, TDHCA Number 10044

BASIC DEVELOPMENT INFORMATION

Site Address: Approx. 1500 Block of S. Zang Blvd. (W. side of street) Development #: 10044
 City: Dallas Region: 3 Population Served: Elderly
 County: Dallas Zip Code: 75224 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Wynnewood Seniors Housing, LP
 Owner Contact and Phone: Brian L. Roop, (214) 209-1492
 Developer: Central Dallas Community Development Corp.
 Housing General Contractor: ICI Construction, Inc.
 Architect: Humphreys & Partners Architects, L.P.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Bank of America, N.A.
 Supportive Services: Central Dallas Community Development Co.
 Consultant and Contact: Coats Rose, Tamea Dula

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	140
	21	0	49	70	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	68	72	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	140
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,606,374	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Wynnewood Seniors Housing, TDHCA Number 10044

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, S

Points: 14 US Representative: Johnson, District 30, NC

TX Representative: Alonzo, District 104, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 5

In Opposition: 12

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the City of Dallas in the amount of \$1,459,247, or a commitment from a qualifying substitute source in an amount not less than \$1,459,247, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Wynnewood Seniors Housing, TDHCA Number 10044

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **6**

Total # Monitored: **5**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **204** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

North Court Villas, TDHCA Number 10045

BASIC DEVELOPMENT INFORMATION

Site Address: 10 acres on the S. side of Stonebrook Pkwy. Between Woodstre Development #: 10045
 City: Frisco Region: 3 Population Served: General
 County: Collin Zip Code: 75034 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Stewart Creek Villas, L.P.
 Owner Contact and Phone: Dru Childre, (512) 458-5567
 Developer: Songhai Development Company, L.L.C.
 Housing General Contractor: CMB Construction, L.L.C.
 Architect: Ted Trout Architect and Assoc., Ltd.
 Market Analyst: O'Connor & Associates
 Syndicator: Wachovia
 Supportive Services: Capstone Real Estate Services
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	150	
	8	0	68	74	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	34	80	36	0	0	
Type of Building:						Total Development Units:	150
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

North Court Villas, TDHCA Number 10045

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Shapiro, District 8, NC

Points: 0

US Representative: Burgess, District 26, NC

TX Representative: Paxton, District 70, NC

Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 1

In Opposition: 10

Quantifiable Community Participation Input:

Stonebrook Area Association, Boamah Boachie

Letter Score: 24 S or O: S

There is great need for affordable housing in Frisco as shown by the City of Frisco's RFP to invite affordable housing developers to the city. We believe this project will continue to meet that need. We are also impressed by the quality of supportive services that will be provided to the tenants.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

North Court Villas, TDHCA Number 10045

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **197** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

West Park Senior Housing, TDHCA Number 10050

BASIC DEVELOPMENT INFORMATION

Site Address: West Park Row and 44th St. Development #: 10050
 City: Corsicana Region: 3 Population Served: Elderly
 County: Navarro Zip Code: 75110 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: West Park Senior Housing, Ltd.
 Owner Contact and Phone: Emanuel H. Glockzin, Jr., (979) 846-8878
 Developer: Homestead Development Group, Ltd.
 Housing General Contractor: Brazos Valley Construction, Inc.
 Architect: Myraid Designs, Ltd.
 Market Analyst: Allen and Associates Consulting, Inc.
 Syndicator: WNC & Associates, Inc.
 Supportive Services: Affordable Caring Housing, Inc.
 Consultant and Contact: N/A, Emanuel H. Glockzin, Jr.

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	48	
	3	0	22	23	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	40	8	0	0	0	
Type of Building:						Total Development Units:	48
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	25

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$544,559	\$0			
HOME Activity Fund Amount:	\$1,025,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

West Park Senior Housing, TDHCA Number 10050

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22, S

Points: 7

US Representative: Barton, District 6, NC

TX Representative: Cook, District 8, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Navarro Corsicana Chamber of Commerce, S, Paul E. Hooper, Jr., Executive Director

The City of Corsicana, Texas Economic Development Dept., S, Lee McCleary, Director

Kaufman County Senior Housing, Ltd., S, Omega Ann Hawkins, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

West Park Senior Housing, TDHCA Number 10050

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **34**

Total # Monitored: **30**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **207** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Parkway Ranch II, TDHCA Number 10051

BASIC DEVELOPMENT INFORMATION

Site Address: E. side of the approx. 10000 Block W. Montgomery Development #: 10051
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77088 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Parkway Ranch II, Ltd.
 Owner Contact and Phone: W. Barry Kahn, (713) 871-0063
 Developer: Parkway II Development, L.L.C.
 Housing General Contractor: Hettig Construction Corp.
 Architect: JRM Architects, Inc.
 Market Analyst: O'Connor & Associates
 Syndicator: Hudson Housing Capital, L.L.C.
 Supportive Services: Texas Inter-Faith Supportive Services, L.L.C.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	44	
	3	0	19	22	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	0	1	44	0	
Type of Building:						Total Development Units:	45
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$9,179,087
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence					Number of Residential Buildings:	45
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis*</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
Competitive Housing Tax Credit Amount:	\$962,946	\$962,945			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Parkway Ranch II, TDHCA Number 10051

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, NC Points: 0 US Representative: Jackson Lee, District 18, NC
TX Representative: Turner, District 139, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
O, Dr. Wanda Bamberg, Aldine I.S.D., Superintendent

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Garden City Civic Club, Timothy White Letter Score: 24 S or O: S

- 1. New development needed to upgrade neighborhood. 2. Fulfill housing shortages particularly for school teachers, policemen, and firemen. 3. Improve neighborhood security. 4. Increase/Improve area property values

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review and acceptance by Commitment, of a firm commitment from Harris County Finance Corporation for the anticipated \$460,000 with the terms of the funds clearly stated.
2. Receipt of a commitment of funding from the Harris County Housing Finance Corporation in the amount of \$460,000, or a commitment from a qualifying substitute source in an amount not less than \$460,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Parkway Ranch II, TDHCA Number 10051

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **28**

Total # Monitored: **25**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **206** Meeting a Required Set-Aside Credit Amount*: \$962,945

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/25/10 PROGRAM: 9% HTC FILE NUMBER: 10051

DEVELOPMENT

Parkway Ranch II

Location: East side of approximately 10000 block of West Montgomery Region: 6
 City: Houston County: Harris Zip: 77088 OCT DDA
 Key Attributes: General, Urban, New Construction, and Single-Family

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$962,946			\$962,945		

CONDITIONS

- 1 Receipt, review and acceptance by Commitment, of a firm commitment from Harris County Finance Corporation for the anticipated \$460,000 with the terms of the funds clearly stated.
- 2 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	19
60% of AMI	60% of AMI	22

STRENGTHS/MITIGATING FACTORS

- The Applicant has experience developing and managing tax credit properties in Texas with ownership of approximately 1722 affordable units plus another 128 in various construction phases from fifteen successful HTC developments.
- Parkway Ranch consists of 112 four-bedroom, single-family detached units, and reported a current occupancy of 94%, and is pre-leased to 100%. Parkway Ranch was completed in January 2009, and attained stabilized occupancy in March 2009, which equates to an average absorption of approximately 35 units per month.

WEAKNESSES/RISKS

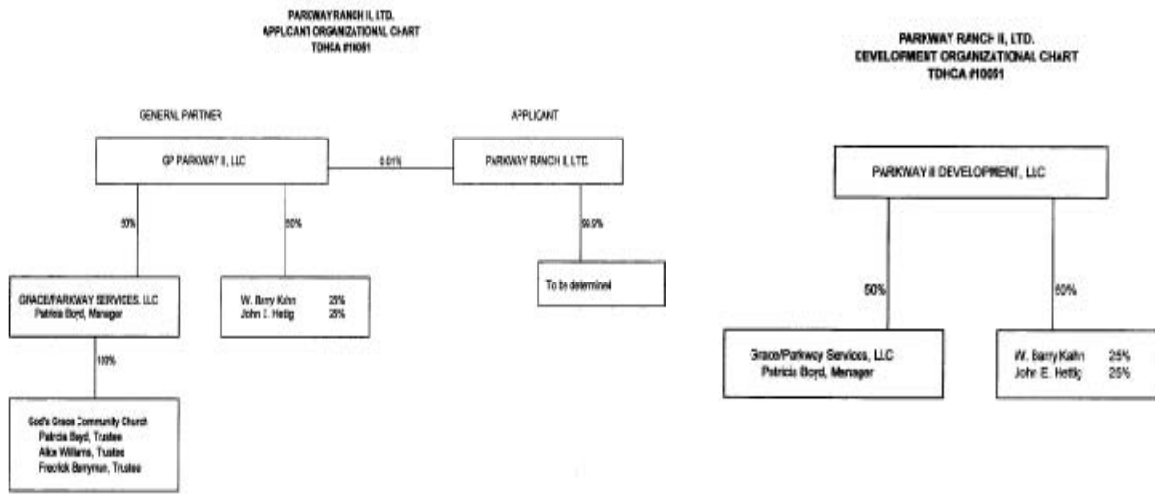
- Only typical risks associated with rental development. These are mitigated in this case by the experience of the developer, minimal market risk due to much lower proforma rents than market, ample contingency and available developer fee deferral to absorb cost overruns.

PREVIOUS UNDERWRITING REPORTS

None on this phase. The development will be the second Phase of Parkway Ranch, a 112 single-family development which received an allocation in 2006 and was completed in 2008.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: W. Barry Kahn Phone: (713) 871-0063 Fax: (713) 871-1916
 Email: bkahn@hettig-kahn.com

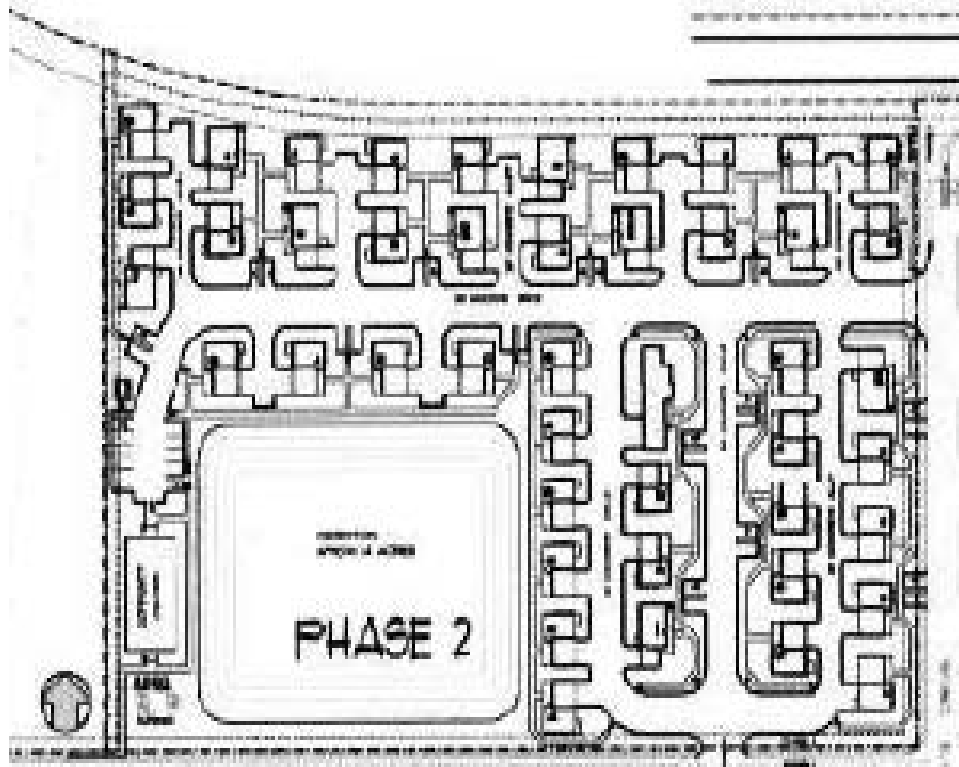
IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and property manage are related entities. These are common relationships for HTC-funded developments.
- The seller, God's Grace Church, is a related party as it will own 50% of the General Partner and receiving 50% of the developer fees.

This section intentionally left blank.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Single-Family Type	3/2	4/2	4/2.5									Total Buildings
Floors/Stories	1	2	2									
Number	1	9	35									45

BR/BA	SF	Units										Total Units	Total SF	
3	2	1,200	1										1	1,200
4	2	1,445		1									9	13,005
4	2.5	1,429			1								35	50,015
Units per Building			1	1	1								45	64,220

SITE ISSUES

Total Size: 7.77 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: No zoning Needs to be re-zoned? Yes No N/A

Comments:
 Parkway Ranch II will be the second Phase of Parkway Ranch and will share an easement and common access with Parkway Ranch.

This section intentionally left blank.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/4/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Junkyard and Residences beyond East: Empty lot and Residences beyond
 South: Parkway Ranch I and Residences beyond West: Day-care and Auto Parts Business and Residences beyond

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering Date: 3/9/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 2)

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 3/11/2010
 Contact: Robert Coe Phone: 713) 375-4279
 Number of Revisions: 1 Date of Last Applicant Revision: 6/7/2010

Primary Market Area (PMA): 27 sq. miles 3 mile equivalent radius
 The Primary Market Area is defined by fifteen census tracts forming the southwest quadrant of I45 and Loop 8 in northwest Houston.

Secondary Market Area (SMA): 21 sq. miles 3 mile equivalent radius
 The Market Analyst defined a Secondary Market Area, consisting of 22 census tracts extending south from the PMA to I610, and west from I45 to US290.

Extended Market Area: 62 sq. miles 4 mile equivalent radius
 The Underwriter also considered supply and demand for an extended area comprised of the combined primary market areas for the subject as well as two unstabilized developments, Golden Bamboo Village II and Costa Vizcaya.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	---	---	---	---
2	---	---	---	---	---	---	---	---
3	---	---	---	---	---	---	---	---
4	\$19,029	\$19,150	---	---	\$31,714	\$31,900	\$38,057	\$38,280
5	\$19,029	\$20,700	---	---	\$31,714	\$34,450	\$38,057	\$41,340
6	\$19,029	\$22,200	---	---	\$31,714	\$37,000	\$38,057	\$44,400

This section intentionally left blank.

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
060027	Parkway Ranch I	new	family	107	112
10184	Cypress Creek at Veterans Memorial	new	family	8	152
Other Affordable Developments in PMA since 2006					
09132	Chelsea Senior Community	new	senior	n/a	150
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		13	Total Units		2,613

COMPARABLE SUPPLY in EXTENDED MARKET					
09196	Golden Bamboo II	new	family	8	116
07415	Costa Vizcaya	new	family	12	252
Other Affordable Developments in EXTENDED MARKET since 2006					
09177	The Orchard at Oak Forest	new	senior	n/a	118
060617	Idlewilde Apts	new	family	n/a	250
09815	Tidwell Estates	rehab	family	n/a	132
Stabilized Affordable Developments in EXTENDED MARKET (pre-2006)					
Total Properties (pre-2006)		9	Total Units		1,993

Proposed, Under Construction, and Unstabilized Comparable Supply:

The subject development consists entirely of four-bedroom single-family units. Consistent with previous underwriting of similar developments, only four-bedroom units are considered to be comparable, and households of five or more persons are considered eligible. (While four-person households are technically eligible to rent four-bedroom units, only a small fraction of such households meet the minimum income; moreover, if four-person households are included in the demand, then three-bedroom units must be included in the supply, since they would be competing for those same households.)

The subject is a second phase project. Parkway Ranch I (#060027) was funded in 2006; it contains 112 four-bedroom single family units similar to the subject. Data reported to the Department indicates Parkway Ranch was 86% occupied in January 2010; it is therefore considered unstabilized and must be included in determining the capture rate for the subject.

Cypress Creek at Veteran's Memorial (#10184) is a proposed family development in the PMA that will include 8 four-bedroom units that must be included in the capture rate calculations.

There are no comparable units in the Secondary Market defined by the Market Analyst.

There are two unstabilized development with comparable units located just north of the subject PMA. Golden Bamboo Village II (#09196) and Costa Vizcaya (#07415) are both located seven miles northwest of the subject. Golden Bamboo Village contains 8 four-bedroom units, and Costa Vizcaya contains 12 four-bedroom units. The market areas defined for these developments were very similar, and they include two census tracts that contain 21% of the population of the subject PMA. The Underwriter has considered demand based on an extended market area made up of the combined PMA's for the subject, Golden Bamboo, and Costa Vizcaya; this analysis includes the 20 four-bedroom units located at the two properties.

This section intentionally left blank.

OVERALL DEMAND ANALYSIS				
	Market Analyst	Underwriter		
	PMA	PMA HISTA	PMA Claritas	Extended Market
Total Households in the Primary Market Area	29,646	29,646	29,646	70,670
Potential Demand from the Primary Market Area	1,241	1,064	1,241	2,995
Potential Demand from Section 8 Vouchers	125	76	76	76
Potential Demand from Secondary Market	451	380	439	1,024
GROSS DEMAND	1,817	1,519	1,755	4,094
Subject Affordable Units	44	44	44	44
Unstabilized Comparable Units	115	115	115	135
RELEVANT SUPPLY	159	159	159	179
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	8.8%	10.5%	9.1%	4.4%

Demand Analysis:

The market study submitted with the application overstated the demand by incorrectly including the entire income range from \$19,029 to \$44,400, failing to exclude households above the maximum 30% income and below the minimum 50% income; demand from the Secondary Market Area is also overstated due to a calculation error. The Market Analyst corrected the income range in a revised analysis, but introduced another error, overstating the estimated demand from Section 8 vouchers in the PMA. The Market Analyst calculates Gross Demand for 1,817 units, and a Gross Capture Rate of 8.8% for the 44 subject units and 115 comparable units in the PMA.

The Market Analyst's calculations are based on demographic data from Claritas, and general pro-rated adjustments to determine household size and income eligibility. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a lower concentration of eligible households in the target income range. The Underwriter calculates Gross Demand for 1,519 units, resulting in a Gross Capture Rate of 10.5%. This exceed the maximum 10% rate.

As an alternative approach, the Underwriter followed the Market Analyst's methodology and confirmed the demand for 1,241 units from eligible households in the PMA. With corrected calculations for demand from Section 8 vouchers and from the Secondary Market, this methodology indicates a Gross Capture Rate of 9.1%. However, this approach fails to contemplate the fact that 21% of the PMA population is also being targeted by Golden Bamboo Village II and Costa Vizcaya.

Considering a Primary Market composed of the combined PMA's for the subject as well as Golden Bamboo and Costa Vizcaya, and including the additional comparable units, the Underwriter determines Gross Demand for 4,094 units, and a Gross Capture Rate of 4.4% for 179 total units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%. The underwriting analysis based on the extended market area indicates sufficient demand to support the proposed development in addition to the other comparable units in the surrounding area.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
4 BR/30%	160	3	4	4%	70	3	4	10%
4 BR/50%	609	19	90	18%	175	19	90	62%
4 BR/60%	539	22	21	8%	200	22	21	22%

Primary Market Occupancy Rates:

Data in the market study indicates overall multifamily occupancy in the PMA ranged between 82% and 84% throughout 2009. However, the subject consists solely of four-bedroom single-family units. The management company for the proposed development manages a number of similar properties. The Market Analyst reports data for five such properties, with occupancies ranging from 92% to 100%, and overall occupancy of 94% for 450 total units.

Absorption Projections:

The market study reports that overall multifamily absorption in the PMA was negative for three of four quarters in 2009, as well as for three of four quarters in 2008. Net absorption was negative 273 units for 2009. Again, however, the bulk of the multifamily product is not comparable to the subject. Of the similar properties mentioned, Waterside Court, with 118 units, leased up at 37 units per month in 2007; Sheldon Ranch leased its 30 units in less than one month during 2008; and Parkway Ranch, adjacent to the subject, leased up at 35 units per month during 2009.

Market Impact:

"The Consolidated Plan-Community Profile and Housing Market Analysis for the City of Houston indicated that only 6% of the multifamily housing stock consists of three bedrooms or more, and that there is significant pent-up demand for larger rental units." (p. 68)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid gas heat and gas hot water utility allowances as of June 1, 2009, maintained by the Harris County Housing Authority and the electric costs provided by Direct Energy specifically for Parkway Ranch from the 2009 HUD rent limits which apply to HTC applications since the 2010 rent limits were not available at the time of the analysis. Tenants will be required to pay all electric and gas utility costs.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$5,756 per unit is within 5% of the Underwriter's estimate of \$5,520, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows one line item estimate that deviates significantly when compared to the database averages, specifically: water, sewer & trash (85% higher). The Applicant explains that the higher water, sewer & trash estimate is because the development is all four bedroom single-family homes with lawns of which the developer will be paying for all the water, sewer & trash. The property is also located in a MUD with a higher water rate plus a monthly line fee. The estimate was based off of Parkway Ranch Phase I's expense in 2009.

Conclusion:

The Applicant's estimate of net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.30 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION**APPRAISED VALUE**

Provider: Patrick O'Connor & Associates, LP Date: 3/1/2010
 Number of Revisions: None Date of Last Applicant Revision: N/A
 Land Only: 7.77 acres \$560,000 As of: 3/1/2010
 Existing Buildings: (as-is) \$0 As of: 3/1/2010
 Total Development: (as-is) \$560,000 As of: 3/1/2010

ASSESSED VALUE

Land Only: 7.77 acres Tax Exempt Tax Year: 2009
 Existing Buildings: \$0 Valuation by: Harris CAD
 Total Assessed Value: Tax Exempt Tax Rate: 2.19142

EVIDENCE of PROPERTY CONTROL

Type: Earnest Money Contract Acreage: 7.77
 Contract Expiration: 6/30/2011 Valid Through Board Date? Yes No
 Acquisition Cost: \$550,000 Other: _____
 Seller: God's Grace Church Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$550,000 which is \$70,785 per acre or \$12,222 per unit was calculated based on the original acquisition price of \$815,000 for 14.9 acres prorated to 7.77 acres plus allowable holding costs that include interest expense, a calculated return on equity at 9% and any other costs to provide or improve access to the property.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit and provided sufficient third party certification through a detailed certified cost estimate by a licensed engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac & Company, to preliminarily opine that \$1,166,500 of the total \$1,457,073 will be considered eligible.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$428.3K or 10% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. The Applicant has based their direct construction cost from bids just recently received for South Acres Ranch II which is similar to the subject property with 48 single-family units in Houston TX.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$8,230,303 and the 9% applicable percentage rate supports annual tax credits of \$962,945. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Capital One Type: Interim Financing

Principal: \$6,900,000 Interest Rate: 5.3% Fixed Term: 24 months

Comments:

Interest shall accrue at a variable rate, which will be determined using a spread over the one-month LIBOR which is currently 0.26% plus 350 bp which would equal a rate of 3.76% with a floor rate of 5.25%.

Source: David Kapiloff Type: Interim Financing

Principal: \$200,000 Interest Rate: 0.74% Fixed Term: 12 months

Comments:

The interest rate will be set by the short-term AFR in effect the date the loan is funded.

Source: Capital One Type: Permanent Financing

Principal: \$1,625,000 Interest Rate: 8.0% Fixed Amort: 0 months
Term: 15 years

Comments:

Interest shall accrue at a fixed rate determined by a 24-month rate lock at or before closing of the loan. Currently the 24-month forward locked rate would be 8.0%.

Source: Harris County Housing Finance Corporation Type: Interim Financing

Principal: \$460,000 Interest Rate: TBD Fixed Amort: N/A months
Term: 1 years

Comments:

A letter of request dated December 28, 2009 has been submitted by the Applicant.

Source: Hudson Housing Capital Type: Syndication

Proceeds: \$7,125,084 Syndication Rate: 74% Anticipated HTC: \$ 962,946

Amount: \$437,282 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,625,000 indicates the need for \$7,562,366 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,022,044 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$962,945
Allocation determined by gap in financing:	\$1,022,044
Allocation requested by the Applicant:	\$962,946

The allocation amount determined by the Applicant's requested amount is recommended. A tax credit allocation of \$962,946 per year for 10 years results in total equity proceeds of \$7,125,084 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$429,033 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Carl Hoover</i>		June 25, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 25, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 25, 2010

UNIT MIX/RENT SCHEDULE

Parkway Ranch II, Houston, 9% HTC #10051

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1										EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	1	2.2%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	Houston	4	44	97.8%								APP % - ACQUISITION:		
		TOTAL	45	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
EO	1	2	2	1,200	\$0	\$0	\$0		\$0.00	\$0	\$0	\$0	\$0	\$0.00	NA	\$1,265	\$1,265
TC 30%	2	4	2.5	1,429	\$555	\$114	\$441	\$0	\$0.31	\$441	\$882	\$882	\$441	\$0.31	\$0	\$1,295	\$854
TC 50%	15	4	2.5	1,429	\$925	\$114	\$811	\$0	\$0.57	\$811	\$12,165	\$12,165	\$811	\$0.57	\$0	\$1,295	\$484
TC 60%	18	4	2.5	1,429	\$1,110	\$114	\$996	\$0	\$0.70	\$996	\$17,928	\$17,928	\$996	\$0.70	\$0	\$1,295	\$299
TC 30%	1	4	2	1,445	\$555	\$114	\$441	\$0	\$0.31	\$441	\$441	\$441	\$441	\$0.31	\$0	\$1,265	\$824
TC 50%	4	4	2	1,445	\$925	\$114	\$811	\$0	\$0.56	\$811	\$3,244	\$3,244	\$811	\$0.56	\$0	\$1,265	\$454
TC 60%	4	4	2	1,445	\$1,110	\$114	\$996	\$0	\$0.69	\$996	\$3,984	\$3,984	\$996	\$0.69	\$0	\$1,265	\$269
TOTAL:	45			64,220							\$38,644	\$38,644					
AVG:				1,427					\$0	\$0.60	\$859		\$859	\$0.60	\$0	\$1,288	(\$430)
ANNUAL:											\$463,728	\$463,728					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Parkway Ranch II, Houston, 9% HTC #10051

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$9.78
Other Support Income:		
Other Support Income:		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	3.47%	\$335	0.23
Management	5.00%	\$482	0.34
Payroll & Payroll Tax	12.14%	\$1,170	0.82
Repairs & Maintenance	10.10%	\$974	0.68
Utilities	2.51%	\$242	0.17
Water, Sewer, & Trash	5.64%	\$544	0.38
Property Insurance	4.80%	\$463	0.32
Property Tax	2.19142	\$909	0.64
Reserve for Replacements	2.54%	\$244	0.17
TDHCA Compliance Fees	0.41%	\$39	0.03
Other: Supp. Serv.	1.22%	\$117	0.08
TOTAL EXPENSES	57.26%	\$5,520	\$3.87
NET OPERATING INC	42.74%	\$4,121	\$2.89

	TDHCA	APPLICANT
\$463,728	\$463,728	\$463,728
5,280	5,280	5,280
\$469,008	\$469,008	\$469,008
(35,176)	(35,172)	(35,172)
0		
\$433,832	\$433,836	\$433,836
\$15,062	\$13,764	\$15,062
21,692	21,692	21,692
52,663	52,308	52,663
43,829	46,080	43,829
10,897	9,720	10,897
24,460	45,312	24,460
20,823	21,564	20,823
40,925	30,540	40,925
11,000	11,000	11,000
1,760	1,764	1,760
5,280	5,280	5,280
\$248,391	\$259,024	\$248,391
\$185,442	\$174,812	\$185,442
\$143,084	\$143,084	\$143,084
\$0	\$0	\$0
\$0	\$0	\$0
0	0	0
0	0	0
143,084	143,084	143,084
\$42,358	\$31,728	\$42,358
1.30	1.22	1.30
1.30		1.30

\$9.78	Per Unit Per Month	
\$0.00	Per Unit Per Month	
\$0.00	Per Unit Per Month	
-7.50%	of Potential Gross Income	
PER SQ FT	PER UNIT	% OF EGI
\$0.21	\$306	3.17%
0.34	482	5.00%
0.81	1,162	12.06%
0.72	1,024	10.62%
0.15	216	2.24%
0.71	1,007	10.44%
0.34	479	4.97%
0.48	679	7.04%
0.17	244	2.54%
0.03	39	0.41%
0.08	117	1.22%
\$4.03	\$5,756	59.71%
\$2.72	\$3,885	40.29%

DEBT SERVICE

Capital One		
Second Lien		
Additional Financing		
Additional Financing		
Additional Financing		
TOTAL DEBT SERVICE		
NET CASH FLOW		
AGGREGATE DEBT COVERAGE RATIO		
RECOMMENDED DEBT COVERAGE RATIO		

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		5.65%	\$12,038	\$8.44
Off-Sites		0.00%	\$0	\$0.00
Sitework		12.17%	\$25,922	\$18.16
Direct Construction		44.47%	\$94,709	\$66.36
Contingency	5.25%	2.97%	\$6,333	\$4.44
Contractor's Fees	12.90%	7.30%	\$15,556	\$10.90
Indirect Construction		5.08%	\$10,810	\$7.57
Ineligible Costs		2.16%	\$4,601	\$3.22
Developer's Fees	18.82%	14.31%	\$30,483	\$21.36
Interim Financing		4.04%	\$8,600	\$6.03
Reserves		1.84%	\$3,908	\$2.74
TOTAL COST		100.00%	\$212,960.93	\$149.23
Construction Cost Recap		66.92%	\$142,520	\$99.87

	TDHCA	APPLICANT
\$541,721	\$550,000	\$541,721
0	0	0
1,166,500	1,166,500	1,166,500
4,261,903	3,833,620	4,261,903
285,000	285,000	285,000
700,016	700,016	700,016
486,450	486,450	486,450
207,063	207,063	207,063
1,371,717	1,371,717	1,371,717
387,000	387,000	387,000
175,872	200,000	175,872
\$9,583,242	\$9,187,366	\$9,583,242
\$6,413,419	\$5,985,136	\$6,413,419

PER SQ FT	PER UNIT	% of TOTAL
\$8.56	\$12,222	5.99%
0.00	0	0.00%
18.16	25,922	12.70%
59.70	85,192	41.73%
4.44	6,333	3.10%
10.90	15,556	7.62%
7.57	10,810	5.29%
3.22	4,601	2.25%
21.36	30,483	14.93%
6.03	8,600	4.21%
3.11	4,444	2.18%
\$143.06	\$204,164	100.00%
\$93.20	\$133,003	65.15%

SOURCES OF FUNDS

Capital One	16.96%	\$36,111	\$25.30
Second Lien	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	74.35%	\$158,335	\$110.95
Deferred Developer Fees	4.56%	\$9,717	\$6.81
Additional (Excess) Funds Req'd	4.13%	\$8,797	\$6.16
TOTAL SOURCES			

	TDHCA	APPLICANT
\$1,625,000	\$1,625,000	\$1,625,000
0	0	0
0	0	0
0	0	0
0	0	0
7,125,084	7,125,084	7,125,084
437,282	437,282	437,282
395,876	0	395,876
\$9,583,242	\$9,187,366	\$9,583,242

RECOMMENDED

\$1,625,000	Developer Fee Available
0	\$1,371,717
0	
0	
0	
7,125,084	% of Dev. Fee Deferred
429,003	31%
0	15-Yr Cumulative Cash Flow
\$9,179,087	\$764,702

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Parkway Ranch II, Houston, 9% HTC #10051

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Single-Family Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$69.19	\$4,443,387
Adjustments				
Exterior Wall Finish	0.80%		\$0.55	\$35,547
Elderly			0.00	0
9-Ft. Ceilings	3.10%		2.14	137,745
Roofing			0.00	0
Subfloor			(0.17)	(10,917)
Floor Cover			3.33	213,853
Breezeways	\$23.05	0	0.00	0
Porches	\$20.78	6,424	2.08	133,491
Plumbing Fixtures	\$1,160	70	1.26	81,200
Rough-ins	\$465	45	0.33	20,925
Built-In Appliances	\$2,700	45	1.89	121,500
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$59.27		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.86	119,449
Garages	\$28.85	17,186	7.72	495,816
Comm &/or Aux Bldgs	\$73.56	3,250	3.72	239,078
Other: fire sprinkler	\$0.00	64,220	0.00	0
SUBTOTAL			93.91	6,031,073
Current Cost Multiplier	0.99		(0.94)	(60,311)
Local Multiplier	0.88		(11.27)	(723,729)
TOTAL DIRECT CONSTRUCTION COSTS			\$81.70	\$5,247,034
Plans, specs, survy, bld perm	3.90%		(\$3.19)	(\$204,634)
Interim Construction Interes	3.38%		(2.76)	(177,087)
Contractor's OH & Profit	11.50%		(9.40)	(603,409)
NET DIRECT CONSTRUCTION COSTS			\$66.36	\$4,261,903

PROPOSED PAYMENT COMPUTATION

Capital One	\$1,625,000	Amort	360
Int Rate	8.00%	DCR	1.30
Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.30
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.30
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.30
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.30

RECOMMENDED FINANCING STRUCTURE:

Capital One	\$143,084
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$143,084

Capital One	\$1,625,000	Amort	360
Int Rate	8.00%	DCR	1.30
Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.30
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.30
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.30
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.30

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

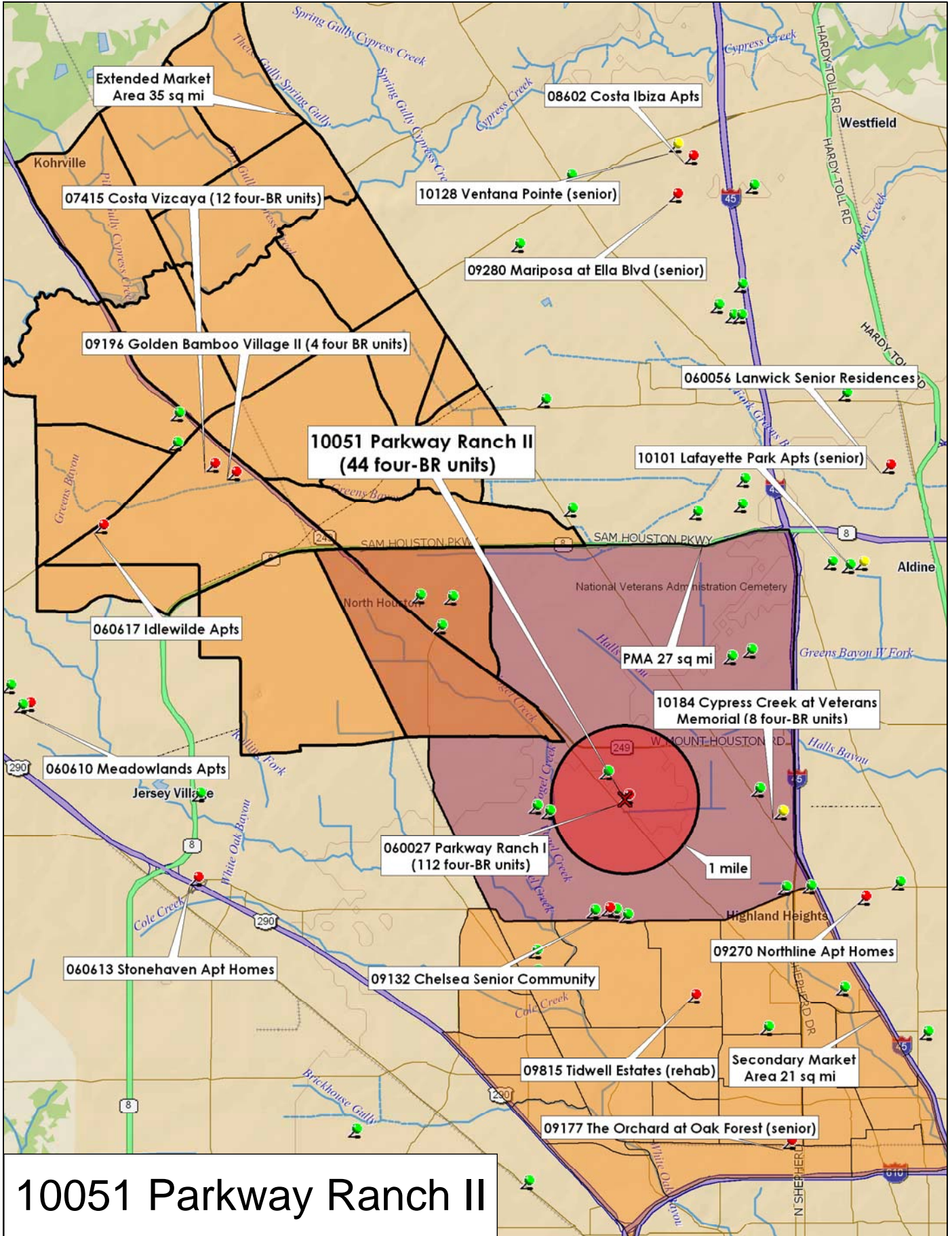
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$463,728	\$473,003	\$482,463	\$492,112	\$501,954	\$554,198	\$611,879	\$675,564	\$823,509
Secondary Income	5,280	5,386	5,493	5,603	5,715	6,310	6,967	7,692	9,376
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	469,008	478,388	487,956	497,715	507,669	560,508	618,846	683,256	832,885
Vacancy & Collection Loss	(35,176)	(35,879)	(36,597)	(37,329)	(38,075)	(42,038)	(46,413)	(51,244)	(62,466)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$433,832	\$442,509	\$451,359	\$460,386	\$469,594	\$518,470	\$572,433	\$632,012	\$770,419
EXPENSES at 3.00%									
General & Administrative	\$15,062	\$15,514	\$15,980	\$16,459	\$16,953	\$19,653	\$22,783	\$26,412	\$35,495
Management	21,692	22,125	22,568	23,019	23,480	25,923	28,622	31,601	38,521
Payroll & Payroll Tax	52,663	54,242	55,870	57,546	59,272	68,713	79,657	92,344	124,103
Repairs & Maintenance	43,829	45,144	46,498	47,893	49,330	57,187	66,296	76,855	103,286
Utilities	10,897	11,224	11,561	11,908	12,265	14,218	16,483	19,108	25,680
Water, Sewer & Trash	24,460	25,194	25,950	26,728	27,530	31,915	36,998	42,891	57,642
Insurance	20,823	21,448	22,091	22,754	23,437	27,169	31,497	36,513	49,071
Property Tax	40,925	42,153	43,417	44,720	46,061	53,398	61,902	71,762	96,442
Reserve for Replacements	11,000	11,330	11,670	12,020	12,381	14,353	16,638	19,289	25,922
TDHCA Compliance Fee	1,760	1,813	1,867	1,923	1,981	2,296	2,662	3,086	4,148
Other	5,280	5,438	5,602	5,770	5,943	6,889	7,986	9,259	12,443
TOTAL EXPENSES	\$248,391	\$255,626	\$263,073	\$270,740	\$278,632	\$321,715	\$371,524	\$429,119	\$572,752
NET OPERATING INCOME	\$185,442	\$186,883	\$188,286	\$189,647	\$190,963	\$196,755	\$200,908	\$202,893	\$197,667
DEBT SERVICE									
First Lien Financing	\$143,084	\$143,084	\$143,084	\$143,084	\$143,084	\$143,084	\$143,084	\$143,084	\$143,084
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$42,358	\$43,799	\$45,202	\$46,563	\$47,878	\$53,671	\$57,824	\$59,809	\$54,582
DEBT COVERAGE RATIO	1.30	1.31	1.32	1.33	1.33	1.38	1.40	1.42	1.38

HTC ALLOCATION ANALYSIS -Parkway Ranch II, Houston, 9% HTC #10051

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$550,000	\$541,721		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,166,500	\$1,166,500	\$1,166,500	\$1,166,500
Construction Hard Costs	\$3,833,620	\$4,261,903	\$3,833,620	\$4,261,903
Contractor Fees	\$700,016	\$700,016	\$700,016	\$700,016
Contingencies	\$285,000	\$285,000	\$285,000	\$285,000
Eligible Indirect Fees	\$486,450	\$486,450	\$486,450	\$486,450
Eligible Financing Fees	\$387,000	\$387,000	\$387,000	\$387,000
All Ineligible Costs	\$207,063	\$207,063		
Developer Fees				
Developer Fees	\$1,371,717	\$1,371,717	\$1,371,717	\$1,371,717
Development Reserves	\$200,000	\$175,872		
TOTAL DEVELOPMENT COSTS	\$9,187,366	\$9,583,242	\$8,230,303	\$8,658,586

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$8,230,303	\$8,658,586
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$10,699,394	\$11,256,162
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$10,699,394	\$11,256,162
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$962,945	\$1,013,055

Syndication Proceeds	0.7399	\$7,125,080	\$7,495,850
Total Tax Credits (Eligible Basis Method)		\$962,945	\$1,013,055
Syndication Proceeds		\$7,125,080	\$7,495,850
Requested Tax Credits		\$962,946	
Syndication Proceeds		\$7,125,084	
Gap of Syndication Proceeds Needed		\$7,562,366	
Total Tax Credits (Gap Method)		\$1,022,044	
Recommended Tax Credits		962,945	
Syndication Proceeds		\$7,125,080	



10051 Parkway Ranch II



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Guild Park Apts, TDHCA Number 10058

BASIC DEVELOPMENT INFORMATION

Site Address: 779 W. Mayfield Development #: 10058
 City: San Antonio Region: 9 Population Served: General
 County: Bexar Zip Code: 78211 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Guild Park, LP
 Owner Contact and Phone: Gilbert M. Piette, (210) 821-4300
 Developer: Housing and Community Services, Inc/Gilbert M Piette
 Housing General Contractor: Galaxy Builders, Ltd./Arun Verma
 Architect: Gonzalez Newell, Bender, Inc. Architects
 Market Analyst: Butler Burgher Group, L.L.C.
 Syndicator: Hudson Housing Capital, L.L.C.
 Supportive Services: Housing and Community Services, Inc.
 Consultant and Contact: Raymond H. Lucas/Lucas & Associates, L.P.,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	114
	6 0 51 57	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 28 40 36 10 0	Total Development Units:	114
Type of Building:		Total Development Cost*:	\$11,305,079
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	23
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,129,624	\$1,127,186			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Guild Park Apts, TDHCA Number 10058

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Uresti, District 19, NC

Points: 0

US Representative: Rodriguez, District 23, NC

TX Representative: Leibowitz, District 117, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Phillip A. Cortez, City Councilman, District 4

O, Son Durdon, South San Antonio Superintendent

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Guild Park Apartments Resident Association, Henry Rodriguez

Letter Score: 24 S or O: S

The proposed improvements are needed and long overdue and to preserve affordable housing for low income families.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, and acceptance by Commitment Notice of a firm commitment from City of San Antonio for HOME/CDBG funds describing all terms and conditions.
2. Receipt, review, and acceptance, by Cost Certification, of a documentation that a comprehensive assessment for asbestos-containing materials has been completed; and any subsequent recommendations have been implemented.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for lead-based paint has been completed, and any subsequent recommendations have been implemented.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for lead in drinking water has been completed, and any subsequent recommendations have been implemented.
5. Should the terms and rates of the proposed financing change, that transaction should be re-evaluated an adjustment to the credit allocation amount may be warranted.
6. Receipt of a firm commitment from the City of San Antonio for funding in the amount of \$1,000,000, or a commitment from a qualifying substitute source in an amount not less than \$1,000,000, as required by §50.9(i)(5) of the 2010 QAP.
7. Receipt of a firm commitment of funding from the City of San Antonio in the amount of \$550,000, or a commitment from a qualifying substitute source in an amount not less than \$550,000, as required by §50.9(i)(28) of the 2010 QAP.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Guild Park Apts, TDHCA Number 10058

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **15**

Total # Monitored: **11**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **223** Meeting a Required Set-Aside Credit Amount*: \$1,127,186

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/01/10 PROGRAM: 9% LIHTC FILE NUMBER: 10058

DEVELOPMENT

Guild Park Apartments

Location: 779 West Mayfield Blvd. Region: 9

City: San Antonio County: Bexar Zip: 78211 OCT DDA

Key Attributes: General, Family, Acquisition / Rehabilitation
 (Multifamily & Row House Building Types)

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,129,624			\$1,127,186		

CONDITIONS

- 1 Receipt, review, and acceptance by Commitment Notice of a firm commitment from City of San Antonio for HOME/CDBG funds describing all terms and conditions.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for asbestos-containing materials has been completed; and any subsequent recommendations have been implemented.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for lead-based paint has been completed, and any subsequent recommendations have been implemented.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for lead in drinking water has been completed, and any subsequent recommendations have been implemented.
- 5 Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	51
60% of AMI	60% of AMI	57

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STRENGTHS/MITIGATING FACTORS

- The HTC properties surveyed in and near the subject's PMA are reported at 94% average occupancy.
- The Market Study reports that HTC maximum rents, except for the 60%, 2-bedroom units are achievable within the PMA, albeit on newer products. The property has little competition in the 3 & 4 bedroom market segment as the newer developments consists mostly of 1 & 2 bedroom unit-types. The Market Study reports achievable capture rates of 1.83% and 0.49% for 3 & 4 bedrooms, respectively.
- The Applicant has budgeted \$130,997 for asbestos abatement and a contingency amount of \$551,842.

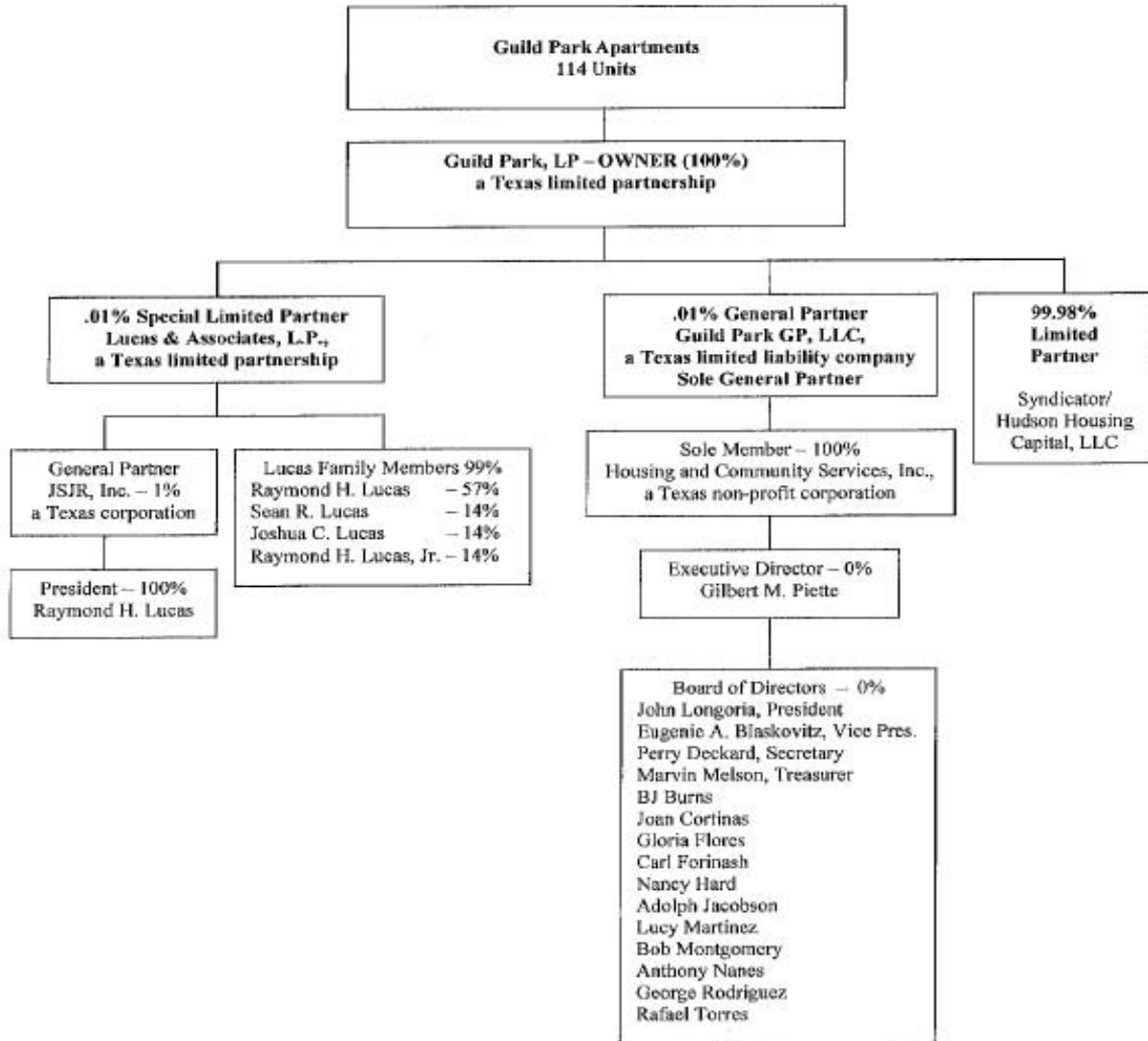
WEAKNESSES/RISKS

- A small section of the parking area appears to be located in the 100-year floodplain; the subject is eligible for funding by virtue of the existing HUD Rent Supplement and the proposed refinance of the FHA-insured mortgage.
- The HUD Rent Supplement Program expires 12/31/2010 and will likely not be renewed. 63% of the units are currently covered. Upon expiration, rent assistance to these residents will decrease which will likely result in potential greater vacancy and a longer lease-up period.
- Costs for lead based-paint and drinking water assessments (and remediation as necessary) as recommended in the ESA are uncertain as of this report.

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DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Gilbert M. Piette Phone: (210) 821-4300 Fax: (210) 821-4303
 Email: gilp@hcscorp.org

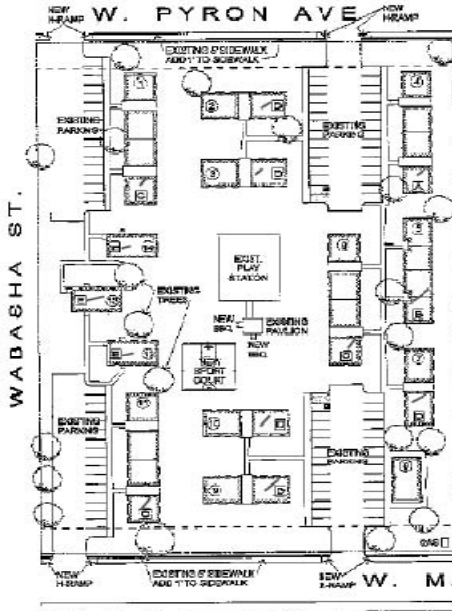
IDENTITIES of INTEREST

- The Applicant, Developer, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

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PROPOSED SITE

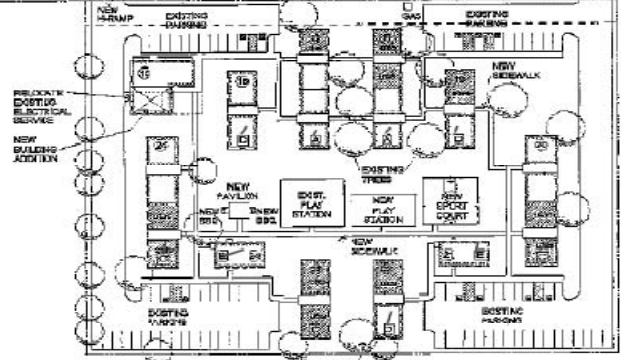
SITE PLAN



UNIT TYPES	UNIT AREAS		E. BR/BA		E. BR/BA		BUILDINGS TOTALS					UNIT TOTALS		
	BR	BA	BR	BA	BLDG A	BLDG B	BLDG C	BLDG D	BLDG E	BLDG F	UNIT COUNT	GROSS SF	NET SF	
1	206	204			24						24	4,920	15,200	
2	671	670				4					4	2,704	8,628	
3	775	773					40				40	31,020	32,280	
4	884	884						36			36	31,824	31,824	
5	1,029	1,029							5		5	5,145	5,145	
6	1,104	1,104							5		5	5,520	5,520	
TOTAL												114	81,750	91,717

COMMUNITY BUILDINGS	NET SF	COVERED	GROSS SF
776 LAUNDRY/AMTRANCE	6,220	0	1,220
788 LAUNDRY/COMMUNITY	2,485	846	9,136
TOTAL SERVICE FOOT	8,705	846	10,356

PARKING TABULATION			
STANDARD	HC	VM	TOTAL
100	13	5	118
REQUIRED PARKING: 114 @ 2.5 = 285			



BUILDING CONFIGURATION

Building Type	A	B	C	D	E						Total Buildings	Non-Resident Buildings
Floors/Stories	2	1	2	2	2							
Number	3	1	5	9	5						23	2

BR/BA	SF	Units								Total Units	Total SF
1	650	8								24	15,600
1	657		4							4	2,628
2	775			8						40	31,000
3	884				4					36	31,824
4	1,029					1				5	5,145
4	1,104						1			5	5,520
Units per Building		8	4	8	4	2				114	91,717

This section intentionally left blank.

Rehabilitation Activities:

The subject was originally built in 1969 and consists of 114 units with 25 existing buildings (23 residential and 2 laundry/office buildings) on approximately 8.5 acres. The rehab is proposing to convert all 3 and 4 bedroom unit types from only 1 bathroom to 2 bathrooms. A new 2,500 square foot community center and leasing office are to be constructed while the existing laundry/office buildings will be converted to a maintenance shop. New laundry facilities will be included within the new community center. All units will have modernized kitchen appliances, bathroom fixtures, flooring, and ceiling fans. The rehabilitation activities will be performed in phases of approximately 50 to 60 units at a time and the overall timeline is expected to take 12 to 15 months. The Applicant anticipates lease-up activities beginning in the third quarter of 2011.

Tenant Relocation Plan:

The Applicant described a budget of \$400,000 for relocation activities. Within this budget are expenses anticipated for a relocation/social counselor (\$50K), moving and storage for tenants (\$128.5K), phone and miscellaneous utility transfer fees (\$28.5K), temporary housing costs (\$171K), and expenses (\$22K) for tenants with special needs (12 ADA accessible units). A building-by-building relocation schedule was not provided.

As reported within the 2/11/2010 rent roll the property had 7 vacant units (or 6% vacancy) and a total of 72 tenants (or 63% of the units) using the HUD rent supplement which is set to expire at the end of 2010. The Applicant has reported that the loss of this supplement will negatively impact the affordability of the units considering the current tenant's high use of the rent supplement. This concern is mitigated by the Market Analysts opinion that the development will support the rent levels described herein.

SITE ISSUES

Total Size:	<u>8.528 acres</u>	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>Zone X, AE</u>	Within 100-yr floodplain?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Zoning:	<u>MF-33</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

Comments:

- "The Federal Emergency Management Agency, Flood Insurance Rate Map ... indicates that a very small section of the southwest corner of Phase I (779 W. Mayfield Boulevard) lies within Zone AE, which are special flood hazard areas inundated by 100-year flood. A visual inspection revealed that none of the building improvements lie within this very small southwest corner of the subject property. The remainder of Phase I and Phase II of the subject property was determined to be in Zone X, which are areas determined to be outside the 500-year floodplain." (p. 8)
- The QAP §50.6(a) states "No buildings or roads that are part of a Development proposing Rehabilitation or Adaptive Reuse, with the exception of Developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the one-hundred (100) year floodplain unless they already meet the requirements established in this subsection for New Construction". Therefore, the subject is eligible even if a portion of the site lies within the 100-year floodplain, due to a) federal assistance under the HUD Rent Supplement Program, and b) the existing FHA-insured mortgage which will be refinanced as a new FHA-insured mortgage.

TDHCA SITE INSPECTION

Inspector: TDHCA - Manufactured Housing Staff Date: 5/20/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North:	<u>Residential Housing</u>	East:	<u>Police Station, Residential, Retail</u>
South:	<u>Parking Garage, Retail & Residential</u>	West:	<u>Recreational Area, Residential</u>

Comments:

The Site Inspector noted that there is only one fire hydrant accessible to this site and that is one block from the subject. Accessibility to IH-35 is easy to and from subject. There are a number of small businesses, retail stores, and restaurants in close proximity to the subject. It was reported that there are no handicap parking signs throughout the site, however the inspection report is unclear regarding if any spots are specifically reserved for handicap parking.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Astex Environmental

Date: 3/24/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- The assessment revealed no Recognized Environmental Conditions concerning the subject property.
- "Flooring was observed to be 12" resilient floor tile over the original 9" resilient floor tile with associated black mastic. The original 9" floor tile and associated black mastic was analyzed to be asbestos containing." (p.13) "This material must be removed by a Texas licensed Asbestos abatement Contractor under the supervision of a Texas Asbestos Consultant prior to demolition." (p.41)
- "Nine out of twelve, tested brown paint on exterior front doors (only) were found to be positive for lead-based paint. The two confirmatory paint chip samples confirmed that the brown paint was analyzed to be lead-based paint. All other tested interior and exterior painted surfaces were found to be free of lead based paint." (p. 42)
- "Physical sampling for lead in water was not within the Scope of Work for this Assessment however due to the age of construction (1970) lead in water is a possibility." (p. 42)

Comments:

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for asbestos-containing materials has been completed; and any subsequent recommendations have been implemented.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for lead-based paint has been completed, and any subsequent recommendations have been implemented.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive assessment for lead in drinking water has been completed, and any subsequent recommendations have been implemented.

MARKET ANALYSIS

Provider: Butler Burgher Group

Date: 4/1/2010

Contact: Mark Fugina

Phone: (877) 524-1187

Number of Revisions: none

Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 25 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 16 census tracts in south San Antonio. The approximate geographic boundaries are the Union Pacific Railroad tracks to the west; Fay Ave. and Gladys Ave. to the north; Mission Road and State Road 536 to the east; and Interstate 10 to the south.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bexar County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$11,006	\$12,000	---	---	\$18,377	\$20,000	\$22,046	\$24,000
2	\$11,006	\$13,700	---	---	\$18,377	\$22,900	\$22,046	\$27,480
3	\$13,234	\$15,450	---	---	\$22,046	\$25,750	\$26,469	\$30,900
4	\$15,257	\$17,150	---	---	\$25,474	\$28,600	\$30,583	\$34,320
5	\$15,257	\$18,500	---	---	\$25,474	\$30,900	\$30,583	\$37,080
6	\$17,040	\$19,900	---	---	\$28,457	\$33,200	\$34,149	\$39,840

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	none				
Other Affordable Developments in PMA since 2006					
10020	La Posada del Rey	rehab	family	n/a	145
060040	San Jose Apts	rehab	family	n/a	220
060409	Artisan at Military	new	family	n/a	252
060422	Costa Mirada	new	family	n/a	212
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		5	Total Units		964

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed or unstabilized units that impact the demand for the subject. Two new construction developments allocated in 2006 (Artisan at Military #060409 and Costa Mirada #060422) have achieved stabilized occupancy; another 2006 development just outside the PMA (San Jose Apts #060040) was a rehabilitation of an occupied property; and there is a 2010 application just outside the PMA (La Posada del Rey #10020) for the rehabilitation of an occupied property.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	28,513	28,513
Potential Demand from the Primary Market Area	4,770	4,771
Potential Demand from Other Sources	0	0
GROSS DEMAND	4,770	4,771
Subject Affordable Units	114	114
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	114	114
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2%	2%

Demand Analysis:

The Market Analyst determined Gross Demand for 4,770 units in the Primary Market Area, indicating a Gross Capture rate of 2% for the 114 subject units. The Underwriter has confirmed these results. The Gross Capture rate is well under the maximum 10% for urban developments targeting family households.

Moreover, the subject property is currently more than 50% occupied, and is considered Existing Affordable Housing due to the HUD Rent Supplement Contract; therefore, the Gross Capture Rate limit is not a criteria for feasibility.

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UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	398	1	0	0%	83	1	0	1%
1 BR/50%	599	13	0	2%	128	13	0	10%
1 BR/60%	634	14	0	2%	93	14	0	15%
2 BR/30%	479	2	0	0%	142	2	0	1%
2 BR/50%	636	18	0	3%	188	18	0	10%
2 BR/60%	726	20	0	3%	195	20	0	10%
3 BR/30%	555	2	0	0%	129	2	0	2%
3 BR/50%	734	16	0	2%	198	16	0	8%
3 BR/60%	674	18	0	3%	210	18	0	9%
4 BR/30%	618	1	0	0%	88	1	0	1%
4 BR/50%	686	4	0	1%	141	4	0	3%
4 BR/60%	750	5	0	1%	107	5	0	5%

Primary Market Occupancy Rates:

"The average occupancy rate in the San Antonio's South submarket was 89.5% in 4Q 2009, based on MPF Research. Furthermore, the HTC properties surveyed in and near the subject's PMA were averaging 94%." (p. 51)

Absorption Projections:

"The data indicate average absorption from a low of 10 units per month to a high of 47 units per month, averaging 21 units per month. However, some of these properties are market rate communities and do not reflect properties with income restrictions. The mean of the HTC properties is 17 units per month ... we assumed an absorption rate of 20 units per month for the subject. However, the subject is currently stabilized and the relocation plan during renovation of the property will limit the amount of tenant movement, and it is likely that the residents will continue to live at the existing property." (p. 69)

Market Impact:

The subject is at stabilized occupancy and expected to remain so throughout the rehabilitation process, so there will be no adverse impact to the apartment market in the area.

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PRO FORMA ANALYSIS

Income: Number of Revisions: 4 Date of Last Applicant Revision: 5/19/2010

The Applicant's projected rents collected per unit type were calculated by subtracting tenant-paid utility allowances as of 6/1/2009 as maintained by the San Antonio Housing Authority-HCV; and adjusted according to building types for Apartment (8+ units), Duplex or 4-Plex; from the 2009 HTC Gross Program rent limits. Tenants will be required to pay for water, sewer, and trash expenses while the development will cover all electric utilities. Secondary income is estimated at \$10/unit/month for laundry and vending machine fees collected. Vacancy and collection losses of -7.5% are assumed. The Applicant's secondary income and vacancy and collection loss assumptions are within current TDHCA guidelines. 2009 HTC Rent Limits were utilized in this analysis per current underwriting guidelines. 2009 HTC rents compared to 2010 HTC rents for the subject will result a potential increase of \$11K annually for gross rents collected, however, the 2 BR units at the 60% rent level are limited by market conditions which effectively reduces the potential increase in overall gross rent to \$2.3K annually using 2010 HTC rent limits.

Expense: Number of Revisions: 3 Date of Last Applicant Revision: 5/19/2010

The Applicant's total annual operating expense projection per unit of \$4,257 is within 5% of the Underwriter's estimate of \$4,191 per unit. The Applicant's projected expense to income ratio is 64.82% which is below the 65% limit for initial feasibility requirements. The Underwriter's expense estimates are derived from TDHCA and IREM database figures.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are all within 5% of the Underwriter's estimates; therefore, the Applicant's year-1 operating pro forma will be used to determine the development's debt capacity. The Applicant's estimated debt service is within 1% (or \$847 less than) of the Underwriter's calculation. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.28, which within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>Butler Burgher Group, LLC</u>	Date:	<u>4/1/2010</u>
Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	<u>8.528</u> acres	<u>\$300,000</u>	As of: <u>3/9/2010</u>
Existing Buildings: (as-is)		<u>\$1,250,000</u>	As of: <u>3/9/2010</u>
Total Development: (as-is)		<u>\$1,550,000</u>	As of: <u>3/9/2010</u>

Comments:

The appraisal report lists the following breakdown of Market Value opinions:

- "as is, encumber by Rent Supplement Contracts" = \$1,550,000
- "as renovated and stabilized, encumbered by Housing Tax Credits (HTC)" = \$3,320,000
- Land Value, "as if vacant" = \$300,000
- Value of Limited Partnership = \$8,200,000

The value represented in the chart above is reported as the "as renovated and stabilized, encumbered with HTC, Market Value of the Fee Simple interest in the subject property as of March 9, 2010, and subject to the extraordinary and general underlying assumptions and limiting and hypothetical conditions was \$3,320,000."

ASSESSED VALUE

Land Only:	<u>8.528</u> acres	<u>\$419,750</u>	Tax Year:	<u>2009</u>
Existing Buildings:		<u>\$1,610,399</u>	Valuation by:	<u>Bexar CAD</u>
Total Assessed Value:		<u>\$2,030,149</u>	Tax Rate:	<u>2.744397</u>

Comments:

This assessment is based on the combined values of both the "north" & "south" tract of the site. Bexar County Appraisal District provides a 2009 Personal Property Summary Sheet which reports a value of \$22,270. The value of the personal property identified was not included in the above land and improvement calculation.

EVIDENCE of PROPERTY CONTROL

Type: Purchase Contract Acreage: 8.528
 Contract Expiration: 12/31/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$1,100,000 Other: _____
 Seller: San Antonio Newspaper Guild Housing Trust Related to Development Team? Yes No

Comments:

The purchase price is based on the existing loan balances of the assumable HUD loans currently in place on the subject. The Applicant provided financial statements from the seller supporting the acquisition cost of approximately \$1.1M based on a loan balance of \$875,440; accrued interest balance of \$129,845; and FHA long-term balance of \$87,321.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The total acquisition cost, including closing costs, of \$1.2M (\$140,720/acre or \$10,526/unit) is acceptable as this is an arm's length transaction between unrelated parties. The acquisition value is based on the purchase price (as described above) plus estimated closing costs of \$100,000. The Applicant provided supporting documentation to corroborate the closing cost estimate. The final purchase price and acquisition cost cannot be fully documented until closing occurs and the documentation will be evaluated at Cost Certification; therefore there is no condition to this report relating to the acquisition value or purchase price.

Site Work Cost:

The Applicant's claimed site work costs of \$8,133 per unit are within current Department guidelines, and no further third-party justification is required at this time. This amount exceeds site work costs typically seen on rehabs. The PCA provider submitted a range of costs associated with the site work. The Applicant's estimate fits within this range. A large proportion of the site work is the removal, repair, and replacement of concrete and paving materials.

Direct Construction Cost:

The Applicant's direct construction cost estimate is within 5% of the Underwriter's *Marshall & Swift* derived estimate which is based on and adjusted for average quality construction of multifamily and 2/4-plex construction costs depending on building/unit type configuration.

Interim Interest Expense:

The Applicant overstated one year's worth of fully drawn interim loan interest by \$54,525; therefore the eligible basis was adjusted by an equivalent amount.

Contingency & Fees:

The Applicant overstated the Developer Fee by \$8,179; therefore the eligible basis calculation was reduced by an equivalent amount.

Reserves:

The Applicant reports a reserve account to be funded by \$400,000, however, the Evanston Financial letter requires an Operating Reserve in an amount equal to the greater of \$300,000 or six months of operating expenses shall be funded at the time of the Third Capital Contribution. The Applicant's reserve estimate includes an additional \$100K in rent-up reserves, and the Applicant supplied a Lease-Up Schedule as support for this estimate. The Underwriter did not include the additional \$100K rent-up reserve as it is immaterial for the eligible basis calculation and the exclusion of this reserve does not adversely affect the tax credit recommendation.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible OCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; however, since this is an acquisition/rehabilitation deal the Underwriter's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$10,180,120 supports annual tax credits of \$1,127,186. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds in order to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 3 Date of Last Applicant Revision: 5/21/2010

Source: Evanston Financial (HUD 221(d)(4)) Type: Interim Financing

Principal: \$1,550,000 Interest Rate: 7.45% Fixed Term: 24 months

Comments:

This commitment is contingent upon satisfying HUD's MAP system requirements designed to expedite the issuance of a firm commitment. Receipt, review, and acceptance of the financing terms described within the firm commitment are a condition of this report. The Applicant reports that this loan will have a one-time close which allows for conversion to permanent upon completion of construction activities.

Source: Evanston Financial (HUD 221(d)(4)) Type: Permanent Financing

Principal: \$1,550,000 Interest Rate: 7.45% Fixed Amort: 480 months

Comments:

The commitment letter describes an interest rate of 7%, subject to market changes until rate locked, plus 0.45% Mortgage Insurance Premium rate for a fully underwritten rate of 7.45%.

Source: City of San Antonio HOME Type: Permanent Financing

Principal: \$1,550,000 Interest Rate: AFR% Fixed Amort: 480 months

Comments:

The City of San Antonio letter dated 2/26/2010 reports that receipt of the application for HOME/CDBG funds is under review. The City has provided the Applicant with a list of requirements to be satisfied within 120 days of the letter which would be 6/26/2010. This report is conditioned upon receipt, review, and acceptance of a firm commitment for funding. The Applicant has requested a loan amount of \$1,550,000 bearing interest at AFR estimated to be 4.42% and amortized over 40 years with semiannual payments subject to available cash flow. The Underwriter has used a more recent AFR figure of 4.38% within the "Recommended Financing Structure" section of this analysis.

Source: Hudson Housing Capital, LLC Type: Syndication

Proceeds: \$8,188,956 Syndication Rate: 72% Anticipated HTC: \$1,129,624

Amount: \$116,122 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the total permanent loans of \$3,100,000 indicates the need for \$8,196,900 in gap funds. Based on the submitted syndication terms, an annual tax credit allocation of \$1,130,720 would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,127,186
Allocation determined by gap in financing:	\$1,131,848
Allocation requested by the Applicant:	\$1,129,624

The allocation amount determined by eligible basis is recommended. A tax credit allocation of \$1,127,186 per year for 10 years results in total equity proceeds of \$8,171,282 at a syndication rate of \$0.72 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$33,797 in additional funds. Developer Fees of \$1,283,699 are available to fill any remaining gaps in financing; however the deferral of any portion of said fees are subject to being repaid from development cash flow within 15 years of stabilized operations. Based on the Applicant's long-term pro forma, available cash flow for repayment of any deferred fees is sufficient within 15 years of stabilized operations.

Underwriter:	<u>Colton Sanders</u>	Date:	<u>July 1, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>July 1, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 1, 2010</u>

UNIT MIX/RENT SCHEDULE

Guild Park Apartments, San Antonio, 9% LIHTC #10058

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	San Antonio	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:		
COUNTY:	Bexar	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:		
SUB-MARKET:		1	28	24.6%								EXPENSE GROWTH:		
PROGRAM REGION:	9	2	40	35.1%								HIGH COST ADJUSTMENT:		
RURAL RENT USED:		3	36	31.6%								APPLICABLE FRACTION:		
IREM REGION:	San Antonio	4	10	8.8%								APP % - ACQUISITION:		
		TOTAL	114	100.0%	MISC							APP % - CONSTRUCTION:		

UNIT MIX / MONTHLY RENT SCHEDULE																	
UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS	
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	1	1	1	650	\$321	\$64	\$257	\$0	\$0.40	\$257	\$257	\$257	\$257	\$0.40	\$0	\$590	\$333
TC 50%	11	1	1	650	\$536	\$64	\$472	\$0	\$0.73	\$472	\$5,192	\$5,192	\$472	\$0.73	\$0	\$590	\$118
TC 60%	12	1	1	650	\$643	\$64	\$579	\$0	\$0.89	\$579	\$6,948	\$6,948	\$579	\$0.89	\$0	\$590	\$11
TC 50%	2	1	1	657	\$536	\$75	\$461	\$0	\$0.70	\$461	\$922	\$922	\$461	\$0.70	\$0	\$665	\$204
TC 60%	2	1	1	657	\$643	\$75	\$568	\$0	\$0.86	\$568	\$1,136	\$1,136	\$568	\$0.86	\$0	\$665	\$97
TC 30%	2	2	1	775	\$386	\$88	\$298	\$0	\$0.38	\$298	\$596	\$596	\$298	\$0.38	\$0	\$665	\$367
TC 50%	18	2	1	775	\$643	\$88	\$555	\$0	\$0.72	\$555	\$9,990	\$9,990	\$555	\$0.72	\$0	\$665	\$110
TC 60%	20	2	1	775	\$772	\$88	\$684	(\$19)	\$0.86	\$665	\$13,300	\$13,300	\$665	\$0.86	(\$19)	\$665	\$0
TC 30%	2	3	2	884	\$445	\$189	\$256	\$0	\$0.29	\$256	\$512	\$512	\$256	\$0.29	\$0	\$745	\$489
TC 50%	16	3	2	884	\$743	\$189	\$554	\$0	\$0.63	\$554	\$8,864	\$8,864	\$554	\$0.63	\$0	\$745	\$191
TC 60%	18	3	2	884	\$892	\$189	\$703	\$0	\$0.80	\$703	\$12,654	\$12,654	\$703	\$0.80	\$0	\$745	\$42
TC 30%	1	4	2	1,029	\$497	\$285	\$212	\$0	\$0.21	\$212	\$212	\$212	\$212	\$0.21	\$0	\$875	\$663
TC 50%	2	4	2	1,029	\$830	\$285	\$545	\$0	\$0.53	\$545	\$1,090	\$1,090	\$545	\$0.53	\$0	\$875	\$330
TC 60%	2	4	2	1,029	\$996	\$285	\$711	\$0	\$0.69	\$711	\$1,422	\$1,422	\$711	\$0.69	\$0	\$875	\$164
TC 50%	2	4	2	1,104	\$830	\$285	\$545	\$0	\$0.49	\$545	\$1,090	\$1,090	\$545	\$0.49	\$0	\$900	\$355
TC 60%	3	4	2	1,104	\$996	\$285	\$711	\$0	\$0.64	\$711	\$2,133	\$2,133	\$711	\$0.64	\$0	\$900	\$189
TOTAL:	114				91,717						\$66,318	\$66,318					
AVG:					805				(\$3)	\$0.72	\$582		\$582	\$0.72	(\$3)	\$694	(\$112)
ANNUAL:											\$795,816	\$795,816					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Guild Park Apartments, San Antonio, 9% LIHTC #10058

INCOME		Total Net Rentable Sq Ft:	Per month	TDHCA	APPLICANT	Per month			
POTENTIAL GROSS RENT			\$66,318	\$795,816	\$795,816	\$66,318			
Secondary Income		Per Unit Per Month:	\$10.00	13,680	13,680	\$10.00	Per Unit Per Month		
Other Support Income:				0	0	\$0.00	Per Unit Per Month		
Other Support Income:				0	0	\$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME				\$809,496	\$809,496	\$10.00	Per Unit Per Month		
Vacancy & Collection Loss	% of Potential Gross Income:		-7.50%	(60,712)	(60,708)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions				0	0				
EFFECTIVE GROSS INCOME				\$748,784	\$748,788				
EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI	
General & Administrative	5.07%	\$333	0.41	\$37,991	36,500	\$0.40	\$320	4.87%	
Management	5.00%	\$328	0.41	37,439	37,450	0.41	329	5.00%	
Payroll & Payroll Tax	17.00%	\$1,117	1.39	127,327	127,323	1.39	1,117	17.00%	
Repairs & Maintenance	7.24%	\$476	0.59	54,233	61,500	0.67	539	8.21%	
Utilities	3.91%	\$257	0.32	29,276	26,000	0.28	228	3.47%	
Water, Sewer, & Trash	8.67%	\$569	0.71	64,896	70,000	0.76	614	9.35%	
Property Insurance	4.37%	\$287	0.36	32,700	32,700	0.36	287	4.37%	
Property Tax	2.744397	\$308	0.38	35,119	35,103	0.38	308	4.69%	
Reserve for Replacements	4.57%	\$300	0.37	34,200	34,200	0.37	300	4.57%	
TDHCA Compliance Fees	0.61%	\$40	0.05	4,560	4,560	0.05	40	0.61%	
Other: Supp Serv Contract	2.67%	\$175	0.22	20,000	20,000	0.22	175	2.67%	
TOTAL EXPENSES	63.80%	\$4,191	\$5.21	\$477,741	\$485,336	\$5.29	\$4,257	64.82%	
NET OPERATING INC	36.20%	\$2,378	\$2.96	\$271,043	\$263,452	\$2.87	\$2,311	35.18%	

DEBT SERVICE

Evanston Financial (HUD 221(d)(4))	\$121,714	\$122,561
City of San Antonio HOME	\$82,665	\$82,665
Additional Financing	\$0	\$0
TOTAL DEBT SERVICE	204,379	205,226
NET CASH FLOW	\$66,664	\$58,226
AGGREGATE DEBT COVERAGE RATIO	1.33	1.28
RECOMMENDED DEBT COVERAGE RATIO		1.29

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		10.61%	\$10,526	\$13.08	\$1,200,000	\$1,200,000	\$13.08	\$10,526	10.52%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.20%	\$8,133	\$10.11	927,132	927,132	10.11	8,133	8.13%
Direct Construction		40.61%	\$40,274	\$50.06	\$4,591,289	4,591,288	50.06	40,274	40.26%
Contingency	10.00%	4.88%	\$4,841	\$6.02	551,842	551,842	6.02	4,841	4.84%
Contractor's Fees	14.00%	6.83%	\$6,777	\$8.42	772,578	772,578	8.42	6,777	6.77%
Indirect Construction		8.74%	\$8,671	\$10.78	988,500	988,500	10.78	8,671	8.67%
Ineligible Costs		2.70%	\$2,677	\$3.33	305,209	305,209	3.33	2,677	2.68%
Developer's Fees	14.53%	11.43%	\$11,332	\$14.09	1,291,878	1,291,878	14.09	11,332	11.33%
Interim Financing		3.33%	\$3,304	\$4.11	376,651	376,651	4.11	3,304	3.30%
Reserves		2.65%	\$2,632	\$3.27	300,000	400,000	4.36	3,509	3.51%
TOTAL COST		100.00%	\$99,167.36	\$123.26	\$11,305,079	\$11,405,078	\$124.35	\$100,045	100.00%
Construction Cost Recap		60.53%	\$60,025	\$74.61	\$6,842,841	\$5,915,708	\$74.61	\$60,025	60.00%

SOURCES OF FUNDS

						RECOMMENDED	
Evanston Financial (HUD 221(d)(4))	13.71%	\$13,596	\$16.90	\$1,550,000	\$1,550,000	\$1,550,000	Developer Fee Available
City of San Antonio HOME	13.71%	\$13,596	\$16.90	1,550,000	1,550,000	1,550,000	\$1,283,699
Hudson Housing (HTC Syndicator)	72.44%	\$71,833	\$89.29	8,188,956	8,188,956	8,171,282	% of Dev. Fee Deferred
Deferred Developer Fees	1.03%	\$1,019	\$1.27	116,122	116,122	33,797	3%
Additional (Excess) Funds Req'd	-0.88%	(\$877)	(\$1.09)	(99,999)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$11,305,079	\$11,405,078	\$11,305,079	\$827,838

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Guild Park Apartments, San Antonio, 9% LIHTC #10058

PROPOSED PAYMENT COMPUTATION

Evanston Financial (HUD 221(d)(4))	\$1,550,000	Amort	480
Int Rate	7.45%	DCR	2.23

City of San Antonio HOME	\$1,550,000	Amort	480
Int Rate	4.42%	Subtotal DCR	1.33

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.33

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Evanston Financial (HUD 221(d)(4))	\$121,714
City of San Antonio HOME	82,189
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$203,904

Evanston Financial (HUD 221(d)(4))	\$1,550,000	Amort	480
Int Rate	7.45%	DCR	2.16

City of San Antonio HOME	\$1,550,000	Amort	480
Int Rate	4.38%	Subtotal DCR	1.29

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.29

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$795,816	\$811,732	\$827,967	\$844,526	\$861,417	\$951,074	\$1,050,062	\$1,159,354	\$1,413,246
Secondary Income	13,680	13,954	14,233	14,517	14,808	16,349	18,050	19,929	24,294
Other Support Income:	0	0	0	0	0				
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	809,496	825,686	842,200	859,044	876,225	967,423	1,068,113	1,179,283	1,437,539
Vacancy & Collection Loss	(60,708)	(61,926)	(63,165)	(64,428)	(65,717)	(72,557)	(80,108)	(88,446)	(107,815)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$748,788	\$763,759	\$779,035	\$794,615	\$810,508	\$894,866	\$988,004	\$1,090,837	\$1,329,724
EXPENSES at 3.00%									
General & Administrative	\$36,500	\$37,595	\$38,723	\$39,885	\$41,081	\$47,624	\$55,210	\$64,003	\$86,015
Management	37,450	38,198,78574	38,963	39,742	40,537	44,756	49,414	54,557	66,505
Payroll & Payroll Tax	127,323	131,143	135,077	139,129	143,303	166,128	192,587	223,262	300,045
Repairs & Maintenance	61,500	63,345	65,245	67,203	69,219	80,244	93,024	107,841	144,929
Utilities	26,000	26,780	27,583	28,411	29,263	33,924	39,327	45,591	61,271
Water, Sewer & Trash	70,000	72,100	74,263	76,491	78,786	91,334	105,881	122,745	164,960
Insurance	32,700	33,681	34,691	35,732	36,804	42,666	49,462	57,340	77,060
Property Tax	35,103	36,156	37,241	38,358	39,509	45,801	53,096	61,553	82,723
Reserve for Replacements	34,200	35,226	36,283	37,371	38,492	44,623	51,731	59,970	80,595
TDHCA Compliance Fee	4,560	4,697	4,838	4,983	5,132	5,950	6,897	7,996	10,746
Other	24,560	25,297	26,056	26,837	27,642	32,045	37,149	43,066	57,877
TOTAL EXPENSES	\$489,896	\$504,218	\$518,963	\$534,142	\$549,769	\$635,095	\$733,779	\$847,924	\$1,132,724
NET OPERATING INCOME	\$258,892	\$259,541	\$260,072	\$260,473	\$260,739	\$259,771	\$254,225	\$242,913	\$197,000
DEBT SERVICE									
First Lien Financing	\$121,714	\$121,714	\$121,714	\$121,714	\$121,714	\$121,714	\$121,714	\$121,714	\$121,714
Second Lien	82,189	82,189	82,189	82,189	82,189	82,189	82,189	82,189	82,189
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$54,988	\$55,638	\$56,168	\$56,570	\$56,835	\$55,867	\$50,321	\$39,009	(\$6,904)
DEBT COVERAGE RATIO	1.27	1.27	1.28	1.28	1.28	1.27	1.25	1.19	0.97

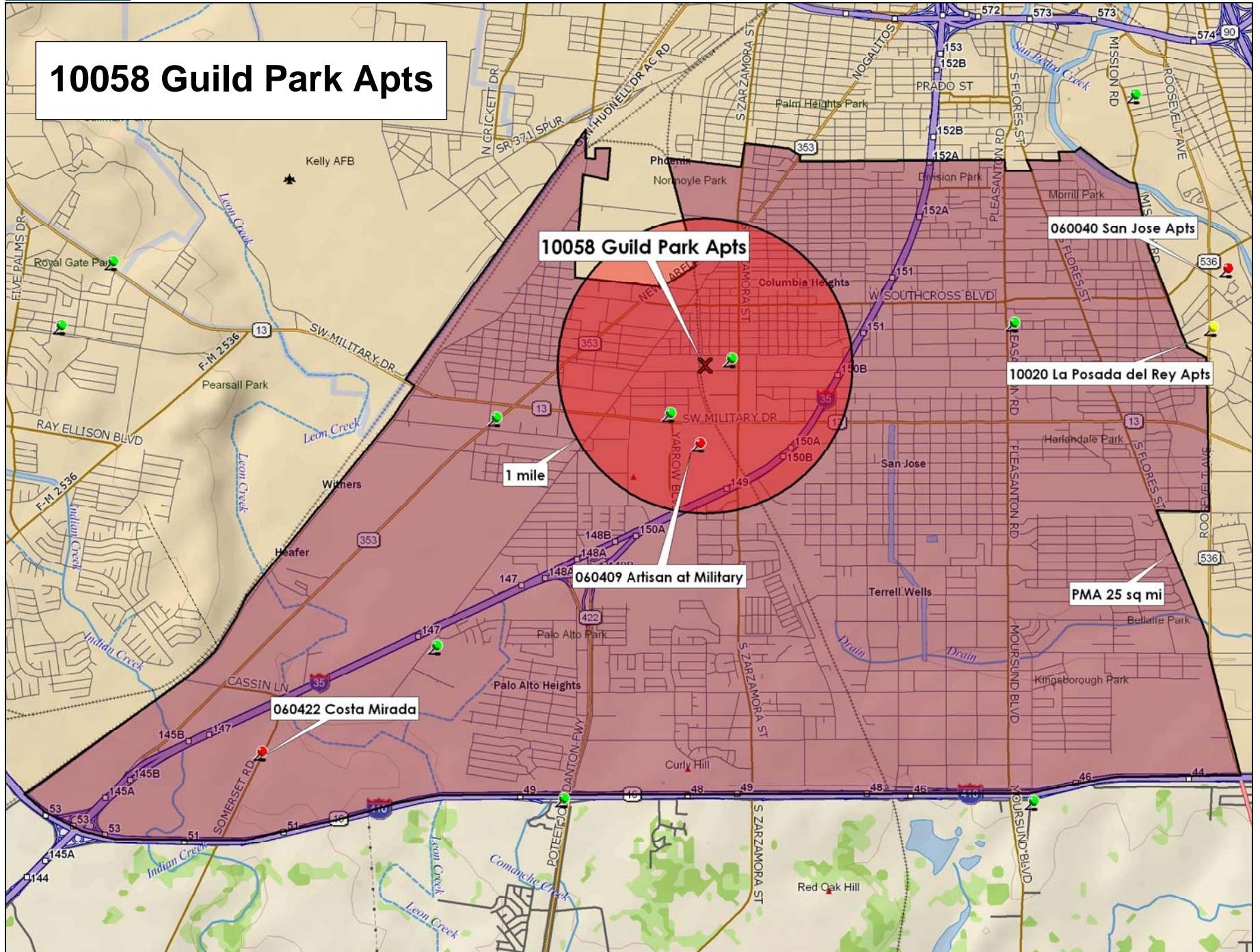
HTC ALLOCATION ANALYSIS -Guild Park Apartments, San Antonio, 9% LIHTC #10058

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$850,000	\$519,750				
Purchase of buildings	\$350,000	\$680,250	\$350,000	\$680,250		
Off-Site Improvements						
Sitework	\$927,132	\$927,132			\$927,132	\$927,132
Construction Hard Costs	\$4,591,288	\$4,591,289			\$4,591,288	\$4,591,289
Contractor Fees	\$772,578	\$772,578			\$772,578	\$772,578
Contingencies	\$551,842	\$551,842			\$551,842	\$551,842
Eligible Indirect Fees	\$988,500	\$988,500			\$988,500	\$988,500
Eligible Financing Fees	\$376,651	\$376,651			\$376,651	\$376,651
All Ineligible Costs	\$305,209	\$305,209				
Developer Fees			\$52,500		\$1,231,199	
Developer Fees	\$1,291,878	\$1,291,878		\$98,872		\$1,193,006
Development Reserves	\$400,000	\$300,000				
TOTAL DEVELOPMENT COSTS	\$11,405,078	\$11,305,079	\$402,500	\$779,122	\$9,439,190	\$9,400,998

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$402,500	\$779,122	\$9,439,190	\$9,400,998
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$402,500	\$779,122	\$12,270,947	\$12,221,297
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$402,500	\$779,122	\$12,270,947	\$12,221,297
Applicable Percentage			3.50%	3.50%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$14,088	\$27,269	\$1,104,385	\$1,099,917

Syndication Proceeds	0.7249	\$102,124	\$197,683	\$8,005,993	\$7,973,600
Total Tax Credits (Eligible Basis Method)				\$1,118,473	\$1,127,186
Syndication Proceeds				\$8,108,117	\$8,171,282
Requested Tax Credits				\$1,129,624	
Syndication Proceeds				\$8,188,956	
Gap of Syndication Proceeds Needed				\$8,305,078	\$8,205,079
Total Tax Credits (Gap Method)				\$1,145,642	\$1,131,848
Recommended Tax Credits				\$1,127,186	
Syndication Proceeds				\$8,171,282	

10058 Guild Park Apts

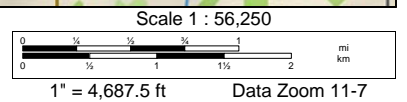


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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Westway Place, TDHCA Number 10059

BASIC DEVELOPMENT INFORMATION

Site Address: 44th St., off West Park Row Development #: 10059
 City: Corsicana Region: 3 Population Served: General
 County: Navarro Zip Code: 75110 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Westway Place, Ltd.
 Owner Contact and Phone: Emanuel H. Glockzin, Jr., (979) 846-8878
 Developer: Homestead Development Group, Ltd
 Housing General Contractor: Brazos Valley Construction, Inc.
 Architect: Myriad Designs, Ltd.
 Market Analyst: Allen and Associates Consulting, Inc.
 Syndicator: WNC & Associates, Inc.
 Supportive Services: Affordable Caring Housing, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	40	
	2	0	14	24	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	24	4	0	0	
Type of Building:						Total Development Units:	40
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	4
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$546,741	\$0			
HOME Activity Fund Amount:	\$1,200,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Westway Place, TDHCA Number 10059

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22, S

Points: 7

US Representative: Barton, District 6, NC

TX Representative: Cook, District 8, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Westway Place, TDHCA Number 10059

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **201** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Magnolia Trails, TDHCA Number 10061

BASIC DEVELOPMENT INFORMATION

Site Address: 31000 Block of Nichols Sawmill Rd. Development #: 10061
 City: Magnolia Region: 6 Population Served: Elderly
 County: Montgomery Zip Code: 77355 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Magnolia Trails, LP
 Owner Contact and Phone: David Mark Koogler, (713) 906-4460
 Developer: Mark-Dana Corporation
 Housing General Contractor: Koogler Construction of Texas, L.L.C.
 Architect: Mucasey & Associates Architects
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: PNC Real Estate
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	50	30	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$8,677,226
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$908,909	\$906,277			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Magnolia Trails, TDHCA Number 10061

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, NC Points: 0 US Representative: Brady, District 8, NC
TX Representative: Eissler, District 15, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Jimmy W. Thornton, Jr., Mayor City of Magnolia Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6
Habitat for Humanity Montgomery County, S, Barbara Smith, Executive Director
Magnolia Area Chamber of Commerce, S, Alisha Roberts, President
United Way, S, Julie P. Martineau, President

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by commitment, of a commitment from Montgomery County Community Development for the proposed loan with the terms clearly stated.
2. Receipt, review, and acceptance, by cost certification, of an executed Land Use Restriction Agreement (LURA) with the Department restricting the entire 9.89 acre site.
3. Receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain restricting the entire 9.89 acre site.
4. Receipt, review, and acceptance, by cost certification, of an executed agreement by the seller of the land "The Power Partnership" the church which is located directly north of the subject property that they have agreed to construct, operate, and maintain a regional detention pond on the western side of the subject development at their expense.
5. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Magnolia Trails, TDHCA Number 10061

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **3**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **212** Meeting a Required Set-Aside Credit Amount*: \$906,277

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/14/10 PROGRAM: 9% HTC FILE NUMBER: 10061

DEVELOPMENT

Magnolia Trails

Location: 31000 Block of Nichols Sawmill Road Region: 6
 City: Magnolia County: Montgomery Zip: 77355 OCT DDA
 Key Attributes: Elderly, Rural, New Construction, and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$908,909			\$906,277		

CONDITIONS

- 1 Receipt, review, and acceptance, by commitment, of a commitment from Montgomery County Community Development for the proposed loan with the terms clearly stated.
- 2 Receipt, review, and acceptance, by cost certification, of an executed Land Use Restriction Agreement (LURA) with the Department restricting the entire 9.89 acre site.
- 3 Receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain restricting the entire 9.89 acre site.
- 4 Receipt, review, and acceptance, by cost certification, of an executed agreement by the seller of the land "The Power Partnership" the church which is located directly north of the subject property that they have agreed to construct, operate, and maintain a regional detention pond on the western side of the subject development at their expense.
- 5 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	4
50% of AMI	50% of AMI	36
60% of AMI	60% of AMI	40

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

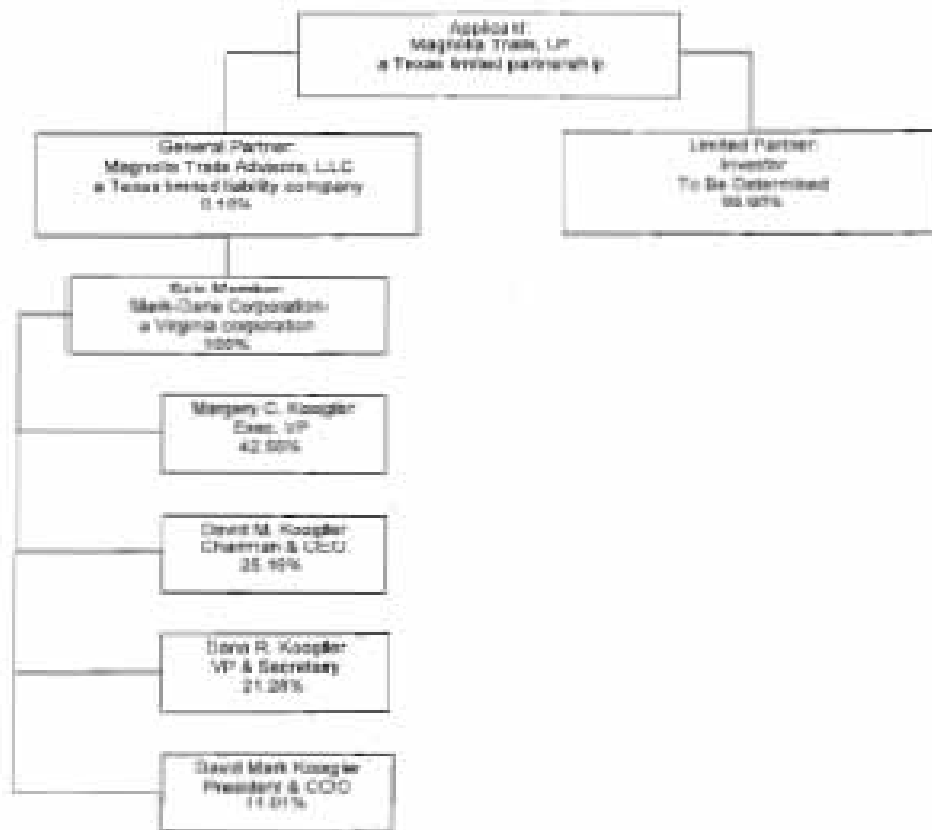
- There was a 52.6% increase in population in the Primary Market Area from 2000 to 2009.
- The primary market area will require an additional 382 rental dwelling units overall, including 216 senior rental units. This reflects the aging of the population within the Primary Market Area.
- Seven stabilized senior developments in the surrounding area each report occupancy of at least 97%.
- The gross capture rate is 4.2%, and the unit capture rate for each unit type is 8% or lower.

PREVIOUS UNDERWRITING REPORTS

Previously underwritten during 2009 tax credit cycle, TDHCA #09102.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

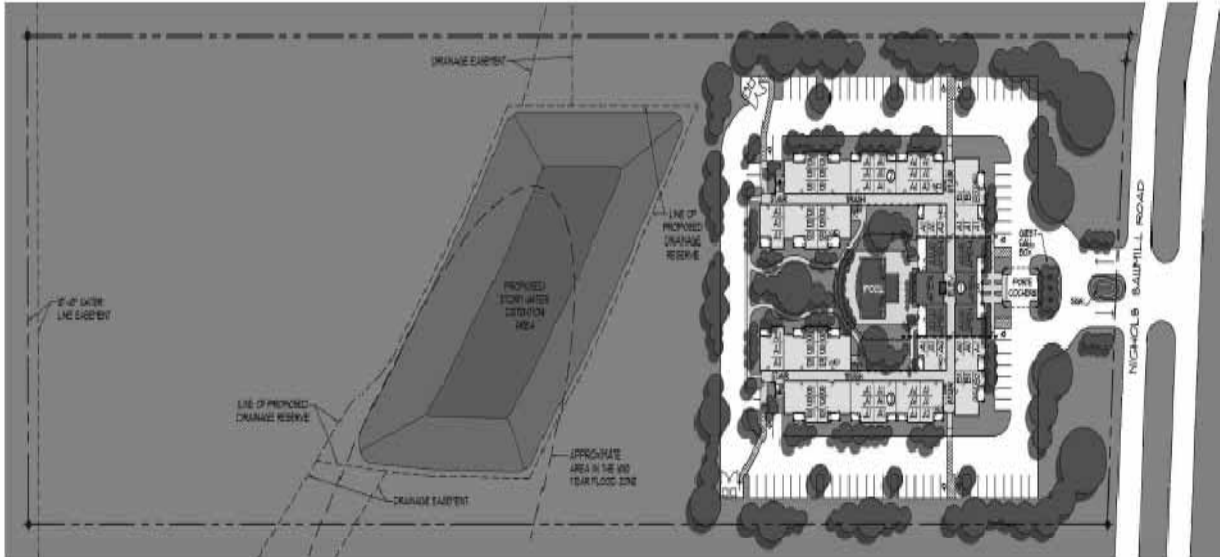
Contact: David Mark Koogler Phone: (713) 906-4460 Fax: (281) 419-1991
 Email: dkoogler@mark-dana.com

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



Comments:

The Applicant has indicated that the entire 9.89 acre site will be restricted by the Tax Credit LURA.

BUILDING CONFIGURATION

Building Type	1	2	3																	Total Buildings	
Floors/Stories	3	3	3																		
Number	1	1	1																		3

BR/BA	SF	Units										Total Units	Total SF		
1	1	729	8	21	21									50	36,450
2	2	990	0	15	15									30	29,700
Units per Building			8	36	36									80	66,150

SITE ISSUES

Total Size: 9.896 acres Scattered site? Yes No
 Flood Zone: Part: AE / Bal. X Within 100-yr floodplain? Yes No
 Zoning: No Zoning Needs to be re-zoned? Yes No N/A

Comments:

The City of Magnolia does not have a zoning ordinance.

The Applicant has acknowledged in the application that part of the site is located within the 100-year Flood Hazard Area, and that the development will be designed and constructed as required by the QAP §49.6(a): "Any Development proposing New Construction located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements."

The seller of the land, The Power Partnership, the church which is located directly north of the subject property, has agreed to construct, operate, and maintain a regional detention pond on the western side of the subject development at their expense. A written agreement will be made a condition of this report.

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/21/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Single residence; Wooded/School East: Subdivision Entrance; Housing
 South: Residences; self-storage complex West: Wooded; wooded
 Comments:
 None

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 2/24/2009
 Recognized Environmental Concerns (RECs) and Other Concerns:
 • "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 3)

MARKET ANALYSIS

Provider: Apartment MarketData Date: 2/24/2010
 Contact: Darrell Jack Phone: (210) 530-0040
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 428 sq. miles 12 mile equivalent radius
 The Primary Market Area is defined as 8 census tracts surrounding the town of Magnolia, straddling Montgomery, Grimes, and Waller counties.

Extended Market Area (SMA): 593 sq. miles 14 mile equivalent radius
 The Market Analyst did not define a Secondary Market Area. However, HomeTowne at Tomball (#060414, aka Gardens at Tomball) is a comparable property, funded in 2006, which has not yet achieved stabilized operation. This property is located 12 miles from the subject and four miles outside the PMA. Approximately 65% of the population of the subject PMA is concentrated in four census tracts common to the subject PMA and the PMA defined for HomeTowne at Tomball. The Underwriter has therefore evaluated the overall supply and demand for an Extended Market Area defined by the combined PMA's for the subject and HomeTowne at Tomball.

ELIGIBLE HOUSEHOLDS BY INCOME								
Montgomery County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,592	\$13,400	---	---	\$14,352	\$22,350	\$17,208	\$26,820
2	\$8,592	\$15,300	---	---	\$14,352	\$25,500	\$17,208	\$30,600
3	---	---	---	---	\$17,208	\$28,700	\$20,664	\$34,440
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None				0	

COMPARABLE SUPPLY in EXTENDED MARKET					
060414	Hometowne at Tomball	new	senior	210	210
Other Affordable Developments in EXTENDED MARKET since 2006					
08128	Mid-Towne Apts II	rehab	family	n/a	54
Stabilized Affordable Developments in EXTENDED MARKET (pre-2006)					
Total Properties (pre-2006)		4	Total Units	236	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no other affordable properties located within the Primary Market Area; HomeTowne at Tomball is the only unstabilized comparable property located within the Extended Market Area.

It should be noted that the subject market areas are northwest of the greater Houston area. There are numerous affordable developments located just south and east of the Extended Market Area of this analysis, including several unstabilized or proposed senior developments. However, the market areas for these properties do not target the population of the subject PMA.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
	PMA	PMA	Extended Market
Total Households in the Primary Market Area	23,242	23,242	97,816
Target Households in the Primary Market Area	7,308	8,050	31,151
Potential Demand from the Primary Market Area	2,255	2,411	6,885
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	2,255	2,411	6,885
Subject Affordable Units	80	80	80
Unstabilized Comparable Units	0	0	210
RELEVANT SUPPLY	80	80	290
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	3.5%	3.3%	4.2%

Demand Analysis:

The Market Analyst identified Gross Demand for 2,255 units based on income-eligible 1-3 person senior households in the PMA. This results in a Gross Capture rate of 3.5% for the subject 80 units. The Underwriter has determined Gross Demand for 2,411 units based on all income-eligible senior households in the PMA, and a Gross Capture Rate of 3.3%.

While HomeTowne at Tomball has recently reported 100% occupancy, it has not been at least 90% occupied for twelve months, and is therefore not considered stabilized. Since 65% of the target PMA population is common to the market area for HomeTowne at Tomball, the Underwriter has evaluated demand for the Extended Market Area formed by the combined PMAs. This analysis indicates Gross Demand for 6,885 units, and a Gross Capture Rate of 4.2% for a total Relevant Supply of 290 units.

The maximum Gross Capture Rate for a development targeting senior households is 10%. The analysis indicates sufficient demand to support the proposed development as well as the existing units at HomeTowne at Tomball.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	58	4	0	7%	325	4	0	1%
1 BR/50%	62	27	0	44%	535	27	0	5%
1 BR/60%	80	19	0	24%	237	19	0	8%
2 BR/50%	26	9	0	35%	392	9	0	2%

footnote: Market Analyst's data only considers renter households; Underwriter's data includes homeowners

Primary Market Occupancy Rates:

The subject application was previously submitted during the 2009 cycle. The market study reports overall occupancy of 79.8% at surveyed properties with a total of 568 units; occupancy of those same surveyed properties one year prior was 95.6%.

The 568 units includes 3 projects: Magnolia Plaza with 36 units, The Park at Walkers Landing with 64 units, and Stone Ridge with 468 units. After discussion with the Market Analyst, it turns out that Stone Ridge is located outside the PMA in Conroe. So there are actually only 100 multifamily units in the PMA, with a 92% combined occupancy (100% at Magnolia Plaza and 88% at Walkers Landing). The significant decrease in occupancy at Stone Ridge, which skewed the reported occupancy, is partially attributable to limited access resulting from construction in front of the property along I45.

The Market Analyst has provided additional data on HTC properties targeting seniors in the surrounding areas including Hempstead / Prairie View to the west, Tomball to the south, and Conroe to the east. Of eight properties with a total of 808 units, seven properties report occupancy of at least 97%. The sole exception is Woodside Manor (#060421) in Conroe, which is still under construction; only 50% of the units are in service, and 80% of those are leased.

Absorption Projections:

"Due to limited new supply, we see only 176 units absorbed since 2005-2010 ... There are no newer 'affordable' projects within the PMA upon which to draw any conclusions." (p. 52)

Market Impact:

HomeTowne at Tomball has reported to the Department that they have had difficulty locating income-eligible senior tenants, and as a result they have leased a number of units to over-income households. The available information does not corroborate this issue. The additional data on senior occupancy provided by the Market Analyst suggests strong demand for affordable senior units in the area. Of the seven senior properties for which the Market Analyst reported 97%-100% occupancy, the vacancy reports submitted by the properties to the Department for April 2010 also indicate that each is at least 93%-96% occupied.

The Market Analyst also compared the unit mix between the subject and HomeTowne at Tomball. The subject has 62.5% one-bedroom units and 32.5% two-bedroom units, whereas Tomball has 40% one-bedroom units and 60% two-bedroom units; and the subject has 5% of its units restricted at 30% of AMI, 45% restricted at 50% of AMI, and only 50% of the units are restricted at 60% of AMI, whereas Tomball has 98% of its units restricted at 60% of AMI. "In conclusion, we believe the comparison of populations shows that there is a high likelihood that Magnolia Trails would be able to lease its 80 units. Additionally, the incomes served by the project, as well as the overall distribution of one and two bedroom units, will appeal to a greater pool of potential renters. By comparison, HomeTowne at Tomball is heavily weighted to 60% two-bedroom units."

Comments:

The Market Analyst has provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: One Date of Last Applicant Revision: 5/1/2010

The Applicant's projected rents collected per unit for the 30% and 50% units were calculated by subtracting tenant-paid utility allowances as of June 1, 2009, maintained by the Montgomery County Housing Authority from the 2009 HUD rent limits which apply to HTC applications. The Applicant's rent projections for the 60% units were lower than the maximum rents allowed under HTC guideline because, according to the Applicant, market conditions require the lower rents to be competitive in the market place. The Underwriter's projected rents for all units were calculated by subtracting tenant-paid utility allowances as of June 1, 2009, maintained by the Montgomery County Housing Authority from the 2009 HUD rent limits which apply to HTC applications. Tenants will be required to pay all eclectic utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,906 per unit is not within 5% of the Underwriter's estimate of \$4,226 per unit, as derived from TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several line item estimates that deviated significantly when compared to the database averages, specifically: general & administrative (23% lower), payroll (14% lower), repairs and maintenance (20% lower), and water, sewer, trash (31% lower). The Applicant explains that the G&A expense is reasonable after consulting with FDI Property Management Services, Inc. which verified their expense was very much in line with a comparable property under FDI's management. Regarding payroll & payroll tax, FDI Property Management Services, Inc. states that payroll budgets range from \$54,828 to \$58,240 for comparable properties and the Applicant believes that they can provide qualified personnel for their proposed salaries.

Regarding repairs and maintenance and water, sewer, trash, FDI Property Management Services, Inc. also has stated the expenses are very much in line with existing comparable properties. FDI Property Management Services, Inc. provided expense figures from a comparable property by the named of Pecan Village with exactly the same number of units as the subject in Wharton, TX a rural area to substantiate their estimated expenses for the subject property. It is reasonable to assume that the database figures for repairs and maintenance in region 6 may be overstated, particularly for an elderly development. In addition, because the Applicant's total utilities, inclusive of water, sewer, and trash are within 15% of the Applicant's, they are generally considered to be reasonable.

Conclusion:

The Applicant's estimate of total expenses is not within 5% of the Underwriter's estimate; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.21 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION**ASSESSED VALUE**

Land Only: 17.53 acres	<u>\$280,480</u>	Tax Year:	<u>2009</u>
Prorated 1 acre:	<u>\$16,000</u>	Valuation by:	<u>Montgomery CAD</u>
Prorated 9.89:	<u>\$158,240</u>	Tax Rate:	<u>2.6358</u>

EVIDENCE of PROPERTY CONTROL

Type: Commercial Contract - Unimproved Property Acreage: 9.896

Contract Expiration: 10/31/2010 Valid Through Board Date? Yes No

Acquisition Cost: \$549,302 Other: _____

Seller: The Power Partnership Related to Development Team? Yes No

Comments:

The seller will provide financing in the amount of \$180,000 for one year at an interest rate equal to Wall Street Journal prime.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The acquisition cost of \$557,459 is considered acceptable as this is an arm's length transaction. The sales price is for \$547,459 plus \$10,000 in closing costs and acquisition legal fees.

It should be noted that based on the information provided in the application, it appears that the Applicant will acquire a total of 9.89 acres but will develop only a portion of this site with the proposed development. The site plans submitted in the application reflects a portion of the site to the west of the proposed development not being developed. The Underwriter has confirmed with the Applicant that the entire 9.89 acres will be restricted in the HTC LURA. However, any funding recommendation will be conditioned upon receipt, review and acceptance, by Cost Certification, of an executed Land Use Restriction Agreement (LURA) with the Department restricting all 9.89 acres of the subject site.

Sitework Cost:

The Applicant's estimate of \$9,000 per unit for sitework costs is within the Department's guidelines and therefore is acceptable.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$141K or 4% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by \$20,150 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Contingency & Fees:

The Applicant's contractor's are all within the maximums allowed by TDHCA guidelines, but the Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$2,347 and therefore the eligible portion of the Applicant's eligible fees in this area has been reduced by the same amount with the overage effectively moved to ineligible costs.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the need for permanent funds and to calculate the eligible basis. An eligible basis of \$7,745,954 supports annual tax credits of \$906,277. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: PNC Real Estate Type: Interim Financing

Principal: \$3,455,360 Interest Rate: 7.0% Fixed Term: 24 months

Comments:

The construction loan will float over the term of the loan based on PNC Prime rate plus 100bps. The total loan amount includes a bridge loan in the amount of \$1,298,332 and a construction loan in the amount of \$2,157,028.

Source: Montgomery County Community Development Type: Interim Financing

Principal: \$270,000 Interest Rate: 0.0% Fixed Term: 12 months

Comments:

The commitment provided did not list any terms; however, the Applicant has proposed an interest rate of 0% with a term equal to the later of one-year from closing or the placed in service date. This report is conditioned on receipt of a commitment with terms clearly stated, by commitment.

Source: The Power Partnership Type: Interim Financing

Principal: \$180,000 Interest Rate: 3.25% Fixed Term: 12 months

Comments:

Interest is set by the prime rate published by the WSJ five business days before the closing date.

Source: PNC Real Estate Type: Permanent Financing

Principal: \$2,157,028 Interest Rate: 8.50% Fixed Amort: 420 months

Comments:

The interest rate will be set by the 10 Year U.S. Treasury plus 500bps. The final permanent interest rate will be set at the time of rate lock, which will occur prior to the construction loan closing. The indicative rate as of the date of the proposal letter was 8.5%; this rate has been used in the analysis.

Source: PNC Real Estate Type: Syndication

Proceeds: \$6,265,199 Syndication Rate: 69% Anticipated HTC: \$ 908,909

Amount: \$255,000 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,157,028 indicates the need for \$6,520,198 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$945,902 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$906,277
Allocation determined by gap in financing:	\$945,902
Allocation requested by the Applicant:	\$908,909

The allocation amount confirmed by the eligible basis calculation of the Applicant's eligible development costs is recommended. A tax credit allocation of \$906,277 per year for 10 years results in total equity proceeds of \$6,247,054 at a syndication rate of \$0.69 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$273,144 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within fifteen years of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Carl Hoover</i>		July 14, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		July 14, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		July 14, 2010

UNIT MIX/RENT SCHEDULE

Magnolia Trails, Magnolia, 9% HTC #10061

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Magnolia	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Montgomery	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	50	62.5%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	30	37.5%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	80	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	4	1	1	729	\$358	\$53	\$305	\$0	\$0.42	\$305	\$1,220	\$1,220	\$305	\$0.42	\$0	\$615	\$310
TC 50%	27	1	1	729	\$598	\$53	\$545	\$0	\$0.75	\$545	\$14,715	\$14,715	\$545	\$0.75	\$0	\$615	\$70
TC 60%	19	1	1	729	\$717	\$53	\$664	(\$110)	\$0.76	\$554	\$10,526	\$11,685	\$615	\$0.84	(\$49)	\$615	\$0
TC 50%	9	2	2	990	\$717	\$68	\$649	\$0	\$0.66	\$649	\$5,841	\$5,841	\$649	\$0.66	\$0	\$810	\$161
TC 60%	21	2	2	990	\$861	\$68	\$793	(\$64)	\$0.74	\$729	\$15,309	\$16,653	\$793	\$0.80	\$0	\$810	\$17
TOTAL:	80			66,150							\$47,611	\$50,114					
AVG:				827				(\$43)	\$0.72	\$595			\$626	\$0.76	(\$12)	\$688	(\$62)
ANNUAL:											\$571,332	\$601,368					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Magnolia Trails, Magnolia, 9% HTC #10061

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$18.00
Other Support Income:		
Other Support Income:		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	<u>% OF EGI</u>	<u>PER UNIT</u>	<u>PER SQ FT</u>			<u>PER SQ FT</u>	<u>PER UNIT</u>	<u>% OF EGI</u>
General & Administrative Management	5.10%	\$365	0.44	\$29,207	\$22,450	\$0.34	\$281	4.12%
Payroll & Payroll Tax	14.30%	\$1,023	1.24	81,859	70,300	1.06	879	12.91%
Repairs & Maintenance	7.27%	\$520	0.63	41,593	33,100	0.50	414	6.08%
Utilities	2.46%	\$176	0.21	14,070	16,500	0.25	206	3.03%
Water, Sewer, & Trash	5.11%	\$366	0.44	29,244	20,200	0.31	253	3.71%
Property Insurance	4.05%	\$289	0.35	23,153	29,280	0.44	366	5.38%
Property Tax 2.6358	10.69%	\$764	0.92	61,151	64,373	0.97	805	11.82%
Reserve for Replacements	3.49%	\$250	0.30	20,000	20,000	0.30	250	3.67%
TDHCA Compliance Fees	0.56%	\$40	0.05	3,200	3,080	0.05	39	0.57%
Other: Supp. Serv.	1.05%	\$75	0.09	6,000	6,000	0.09	75	1.10%
TOTAL EXPENSES	59.08%	\$4,226	\$5.11	\$338,088	\$312,452	\$4.72	\$3,906	57.39%
NET OPERATING INC	40.92%	\$2,927	\$3.54	\$234,162	\$232,012	\$3.51	\$2,900	42.61%

DEBT SERVICE

PNC Real Estate	\$193,320	\$193,320
Second Lien	\$0	
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	193,320	193,320
NET CASH FLOW	\$40,842	\$38,692
AGGREGATE DEBT COVERAGE RATIO	1.21	1.20
RECOMMENDED DEBT COVERAGE RATIO	1.21	

CONSTRUCTION COST

<u>Description</u>	<u>Factor</u>	<u>% of TOTAL</u>	<u>PER UNIT</u>	<u>PER SQ FT</u>	<u>TDHCA</u>	<u>APPLICANT</u>	<u>PER SQ FT</u>	<u>PER UNIT</u>	<u>% of TOTAL</u>
Acquisition Cost (site or bldg)		6.58%	\$6,968	\$8.43	\$557,459	\$557,459	\$8.43	\$6,968	6.42%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.49%	\$9,000	\$10.88	720,000	720,000	10.88	9,000	8.30%
Direct Construction		46.70%	\$49,488	\$59.85	3,959,011	4,100,000	61.98	51,250	47.25%
Contingency 7.00%		3.86%	\$4,094	\$4.95	327,531	336,918	5.09	4,211	3.88%
Contractor's Fees 14.00%		7.73%	\$8,188	\$9.90	655,062	673,354	10.18	8,417	7.76%
Indirect Construction		5.81%	\$6,157	\$7.45	492,561	492,561	7.45	6,157	5.68%
Ineligible Costs		1.56%	\$1,652	\$2.00	132,165	132,165	2.00	1,652	1.52%
Developer's Fees 15.00%		11.62%	\$12,313	\$14.89	985,042	1,012,689	15.31	12,659	11.67%
Interim Financing		4.87%	\$5,160	\$6.24	412,779	412,779	6.24	5,160	4.76%
Reserves		2.79%	\$2,960	\$3.58	236,798	239,301	3.62	2,991	2.76%
TOTAL COST		100.00%	\$105,980.08	\$128.17	\$8,478,407	\$8,677,226	\$131.17	\$108,465	100.00%
Construction Cost Recap		66.78%	\$70,770	\$85.59	\$5,661,603	\$5,830,272	\$88.14	\$72,878	67.19%

SOURCES OF FUNDS

						<u>RECOMMENDED</u>	
PNC Real Estate	25.44%	\$26,963	\$32.61	\$2,157,028	\$2,157,028	\$2,157,028	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0	0	0	\$1,010,342
HTC Syndication Proceeds	73.90%	\$78,315	\$94.71	6,265,199	6,265,199	6,247,054	% of Dev. Fee Deferred
Deferred Developer Fees	3.01%	\$3,188	\$3.85	255,000	255,000	273,144	27%
Additional (Excess) Funds Req'd	-2.35%	(\$2,485)	(\$3.01)	(198,820)	(1)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$8,478,407	\$8,677,226	\$8,677,226	\$745,635

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Magnolia Trails, Magnolia, 9% HTC #10061

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.64	\$3,680,509
Adjustments				
Exterior Wall Finish	0.56%		\$0.31	\$20,611
Elderly	3.00%		1.67	110,415
9-Ft. Ceilings	3.07%		1.71	112,992
Roofing			0.00	0
Subfloor			1.33	88,200
Floor Cover			2.41	159,422
Breezeways	\$23.05	14,387	5.01	331,572
Balconies	\$23.05	5,498	1.92	126,699
Plumbing Fixtures	\$845	140	1.79	118,300
Rough-ins	\$420	80	0.51	33,600
Built-In Appliances	\$1,850	80	2.24	148,000
Exterior Stairs	\$1,900	8	0.23	15,200
Enclosed Corridors	\$45.72	0	0.00	0
Elevator	\$59,900	1	0.91	59,900
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	122,378
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$70.66	4,611	4.93	325,813
Other: fire sprinkler	\$2.25	66,150	2.25	148,838
SUBTOTAL			84.69	5,602,447
Current Cost Multiplier	0.99		(0.85)	(56,024)
Local Multiplier	0.88		(10.16)	(672,294)
TOTAL DIRECT CONSTRUCTION COSTS			\$73.68	\$4,874,129
Plans, specs, survy, bid pm	3.90%		(\$2.87)	(\$190,091)
Interim Construction Interest	3.38%		(2.49)	(164,502)
Contractor's OH & Profit	11.50%		(8.47)	(560,525)
NET DIRECT CONSTRUCTION COSTS			\$59.85	\$3,959,011

PROPOSED PAYMENT COMPUTATION

PNC Real Estate	\$2,157,028	Amort	420
Int Rate	8.50%	DCR	1.21

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.21

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.21

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.21

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.21

RECOMMENDED FINANCING STRUCTURE:

PNC Real Estate	\$193,320
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$193,320

PNC Real Estate	\$2,157,028	Amort	420
Int Rate	8.50%	DCR	1.21

Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.21

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.21

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.21

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.21

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$601,368	\$613,395	\$625,663	\$638,177	\$650,940	\$718,690	\$793,492	\$876,080	\$1,067,936
Secondary Income	17,280	17,626	17,978	18,338	18,704	20,651	22,801	25,174	30,687
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	618,648	631,021	643,641	656,514	669,644	739,342	816,293	901,253	1,098,623
Vacancy & Collection Loss	(46,399)	(47,327)	(48,273)	(49,233)	(50,223)	(55,451)	(61,222)	(67,594)	(82,397)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$572,249	\$583,694	\$595,368	\$607,276	\$619,421	\$683,891	\$755,071	\$833,659	\$1,016,226
EXPENSES at 3.00%									
General & Administrative	\$29,207	\$30,084	\$30,986	\$31,916	\$32,873	\$38,109	\$44,179	\$51,216	\$68,829
Management	28,612	29,185	29,768	30,364	30,971	34,195	37,754	41,683	50,811
Payroll & Payroll Tax	81,859	84,314	86,844	89,449	92,133	106,807	123,818	143,539	192,905
Repairs & Maintenance	41,593	42,840	44,126	45,449	46,813	54,269	62,912	72,933	98,016
Utilities	14,070	14,492	14,927	15,375	15,836	18,358	21,282	24,672	33,157
Water, Sewer & Trash	29,244	30,121	31,025	31,955	32,914	38,156	44,234	51,279	68,915
Insurance	23,153	23,847	24,562	25,299	26,058	30,209	35,020	40,598	54,560
Property Tax	61,151	62,985	64,875	66,821	68,825	79,788	92,496	107,228	144,105
Reserve for Replacements	20,000	20,600	21,218	21,855	22,510	26,095	30,252	35,070	47,131
TDHCA Compliance Fee	3,200	3,296	3,395	3,497	3,602	4,175	4,840	5,611	7,541
Other	6,000	6,180	6,365	6,556	6,753	7,829	9,076	10,521	14,139
TOTAL EXPENSES	\$338,088	\$347,944	\$358,091	\$368,536	\$379,288	\$437,990	\$505,863	\$584,350	\$780,110
NET OPERATING INCOME	\$234,162	\$235,750	\$237,277	\$238,740	\$240,133	\$245,901	\$249,208	\$249,309	\$236,116
DEBT SERVICE									
First Lien Financing	\$193,320	\$193,320	\$193,320	\$193,320	\$193,320	\$193,320	\$193,320	\$193,320	\$193,320
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$40,842	\$42,430	\$43,957	\$45,420	\$46,813	\$52,581	\$55,888	\$55,989	\$42,796
DEBT COVERAGE RATIO	1.21	1.22	1.23	1.23	1.24	1.27	1.29	1.29	1.22

HTC ALLOCATION ANALYSIS -Magnolia Trails, Magnolia, 9% HTC #10061

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$557,459	\$557,459		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$720,000	\$720,000	\$720,000	\$720,000
Construction Hard Costs	\$4,100,000	\$3,959,011	\$4,100,000	\$3,959,011
Contractor Fees	\$673,354	\$655,062	\$673,354	\$655,062
Contingencies	\$336,918	\$327,531	\$336,918	\$327,531
Eligible Indirect Fees	\$492,561	\$492,561	\$492,561	\$492,561
Eligible Financing Fees	\$412,779	\$412,779	\$412,779	\$412,779
All Ineligible Costs	\$132,165	\$132,165		
Developer Fees			\$1,010,342	
Developer Fees	\$1,012,689	\$985,042		\$985,042
Development Reserves	\$239,301	\$236,798		
TOTAL DEVELOPMENT COSTS	\$8,677,226	\$8,478,407	\$7,745,954	\$7,551,985

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$7,745,954	\$7,551,985
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$10,069,740	\$9,817,581
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$10,069,740	\$9,817,581
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$906,277	\$883,582

Syndication Proceeds 0.6893 \$6,247,054 \$6,090,619

Total Tax Credits (Eligible Basis Method) \$906,277 \$883,582

Syndication Proceeds \$6,247,054 \$6,090,619

Requested Tax Credits \$908,909

Syndication Proceeds \$6,265,199

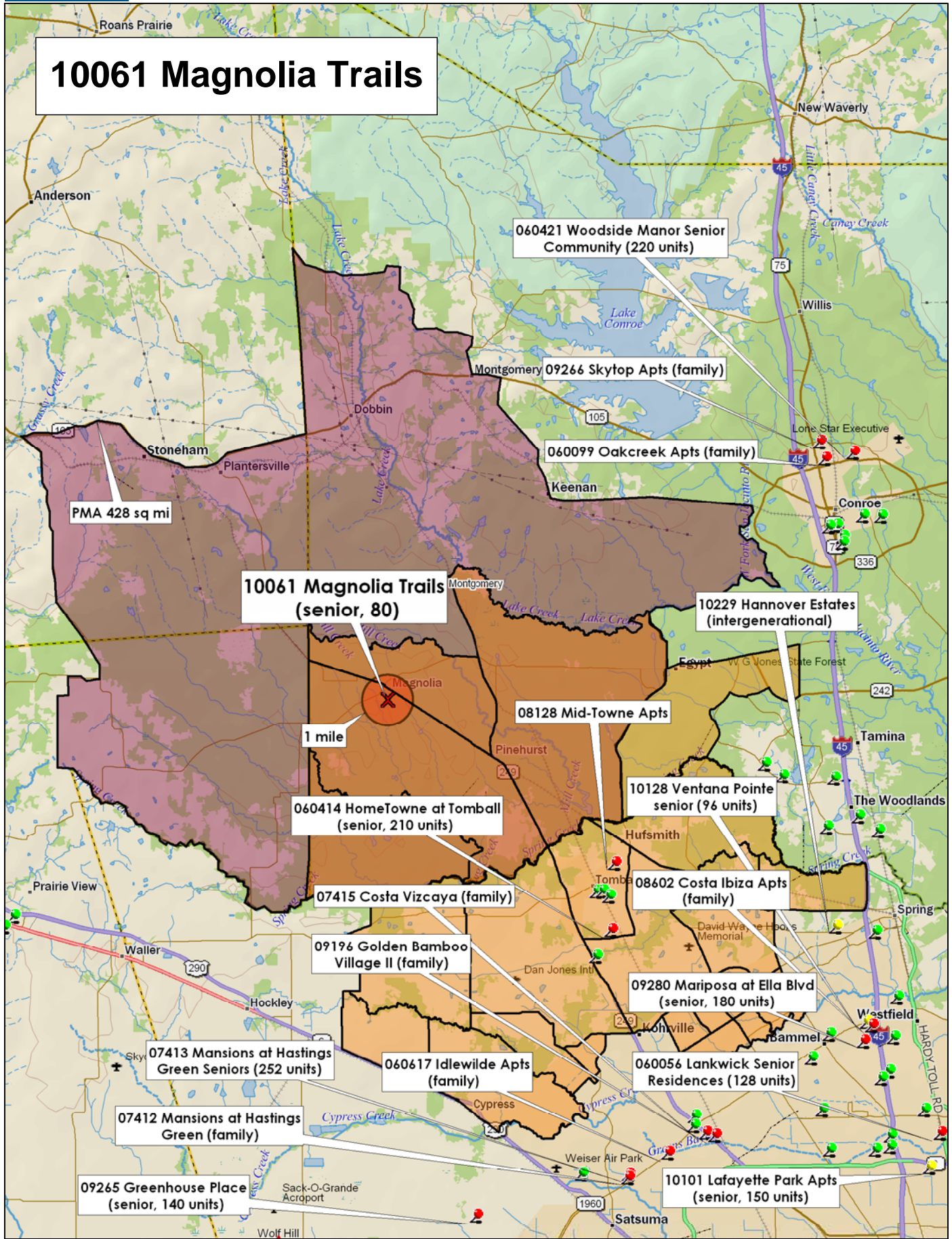
Gap of Syndication Proceeds Needed \$6,520,198

Total Tax Credits (Gap Method) \$945,902

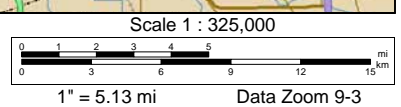
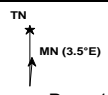
Recommended Tax Credits 906,277

Syndication Proceeds \$6,247,054

10061 Magnolia Trails



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Willow Bay Apts, TDHCA Number 10062

BASIC DEVELOPMENT INFORMATION

Site Address: E. side of Boat Club Rd. and Cromwell Marine Creek Dr. Development #: 10062
 City: Fort Worth Region: 3 Population Served: Elderly
 County: Tarrant Zip Code: 76179 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Willow Bay MBL, LP
 Owner Contact and Phone: Mark Lechner, (502) 639-8032
 Developer: MBL Derby City Development, L.L.C.
 Housing General Contractor: Xpert Design and Construction, L.L.C.
 Architect: Weber Group
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James Tax Credit Funds
 Supportive Services: Capstone Real Estate Services, Inc.
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	124
	38 0 72 14	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	38 86 0 0 0	Total Development Units:	124
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	3
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,631,681	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Willow Bay Apts, TDHCA Number 10062

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nelson, District 12, NC Points: 0 US Representative: Granger, District 12, NC
TX Representative: Geren, District 99, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Trails of Marina Creek Home Owners Association, Inc., William R. Rose Letter Score: 24 S or O: S

This senior housing development will work well into the neighborhood.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Fort Worth Housing and Economic Development Department for funding in the amount of \$800,000, or a commitment from a qualifying substitute source in an amount not less than \$800,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Willow Bay Apts, TDHCA Number 10062

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **202** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Cypress Gardens, TDHCA Number 10064

BASIC DEVELOPMENT INFORMATION

Site Address: Wallisville Rd. and Maxey Rd. Development #: 10064
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77013 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Cypress Gardens Rykara, LP
 Owner Contact and Phone: Scott Brian, (502) 376-9532
 Developer: Sum-Tex, L.L.C.
 Housing General Contractor: Xpert Design and Construction, L.L.C.
 Architect: Weber Group
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James Tax Credit Funds
 Supportive Services: Capstone Real Estate Services, Inc
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	100	
	5	0	45	50	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	30	70	0	0	0	
Type of Building:						Total Development Units:	100
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	2
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,386,662	\$1,386,662			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Cypress Gardens, TDHCA Number 10064

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, NC Points: 0 US Representative: Green, District 29, NC
TX Representative: Dutton, District 142, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Houston Housing and Community Development Department for funding in the amount of \$1,400,000, or a commitment from a qualifying substitute source in an amount not less than \$1,400,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Cypress Gardens, TDHCA Number 10064

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **0**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **204** Meeting a Required Set-Aside Credit Amount*: \$1,386,662

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Vermillion Park, TDHCA Number 10075

BASIC DEVELOPMENT INFORMATION

Site Address: Eastern Terminus of Emporium Square Development #: 10075
 City: Mesquite Region: 3 Population Served: Elderly
 County: Dallas Zip Code: 75150 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: RST Vermillion Park, LP
 Owner Contact and Phone: Clifton Phillips, (972) 243-4205
 Developer: Roundstone Development, L.L.C.
 Housing General Contractor: N.E. Construction, L.L.P.
 Architect: Womack + Hampton Architects, L.L.C.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Alliant Capital, Ltd.
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	96
	5	0	43	48	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	56	40	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	96
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	2
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Vermillion Park, TDHCA Number 10075

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, NC

Points: 0

US Representative: Hensarling, District 5, NC

TX Representative: Miklos, District 101, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 2

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Mesquite for funding in the amount of \$625,000, or a commitment from a qualifying substitute source in an amount not less than \$625,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Vermillion Park, TDHCA Number 10075

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Darson Marie Terrace, TDHCA Number 10076

BASIC DEVELOPMENT INFORMATION

Site Address: 3142 Weir Ave. Development #: 10076
 City: San Antonio Region: 9 Population Served: Elderly
 County: Bexar Zip Code: 78226 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Darson Marie RHF Partners L.P.
 Owner Contact and Phone: Richard Washington, (562) 257-5110
 Developer: Retirement Housing Foundation
 Housing General Contractor: Cook Construction, L.L.P.
 Architect: M Group Architects
 Market Analyst: Integra Realty Resources
 Syndicator: PNC Real Estate
 Supportive Services: TBD
 Consultant and Contact: Diana McIver & Associates,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	56
	3	0	37	16	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	48	9	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	57
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$703,739	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Darson Marie Terrace, TDHCA Number 10076

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Van De Putte, District 26, NC

Points: 0

US Representative: González, District 20, NC

TX Representative: Menéndez, District 124, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Thompson Community Association, Patricia Herrera

Letter Score: 24 S or O: S

There is a need for affordable senior housing in our neighborhood.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Darson Marie Terrace, TDHCA Number 10076

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **212** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Fairways at Sammons Park, TDHCA Number 10077

BASIC DEVELOPMENT INFORMATION

Site Address: SWC of West Adams and 43rd St. Development #: 10077
 City: Temple Region: 8 Population Served: Elderly
 County: Bell Zip Code: 76504 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: RST Fairways at Sammons Park, LP
 Owner Contact and Phone: Clifton Phillips, (972) 243-4205
 Developer: Roundstone Development, L.L.C.
 Housing General Contractor: NE Construction, L.L.P.
 Architect: Cross Architects
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Alliant Capital, Ltd.
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	92	
	5	0	41	46	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	46	46	0	0	0	
Type of Building:						Total Development Units:	92
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$9,460,101
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,000,000	\$1,000,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Fairways at Sammons Park, TDHCA Number 10077

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Fraser, District 24, S Points: 14 US Representative: Carter, District 31, NC
TX Representative: Sheffield, District 55, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []
S, D, Blackburn, City Manager City of Temple

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6
Temple Jaycees, The Temple Jaycees is in support of the proposed affordable housing development known as The Fairways at Sammons Park.
United Way of Central Texas, Our organization is in support of the proposed affordable housing development known as The Fairways at Sammons Park.
Rotary Club of Temple South, The Rotary Club of Temple South is in support of the proposed affordable housing development known as The Fairways at Sammons Park.

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain.
2. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
4. Receipt, review, and acceptance by commitment of a firm commitment for the \$297K construction loan from the City of Temple.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
6. Receipt of a firm commitment from the City of Temple for funding in the amount of \$297,000, or a commitment from a qualifying substitute source in an amount not less than \$297,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Fairways at Sammons Park, TDHCA Number 10077

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **1**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$1,000,000

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 05/20/10 PROGRAM: HTC 9% FILE NUMBER: 10077

DEVELOPMENT

The Fairways at Sammons Park

Location: Southwest Corner of West Adams & 43rd Street Region: 8
 City: Temple County: Bell Zip: 76504 OCT DDA
 Key Attributes: Elderly, New Construction, Urban

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,000,000			\$1,000,000		

CONDITIONS

- 1 Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain,
- 2 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 4 Receipt, review, and acceptance by commitment of a firm commitment for the \$297K construction loan from the City of Temple.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	5
50% of AMI	50% of AMI	41
60% of AMI	60% of AMI	46

This section intentionally left blank.

STRENGTHS/MITIGATING FACTORS

- 2% gross capture rate
- Average occupancy on comparable units is 97.7%.
- Average proforma rents are 30% below overall market rents.

WEAKNESSES/RISKS

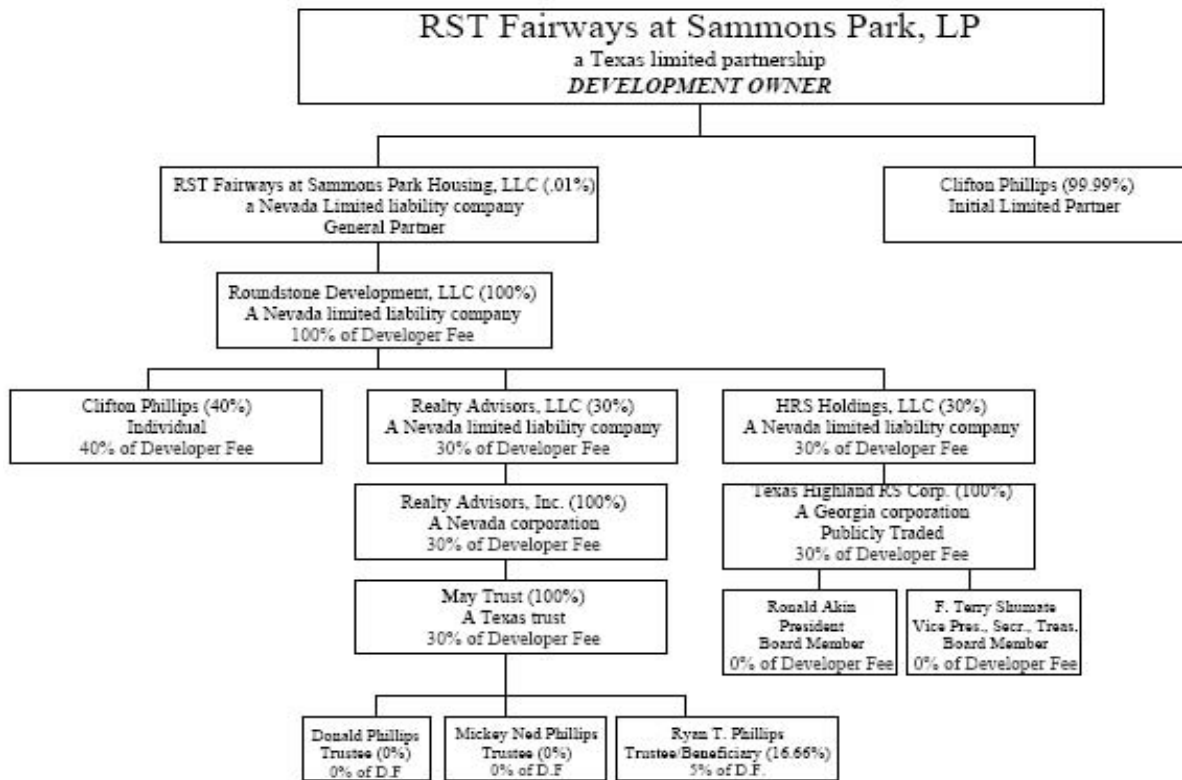
- Deferred developer fee is 84% of cumulative 15-year cash flow, indicating that greater than proforma expense growth combined with no rent growth could impact repayment of the developer fee note.

PREVIOUS UNDERWRITING REPORTS

The Fairways at Sammons Park (TDHCA #09118) was submitted and a preliminary underwriting analysis was performed. However, the development ultimately did not score high enough to receive an allocation during the competitive round and the underwriting analysis was never finalized.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

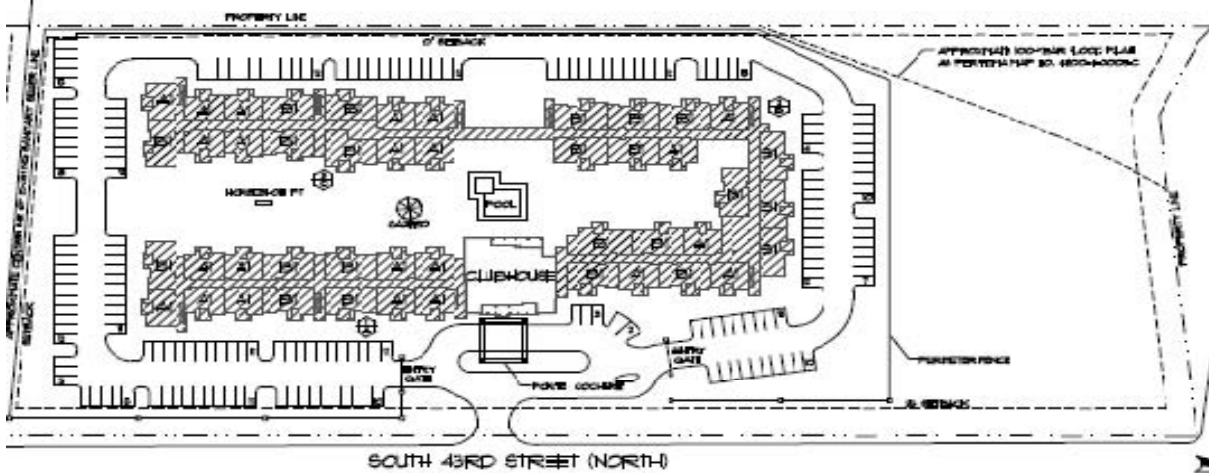
Contact: Clifton Phillips Phone: (972) 243-4205 Fax: (972) 243-4267
 Email: roundstone@rstdev.com

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. This is a common relationship for HTC-funded developments.
- The seller is a related party to the General Partner.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C																	
Floors/Stories	2	2	2																	Total Buildings
Number	1	1	1																	3

BR/BA	SF	Units										Total Units	Total SF		
1	1	722	18	10	18									46	33,212
2	2	969	10	26	10									46	44,574
Units per Building			28	36	28									92	77,786

SITE ISSUES

Total Size: 10.69 acres Scattered site? Yes No

Flood Zone: Zones X & AE Within 100-yr floodplain? Yes No

Zoning: MF-2 Needs to be re-zoned? Yes No N/A

Comments:

According to the ESA provider, "The subject property does not appear as a Floodplains area in the database; however, review of the Flood Insurance Map (FIRM) for Bell County, Texas and Incorporated Areas, Community Panel Number 48027 C 0355 E, dated September 26, 2008, indicates that the majority of the subject property is located in unshaded flood Zone X, "Areas determined to be outside the 500-year flood plain." The extreme northwest corner of the property, parallel to Bird Creek, is located in Flood Zone AE, "Special Flood Hazard Areas subject to inundation by the 100-year flood, base flood elevations (determined to be approximately 658 feet above Mean Sea Level at the subject property).

The area approximately five to ten feet further away from Bird Creek is located in Shaded Flood Zone X, "Areas of 500-year flood; areas of the 100-year flood with average depths of less than one foot or with drainage areas less than one square mile; and areas protected by levees from the 100-year flood." AquaTerra (the ESA Provider) recommends that a survey of the subject property be prepared that delineates the floodplain boundary in relation to the subject property." (p. 32)

Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain,

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/14/2009

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Commercial/single family beyond East: IH35/small commercial beyond
 South: Multifamily/single family/business West: Golf course/single family beyond

Comments:

The site inspection performed during the 2009 application round remains relied upon.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Preservation Assessment Services dba Aqua Terra Assessments Date: 2/5/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- The assessment revealed no evidence of Recognized Environmental Conditions.
- "According to HUD guidelines, a noise assessment conducted in accordance with 24CFR 51, Subpart B is required for proposed new construction, and to determine if noise abatement is required because the property is located within 3,000 feet of a railroad track." (p. 3)

Comments:

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Apartment MarketData Date: 2/18/2010

Contact: Darrell Jack Phone: (210) 530-0040

Number of Revisions: None Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 175 sq. miles 7 mile equivalent radius

The Primary Market Area is defined by 22 census tracts, encompassing the cities of Temple and Belton, and the eastern portion of Killeen.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bell County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$7,272	\$11,350	---	---	\$12,144	\$18,900	\$17,496	\$22,680
2	\$7,272	\$12,950	---	---	\$12,144	\$21,600	\$17,496	\$25,920

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None				
Other Affordable Developments in PMA since 2006					
060041	Grand Reserve Seniors Temple	new	senior	n/a	102
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		8	Total Units		903
COMPARABLE SUPPLY near the PRIMARY MARKET					
09163	Tremont Apartment Homes	new	senior	n/a	112

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Grand Reserve Seniors Temple Community (#060041) is a 2006 development located about 3 miles south of the subject. The Grand Reserve has achieved stabilized occupancy, and has therefore does not impact the demand calculations for the subject.

Tremont Apartment Homes (#09163) is a 112-unit development targeting seniors. Tremont is located in Killeen just west of the subject PMA. The defined PMA for Tremont Apartments shares one common census tract with the subject PMA; this tract contains less than 4% of the population of the subject PMA, and less than 2% of the target (senior) population. This does not have a significant impact on the demand for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	35,439	35,439
Target Households in the Primary Market Area	11,911	12,632
Potential Demand from the Primary Market Area	3,697	3,773
Potential Demand from Other Sources	0	0
GROSS DEMAND	3,697	3,773
Subject Affordable Units	92	92
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	92	92
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2%	2%

Demand Analysis:

The maximum Gross Capture for a senior development is 10%. The Underwriter has confirmed the Market Analyst's determination of a 2% Gross Capture Rate for the 92 proposed units. This indicates sufficient demand to support the subject development.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	365	5		1%	507	5	0	1%
1 BR/50%	562	41		7%	866	41	0	5%
2 BR/60%	168	46		27%	344	46	0	13%

Primary Market Occupancy Rates:

The Market Analyst reports that there are 8,382 existing units in the PMA with an overall occupancy of 92%.

Absorption Projections:

"The most recently built affordable senior project in the PMA, The Grand Reserve Seniors (2006), began leasing in April 2008 and is currently 98% occupied ... We estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction." (pp. 48-50)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable senior units are 97.6% occupied." (p. 12)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of February 2009, maintained by Central TX Council of Governments, from the 2009 program gross rent limits. The 2010 rent limits had not been released at the time of underwriting. Tenants will be required to pay electric and natural gas utility costs.

The Applicant's vacancy and collection loss and secondary income assumptions are in line with current TDHCA underwriting guidelines.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,781 per unit is within 5% of the Underwriter's estimate of \$3,762, derived from the TDHCA database and third-party data sources. The Applicant's estimate of water, sewer, and trash expense is 41% higher than the Underwriter's estimate; however, the Applicant's estimate is in line with the TDHCA database and as such is considered reasonable.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: The Powers Group Date: 3/29/2010

Number of Revisions: None Date of Last Applicant Revision: N/A

Land Only: 10.96 acres \$535,000 As of: 3/10/2010

ASSESSED VALUE

Land Only: 10.69 acres	<u>\$90,882</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>N/A</u>	Valuation by:	<u>Bell CAD</u>
Total Assessed Value:	<u>\$90,882</u>	Tax Rate:	<u>2.394</u>

EVIDENCE of PROPERTY CONTROL

Type: <u>Purchase Sales Contract</u>	Acreage: <u>10.69</u>
Contract Expiration: <u>12/31/2010</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$525,000</u>	Other: _____
Seller: <u>Prime Income Asset Management, Inc.</u>	Related to Development Team? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

As an identity of interest acquisition, the underwritten acquisition cost is based upon the lesser of the Applicant determined price, the appraised value, or the original acquisition cost plus allowable holding cost. An acquisition cost of \$525K is deemed reasonable as it is less than the appraised value and original acquisition cost methodology.

The seller, Prime Income Asset Management, Inc. originally purchased the site in March 2006 at a cash price of \$420K. Therefore, in the evaluation of the purchase and resale, the Underwriter allowed for a reasonable rate of return of 8% (as consistent with the Applicant) to the seller for the 4 year ownership period which totals \$157,780 and for the payment of property taxes of approximately \$6,842 for 2006 - 2008, for a total investment in the property by the seller of \$584,621. Therefore, the Underwriter's development cost schedule reflects an acquisition cost of \$525K as claimed by the Applicant.

It should also be noted that an appraisal has been provided by the Applicant as is required by the Department's rules, with the appraisal providing an "as is" market value of the subject site of \$535K.

Also of note, the Applicant intends to utilize the northern portion of the site as green space.

Sitework Cost:

The Applicant's claimed sitework costs of \$9K per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$271K or 6% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a census tract that has a median family income ("MFI") that is higher than the MFI for the county in which the census tract is located and it is proposed in a census tract that has no greater than 10% poverty population.

This section intentionally left blank.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$8,674,800 supports annual tax credits of \$1,014,952. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: City of Temple Type: Interim Financing

Principal: \$297,000 Interest Rate: AFR Fixed Term: 24 months

Comments:

The Applicant has applied for these funds; however, as of the date of this underwriting report, no award has been made. Receipt, review and acceptance by commitment of a firm commitment for these funds is a condition of this report.

Source: NE Millworks, LLC Type: Interim Financing

Principal: \$198,000 Interest Rate: AFR Fixed Term: 24 months

Comments:

The interest rate will be at or below the Applicable Federal Rate and will have a term of 2 years. Payments will be interest only for 0-23 months. A commitment has been received and is conditioned upon a reservation of tax credits.

Source: Alliant Mortgage Company, Inc Type: Interim to Permanent Financing

Interim: \$5,450,000 Interest Rate: 6.75% Fixed Term: 24 months

Permanent: \$2,374,199 Interest Rate: 7.75% Fixed Amort: 360 months

Comments:

The Interim Rate Index is Prime + 350 bps. The Permanent Rate Index will be fixed at the 10 Year Treasury + 400 bps; underwritten @ 7.75%. The term on the permanent loan will be 18 years from the date of conversion.

Source: Alliant Capital, Ltd. Type: Syndication

Proceeds: \$6,599,340 Syndication Rate: 66% Anticipated HTC: \$ 1,000,000

Amount: \$486,562 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,374,199 indicates the need for \$7,085,902 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,073,729 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,014,952
Allocation determined by gap in financing:	\$1,073,729
Allocation requested by the Applicant:	\$1,000,000

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$1M per year for 10 years results in total equity proceeds of \$6,599,340 at a syndication rate of \$0.66 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$486,562 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Diamond Unique Thompson</i>		May 20, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		May 20, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		May 20, 2010

UNIT MIX/RENT SCHEDULE

The Fairways at Sammons Park, Temple, HTC 9% #10077

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Temple	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Bell	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	46	50.0%	N/A							EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	8	2	46	50.0%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4										APP % - ACQUISITION:		
		TOTAL	92	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS	
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	5	1	1	722	\$303	\$46	\$257	(\$0)	\$0.36	\$257	\$1,285	\$1,286	\$257	\$0.36	\$0	\$720	\$463
TC 50%	41	1	1	722	\$506	\$46	\$460	(\$0)	\$0.64	\$460	\$18,860	\$18,868	\$460	\$0.64	\$0	\$720	\$260
TC 60%	46	2	2	969	\$729	\$66	\$663	(\$0)	\$0.68	\$663	\$30,498	\$30,512	\$663	\$0.68	\$0	\$860	\$197
TOTAL:	92			77,786							\$50,643	\$50,666					
AVG:				846				(\$0)	\$0.65	\$550			\$551	\$0.65	\$0	\$790	(\$239)
ANNUAL:											\$607,716	\$607,992					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

The Fairways at Sammons Park, Temple, HTC 9% #10077

INCOME				Total Net Rentable Sq Ft:		TDHCA	APPLICANT				
POTENTIAL GROSS RENT						\$607,992	\$607,716				
Secondary Income		Per Unit Per Month:	\$20.00			22,080	22,080	\$20.00		Per Unit Per Month	
POTENTIAL GROSS INCOME						\$630,072	\$629,796				
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%			(47,255)	(47,232)	-7.50%		of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions						0					
EFFECTIVE GROSS INCOME						\$582,817	\$582,564				
EXPENSES				% OF EGI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EGI	
General & Administrative		4.41%	\$279	0.33		\$25,680	\$27,580	\$0.35	\$300	4.73%	
Management		5.00%	\$317	0.37		29,141	29,128	0.37	317	5.00%	
Payroll & Payroll Tax		12.40%	\$785	0.93		72,262	76,236	0.98	829	13.09%	
Repairs & Maintenance		8.66%	\$549	0.65		50,485	44,803	0.58	487	7.69%	
Utilities		2.64%	\$167	0.20		15,387	12,420	0.16	135	2.13%	
Water, Sewer, & Trash		5.84%	\$370	0.44		34,016	47,820	0.61	520	8.21%	
Property Insurance		4.87%	\$308	0.36		28,364	27,140	0.35	295	4.66%	
Property Tax	2.394	9.45%	\$599	0.71		55,062	47,012	0.60	511	8.07%	
Reserve for Replacements		3.95%	\$250	0.30		23,000	23,000	0.30	250	3.95%	
TDHCA Compliance Fees		0.63%	\$40	0.05		3,680	3,680	0.05	40	0.63%	
Other: Supportive Services		1.55%	\$98	0.12		9,016	9,016	0.12	98	1.55%	
TOTAL EXPENSES				59.38%	\$3,762	\$4.45	\$346,093	\$347,835	\$4.47	\$3,781	59.71%
NET OPERATING INC				40.62%	\$2,573	\$3.04	\$236,724	\$234,729	\$3.02	\$2,551	40.29%
DEBT SERVICE											
Alliant Mortgage Company, Inc						\$204,109	\$204,109				
Second Lien						\$0					
Additional Financing						\$0					
Additional Financing						0					
Additional Financing						0					
TOTAL DEBT SERVICE						204,109	204,109				
NET CASH FLOW						\$32,615	\$30,620				
AGGREGATE DEBT COVERAGE RATIO						1.16	1.15				
RECOMMENDED DEBT COVERAGE RATIO							1.15				

CONSTRUCTION COST				TDHCA	APPLICANT						
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% of TOTAL		
Acquisition Cost (site or bldg)		5.77%	\$5,707	\$6.75	\$525,000	\$525,000	\$6.75	\$5,707	5.55%		
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%		
Sitework		9.09%	\$9,000	\$10.64	828,000	828,000	10.64	9,000	8.75%		
Direct Construction		49.58%	\$49,072	\$58.04	4,514,580	4,785,274	61.52	52,014	50.58%		
Contingency	5.25%	3.08%	\$3,051	\$3.61	280,664	280,664	3.61	3,051	2.97%		
Contractor's Fees	14.00%	8.21%	\$8,130	\$9.62	747,961	785,857	10.10	8,542	8.31%		
Indirect Construction		6.13%	\$6,069	\$7.18	558,342	558,342	7.18	6,069	5.90%		
Ineligible Costs		1.24%	\$1,232	\$1.46	113,301	113,301	1.46	1,232	1.20%		
Developer's Fees	15.00%	11.92%	\$11,796	\$13.95	1,085,207	1,131,495	14.55	12,299	11.96%		
Interim Financing		3.35%	\$3,317	\$3.92	305,168	305,168	3.92	3,317	3.23%		
Reserves		1.61%	\$1,598	\$1.89	147,000	147,000	1.89	1,598	1.55%		
TOTAL COST				100.00%	\$98,969.82	\$117.05	\$9,105,223	\$9,460,101	\$121.62	\$102,827	100.00%
Construction Cost Recap				69.97%	\$69,252	\$81.91	\$6,371,205	\$6,679,795	\$85.87	\$72,606	70.61%

SOURCES OF FUNDS				RECOMMENDED			
Alliant Mortgage Company, Inc	26.08%	\$25,807	\$30.52	\$2,374,199	\$2,374,199	\$2,374,199	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0	0	0	\$1,131,495
Alliant Capital, Ltd.	72.48%	\$71,732	\$84.84	6,599,340	6,599,340	6,599,340	% of Dev. Fee Deferred
Deferred Developer Fees	5.34%	\$5,289	\$6.26	486,562	486,562	486,562	43%
Additional (Excess) Funds Req'd	-3.90%	(\$3,857)	(\$4.56)	(354,878)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$9,105,223	\$9,460,101	\$9,460,101	\$581,524

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Fairways at Sammons Park, Temple, HTC 9% #10077

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.62	\$4,326,598
Adjustments				
Exterior Wall Finish	1.60%		\$0.89	\$69,226
Elderly	3.00%		1.67	129,798
9-Ft. Ceilings	3.20%		1.78	138,451
Roofing			0.00	0
Subfloor			(0.16)	(12,446)
Floor Cover			2.41	187,464
Breezeways	\$22.48	24,021	6.94	539,992
Balconies	\$22.48	8,648	2.50	194,407
Plumbing Fixtures	\$845	138	1.50	116,610
Rough-ins	\$420	184	0.99	77,280
Built-In Appliances	\$1,850	92	2.19	170,200
Exterior Stairs	\$1,900	10	0.24	19,000
Enclosed Corridors	\$45.70		0.00	0
Other: Elevator	\$49,500	2	1.27	99,000
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	143,904
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$73.43	3,300	3.11	242,303
Other: fire sprinkler	\$2.25	77,786	2.25	175,019
SUBTOTAL			85.06	6,616,805
Current Cost Multiplier	0.99		(0.85)	(66,168)
Local Multiplier	0.85		(12.76)	(992,521)
TOTAL DIRECT CONSTRUCTION COSTS			\$71.45	\$5,558,116
Plans, specs, survy, bld prr	3.90%		(\$2.79)	(\$216,767)
Interim Construction Interes	3.38%		(2.41)	(187,586)
Contractor's OH & Profit	11.50%		(8.22)	(639,183)
NET DIRECT CONSTRUCTION COSTS			\$58.04	\$4,514,580

PROPOSED PAYMENT COMPUTATION

Alliant Mortgage Company, Inc	\$2,374,199	Amort	360
Int Rate	7.75%	DCR	1.16

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.16

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.16

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.16

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.16

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:	
Alliant Mortgage Company, Inc	\$204,109
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$204,109

Alliant Mortgage Company, Inc	\$2,374,199	Amort	360
Int Rate	7.75%	DCR	1.15

Second Lien	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$607,716	\$619,870	\$632,268	\$644,913	\$657,811	\$726,277	\$801,868	\$885,327	\$1,079,209
Secondary Income	22,080	22,522	22,972	23,431	23,900	26,388	29,134	32,166	39,211
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	629,796	642,392	655,240	668,345	681,711	752,665	831,002	917,494	1,118,420
Vacancy & Collection Loss	(47,232)	(48,179)	(49,143)	(50,126)	(51,128)	(56,450)	(62,325)	(68,812)	(83,881)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$582,564	\$594,213	\$606,097	\$618,219	\$630,583	\$696,215	\$768,677	\$848,682	\$1,034,538
EXPENSES at 3.00%									
General & Administrative	\$27,580	\$28,407	\$29,260	\$30,137	\$31,042	\$35,986	\$41,717	\$48,362	\$64,994
Management	29,128	29710.4223	30,305	30,911	31,529	34,810	38,434	42,434	51,727
Payroll & Payroll Tax	76,236	78,523	80,879	83,305	85,804	99,471	115,314	133,680	179,655
Repairs & Maintenance	44,803	46,147	47,532	48,957	50,426	58,458	67,769	78,562	105,581
Utilities	12,420	12,793	13,176	13,572	13,979	16,205	18,786	21,779	29,269
Water, Sewer & Trash	47,820	49,255	50,732	52,254	53,822	62,394	72,332	83,853	112,691
Insurance	27,140	27,954	28,793	29,657	30,546	35,412	41,052	47,590	63,957
Property Tax	47,012	48,422	49,875	51,371	52,912	61,340	71,110	82,436	110,787
Reserve for Replacements	23,000	23,690	24,401	25,133	25,887	30,010	34,790	40,331	54,201
TDHCA Compliance Fee	3,680	3,790	3,904	4,021	4,142	4,802	5,566	6,453	8,672
Other	9,016	9,286	9,565	9,852	10,148	11,764	13,638	15,810	21,247
TOTAL EXPENSES	\$347,835	\$357,979	\$368,421	\$379,170	\$390,236	\$450,651	\$520,507	\$601,288	\$802,780
NET OPERATING INCOME	\$234,729	\$236,234	\$237,676	\$239,048	\$240,347	\$245,564	\$248,171	\$247,393	\$231,758
DEBT SERVICE									
First Lien Financing	\$204,109	\$204,109	\$204,109	\$204,109	\$204,109	\$204,109	\$204,109	\$204,109	\$204,109
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$30,620	\$32,125	\$33,567	\$34,940	\$36,238	\$41,455	\$44,062	\$43,285	\$27,649
DEBT COVERAGE RATIO	1.15	1.16	1.16	1.17	1.18	1.20	1.22	1.21	1.14

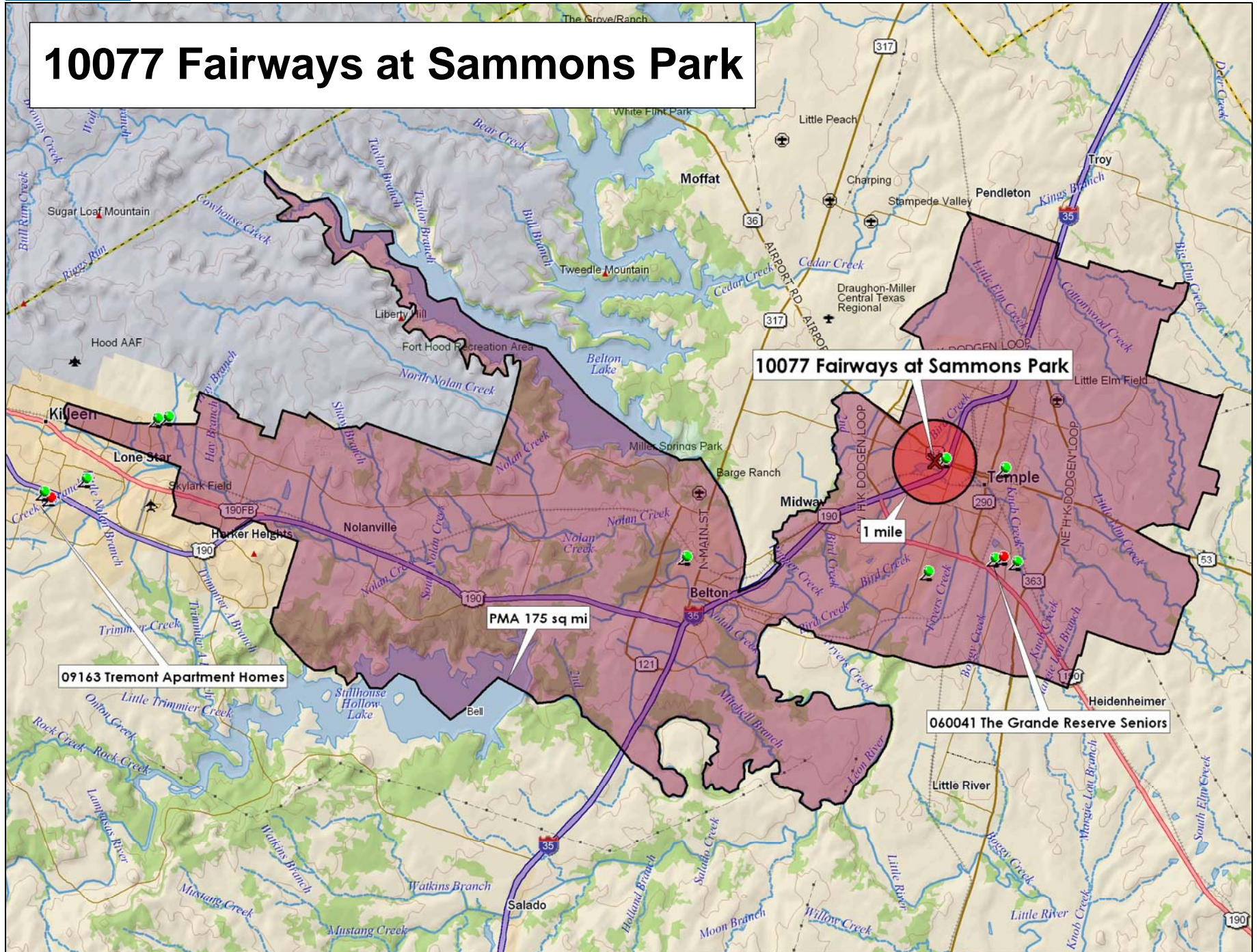
HTC ALLOCATION ANALYSIS -The Fairways at Sammons Park, Temple, HTC 9% #10077

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$525,000	\$525,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$828,000	\$828,000	\$828,000	\$828,000
Construction Hard Costs	\$4,785,274	\$4,514,580	\$4,785,274	\$4,514,580
Contractor Fees	\$785,857	\$747,961	\$785,857	\$747,961
Contingencies	\$280,664	\$280,664	\$280,664	\$280,664
Eligible Indirect Fees	\$558,342	\$558,342	\$558,342	\$558,342
Eligible Financing Fees	\$305,168	\$305,168	\$305,168	\$305,168
All Ineligible Costs	\$113,301	\$113,301		
Developer Fees				
Developer Fees	\$1,131,495	\$1,085,207	\$1,131,495	\$1,085,207
Development Reserves	\$147,000	\$147,000		
TOTAL DEVELOPMENT COSTS	\$9,460,101	\$9,105,223	\$8,674,800	\$8,319,922

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$8,674,800	\$8,319,922
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$11,277,240	\$10,815,899
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$11,277,240	\$10,815,899
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,014,952	\$973,431

Syndication Proceeds	0.6599	\$6,698,011	\$6,424,002
Total Tax Credits (Eligible Basis Method)		\$1,014,952	\$973,431
Syndication Proceeds		\$6,698,011	\$6,424,002
Requested Tax Credits		\$1,000,000	
Syndication Proceeds		\$6,599,340	
Gap of Syndication Proceeds Needed		\$7,085,902	
Total Tax Credits (Gap Method)		\$1,073,729	
Recommended Tax Credits		1,000,000	
Syndication Proceeds		\$6,599,340	

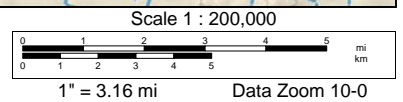
10077 Fairways at Sammons Park



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Steeple Chase Farms, TDHCA Number 10079

BASIC DEVELOPMENT INFORMATION

Site Address: S. FM 1417 and Park Ave. Development #: 10079
 City: Sherman Region: 3 Population Served: General
 County: Grayson Zip Code: 75092 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Steeple Chase Farms Summit, LP
 Owner Contact and Phone: Chris Dischinger, (502) 639-8030
 Developer: Dischinger Development, L.L.C.
 Housing General Contractor: Xpert Design and Construction, L.L.C.
 Architect: Weber Group
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James Tax Credit Funds
 Supportive Services: Capstone Real Estate Services, Inc.
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	156	
	8	0	72	76	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	83	61	0	0	
Type of Building:						Total Development Units:	156
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	20
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	5

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,996,605	\$1,996,605			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Steeple Chase Farms, TDHCA Number 10079

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Estes, District 30, NC Points: 0 US Representative: Hall, District 4, NC
TX Representative: Phillips, District 62, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Steeple Chase Farms Property Owners Association, Walter H. DeRonde Letter Score: 24 S or O: S

There is a definite need for affordable housing in this area. This project will enhance the overall neighborhood area.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$1,000,000, or a commitment from a qualifying substitute source in an amount not less than \$1,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Sherman and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Sherman in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Steeple Chase Farms, TDHCA Number 10079

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **217** Meeting a Required Set-Aside Credit Amount*: \$1,996,605

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Rolling Meadows, TDHCA Number 10080

BASIC DEVELOPMENT INFORMATION

Site Address: S. Side of FM 518 Hwy Development #: 10080
 City: Kemah Region: 6 Population Served: Elderly
 County: Galveston Zip Code: 77565 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Rolling Meadows Rykara, LP
 Owner Contact and Phone: Chris Dischinger, (502) 639-8030
 Developer: Dischinger Development, L.L.C.
 Housing General Contractor: Xpert Design and Construction, L.L.C.
 Architect: Weber Group
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James Tax Credit Funds
 Supportive Services: N/A
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	124
	7	0	56	61	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	38	86	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	124
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	3
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	20
		HOME Low Total Units:	5

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,698,491	\$0			
HOME Activity Fund Amount:	\$1,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Rolling Meadows, TDHCA Number 10080

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Jackson, District 11, NC Points: 0 US Representative: Paul, District 14, S
TX Representative: Taylor, District 24, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$1,000,000, or a commitment from a qualifying substitute source in an amount not less than \$1,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Kemah and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Kemah in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Rolling Meadows, TDHCA Number 10080

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **192** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Perry Street Apts, TDHCA Number 10084

BASIC DEVELOPMENT INFORMATION

Site Address: 4415 Perry St. Development #: 10084
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77021 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Perry SRO, Ltd.
 Owner Contact and Phone: Joy Horak-Brown, (713) 222-0290
 Developer: New Hope Housing, Inc.
 Housing General Contractor: Camden Builders, Inc.
 Architect: Val Glitsch FAIA LEED AP
 Market Analyst: O'Connor & Associates
 Syndicator: National Equity Fund, Inc.
 Supportive Services: New Hope Housing, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	160
	8	0	72	80	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	160	0	0	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	160
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$8,900,935
<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	1
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$920,833	\$920,833			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Perry Street Apts, TDHCA Number 10084

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, S Points: 14 US Representative: Jackson Lee, District 18, NC
TX Representative: Edwards, District 146, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Greater OST/South Union Super Neighborhood #68, Preston Roe Letter Score: 24 S or O: S
Will bring affordable housing to neighborhood and increase land value.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by commitment, of a commitment from the City of Houston to provide a HOME loan to the Houston Area CDC in the amount of \$3,000,000, with the terms of financing provided, include the rate, term and amortization period.
2. Receipt, review, and acceptance, by commitment, of a commitment from the Houston Area CDC to provide a loan to partnership in the amount of \$3,000,000, with the terms of financing provided, including the rate, term and amortization period.
3. Receipt, and acceptance, by commitment, of a commitment from the Rockwell fund for \$192,000 with the terms of financing provided.
4. Receipt, review, and acceptance, by Cost Certification, of an attorney opinion clearly establishing that the proposed HACDC loan can be considered to be a valid debt with the reasonable expectation that it will be repaid in full.
5. Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
6. Receipt of a firm commitment from the City of Houston Housing and Community Development Department for funding in the amount of \$3,000,000, or a commitment from a qualifying substitute source in an amount not less than \$3,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Perry Street Apts, TDHCA Number 10084

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **3**

Total # Monitored: **1**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **216** Meeting a Required Set-Aside Credit Amount*: **\$920,833**

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: **\$0**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/24/10 PROGRAM: 9% LIHTC FILE NUMBER: 10084

DEVELOPMENT

Perry Street Apartments

Location: 4415 Perry Street Region: 6
 City: Houston County: Harris Zip: 77021 OCT DDA
 Key Attributes: Supportive Housing, Single Room Occupancy, Non-Profit, New Construction

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$920,833			\$920,833		

CONDITIONS

- 1 Receipt, review, and acceptance, by commitment, of a commitment from the City of Houston to provide a HOME loan to the Houston Area CDC in the amount of \$3,000,000, with the terms of financing provided, including the rate, term and amortization period.
- 2 Receipt, review, and acceptance, by commitment, of a commitment from the Houston Area CDC to provide a loan to the partnership in the amount of \$3,000,000, with the terms of financing provided, including the rate, term and amortization period.
- 3 Review, and acceptance, by commitment, of a commitment from the Rockwell Fund for \$192,000 with the terms of financing provided.
- 4 Receipt, review, and acceptance, by Cost Certification, of an attorney opinion clearly establishing that the proposed HACDC loan can be considered to be a valid debt with the reasonable expectation that it will be repaid in full.
- 5 Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	72
60% of AMI	60% of AMI	80

STRENGTHS/MITIGATING FACTORS

- The development will serve a market need that is difficult to serve without access to substantial sources of private funds and grant donations.

WEAKNESSES/RISKS

- According to the Applicant's pro forma, the development may need as much as \$2.7M in additional operating subsidies over the 30 year affordability period.

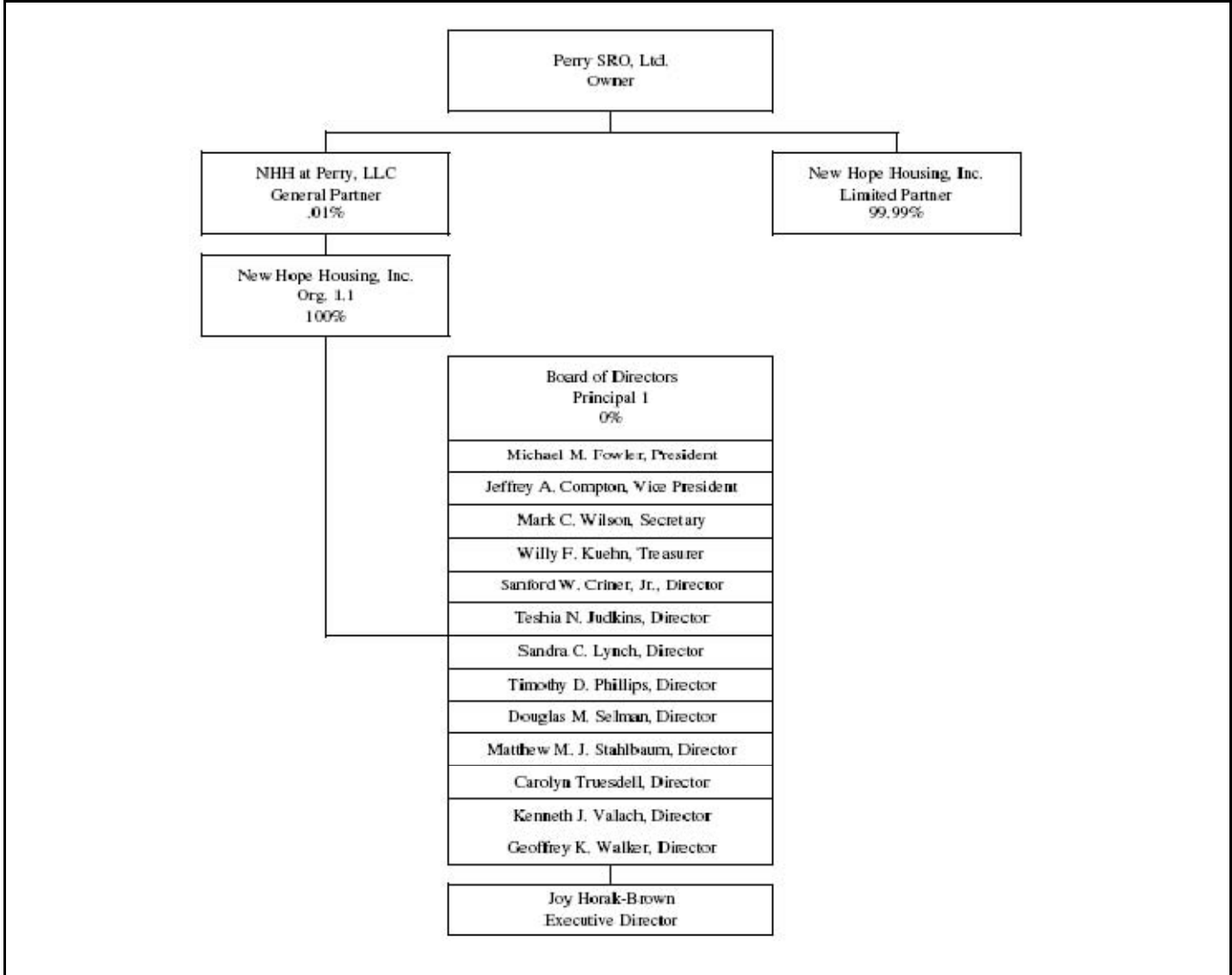
STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

- The Applicant reports an average vacancy & collection loss of approximately 3.7% based on two recently placed in service 2008 comparables properties within the owner's portfolio; both comparables are within 6 miles of the subject.
- The market analysis indicates sufficient income-eligible demand, possibly mitigating the need for an operating subsidy.
- The Gross Capture Rate of 13.8% is well below the maximum of 30% applicable to this development.
- Based on lease-up for recent developments in the PMA, and for two other SRO development's in New Hope Housing's portfolio, the market analyst expects absorption to be 15-20 units per moth.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

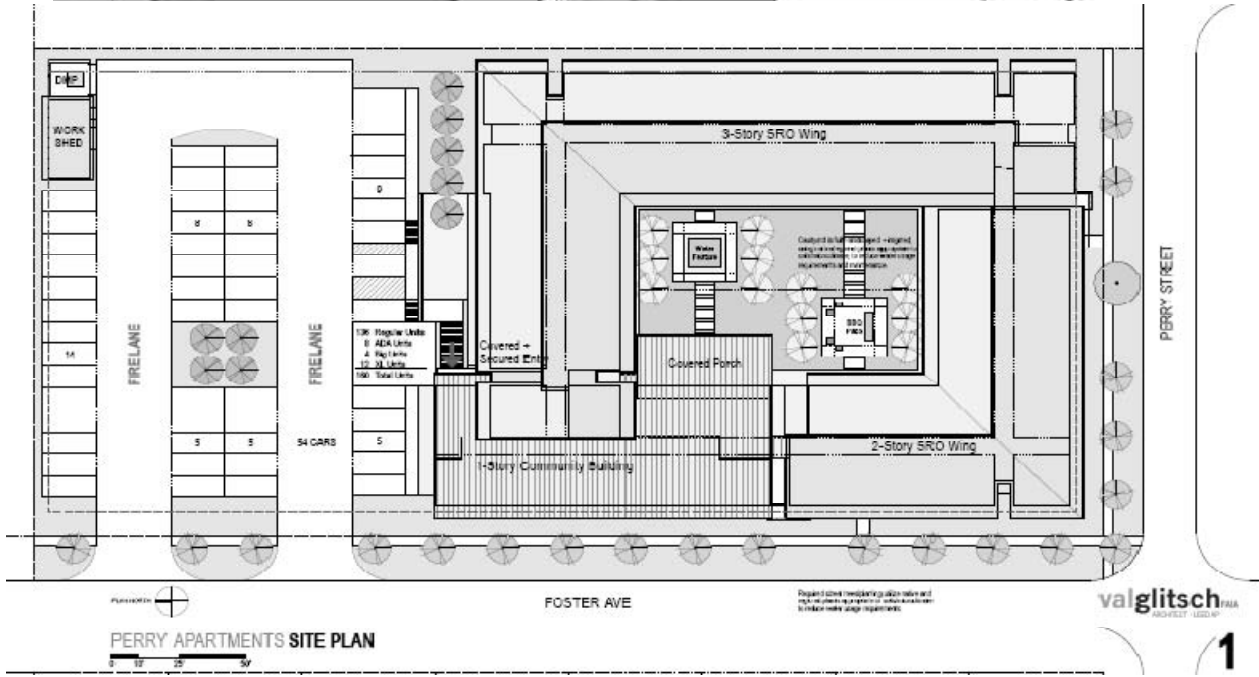
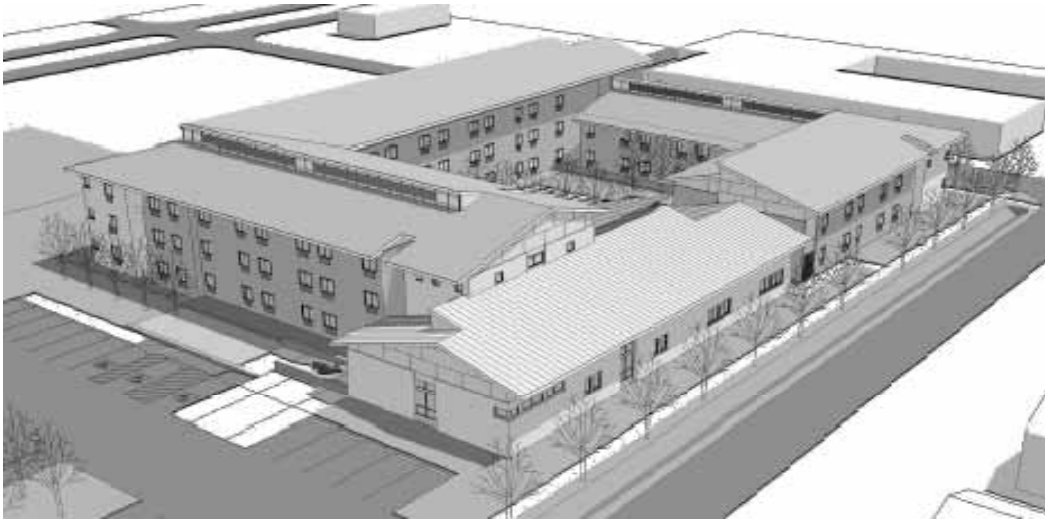
Contact: Joy Horak-Brown Phone: (713)222-0290 Fax: (713) 222-7770
Email: joy@newhopehousing.com

IDENTITIES of INTEREST

- The Applicant, Developer, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A										Total Buildings
Floors/Stories	3										
Number	1										

BR/BA	SF	Units									Total Units	Total SF
0 1	240	136									136	32,640
0 1	400	12									12	4,800
0 1	440	12									12	5,280
Units per Building	160										160	42,720

Comments:

The building will be configured with one wing, which houses the community center, being one-story, one residential wing being two-stories, and another residential wing consisting of three-stories.

SITE ISSUES

Total Size: 1.8366 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: N/A Needs to be re-zoned? Yes No N/A

Comments:

The City of Houston has no zoning ordinances.

TDHCA SITE INSPECTION

Inspector: TDHCA Manufactured Housing Staff Date: 5/7/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Light Industrial, Businesses, Houses East: Cullen Blvd, Residential (Apts & SFR)
 South: Business, Residential, Loop 610 West: Homes, Manufacturing, Homes

Comments:

The Site Inspector had no additional comments to report; however the inspector indicated the following rating of salient linkage attributes were observed as "not observed/present" regarding proximity to the following public amenities: outdoor public recreation, indoor public recreation, and a seniors center.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 3/12/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the property ... It is the opinion of Phase Engineering, Inc. that no additional appropriate investigation is necessary to detect the presence of hazardous substances or petroleum products at the subject property." (p. 3)

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 3/8/2010
 Contact: Kenneth Araiza Phone: (713) 686-9955
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 34 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 27 census tracts in South Central Houston, from Mykawa Road to South Main Street east to west, and from Brays Bayou to Sims Bayou north to south.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$11,486	\$13,400	---	---	\$19,131	\$22,350	\$22,971	\$26,820
2	---	---	---	---	---	---	---	---
3	---	---	---	---	---	---	---	---
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
none					
Other Affordable Developments in PMA since 2006					
07291	Cypress Creek at Reed Road	new	family	n/a	132
060217	Reed Road Senior	new	senior	n/a	180
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		14	Total Units		2546

COMPARABLE SUPPLY in SECONDARY MARKET					
10266	Travis Street Plaza	new	SRO	n/a	192
08232	Sakowitz Apts	new	SRO	n/a	166
n/a	1414 Congress	rehab	SRO	n/a	57
07210	New Hope Housing at Brays Crossing	new	SRO	n/a	149

Proposed, Under Construction, and Unstabilized Comparable Supply:

The subject consists entirely of Single Room Occupancy units. There are no comparable units located within the defined Primary Market Area. However, there are a number of comparable developments in the surrounding area. New Hope Housing at Brays Crossing, 1414 Congress, and The Sakowitz Apartments are all being developed by the same Developer as the subject.

Brays Crossing contains 149 SRO units that are placing in service during the first half of 2010. It is located 3 miles east of the subject; its Primary Market Area is east of Mykawa Road, whereas the subject PMA is west of Mykawa. The most recent data provided to the Department from Brays Crossing indicates 40 occupied units as of April 2010.

1414 Congress is a rehabilitation property not funded through TDHCA. It is located 4 miles north of the subject; it contains 57 SRO units scheduled to place in service later in 2010. Sakowitz is a 2008 HTC property with 166 SRO units, located 6 miles north of the subject, also scheduled to place in service later in 2010.

There is also another 2010 HTC application that would be considered comparable. Travis Street Apartments is located 3 miles northwest of the subject, and proposes 192 SRO units specifically targeted to veterans. There are two census tracts common to the PMA's for Travis Street and the subject. These two tracts contain only 7% of the population of the subject PMA; this is not considered to be significant to the calculation of demand for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	42,585	42,585
Potential Demand from the Primary Market Area	1,810	1,158
Potential Demand from Section 8 Voucher holders	163	0
GROSS DEMAND	1,973	1,158
Subject Affordable Units	160	160
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	160	160
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	8.1%	13.8%

Demand Analysis:

The Market Analyst calculated demand based on all one-person households, including homeowners as well as renters. The Market Analyst identified Potential Demand for 1,810 units from income-qualified one-person households in the PMA; the Analyst also identified Potential Demand for 163 units from holders of Section 8 Vouchers; this amounts to Gross Demand for 1,973 units, indicating a Gross Capture Rate of 8.1% for the subject 160 units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a higher concentration of renter households in the target income range. However, the Underwriter only includes one-person renter households, resulting in a lower Gross Demand. The Underwriter calculates Gross Demand for 1,158 units, resulting in a Gross Capture Rate of 13.8%.

The subject is designated as supportive housing. It is therefore considered to be targeting a special needs population, and the maximum Gross Capture Rate is 30%. The analysis indicates sufficient demand from the income-eligible population to support the subject. Demand from Section 8 Vouchers was not considered because an acceptable Gross Capture Rate was concluded without it.

As indicated by the Market Analyst and the Applicant, this Gross Capture Rate is likely overstated. The Applicant has an operating subsidy agreement in place, and will therefore rent to many individuals below the minimum incomes applied in this analysis. The Applicant also indicates that at its comparable properties, many tenants come from outside the immediate market area through referrals from agencies and organizations throughout the Houston area.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
0 BR/30%	351	8	0	2%	333	8	0	2%
0 BR/50%	0	72	0	N/A	406	72	0	18%
0 BR/60%	1835	80	0	4%	419	80	0	19%

Footnote: The Market Analyst's demand includes homeowners; the Underwriter's demand is limited to renter households.

Primary Market Occupancy Rates:

"The occupancies of the rent comparables included in this study range from 90% to 100%, with an average of 98.00%. The average occupancy for apartments in the subject's primary market area was reported at 90.42% in the most recent O'ConnorData apartment market data program for the subject's primary market area and 89.92% in the latest quarterly report.

Managers of SRO projects interviewed for this analysis indicate a waiting list is typical for the market and had occupancies ranging from 90% to 100%. Lower occupancies in the SRO projects tend to be older or poorly managed properties." (p. 38)

Canal Street Apartments, an SRO property operated by the Applicant, reports 94% occupancy in April 2010. The Applicant's newest property, Bray's Crossing, placed in service in February 2010, and has leased 40 units in its first two months.

Absorption Projections:

"Brays Crossing ... is averaging 20 units per month. Cypress Creek is the most recent Family HTC property built (2009) within the PMA and reported an average absorption rate of 15 units per month. The Oakmoor Apartments (Family HTC) was built in 2007 and reported a very brisk lease-up with 84% of the property leased up before opening or an average of 74 units per month. The Canal Street Apartments, a SRO project, reportedly stabilized in 5 months indicating an absorption rate of 24units. There are currently no rent-restricted complexes under construction and no market-rate complexes under construction. We are projecting an absorption rate of 15-25 units per month and anticipated to be at stabilized occupancy (92.5%) within eight months." (p. 99)

Market Impact:

"The closest SRO project (YMCA Cossaboom) is presently 100% occupied. The subject property should be highly competitive in this market, and should achieve stabilized occupancy within eight months after completion. As with most new projects, pre-leasing will take place during the construction phase. Based on our analysis of the subject property's primary market area, there is sufficient demand to construct and successfully absorb the Perry Street Apartments." (p. 99)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's estimated rents are based on an operating subsidy agreement provided by the owner of the General Partner, New Hope Housing, Inc. The subject property will be a single room occupancy, supportive housing development that will serve very low income tenants and provide extensive supportive housing services available to all tenants. New Hope Housing, Inc (the General Partner) will provide an "operating subsidy as secondary income to offset the estimated expenses that will not be covered by the tenant paid rental income." The development will be all bills paid. Secondary income estimates (excluding the operating subsidy) are within current guidelines of \$5-\$20/unit/month at \$13.13/unit/month collected from laundry, vending and guest fees.

The Applicant estimated vacancy and collection losses of 7.5%, which is consistent with Department guidelines. Additionally, the Applicant utilized an operating subsidy amount that is approximately equal to the projected vacancy and collection loss, \$67K. The Applicant stated that the subsidy was set equal to the estimated vacancy and collection loss in order to result in breakeven operations over 15 years.

Per the Real Estate Analysis Rules, the Underwriter's rents are based on the Applicant's proposed rents, with the exception of the eight (8) 240 square foot units at the 30% rent level, for which the Underwriter limited these rents to the program maximum rents. The Underwriter's gross potential rent is approximately 1% or \$7,680 less than the Applicant's gross potential rents due to the difference in rent for the 30% units.

Based on the Underwriter's analysis the operating subsidy does not appear to be needed in order to achieve break even operations projected through 15-years of stabilized operations. Therefore, the Underwriter did not include the operating subsidy within the annual operating pro forma.

The Underwriter utilized a total vacancy and collection loss of 5%, based on historical occupancy rates of other developments within New Hope Housing's portfolio, as well as historical occupancy of comparable developments surveyed by the market analyst.

Vacancy levels for two comparable New Hope Housing properties in Harris County, Hamilton Street Residence (non-TDHCA development) and Canal Street Apartments (# 03808), indicated an average vacancy and collection loss rate of 3.7%. The average occupancy for comparable developments surveyed in the market study was 98%.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's expense estimate of \$4,516/unit annually is not within 5% of the Underwriter's projection of \$4,213/unit annually based on TDHCA and IREM expense database figures as well as operating history of comparable developments within the New Hope Housing portfolio. Several of the Applicant's expense line-items differ significantly as compared to the Underwriter's projections: payroll expenses are higher by \$47K (19%), and property taxes are lower by \$4.5K (18%). Additionally, the Applicant's estimate for management fee departs from the standard 5% of effective gross income.

In order to support these estimates the Applicant provided a management agreement for a comparable property (New Hope Housing at Brays Crossing #07210) which reported a management fee not to exceed 6% of effective gross income. The Applicant also provided a staffing plan which supported approximately \$251K in payroll expenses, however the Applicant did not revise their initial estimate of approximately \$299K; therefore, the Underwriter used the staffing plan to justify a higher payroll expense estimate as compared to database figures.

The Applicant reports that Harris County does not provide a true property tax exemption for non-profit organizations, but rather the property tax assumption for the subject is based on the published cap rate of 13% to estimate the assessed value for an income producing property. The Applicant supported their projection based on an Appraisal Consulting Assignment involving the Projected Property Tax Burden for the subject performed by O'Connor & Associates for New Hope Housing at Brays Crossing (#07210). Brays Crossing is a 149 unit development and the study reports that \$23,016 (or \$154/unit) is a reasonable assumption of that development's property tax burden. The Underwriter applied the per unit figure of \$154 to the 160 units within the subject development based on the supporting documentation provided by the Applicant. Of note, the property tax estimate used by the Underwriter's is in line with the estimate that results from the use of the standard methodology, which is to utilize the Underwriter's NOI and the published capitalization rate.

Conclusion:

The Applicant's net operating income is within 5% of the Underwriter's, but the Applicant's estimates of effective gross income and expenses are not within 5% of the Underwriter's; therefore, the Underwriter's year one pro forma will be used in the analysis. Because the development is classified as Supportive Housing and is anticipated to operate without conventional debt, pursuant to §1.32(g)(3)(C) it is exempted from debt coverage ratio requirements.

Feasibility:

Because the development is classified as Supportive Housing for at least 50% of the units, the development can be classified as feasible under §1.32(i)(6)(B) of the 2010 Real Estate Analysis Rules. The Applicant has documented capacity to provide sufficient resources to offset future operating deficits. This will be the third property funded to this sponsor by TDHCA since 2003. New Hope Housing has committed ongoing operating subsidies for each property. As New Hope Housing continues to pursue development of new SRO properties, the organization must escalate fundraising activities to cover a potential operating deficit across their development portfolio.

ACQUISITION INFORMATION**ASSESSED VALUE**

Land Only: 1.837 acres	<u>\$162,000</u>	Tax Year:	<u>2010</u>
Existing Buildings:	<u>\$4,680</u>	Valuation by:	<u>Harris CAD</u>
Total Assessed Value:	<u>\$166,680</u>	Tax Rate:	<u>2.5237</u>

Comments:

The \$4,680 value reported by Harris CAD for "existing buildings" is actually the value for several scattered concrete slabs that were reported used as a parking lot according to the Phase I ESA report. The 2010 Harris CAD values were available, however 2010 tax rates were unavailable as of the date of this report; therefore, 2009 tax rates were used in the analysis.

EVIDENCE of PROPERTY CONTROL

Type: <u>Commercial Contract - Unimproved Property</u>	Acreage: <u>2.41</u>
Contract Expiration: <u>10/29/2010</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$525,000</u>	Other: <u>Development Acreage is 1.837</u>
Seller: <u>Avi Ron</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Comments:

Applicant is proposing to purchase approximately 105,000 square feet of land, however the development site will consist of only 80,000 square feet of the total land purchase. The Applicant prorated the eligible acquisition cost to account for the undeveloped land. The eligible acquisition cost, as calculated by the Underwriter is approximately \$400,000 plus eligible closing costs.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant claims a prorated acquisition value based on the purchase of a larger portion of land. A total of 2.41 acres will be purchased for \$525K per the contract. The legal description and boundary survey report development site acreage to be a 1.8366 acre portion of the total land purchased. The Applicant has claimed a total acquisition value of \$405,565 as reported in the application materials. This value was slightly lower than the Underwriter's prorated calculation plus closing costs; therefore, the Underwriter used the Applicant's acquisition cost. The Applicant's acquisition cost of \$2,535 per unit cost or \$220,830 per acre is considered reasonable as this is an arms-length transaction.

Site work Cost:

The Applicant's projection of site work costs of \$2,506/unit is below the \$9K/unit guideline; therefore no further third-party documentation is required at this time.

Direct Construction Cost:

The Applicant's direct construction cost projection is within 5% of the Underwriter's estimate based on the *Marshall & Swift Residential Cost Handbook* based on hotel costs as this is a Single Residence Occupancy development. The Underwriter's estimate is approximately \$7,309 higher than the Applicant's.

Reserves:

The Syndicator's commitment letter requires the project to capitalize the following reserve accounts: lease-up reserve of \$60K, reserve for replacements of \$40K, escrow reserve of \$350K, and an operating reserve of \$100K. The Underwriter has used these reserve requirements in lieu the typical TDHCA reserve calculation.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development costs are within 5% of the Underwriter's estimates; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate the eligible basis. An eligible basis of \$7,870,370 supports annual tax credits of \$920,833 based on a syndication rate of \$0.62. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommendation allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 6/22/2010

Source: JPMorgan Chase Bank, N.A. Type: Interim Financing

Principal: \$4,381,327 Interest Rate: 8.0% Fixed Term: 18 months

Source: Houston Area Community Development Corporation Type: Interim to Permanent Financing

Principal: \$3,000,000 Interest Rate: 0.0% Fixed Amort: 480 months

Comments:

The Applicant is proposing a \$3M loan from a related-party CHDO organization, Houston Area CDC (HACDC), at 0% interest, and a 40 year term with no payments required until maturity. HACDC has applied to the City of Houston for a \$3M HOME Investment Partnership funds structured as a loan at 0% for 20 years, with options to extend, a single balloon payment at maturity, and the borrower's option to elect forgiveness. Since HOME funds are sourced from the federal government, if HACDC loaned the funds to the Applicant at the same terms as the HOME loan from the City of Houston, the funds would have to be excluded from eligible basis, due to the option for forgiveness.

Therefore, HACDC's loan to the partnership will be at terms that do not require the funds to be excluded from eligible basis because the loan terms outlined by HACDC do not indicate an option for forgiveness. The final commitment from HACDC is contingent upon the allocation of an LIHTC award. This report is conditioned on receipt, review, and acceptance, by commitment, of a commitment from the City of Houston to provide a HOME loan to the Houston Area CDC, and a commitment from the Houston Area CDC to provide a loan to the partnership, in the amount of \$3,000,000, with the terms of financing provided, including the rate, term and amortization period.

Neither the Applicant's nor the Underwriter's pro forma indicate that the \$3M loan has the ability to be repaid. Because the ultimate source of the loan is federal, in order for the loan to be considered valid debt, the loan must be repayable. As a result, this report is conditioned on receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the loan can be repaid at or by maturity and can be considered valid debt.

Source: Rockwell Fund, Inc. Type: Grant

Principal: \$192,000 Interest Rate: N/A Amort: N/A months

Comments:

The Applicant has applied to the Rockwell Fund, Inc., but has not received a commitment. Therefore, this report is conditioned on receipt, review, and acceptance, by commitment, of a commitment from the Rockwell Fund for \$192,000 with the terms of financing provided. Rockwell Fund, Inc. has confirmed that the funds are not federally sourced.

Source:	<u>National Equity Fund, Inc.</u>	Type:	<u>Syndication</u>
Proceeds:	<u>\$5,708,935</u>	Syndication Rate:	<u>62%</u>
		Anticipated HTC:	<u>\$920,833</u>
Amount:	<u>\$0</u>	Type:	<u>Deferred Developer Fees</u>

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the total permanent funds of \$3,192,000 indicated the need for \$5,708,935 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$920,833 annually would be required to fill this gap in financing. The three possible tax credit allocation are:

Allocation determined by eligible basis:	\$920,833
Allocation determined by gap in financing:	\$920,833
<u>Allocation requested by the Applicant:</u>	<u>\$920,833</u>

The allocation amount requested by the Applicant, which equals the eligible basis-derived and gap-derived amount, is recommended. The recommended annual tax credit award of \$920,833 is recommended resulting in equity proceeds of \$5,708,935 based on a syndication rate of \$0.62 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for no additional permanent funds. Developer fees of \$1,026,500 are available for deferral to fill any unforeseen gap in financing. The deferral of such fees is limited only by 15-year cumulative cash flow.

Underwriter:	<u>Colton Sanders</u>	Date:	<u>June 24, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>June 24, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 24, 2010</u>

UNIT MIX/RENT SCHEDULE

Perry Street Apartments, Houston, 9% LIHTC #10084

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS			
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New		
COUNTY:	Harris	Eff	160	100.0%	Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%		
SUB-MARKET:		1										EXPENSE GROWTH:	3.00%		
PROGRAM REGION:	6	2										HIGH COST ADJUSTMENT:	130%		
URAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%		
IREM REGION:	Houston	4										APP % - ACQUISITION:	N/A		
		TOTAL	160	100.0%	MISC							APP % - CONSTRUCTION:	9.00%		

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS			
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Operational Subsidy from New Hope Housing	Market Rent	TDHCA Savings to Market
TC 30%	8	0	1	240	\$335	\$0	\$335	\$80	\$1.73	\$415	\$3,320	\$2,680	\$335	\$1.40	\$0	\$415	\$450	\$115
TC 50%	72	0	1	240	\$558	\$0	\$558	(\$143)	\$1.73	\$415	\$29,880	\$29,880	\$415	\$1.73	(\$143)	\$415	\$450	\$35
TC 60%	56	0	1	240	\$670	\$0	\$670	(\$255)	\$1.73	\$415	\$23,240	\$23,240	\$415	\$1.73	(\$255)	\$415	\$450	\$35
TC 60%	12	0	1	400	\$670	\$0	\$670	(\$235)	\$1.09	\$435	\$5,220	\$5,220	\$435	\$1.09	(\$235)	\$435	\$500	\$65
TC 60%	12	0	1	440	\$670	\$0	\$670	(\$225)	\$1.01	\$445	\$5,340	\$5,340	\$445	\$1.01	(\$225)	\$445	\$510	\$65
TOTAL:	160				42,720						\$67,000	\$66,360						
AVG:					267			(\$184)	\$1.57	\$419			\$415	\$1.55	(\$188)	\$419	\$458	(\$44)
ANNUAL:											\$804,000	\$796,320						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Perry Street Apartments, Houston, 9% LIHTC #10084

INCOME

Total Net Rentable Sq Ft: 42,720

			TDHCA	APPLICANT		
POTENTIAL GROSS RENT			\$796,320	\$804,000		
Secondary Income	Per Unit Per Month:	\$13.13	25,200	25,200	\$13.13	Per Unit Per Month
Operating Subsidy	Per Unit Per Month:	\$0.00	0	66,996	\$34.89	Per Unit Per Month
Other Support Income:	Per Unit Per Month:	\$0.00		0	\$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME	Per Unit Per Month:	\$13.13	\$821,520	\$896,196	\$48.02	Per Unit Per Month
Vacancy & Collection Loss	% of Potential Gross Income:	-5.00%	(41,076)	(67,212)	-7.50%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions			0	0		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	6.18%	\$301	1.13	\$48,205	\$46,751	\$1.09	\$292	5.64%
Management	6.00%	\$293	1.10	46,827	45,235	1.06	283	5.46%
Payroll & Payroll Tax	32.23%	\$1,572	5.89	251,531	298,527	6.99	1,866	36.01%
Repairs & Maintenance	9.01%	\$439	1.65	70,316	71,182	1.67	445	8.59%
Utilities	11.38%	\$555	2.08	88,791	90,074	2.11	563	10.87%
Water, Sewer, & Trash	4.47%	\$218	0.82	34,864	36,396	0.85	227	4.39%
Property Insurance	7.00%	\$341	1.28	54,596	60,000	1.40	375	7.24%
Property Tax 2.5237	3.17%	\$154	0.58	24,715	20,252	0.47	127	2.44%
Reserve for Replacements	5.13%	\$250	0.94	40,000	40,000	0.94	250	4.83%
TDHCA Compliance Fees	0.82%	\$40	0.15	6,400	6,400	0.15	40	0.77%
Other:	1.00%	\$49	0.18	7,800	7,800	0.18	49	0.94%
TOTAL EXPENSES	86.37%	\$4,213	\$15.78	\$674,045	\$722,617	\$16.92	\$4,516	87.17%
NET OPERATING INC	13.63%	\$665	\$2.49	\$106,399	\$106,367	\$2.49	\$665	12.83%

DEBT SERVICE

Houston Area CDC	\$0	\$0
Rockwell Fund, Inc	\$0	\$0
Additional Financing	\$0	\$0
TOTAL DEBT SERVICE	0	0
NET CASH FLOW	\$106,399	\$106,367
AGGREGATE DEBT COVERAGE RATIO	N/A	N/A
RECOMMENDED DEBT COVERAGE RATIO	N/A	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		4.55%	\$2,535	\$9.49	\$405,565	\$405,565	\$9.49	\$2,535	4.56%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		4.50%	\$2,506	\$9.39	401,000	401,000	9.39	2,506	4.51%
Direct Construction		41.03%	\$22,846	\$85.57	3,655,359	3,648,050	85.39	22,800	40.99%
Contingency	4.99%	2.27%	\$1,265	\$4.74	202,453	202,453	4.74	1,265	2.27%
Contractor's Fees	13.97%	6.36%	\$3,543	\$13.27	566,867	566,867	13.27	3,543	6.37%
Indirect Construction		16.73%	\$9,316	\$34.89	1,490,500	1,490,500	34.89	9,316	16.75%
Ineligible Costs		0.84%	\$469	\$1.76	75,000	75,000	1.76	469	0.84%
Developer's Fees	14.98%	11.52%	\$6,416	\$24.03	1,026,500	1,026,500	24.03	6,416	11.53%
Interim Financing		6.01%	\$3,344	\$12.52	535,000	535,000	12.52	3,344	6.01%
Reserves		6.17%	\$3,438	\$12.87	550,000	550,000	12.87	3,438	6.18%
TOTAL COST		100.00%	\$55,676.53	\$208.53	\$8,908,244	\$8,900,935	\$208.36	\$55,631	100.00%
Construction Cost Recap		54.17%	\$30,160	\$112.96	\$4,825,679	\$4,818,370	\$112.79	\$30,115	54.13%

SOURCES OF FUNDS

					RECOMMENDED	
Houston Area CDC	33.68%	\$18,750	\$70.22	3,000,000	3,000,000	\$3,000,000
Rockwell Fund, Inc	2.16%	\$1,200	\$4.49	192,000	192,000	192,000
National Equity Fund, Inc.	64.09%	\$35,681	\$133.64	5,708,935	5,708,935	5,708,935
Deferred Developer Fees	0.00%	\$0	\$0.00	0	0	0
Additional (Excess) Funds Req'd	0.08%	\$46	\$0.17	7,309	0	0
TOTAL SOURCES				\$8,908,244	\$8,900,935	\$8,900,935
						\$1,021,174

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Perry Street Apartments, Houston, 9% LIHTC #10084

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$70.38	\$3,006,634
Adjustments				
Exterior Wall Finish	6.00%		\$4.22	\$180,398
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.75%		2.64	112,749
Roofing			0.00	0
Subfloor			1.33	56,960
Floor Cover			2.93	125,276
Breezeways	\$23.05	0	0.00	0
Balconies	\$0.00	0	0.00	0
Plumbing Fixtures	\$845	(160)	(3.16)	(135,200)
Rough-ins	\$420	0	0.00	0
Refrigerator & Microwave	\$1,500	160	5.62	240,000
Exterior Stairs	\$1,900	8	0.36	15,200
Enclosed Corridors	\$60.46	14223	20.13	859,923
Elevator: Included in Base Cost		1	0.00	0
Other:			0.00	0
Parking Garage	\$9.70	0	0.00	0
Heating/Cooling			1.85	79,032
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$68.80	5,966	9.61	410,441
Other: fire sprinkler	\$2.25	56,943	2.46	105,091
SUBTOTAL			118.36	5,056,504
Current Cost Multiplier	0.99		(1.18)	(50,565)
Local Multiplier	0.90		(11.84)	(505,650)
TOTAL DIRECT CONSTRUCTION COSTS			\$105.34	\$4,500,289
Plans, specs, survy, bid prm	3.90%		(\$4.11)	(\$175,511)
Interim Construction Interest	3.38%		(3.56)	(151,885)
Contractor's OH & Profit	11.50%		(12.11)	(517,533)
NET DIRECT CONSTRUCTION COSTS			\$85.57	\$3,655,359

PROPOSED PAYMENT COMPUTATION

Houston Area CDC	\$3,000,000	Amort	0
Int Rate	0.00%	DCR	#DIV/0!

Rockwell Fund, Inc	\$192,000	Amort	0
Int Rate	0.00%	Subtotal DCR	#DIV/0!

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	#DIV/0!

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	#DIV/0!

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	#DIV/0!

RECOMMENDED FINANCING STRUCTURE:

Houston Area CDC	\$0
Rockwell Fund, Inc	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$0

Houston Area CDC	\$3,000,000	Amort	0
Int Rate	0.00%	DCR	#DIV/0!

Rockwell Fund, Inc	\$192,000	Amort	0
Int Rate	0.00%	Subtotal DCR	#DIV/0!

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	#DIV/0!

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

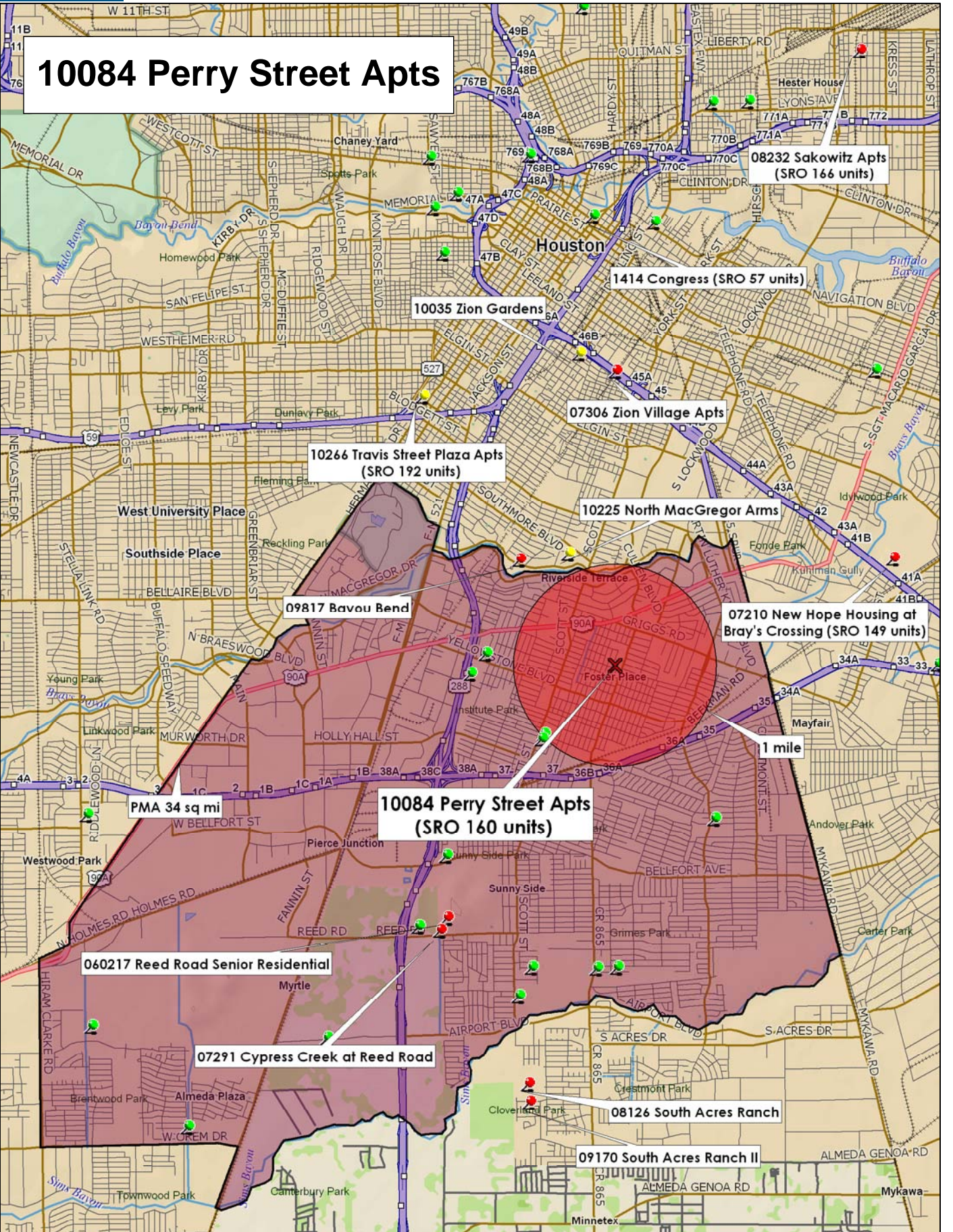
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$796,320	\$812,246	\$828,491	\$845,061	\$861,962	\$951,676	\$1,050,727	\$1,160,088	\$1,414,141
Secondary Income	25,200	25,704	26,218	26,742	27,277	30,116	33,251	36,712	44,751
Operating Subsidy	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	821,520	837,950	854,709	871,804	889,240	981,792	1,083,978	1,196,800	1,458,892
Vacancy & Collection Loss	(41,076)	(41,898)	(42,735)	(43,590)	(44,462)	(49,090)	(54,199)	(59,840)	(72,945)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$780,444	\$796,053	\$811,974	\$828,213	\$844,778	\$932,703	\$1,029,779	\$1,136,960	\$1,385,947
EXPENSES at 3.00%									
General & Administrative	\$48,205	\$49,651	\$51,141	\$52,675	\$54,255	\$62,897	\$72,915	\$84,528	\$113,599
Management	46,827	47,763	48,718	49,693	50,687	55,962	61,787	68,218	83,157
Payroll & Payroll Tax	251,531	259,077	266,849	274,855	283,100	328,191	380,463	441,061	592,749
Repairs & Maintenance	70,316	72,425	74,598	76,836	79,141	91,746	106,359	123,299	165,703
Utilities	88,791	91,455	94,199	97,025	99,935	115,852	134,305	155,696	209,242
Water, Sewer & Trash	34,864	35,910	36,987	38,097	39,240	45,490	52,735	61,134	82,159
Insurance	54,596	56,234	57,921	59,658	61,448	71,235	82,581	95,734	128,659
Property Tax	24,715	25,457	26,220	27,007	27,817	32,248	37,384	43,338	58,243
Reserve for Replacements	40,000	41,200	42,436	43,709	45,020	52,191	60,504	70,140	94,263
TDHCA Compliance Fee	6,400	6,592	6,790	6,993	7,203	8,351	9,681	11,222	15,082
Other	7,800	8,034	8,275	8,523	8,779	10,177	11,798	13,677	18,381
TOTAL EXPENSES	\$674,045	\$693,798	\$714,134	\$735,071	\$756,626	\$874,340	\$1,010,511	\$1,168,048	\$1,561,238
NET OPERATING INCOME	\$106,399	\$102,255	\$97,840	\$93,142	\$88,151	\$58,363	\$19,269	(\$31,089)	(\$175,290)
DEBT SERVICE									
First Lien Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET CASH FLOW	\$106,399	\$102,255	\$97,840	\$93,142	\$88,151	\$58,363	\$19,269	(\$31,089)	(\$175,290)
DEBT COVERAGE RATIO	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

HTC ALLOCATION ANALYSIS -Perry Street Apartments, Houston, 9% LIHTC #10084

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$405,565	\$405,565		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$401,000	\$401,000	\$401,000	\$401,000
Construction Hard Costs	\$3,648,050	\$3,655,359	\$3,648,050	\$3,655,359
Contractor Fees	\$566,867	\$566,867	\$566,867	\$566,867
Contingencies	\$202,453	\$202,453	\$202,453	\$202,453
Eligible Indirect Fees	\$1,490,500	\$1,490,500	\$1,490,500	\$1,490,500
Eligible Financing Fees	\$535,000	\$535,000	\$535,000	\$535,000
All Ineligible Costs	\$75,000	\$75,000		
Developer Fees				
Developer Fees	\$1,026,500	\$1,026,500	\$1,026,500	\$1,026,500
Development Reserves	\$550,000	\$550,000		
TOTAL DEVELOPMENT COSTS	\$8,900,935	\$8,908,244	\$7,870,370	\$7,877,679

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$7,870,370	\$7,877,679
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$10,231,481	\$10,240,983
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$10,231,481	\$10,240,983
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$920,833	\$921,688

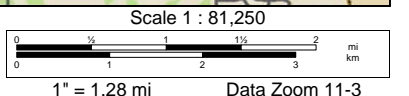
Syndication Proceeds	0.6200	\$5,708,937	\$5,714,239
Total Tax Credits (Eligible Basis Method)		\$920,833	\$921,688
Syndication Proceeds		\$5,708,937	\$5,714,239
Requested Tax Credits		\$920,833	
Syndication Proceeds		\$5,708,935	
Gap of Syndication Proceeds Needed		\$5,708,935	
Total Tax Credits (Gap Method)		\$920,833	
Recommended Tax Credits		920,833	
Syndication Proceeds		\$5,708,935	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Silver Spring at Chapel Hill, TDHCA Number 10089

BASIC DEVELOPMENT INFORMATION

Site Address: SWC of Bonds Ranch Rd. and Business 287/Saginaw Blvd. Development #: 10089
 City: Fort Worth Region: 3 Population Served: Elderly
 County: Tarrant Zip Code: 76179 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Silver Spring at Chapel Hill, L.P.
 Owner Contact and Phone: Alice Wong, (214) 731-9208
 Developer: Realty Capital Corporation
 Housing General Contractor: CF Jordan Construction, LLC
 Architect: O'Brien & Associates, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James Tax Credit Funds, Inc.
 Supportive Services: Capstone Real Estate Services
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	100
	5	0	45	50	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	64	36	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	100
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	16
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$914,179	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Silver Spring at Chapel Hill, TDHCA Number 10089

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nelson, District 12, NC

Points: 0

US Representative: Granger, District 12, NC

TX Representative: Geren, District 99, NC

Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Fort Worth Housing and Economic Development Department for funding in the amount of \$480,000, or a commitment from a qualifying substitute source in an amount not less than \$48,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Silver Spring at Chapel Hill, TDHCA Number 10089

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **190** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Silver Spring at Forney, TDHCA Number 10090

BASIC DEVELOPMENT INFORMATION

Site Address: SEC of FM 548 and Reeder Ln. Development #: 10090
 City: Forney Region: 3 Population Served: Elderly
 County: Kaufman Zip Code: 75126 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Silver Spring at Forney, L.P.
 Owner Contact and Phone: Alice Wong, (214) 731-9208
 Developer: Realty Capital Corporation
 Housing General Contractor: TBD
 Architect: O'Brien & Associates
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James Tax Credit Funds, Inc.
 Supportive Services: Capstone Real Estate Services
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	44	36	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$802,682	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Silver Spring at Forney, TDHCA Number 10090

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, S

Points: 14 US Representative: Hensarling, District 5, NC

TX Representative: Brown, District 4, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 94

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Forney Economic Development Corporation for funding in the amount of \$280,000, or a commitment from a qualifying substitute source in an amount not less than \$280,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Silver Spring at Forney, TDHCA Number 10090

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **209** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Silver Spring Grand Heritage, TDHCA Number 10092

BASIC DEVELOPMENT INFORMATION

Site Address: SWC of Hwy 78 and C.R. 484 Development #: 10092
 City: Lavon Region: 3 Population Served: Elderly
 County: Collin Zip Code: 75166 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Silver Spring Grand Heritage, L.P.
 Owner Contact and Phone: Alice Wong, (214) 731-9208
 Developer: Realty Capital Corporation
 Housing General Contractor: TBD
 Architect: O'Brien & Associates, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James Tax Credit Funds, Inc.
 Supportive Services: Capstone Real Estate Services, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	44	36	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$866,244	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Silver Spring Grand Heritage, TDHCA Number 10092

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Estes, District 30, NC

Points: 0 US Representative: Hall, District 4, NC

TX Representative: Laubenberg, District 89, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Lavon for funding in the amount of \$320,000, or a commitment from a qualifying substitute source in an amount not less than \$320,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Silver Spring Grand Heritage, TDHCA Number 10092

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **203** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Greenhaus at East Side Apts, TDHCA Number 10093

BASIC DEVELOPMENT INFORMATION

Site Address: 4611 E. Side Ave. Development #: 10093
 City: Dallas Region: 3 Population Served: General
 County: Dallas Zip Code: 75226 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: SH East Side, L.P.
 Owner Contact and Phone: Maria Machado, (214) 821-8510
 Developer: OM Housing, L.L.C.
 Housing General Contractor: TBD
 Architect: Good Fulton & Farrell, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Boston Financial Investment Management, LP
 Supportive Services: Shared Housing Center, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	24	
	2	0	11	11	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	12	12	0	0	
Type of Building:						Total Development Units:	24
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	3
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	11
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	2

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$412,525	\$0			
HOME Activity Fund Amount:	\$500,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Greenhaus at East Side Apts, TDHCA Number 10093

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, S

Points: 7

US Representative: Johnson, District 30, NC

TX Representative: Branch, District 108, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 1

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Vogel Alcove, S, Barbara R. Landix, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Greenhaus at East Side Apts, TDHCA Number 10093

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: 4

Total # Monitored: 4

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **213** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Providence Town Square, TDHCA Number 10094

BASIC DEVELOPMENT INFORMATION

Site Address: 3801 Center St. Development #: 10094
 City: Deer Park Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77536 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Providence Town Square Housing, Ltd.
 Owner Contact and Phone: Chris Richardson, (713) 914-9200
 Developer: Nantucket Housing, L.L.C.
 Housing General Contractor: Blazer Building, Inc.
 Architect: Mucasey and Associates
 Market Analyst: Novogradac & Company, L.L.P.
 Syndicator: Boston Financial
 Supportive Services: Education Based Housing, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	165	
	9	0	74	82	Market Rate Units:	23	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	133	55	0	0	0	
Type of Building:						Total Development Units:	188
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$19,300,343
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	11
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	37
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	17

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,721,277	\$1,721,277			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Providence Town Square, TDHCA Number 10094

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Jackson, District 11, S

Points: 7

US Representative: Olson, District 22, NC

TX Representative: Smith, District 128, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 1

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Rotary Club Deer Park, S, Jerry Mouton, President

Faithbridge Church, S, John Dodd, Pastor

Rob Johnson Interest Real Estate Dev., S, Rob Johnson

Deer Park Chamber of Commerce, S, Tim Culp, President

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt, review and acceptance, by Commitment, of a firm commitment from Harris County Housing Finance Corporation for the anticipated \$400,000 loan with the terms of the funds clearly stated.
2. Receipt, review and acceptance, by Commitment, of a commitment from Harris County Community Services Department to provide a loan to a non-profit entity in the amount of \$2,160,000, with the terms of financing provided, including the rate, term and amortization period.
3. Receipt, review, and acceptance, by Commitment, of a commitment from the non-profit entity to provide loan to the partnership in the amount of \$2,160,000, with the terms of financing provided, including the rate, term and amortization period.
4. Receipt, review, and acceptance, by Cost Certification, of an attorney opinion clearly establishing that the proposed non-profit entity's loan can be considered to be a valid debt with the reasonable expectation that it will be repaid in full.
5. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated an adjustment to the credit amount may be warranted.
6. Receipt of a firm commitment of funding from the Harris County Community Services Department in the amount of \$1,760,000, or a commitment from a qualifying substitute source in an amount not less than \$1,760,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
7. Receipt of a firm commitment of funding from the Harris County Community Services Department in the amount of \$400,000, or a commitment from a qualifying substitute source in an amount not less than \$400,00, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Providence Town Square, TDHCA Number 10094

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **21**

Total # Monitored: **20**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **206** Meeting a Required Set-Aside Credit Amount*: \$1,721,277

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/09/10 PROGRAM: 9% HTC FILE NUMBER: 10094

DEVELOPMENT

Providence Town Square

Location: 3801 Center Street Region: 6
 City: Deer Park County: Harris Zip: 77536 OCT DDA
 Key Attributes: Elderly, New Construction, Urban and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,721,277			\$1,721,277		

CONDITIONS

- 1 Receipt, review and acceptance, by Commitment, of a firm commitment from Harris County Housing Finance Corporation for the anticipated \$400,000 loan with the terms of the funds clearly stated.
- 2 Receipt, review and acceptance, by Commitment, of a commitment from Harris County Community Services Department to provide a loan to a non-profit entity in the amount of \$2,160,000, with the terms of financing provided, including the rate, term and amortization period.
- 3 Receipt, review, and acceptance, by Commitment, of a commitment from the non-profit entity to provide a loan to the partnership in the amount of \$2,160,000, with the terms of financing provided, including the rate, term and amortization period.
- 4 Receipt, review, and acceptance, by Cost Certification, of an attorney opinion clearly establishing that the proposed non-profit entity's loan can be considered to be a valid debt with the reasonable expectation that it will be repaid in full.
- 5 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	74
60% of AMI	60% of AMI	82

STRENGTHS/MITIGATING FACTORS

- The Developer has experience developing 16 tax credit developments in Texas providing 2,928 units.

WEAKNESSES/RISKS

- The subject, along with another proposed current application and two approved 2009 developments, will introduce 640 senior units within a four mile radius.

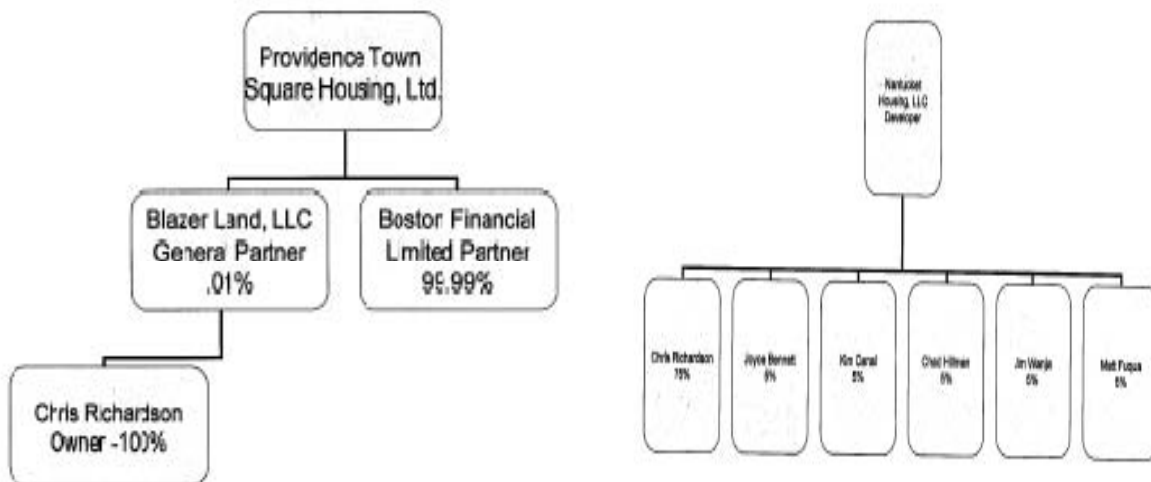
- The small number of senior renters in the PMA could be due to the fact that there are no age-restricted properties in the PMA. Addition of age-restricted properties in the PMA would likely attract more seniors to the area and increase the percentage of renter occupied units in the PMA.
- It appears that the majority of the rental housing in the Subject's PMA is market rate. Approximately 10.3 percent of the rental housing in the Subject's PMA is affordable. This suggests a strong need for maintaining affordable housing like the Subject in the PMA.
- The Applicant's expense to income ratio is above 65% which reflects an increased risk that the development will not be able to sustain even a moderate period of flat income with rising expenses.

PREVIOUS UNDERWRITING REPORTS

The subject property was previously underwritten in September 2008 as a 4% HTC/MRB and was recommended to receive an allocation of \$743,913.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

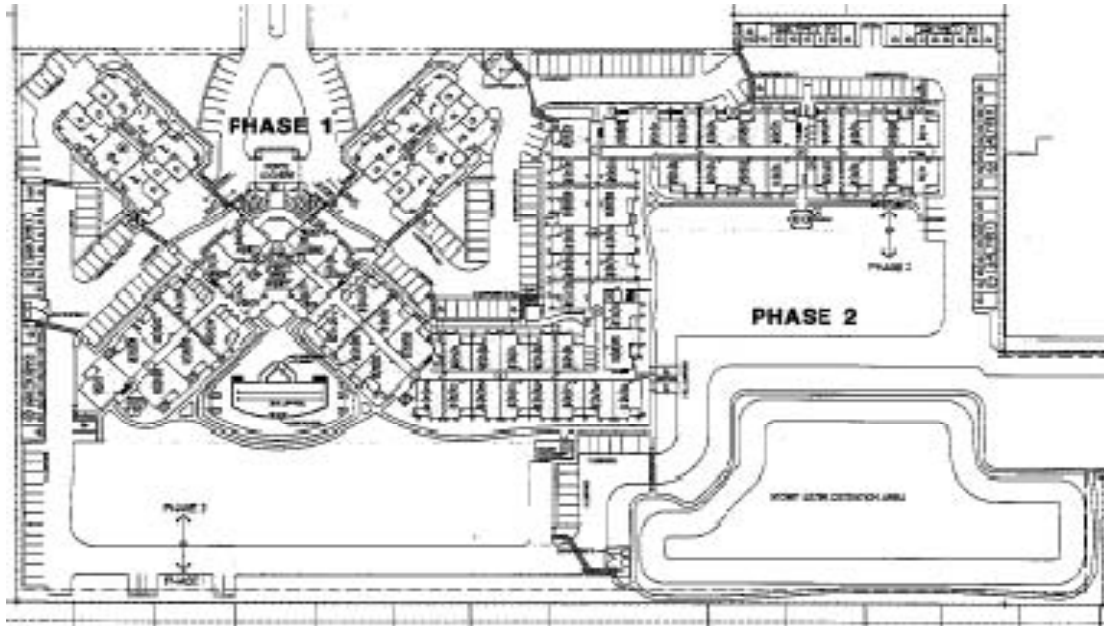
Contact: Chris Richardson Phone: (713) 914-9200 Fax: (713) 914-9292
 Email: blazer1@blazerrealestate.com

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2	3	4	5	6	7	8	9	10&11	Total Buildings
Floors/Stories	3	3	3	3	3	3	3	3	3	1	
Number	1	1	1	1	1	1	1	1	1	2	11

BR/BA	SF	Units										Total Units	Total SF	
1	1	729		3	3					3			9	6,561
1	1	729		14	4	16	12	8	10	10	6		80	58,320
1	1	729		3	2	8	6	4	4	5	4		36	26,244
1	1	791										4	8	6,328
1	1	791											0	0
2	2	990			3		3	6	7	6	6		31	30,690
2	2	990	14	3	3								20	19,800
2	2	1,075									2		4	4,300
Units per Building			14	23	15	24	21	18	21	24	16	6	188	152,243

SITE ISSUES

Total Size: 6.8 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: PUD Needs to be re-zoned? Yes No N/A
 Comments:

The site consists of 6.8 acres which will be Phase I out of the total acreage of 10.48 acres. The remaining 3.68 acres will be used for future use as Phase II.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/29/2010

Overall Assessment:

- Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Storage retail and residences beyond East: Various retail and a major boulevard
 South: Various retail and residences beyond West: Retail and businesses beyond

Comments:

The inspector noted that the site had an excellent mix of retail, businesses, and residences with medical care facilities available in a quiet neighborhood.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: EDC Environmental Services, Inc. Date: 3/5/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "Based on our findings, this assessment revealed no evidence of recognized environmental conditions associated with the current or historical uses of the Property." (p. 1)

MARKET ANALYSIS

Provider: Novogradac Date: 2/25/2010

Contact: Anna Beattie Phone: (512) 340-0420

Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 24 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 16 census tracts in southeast Harris County, forming the SE quadrant of Beltway 8 and HWY 225.

Secondary Market Area (SMA): 151 sq. miles 7 mile equivalent radius

The Market Analyst defined a Secondary Market Area extending north to Buffalo Bayou, south to Clear Lake, and east to the Houston Ship Channel.

Extended Market Area: 85 sq. miles 5 mile equivalent radius

There is a senior development approved in 2009 located four miles from the subject, but just outside the PMA; there is also another current application for a senior development located just six miles from the subject, which should have been included in the Market Analyst's SMA but was overlooked; and there is another 2009 senior development located less than eight miles from the subject. The Primary and Secondary Markets defined by the Market Analyst fails to consider any of these developments. But these four properties (including the subject) have a combined 640 units; they are all located within a four mile radius, and a significant portion of the targeted population is common among the various market areas.

The Underwriter has considered the overall supply and demand for an extended market area formed by the combined primary market areas for the four developments.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,592	\$13,400	---	---	\$14,352	\$22,350	\$17,208	\$26,820
2	\$8,592	\$15,300	---	---	\$14,352	\$25,500	\$17,208	\$30,600
3	\$10,344	\$17,250	---	---	\$17,208	\$28,700	\$20,664	\$34,440
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None					
Other Affordable Developments in PMA since 2006					
08260	Harris Manor	rehab	family	n/a	201
07309	Glenwood Trails	new	family	n/a	114
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		7	Total Units	1,663	

COMPARABLE SUPPLY in EXTENDED MARKET					
10227	Tarrington Court	new	senior	153	153
09313	Hampshire Courts	new	senior	159	159
09161	Sterling Court	new	senior	140	140

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no comparable developments within the PMA that would impact the demand determination for the subject. Tarrington Court (#10227) is located within the Secondary Market as defined by the Market Analyst, but was not considered in the Market Analyst's calculations.

The Underwriter has noted that four properties: the subject, Tarrington Court, Hampshire Court (#09313), and Sterling Court (#09161) are all located within four mile radius. The Underwriter has therefore evaluated the overall supply and demand for the combined market areas of these developments.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
		PMA	Extended Market
Total Households in the Primary Market Area	31,304	29,823	87,163
Target Households in the Primary Market Area	9,907	9,663	25,815
Potential Demand from the Primary Market Area	1,437	2,853	8,422
Potential Demand from Secondary Market	510	0	0
GROSS DEMAND	1,947	2,853	8,422
Subject Affordable Units	188	188	188
Unstabilized Comparable Units	0	0	452
RELEVANT SUPPLY	188	188	640
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	9.7%	6.6%	7.6%

Demand Analysis:

The Market Analyst identifies Potential Demand for 1,437 units from the Primary Market Area. This is based on income-qualified senior renter households, but only an assumed conversion rate of senior homeowners. This understates the demand permitted under the Real Estate Analysis Rules, which consider senior renter and homeowner households equally.

The Market Analyst also calculates demand for 510 units from the Secondary Market Area by taking 25% of the income-eligible senior renter households. This is an incorrect interpretation of the Real Estate Analysis Rules, which state that demand from a Secondary Market cannot account for more than 25% of Gross Demand. The Rules also require that proposed or unstabilized comparable supply in the SMA must be included in the Relevant Supply in the same proportion at which demand from the SMA is included in Gross Demand; the Market Analyst failed to account for Tarrington Court (#10227), a proposed senior development located in the defined Secondary Market.

The Market Analyst concluded Gross Demand for 1,947 units, and a Gross Capture Rate of 9.7% for the subject 188 units.

The Underwriter identifies Gross Demand for 2,853 units from all income-eligible senior households in the PMA, and a Gross Capture Rate of 6.6% for just the subject 188 units.

As noted above, there are four proposed or approved senior developments located within a four mile radius, with a significant portion of the population included in two or more market areas. The Underwriter has evaluated the overall supply and demand for the Extended Market Area formed by the combined Primary Market Areas of the four developments. This analysis indicates Gross Demand for 8,422 units, and a Gross Capture Rate of 7.6% for the total Relevant Supply of 640 units.

The Secondary Market Area defined by the Market Analyst was not considered because sufficient demand was identified without it.

The maximum Gross Capture Rate for developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development, as well as the other comparable units in the Extended Market Area.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE									
Market Analyst					Underwriter				
Unit Type	Demand	Subject Units	Comp Units	Unit Capture Rate	Unit Type	Demand	Subject Units	Comp Units	Unit Capture Rate
1BR/LH/30%	134	6	0	4%	1 BR/30%	371	6	0	2%
1BR/LH/50%	210	6	0	3%					
1BR / 50%	210	49	0	23%	1 BR/50%	602	55	0	9%
1BR/ Hi HOME	133	22	0	17%					
1BR / 60%	205	31	0	15%	1 BR/60%	271	53	0	20%
2BR/LH/30%	23	3	0	13%	2 BR/30%	230	3	0	1%
2BR/LH/50%	76	2	0	3%					
2BR / 50%	82	17	0	21%	2 BR/50%	424	19	0	4%
2BR/ Hi HOME	33	15	0	45%					
2BR / 60%	104	14	0	13%	2 BR/60%	239	29	0	12%

Primary Market Occupancy Rates:

The Market Analyst reports occupancy data on four LIHTC properties, including three targeting seniors. "Southmore Park Apartments, an age-restricted LIHTC comparable, has the highest vacancy (10.8%) of the comparables ... it is the only age-restricted property to offer three-bedroom units, which are not typically offered at age-restricted properties because they generally do not perform well. Southmore Park is the oldest property among the comparables, which could also be affecting the overall vacancy. If Southmore Park were excluded, the LIHTC average vacancy would be 4.3 percent." (pp. 79-80)

Overall occupancy at five market rate comparables is reported to average 93%.

Absorption Projections:

"Only two of the comparables were able to report absorption information. Parkway Senior, a senior LIHTC/Market property opened in December 2003 and reported an absorption rate of 11 units per month. Seville Place, a family LIHTC property, opened in 2006 and reported an absorption rate of 20 units per month. The Subject will offer HOME and LIHTC units. There is a lack of senior affordable housing in Deer Park and senior growth is anticipated in Deer Park. None of the comparables are currently maintaining waiting lists, but most managers indicated renter traffic has increased in recent months. We conservatively estimate a absorption rate 15 units per month, or approximately 12 months, based on a stabilized occupancy of 95 percent." (pp. 50-51)

Market Impact:

"We believe this capture rate is overstated based on comments from the property managers of Parkway Senior Apartments and Primrose at Pasadena who indicated demand for age-restricted housing has remained high, despite the national recession. As previously discussed, we believe the high vacancy rate at Southmore Park Apartments is related to the three-bedroom units and not reflective of actual market demand for affordable age-restricted one- and two-bedroom units. Also, the developer has a list of approximately 45 potential applicants that have expressed interest in residing at the Subject. Many of the potential tenants currently reside in independent living facilities that are too expensive and the tenants are looking for a more affordable alternative." (p. 74)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 4/9/2010

The Applicant's and Underwriter's projected rents collected per unit for the units were calculated by subtracting the tenant-paid utility allowances as of January 1, 2010, maintained by the Houston Housing Authority from the 2009 HUD rent limits which apply to HTC applications. The use of Houston utility allowances is allowable in Deer Park because the subject property is within five miles of the city limits of Houston. It should be noted that there is a slight difference in the Underwriter's and Applicant's rents for three (3) of the 729 square foot market rate one-bedroom units. The Applicant deducted utility allowances from the achievable market rent, which the Underwriter did not. Tenants will be required to pay all electric utility costs. Of note, water heater expense will be paid by the development because the development's water heaters will use gas utilities.

2010 rent limits were released after underwriting for 2010 applications began; therefore, the development was evaluated using 2009 limits. If the Underwriter and Applicant used 2010 rent limits, income would increase by 1.9% and the DCR would be 1.39 and 1.31 respectively. The Underwriter's DCR would be increased over the 1.35 allowable limit; however, the assumed \$115,665 increase in permanent debt that would be required to decrease DCR to 1.35 would not cause the development to be oversourced. Therefore, the recommendation would not have been affected.

In addition to secondary income from normal operation, the Applicant projects income from the 48 detached garages and storage lockers at \$3,290 per month. Because a fee will be charged for these amenities, the cost to construct them cannot be included in eligible basis. The income from these optional amenities is not included in the Underwriter's pro forma because the Underwriter did not receive enough supporting documentation from the Applicant to support this secondary income. However, the Applicant did not maximize other allowable secondary income as compared to the Department's maximum \$20 per unit per month; therefore, the underwriting analysis will assume the maximum of \$20 per unit per month in secondary income from normal operation. Of note, there will be no charge for the 12 attached garages; therefore the cost of these garages may be included in eligible basis.

The Applicant's vacancy and collection loss assumptions are in line with current underwriting guidelines and the effective gross income assumption is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$5,040 per unit is not within 5% of the Underwriter's estimate of \$4,758, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows one line item estimate that deviates significantly when compared to the database averages, specifically: repairs & maintenance (27% higher). The Applicant provided three months of expense numbers for repairs & maintenance on a comparable property in Katy, TX, but since a longer period of time for the expenses was not provided the Underwriter did not use the comparable property's average expense. Also the applicant's estimate of utilities expense is significantly higher than the TDHCA database; however, due to the fact that the applicant is paying for natural gas water heater expense, the Underwriter deemed the applicant's expense to be reasonable, and the Underwriter utilized the IREM average to which the Applicant's estimate compares.

In addition the applicant's estimate of TDHCA's Compliance fees is over stated by \$4,200 than required by TDHCA. Also, the Applicant included an expenses of \$2,500 for petty cash expense in the "Other" category; the Underwriter reclassified this expense to the general & administrative expense category.

Conclusion:

The Applicant's estimate of total expenses and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the recommended DCR of 1.32 falls within the Department's guidelines. It should be noted that the Applicant's expense to income ratio is above 65% which reflects an increased risk that the development will not be able to sustain even a moderate period of flat income with rising expenses.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>Gary Brown & Associates, Inc.</u>	Date:	<u>3/2/2010</u>
Number of Revisions:	<u>One</u>	Date of Last Applicant Revision:	<u>3/3/2010</u>
Land Only:	<u>6.8 acres</u>	<u>\$1,070,000</u>	As of: <u>3/3/2010</u>
Existing Buildings: (as-is)		<u>\$0</u>	As of: _____
Total Development: (as-is)		<u>\$1,070,000</u>	As of: <u>3/3/2010</u>

ASSESSED VALUE

Land Only:	<u>10.5 acres</u>	<u>\$1,595,710</u>	Tax Year:	<u>2009</u>
Prorated 1 acre:		<u>\$152,262</u>	Valuation by:	<u>Harris CAD</u>
Prorated 6.8 acres:		<u>\$1,035,384</u>	Tax Rate:	<u>2.87853</u>

EVIDENCE of PROPERTY CONTROL

Type:	<u>Special Warranty Deed</u>	Acreage:	<u>10.48</u>
Contract Expiration:	<u>N/A</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>\$1,436,616</u>	Other:	<u>6.8 acres will be used for this proposed Phase I development.</u>

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 7/9/2010

Acquisition Value:

The Applicant originally purchased the subject site containing 10.48 acres in April 2008 for \$1,436,616 including closing costs. Phase I will use 6.8 acres out of the original purchased site and the remaining acreage will be put in reserve for Phase II at a later date; therefore, the Underwriter prorated the cost of the 6.8 acres to be \$1,241,078 considering the purchase price including closing costs and a 10% ROI. The Applicant provided no other documentation of holding costs or improvements made to the site that would provide justification for a higher amount. Since this prorated price exceeds the Applicant's requested amount of \$1,064,000 the Applicant's requested amount will be used.

Off-Site Cost:

The Applicant claimed off-site costs of \$332,403 for storm sewer, detention pond, and a left turn lane on Center Street that is being required by the City. The Applicant provided sufficient third party certification through an engineer's certification to justify these costs. These costs were not included in eligible basis. This detention pond is for the use of Phase I and the future use of Phase II; therefore, any cost associated with the detention pond may not be claimed in any future application for Phase II, as the cost has already been accounted for in Phase I's development costs.

Sitework Cost:

The Applicant's claimed total sitework costs of \$9,000 per unit which are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$736K or 8% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. The Applicant projects income from the 48 detached garages and storage; because of this the cost for construction of these optional amenities was not included in eligible basis. The Applicant did not project income from the 12 attached garages; therefore, the cost was included in eligible basis.

Interim Interest Expense:

The Applicant included \$114,996 in eligible bridge loan interest in the development cost schedule. The Applicant later clarified that the claimed interest was associated with a predevelopment loan, not a bridge loan. Interest incurred before production begins on the land is generally excluded from eligible basis. However, the Applicant provided a CPA statement indicating that the claimed interest was for a period of time after production on the site began, and because of that eligible interest could therefore be included in eligible basis. The amount of interest substantiated by CPA statement was \$114,996. The Underwriter relied on the CPA statement and has considered this interest to be construction period interest. The underwriter has included this interest in interim financing in addition to the 1 year allowable interest.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. Soft cost contingencies for \$54,162 were shown in indirect construction costs and have been moved to contingency.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$16,825,364 and the 9% applicable percentage rate supports annual tax credits of \$1,727,732. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Bank of America Type: Interim Financing

Principal: \$11,700,000 Interest Rate: 4.625% Fixed Term: 24 months

Comments:

The rate will float based on the one month BBA Libor rate + 350 bps with a floor of 4.625%.

Source: Harris County Community Services, Dept. Type: Interim & Permanent Financing

Principal: \$2,160,000 Interest Rate: 1.0% Fixed Term: 240 months

Comments:

The Applicant is proposing a \$2,160,000 loan from a related-party non-profit organization, at 1% interest, a 20 year term, 30 year amortization, with payments subject to available cash flow. The Applicant originally proposed a \$2,160,000 loan from HOME Investment Partnership Program at 0% interest, with a provision for forgiveness. However, since HOME funds are sourced from the federal government, if the related non-profit loaned the funds to the Applicant at the same terms as the originally proposed County HOME loan, the funds would have to be excluded from eligible basis, due to the option for forgiveness.

Therefore, the proposed non-profit loan to the partnership will be at terms that do not require the funds to be excluded from eligible basis because the proposed loan terms to the partnership do not indicate an option for forgiveness. This report is conditioned on receipt, review, and acceptance, by commitment, of a commitment from the commitment from Harris County Community Services Department to provide a loan to a non-profit entity in the amount of \$2,160,000, and for a commitment from the non-profit to the partnership with the terms of financing provided, including the rate, term and amortization period.

Neither the Applicant's nor the Underwriter's pro forma indicates sufficient cash flow to repay the proposed loan over the proposed 20 year term at 1% interest. Because the ultimate source of the loan is federal, in order for the loan to be considered valid debt, the loan must be repayable. As a result, this report is conditioned on receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the loan can be repaid at or by maturity and can be considered valid debt.

Source: Harris County Finance Corporation Type: Interim Financing

Principal: \$400,000 Interest Rate: TBD Fixed Term: TBD months

Comments:

The Applicant has indicated in this application that the rate would be set by the AFR and the term would be the later of one year from the date of loan closing or the placed in service date. At this point only a application has been submitted on February 3, 2010 for the subject loan; therefore, a firm commitment from Harris County Housing Finance Corporation for the anticipated \$400,000 loan with the terms of the funds clearly stated has been made a condition of this report.

Source: Bank of America Type: Permanent Financing

Principal: \$4,400,000 Interest Rate: 8.25% Fixed Amort: 360 months
Term: 18 years

Comments:

The note rate will be fixed immediately prior to construction loan closing based upon then applicable market rates for like tenor and character loans. According to the term sheet, if the rate were locked as of the date of the letter, the rate would be 7.25%; however, due to fluctuating US Treasury rates and term market spreads, an underwriting rate of 8.25% has been utilized for the Bank analysis. The Underwriter has also utilized a rate of 8.25%.

Source: Boston Financial Type: Syndication

Proceeds: \$12,391,956 Syndication Rate: 72% Anticipated HTC: \$ 1,721,277

Amount: \$193,453 Type: Deferred Developer Fees

Amount: \$44,094 Type: Net Lease Up Fee

Comments:

The recommended structure will reflect both the deferred developer fee and the net lease up fee combined since we do not typically use income during lease up as a source, since we can't verify it.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$4,400,000 from Bank of America and the \$2,160,000 HOME loan indicates the need for \$12,740,343 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,769,669 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,727,732
Allocation determined by gap in financing:	\$1,769,669
Allocation requested by the Applicant:	\$1,721,277

The allocation amount requested by the Applicant is recommended. A tax credit allocation of \$1,721,277 per year for 10 years results in total equity proceeds of \$12,391,956 at a syndication rate of \$0.72 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$348,387 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within two years of stabilized operation.

Underwriter:		Date:	July 9, 2010
	<i>Carl Hoover</i>		
Manager of Real Estate Analysis:		Date:	July 9, 2010
	<i>Audrey Martin</i>		
Director of Real Estate Analysis:		Date:	July 9, 2010
	<i>Brent Stewart</i>		

UNIT MIX/RENT SCHEDULE

Providence Town Square, Deer Park, 9% HTC #10094

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Deer Park	# Beds	# Units	% Total	PROGRAMS:			HOME				DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	133	70.7%	LH	\$558	\$598	\$717	\$829	\$925	17	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	55	29.3%	HH	\$640	\$714	\$866	\$1,044	\$1,145	37	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	87.77%	
IREM REGION:	Houston	4										APP % - ACQUISITION:		
		TOTAL	188	100.0%	MISC	#N/A	#N/A	#N/A	#N/A	#N/A		APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS	
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market
TC 30%	LH	6	1	1	729	\$358	\$54	\$304	\$0	\$0.42	\$304	\$1,824	\$1,824	\$304	\$0.42	\$0	\$598	\$875	\$571
TC 50%	LH	6	1	1	729	\$598	\$54	\$544	\$0	\$0.75	\$544	\$3,264	\$3,264	\$544	\$0.75	\$0	\$598	\$875	\$331
TC 50%		49	1	1	729	\$598	\$54	\$544	\$0	\$0.75	\$544	\$26,656	\$26,656	\$544	\$0.75	\$0		\$875	\$331
TC 60%	HH	22	1	1	729	\$714	\$54	\$660	\$0	\$0.91	\$660	\$14,520	\$14,520	\$660	\$0.91	\$0	\$714	\$875	\$215
TC 60%		30	1	1	729	\$717	\$54	\$663	\$0	\$0.91	\$663	\$19,890	\$19,890	\$663	\$0.91	\$0		\$875	\$212
MR		9	1	1	729		\$54		NA	\$1.20	\$875	\$7,875	\$7,875	\$875	\$1.20	NA		\$875	\$0
MR		3	1	1	729		\$54		NA	\$1.13	\$821	\$2,463	\$2,625	\$875	\$1.20	NA		\$875	\$0
TC 60%		1	1	1	791	\$717	\$54	\$663	\$0	\$0.84	\$663	\$663	\$663	\$663	\$0.84	\$0		\$900	\$237
MR		7	1	1	791		\$54		NA	\$1.14	\$900	\$6,300	\$6,300	\$900	\$1.14	NA		\$900	\$0
TC 30%	LH	3	2	2	990	\$431	\$70	\$361	\$0	\$0.36	\$361	\$1,083	\$1,083	\$361	\$0.36	\$0	\$717	\$1,025	\$664
TC 50%	LH	2	2	2	990	\$717	\$70	\$647	\$0	\$0.65	\$647	\$1,294	\$1,294	\$647	\$0.65	\$0	\$717	\$1,025	\$378
TC 50%		17	2	2	990	\$717	\$70	\$647	\$0	\$0.65	\$647	\$10,999	\$10,999	\$647	\$0.65	\$0		\$1,025	\$378
TC 60%	HH	15	2	2	990	\$861	\$70	\$791	\$0	\$0.80	\$791	\$11,865	\$11,865	\$791	\$0.80	\$0	\$866	\$1,025	\$234
TC 60%		14	2	2	990	\$861	\$70	\$791	\$0	\$0.80	\$791	\$11,074	\$11,074	\$791	\$0.80	\$0		\$1,025	\$234
MR		4	2	2	1,075		\$70		NA	\$0.98	\$1,050	\$4,200	\$4,200	\$1,050	\$0.98	NA		\$1,050	\$0
TOTAL:		188				152,243						\$123,970	\$124,132						
AVG:						810				\$0	\$0.81	\$659		\$660	\$0.82	\$0	\$210	\$920	(\$260)
ANNUAL:												\$1,487,640	\$1,489,584						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Providence Town Square, Deer Park, 9% HTC #10094

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$1,489,584	\$1,487,640			
Secondary Income: Laundry & Cable	Per Unit Per Month:	\$20.00		45,120	27,072	\$12.00	Per Unit Per Month	
Other Support Income: Garages & Storage Lockers					39,480	\$17.50	Per Unit Per Month	
						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$1,534,704	\$1,554,192			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(115,103)	(116,568)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				

EFFECTIVE GROSS INCOME

EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.83%	\$365	0.45	\$68,638	\$60,000	\$0.39	\$319	4.17%
Management	5.00%	\$378	0.47	70,980	71,971	0.47	383	5.01%
Payroll & Payroll Tax	13.55%	\$1,023	1.26	192,368	209,800	1.38	1,116	14.59%
Repairs & Maintenance	7.96%	\$601	0.74	113,017	143,700	0.94	764	10.00%
Utilities	6.78%	\$512	0.63	96,313	90,000	0.59	479	6.26%
Water, Sewer, & Trash	4.79%	\$362	0.45	68,001	62,500	0.41	332	4.35%
Property Insurance	3.75%	\$283	0.35	53,285	63,000	0.41	335	4.38%
Property Tax 2.87853	10.67%	\$806	1.00	151,526	161,868	1.06	861	11.26%
Reserve for Replacements	3.31%	\$250	0.31	47,000	47,015	0.31	250	3.27%
TDHCA Compliance Fees	0.46%	\$35	0.04	6,600	10,800	0.07	57	0.75%
Other: Supp. Serv. & Security	1.89%	\$143	0.18	26,800	26,800	0.18	143	1.86%
TOTAL EXPENSES	63.01%	\$4,758	\$5.88	\$894,527	\$947,454	\$6.22	\$5,040	65.90%
NET OPERATING INC	36.99%	\$2,793	\$3.45	\$525,074	\$490,170	\$3.22	\$2,607	34.10%

DEBT SERVICE

Bank of America	\$396,669	\$396,669
Harris County HOME Funds	\$0	
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	396,669	396,669
NET CASH FLOW	\$128,406	\$93,501
AGGREGATE DEBT COVERAGE RATIO	1.32	1.24
RECOMMENDED DEBT COVERAGE RATIO	1.32	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		5.31%	\$5,660	\$6.99	\$1,064,000	\$1,064,000	\$6.99	\$5,660	5.51%
Off-Sites		1.66%	\$1,768	\$2.18	332,403	332,403	2.18	1,768	1.72%
Sitework		8.45%	\$9,000	\$11.11	1,692,000	1,692,000	11.11	9,000	8.77%
Direct Construction		49.01%	\$52,201	\$64.46	9,813,770	9,077,309	59.62	48,284	47.03%
Contingency	5.14%	2.96%	\$3,148	\$3.89	591,893	591,893	3.89	3,148	3.07%
Contractor's Fees	12.45%	7.52%	\$8,009	\$9.89	1,505,646	1,505,646	9.89	8,009	7.80%
Indirect Construction		4.42%	\$4,704	\$5.81	884,445	884,445	5.81	4,704	4.58%
Ineligible Costs		3.68%	\$3,921	\$4.84	737,091	751,576	4.94	3,998	3.89%
Developer's Fees	13.20%	10.23%	\$10,894	\$13.45	2,048,047	2,048,047	13.45	10,894	10.61%
Interim Financing		5.12%	\$5,458	\$6.74	1,026,024	1,026,024	6.74	5,458	5.32%
Reserves		1.63%	\$1,739	\$2.15	327,000	327,000	2.15	1,739	1.69%
TOTAL COST		100.00%	\$106,501.70	\$131.52	\$20,022,319	\$19,300,343	\$126.77	\$102,661	100.00%
Construction Cost Recap		67.94%	\$72,358	\$89.35	\$13,603,309	\$12,866,848	\$84.52	\$68,441	66.67%

SOURCES OF FUNDS

					RECOMMENDED	
Bank of America	21.98%	\$23,404	\$28.90	\$4,400,000	\$4,400,000	\$4,400,000
Harris County HOME Funds	10.79%	\$11,489	\$14.19	2,160,000	2,160,000	2,160,000
HTC Syndication Proceeds	61.89%	\$65,915	\$81.40	12,391,956	12,391,956	12,391,956
Deferred Developer Fees	0.97%	\$1,029	\$1.27	193,453	193,453	348,387
Net Lease Up Income						0
Additional (Excess) Funds Req'd	4.38%	\$4,664	\$5.76	876,910	110,840	0
TOTAL SOURCES				\$20,022,319	\$19,300,343	\$19,300,343

Developer Fee Available
\$2,048,047
% of Dev. Fee Deferred
17%
15-Yr Cumulative Cash Flow
\$2,055,160

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Providence Town Square, Deer Park, 9% HTC #10094

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$56.92	\$8,666,377
Adjustments				
Exterior Wall Finish	2.40%		\$1.37	\$207,993
Elderly	3.00%		1.71	259,991
9-Ft. Ceilings	3.30%		1.88	285,990
Roofing			0.00	0
Subfloor			1.33	202,991
Floor Cover			4.58	697,029
Breezeways	\$23.05	37,977	5.75	875,243
Balconies	\$22.89	14,627	2.20	334,803
Plumbing Fixtures	\$845	(23)	(0.13)	(19,435)
Rough-ins	\$420	376	1.04	157,920
Built-In Appliances	\$1,850	188	2.28	347,800
Exterior Stairs	\$1,900	18	0.22	34,200
Enclosed Corridors	\$47.00	0	0.00	0
Elevators	\$59,900	4	1.57	239,600
Other:			0.00	0
Carports (128)	\$9.70	25,600	1.63	248,320
Heating/Cooling			1.85	281,650
Garages	\$17.65	12,000	1.39	211,824
Comm &/or Aux Bldgs	\$64.63	10,560	4.48	682,440
Other: fire sprinkler	\$2.25	152,243	2.25	342,547
SUBTOTAL			92.33	14,057,284
Current Cost Multiplier	0.99		(0.92)	(140,573)
Local Multiplier	0.88		(11.08)	(1,686,874)
TOTAL DIRECT CONSTRUCTION COSTS			\$80.33	\$12,229,837
Plans, specs, survy, bld prn	3.90%		(\$3.13)	(\$476,964)
Interim Construction Interest	3.38%		(2.71)	(412,757)
Contractor's OH & Profit	11.50%		(9.24)	(1,406,431)
NET DIRECT CONSTRUCTION COSTS			\$65.25	\$9,933,685

PROPOSED PAYMENT COMPUTATION

Bank of America	\$4,400,000	Amort	360
Int Rate	8.25%	DCR	1.32
Harris County HOV	\$2,160,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.32
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.32
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.32
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.32

RECOMMENDED FINANCING STRUCTURE:

Bank of America	\$396,669		
Harris County HOME Funds	0		
Additional Financing	0		
Additional Financing	0		
Additional Financing	0		
TOTAL DEBT SERVICE	\$396,669		
Bank of America	\$4,400,000	Amort	360
Int Rate	8.25%	DCR	1.32
Harris County HOV	\$2,160,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.32
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.32
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.32
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.32

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

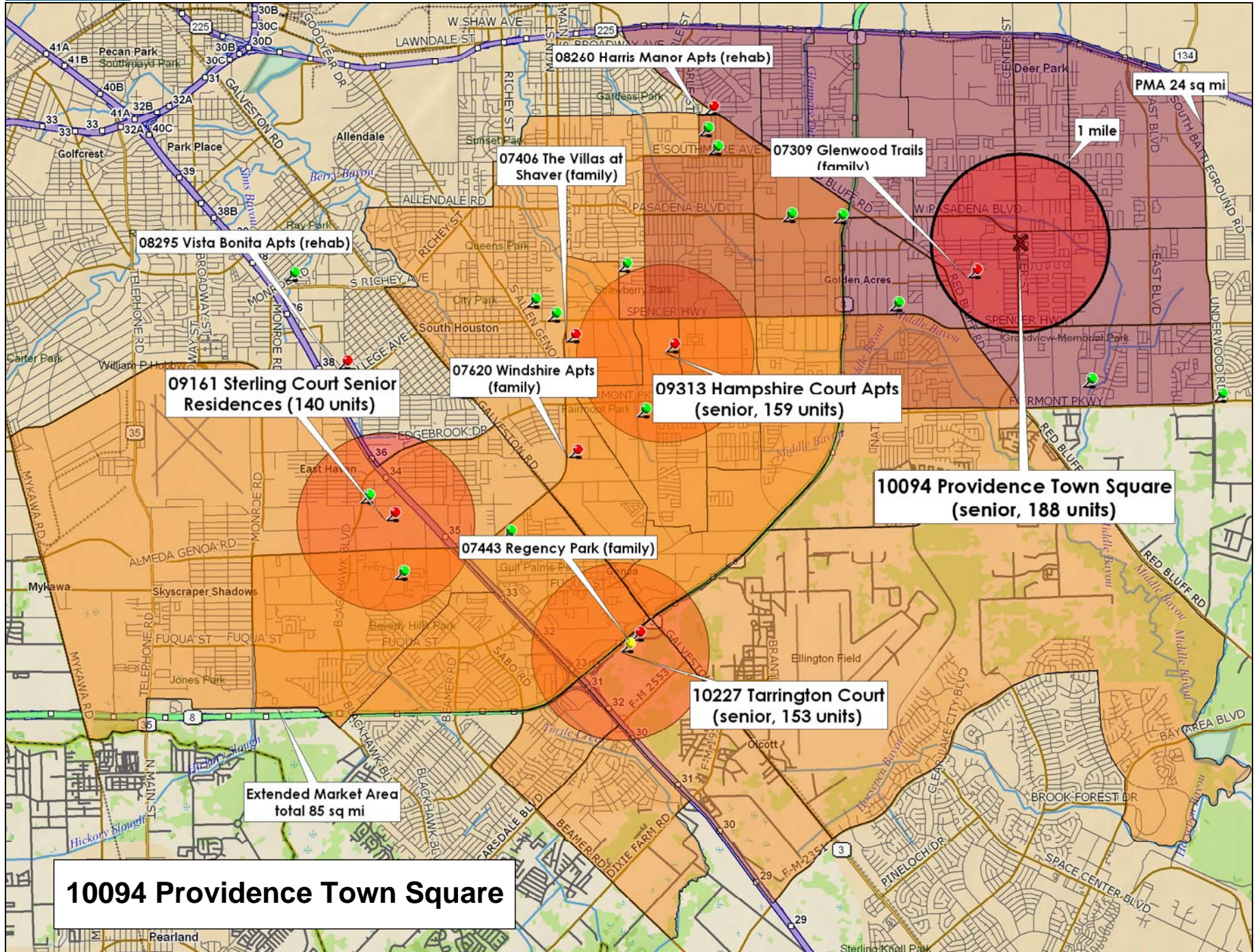
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,489,584	\$1,519,376	\$1,549,763	\$1,580,758	\$1,612,374	\$1,780,191	\$1,965,474	\$2,170,043	\$2,645,270
Secondary Income	45,120	46,022	46,943	47,882	48,839	53,923	59,535	65,731	80,126
Other Support Income: Garages	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,534,704	1,565,398	1,596,706	1,628,640	1,661,213	1,834,113	2,025,009	2,235,774	2,725,396
Vacancy & Collection Loss	(115,103)	(117,405)	(119,753)	(122,148)	(124,591)	(137,559)	(151,876)	(167,683)	(204,405)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,419,601	\$1,447,993	\$1,476,953	\$1,506,492	\$1,536,622	\$1,696,555	\$1,873,134	\$2,068,091	\$2,520,991
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$68,638	\$70,697	\$72,818	\$75,002	\$77,252	\$89,557	\$103,821	\$120,356	\$161,749
Management	70,980	72,400	73,848	75,325	76,831	84,828	93,657	103,405	126,050
Payroll & Payroll Tax	192,368	198,139	204,083	210,205	216,511	250,996	290,973	337,318	453,327
Repairs & Maintenance	113,017	116,407	119,900	123,497	127,202	147,462	170,948	198,176	266,332
Utilities	96,313	99,202	102,179	105,244	108,401	125,667	145,682	168,886	226,968
Water, Sewer & Trash	68,001	70,041	72,142	74,306	76,535	88,725	102,857	119,240	160,248
Insurance	53,285	54,884	56,530	58,226	59,973	69,525	80,598	93,436	125,570
Property Tax	151,526	156,072	160,754	165,576	170,544	197,707	229,196	265,701	357,081
Reserve for Replacements	47,000	48,410	49,862	51,358	52,899	61,324	71,092	82,415	110,759
TDHCA Compliance Fee	6,600	6,798	7,002	7,212	7,428	8,612	9,983	11,573	15,553
Other	26,800	27,604	28,432	29,285	30,164	34,968	40,537	46,994	63,156
TOTAL EXPENSES	\$894,527	\$920,653	\$947,548	\$975,236	\$1,003,740	\$1,159,370	\$1,339,345	\$1,547,499	\$2,066,792
NET OPERATING INCOME	\$525,074	\$527,340	\$529,405	\$531,256	\$532,882	\$537,185	\$533,789	\$520,592	\$454,200
DEBT SERVICE									
First Lien Financing	\$396,669	\$396,669	\$396,669	\$396,669	\$396,669	\$396,669	\$396,669	\$396,669	\$396,669
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$128,406	\$130,672	\$132,736	\$134,587	\$136,213	\$140,517	\$137,120	\$123,923	\$57,531
DEBT COVERAGE RATIO	1.32	1.33	1.33	1.34	1.34	1.35	1.35	1.31	1.15

HTC ALLOCATION ANALYSIS -Providence Town Square, Deer Park, 9% HTC #10094

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,064,000	\$1,064,000		
Purchase of buildings				
Off-Site Improvements	\$332,403	\$332,403		
Sitework	\$1,692,000	\$1,692,000	\$1,692,000	\$1,692,000
Construction Hard Costs	\$9,077,309	\$9,813,770	\$9,077,309	\$9,813,770
Contractor Fees	\$1,505,646	\$1,505,646	\$1,505,646	\$1,505,646
Contingencies	\$591,893	\$591,893	\$591,893	\$591,893
Eligible Indirect Fees	\$884,445	\$884,445	\$884,445	\$884,445
Eligible Financing Fees	\$1,026,024	\$1,026,024	\$1,026,024	\$1,026,024
All Ineligible Costs	\$751,576	\$737,091		
Developer Fees				
Developer Fees	\$2,048,047	\$2,048,047	\$2,048,047	\$2,048,047
Development Reserves	\$327,000	\$327,000		
TOTAL DEVELOPMENT COSTS	\$19,300,343	\$20,022,319	\$16,825,364	\$17,561,825

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$16,825,364	\$17,561,825
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$21,872,973	\$22,830,373
Applicable Fraction		87.77%	87.77%
TOTAL QUALIFIED BASIS		\$19,197,024	\$20,037,295
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,727,732	\$1,803,357

Syndication Proceeds	0.7199	\$12,438,429	\$12,982,870
Total Tax Credits (Eligible Basis Method)		\$1,727,732	\$1,803,357
Syndication Proceeds		\$12,438,429	\$12,982,870
Requested Tax Credits		\$1,721,277	
Syndication Proceeds		\$12,391,956	
Gap of Syndication Proceeds Needed		\$12,740,343	
Total Tax Credits (Gap Method)		\$1,769,669	
Recommended Tax Credits		1,721,277	
Syndication Proceeds		\$12,391,956	



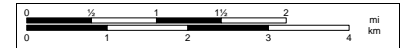
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 Page 16 of 16

Scale 1 : 93,750



1" = 1.48 mi

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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Orchard at Westchase, TDHCA Number 10096

BASIC DEVELOPMENT INFORMATION

Site Address: 3802 Rodgerdale Development #: 10096
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77042 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Orchard Westchase LP
 Owner Contact and Phone: Stephan Fairfield, (713) 223-1864
 Developer: Orchard Westchase Development, L.L.C.
 Housing General Contractor: TBD
 Architect: Insite Architecture, Inc.
 Market Analyst: O'Connor & Associates
 Syndicator: N/A
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	153
	5 0 133 15	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 89 64 0 0 0	Total Development Units:	153
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	3
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	133
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,921,416	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Orchard at Westchase, TDHCA Number 10096

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Huffman, District 17, NC

Points: 0 US Representative: Green, District 9, NC

TX Representative: Thibaut, District 133, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Oliver Pennington, Council Member, District G

Individuals and Businesses: In Support: 0

In Opposition: 1

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the City of Houston Housing and Community Development Department in the amount of \$3,978,000, or a commitment from a qualifying substitute source in an amount not less than \$3,978,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Orchard at Westchase, TDHCA Number 10096

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **200** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/21/10 PROGRAM: 9% HTC FILE NUMBER: 10096

DEVELOPMENT

The Orchard at Westchase

Location: 3802 Rodgerdale Region: 6

City: Houston County: Harris Zip: 77042 OCT DDA

Key Attributes: Elderly, New Construction, Urban, and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,921,416			\$1,917,087		

CONDITIONS

- 1 Receipt, review, and acceptance, by Cost Certification, of documentation that an Affected Property Assessment Report (APAR), as recommended in the Phase I ESA, has been prepared and submitted to TCEQ; and that any subsequent recommendations have been implemented.
- 2 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston for the anticipated \$3,978,000 of HOME Funds with the terms of the funds clearly stated.
- 3 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	5
50% of AMI	50% of AMI	133
60% of AMI	60% of AMI	15

STRENGTHS/MITIGATING FACTORS

- The Developer has experience developing tax credit properties in Texas with a total of 9 developments providing 1,220 units.
- HTC properties in the PMA report above average occupancy, and the two HTC senior properties are 100% occupied.

WEAKNESSES/RISKS

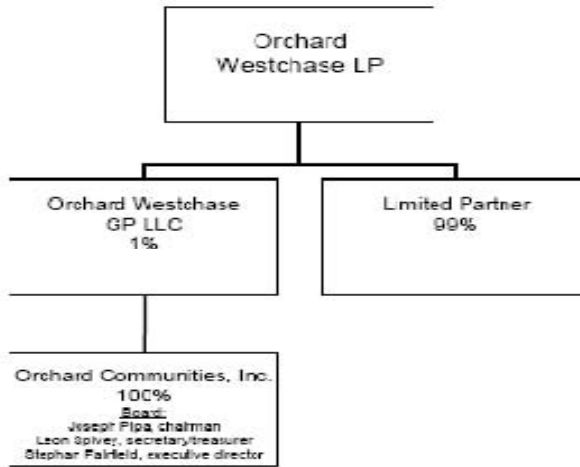
- The Underwriter's and Applicant's expense to income ratios both approach 65%. An expense to income ratio above 65% reflects an increased risk that the development will not be able to sustain even a moderate period of flat income and rent growth with rising expenses.
- Overall occupancy in the PMA is only 84%.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

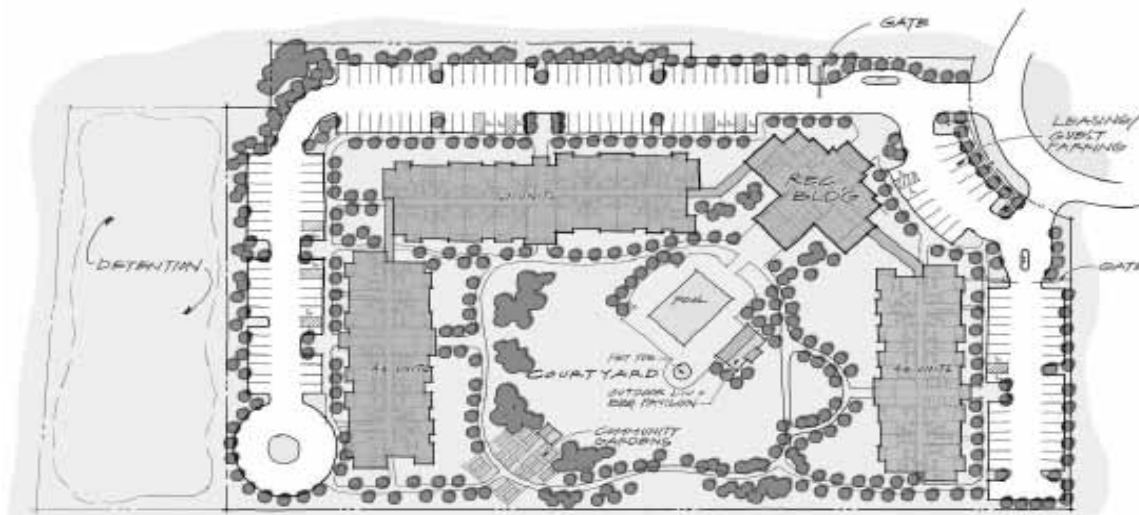
Contact: Stephan Fairfield Phone: (713) 223-1864 Fax: (713) 223-0567
 Email: sfairfield@orchardcommunities.org

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B										Total Buildings
Floors/Stories	4	4										
Number	2	1										3

BR/BA	SF	Units										Total Units	Total SF
1	1	747	18	49								85	63,495
1	1	747	1	2								4	2,988
2	2	1,000	19	10								48	48,000
2	2	1,000	1	2								4	4,000
2	2	1,183	4	4								12	14,196
Units per Building			43	67								153	132,679

SITE ISSUES

Total Size: 7.541 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: No Zoning Needs to be re-zoned? Yes No N/A
 Comments:
 The City of Houston does not have a zoning ordinance.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/13/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Equipment rental business and empty lot and apartments beyond. East: Parking lot and access road with toll way beyond.
 South: Toll way road with access road and West: Empty lot with apartments beyond.
 Comments:
 The inspector stated that there was excellent access to the Westchase Toll way and the site was close to nearby business offices.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: The Murillo Company Date: 3/30/2010
 Recognized Environmental Conditions (RECs) and Other Concerns:
 ◦ "Based upon TMC site investigation ... evidence was found indicating recognized environmental conditions may exist at the subject property. Groundwater and soil contamination from arsenic have been reported on adjacent properties. A previous Phase I ESA report and Limited Subsurface Investigation on the subject property concluded that the soils and groundwater has been impacted by arsenic from the former Crystal Chemical (Superfund Site) site." (p. 2)
 ◦ "TMC recommends that an Affected Property Assessment Report (APAR) be prepared for submittal to the TCEQ." (p. 3)
 Any funding recommendation will be subject to the following conditions:
 Receipt, review, and acceptance, by Cost Certification, of documentation that an Affected Property Assessment Report (APAR), as recommended in the Phase I ESA, has been prepared and submitted to TCEQ; and that any subsequent recommendations have been implemented.

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 3/5/2010
 Contact: Robert Coe Phone: (713) 375-4279
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 13 sq. miles 2 mile equivalent radius
 The Primary Market area consists of 13 census tracts in southwest Harris County.

Extended Market Area :

Several comparable properties are located within two miles of the PMA boundaries and are clearly targeting a large part of the same population as the subject. The Underwriter has therefore also considered the supply and demand for an Extended Market Area consisting of the combined Primary Market Areas for the comparable properties. The approximate geographic boundaries of the Extended Market Area are the Fort Bend County line to the southwest; South Fry Road to the west; Interstate 10 and Memorial Drive to the north; and Wilcrest Drive, Sam Houston Parkway, and US59 to the east.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,592	\$13,400	---	---	\$14,352	\$22,350	\$20,664	\$26,820
2	\$8,592	\$15,300	---	---	\$14,352	\$25,500	\$20,664	\$30,600
3	---	---	---	---	\$17,208	\$28,700	\$20,664	\$34,440
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA						
File #	Development	Type	Target Population	Comp Units	Total Units	
Proposed, Under Construction, and Unstabilized Comparable Developments						
None						
Other Affordable Developments in PMA since 2006						
09822	Fountains of Westchase	rehab	family	n/a	288	
Stabilized Affordable Developments in PMA (pre-2006)						
Total Properties (pre-2006)		3	Total Units	553		

COMPARABLE SUPPLY in the EXTENDED MARKET					
File #	Development	Type	Senior	Total Units	
10124	Golden Bamboo Village III	new	senior	130	130
09242	Beechnut Oaks	new	senior	144	144
08603	West Oaks Village Seniors	new	senior	232	232

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed or unstabilized comparable properties located within the boundaries of the subject PMA. However, several comparable properties are located within two miles of the PMA boundaries and are clearly targeting a large part of the same population as the subject.

Golden Bamboo Village III (#10124) is a proposed 2010 senior development with 130 units located literally across the street from the west boundary of the subject PMA. Beechnut Oaks (#09242) is a 2009 senior development with 144 units located four miles southwest of the subject. West Oaks Senior Village (#08603) is a 2008 senior development with 232 units located two miles outside the PMA to the west, and less than six miles from the subject property.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
	PMA	PMA	Extended Market
Total Households in the Primary Market Area	43,513	43,513	125,571
Target Households in the Primary Market Area	7,867	7,867	31,126
Potential Demand from the Primary Market Area	2,993	3,205	9,615
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	2,993	3,205	9,615
Subject Affordable Units	153	153	153
Unstabilized Comparable Units	0	0	506
RELEVANT SUPPLY	153	153	659
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	5.1%	4.8%	6.9%

Demand Analysis:

The Market Analyst identifies Gross Demand for 2,993 units from 7,867 senior households in the PMA; and a Gross Capture Rate of 5.1% for the subject 153 units. The Underwriter calculates Gross Demand for 3,205 units, and a Gross Capture Rate of 4.8%.

The Underwriter also determined Gross Demand for 9,615 units within the Extended Market Area, indicating a Gross Capture Rate of 6.9% for 659 units (including the subject as well as Golden Bamboo Village III, Beechnut Oaks, and West Oaks Senior Village).

The maximum Gross Capture Rate for developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	408	5	0	1%	1,096	5	9	1%
1 BR/50%	197	84	0	43%	1,875	84	68	8%
2 BR/50%	218	49	0	22%	1,242	49	56	8%
2 BR/60%	789	15	0	2%	659	15	171	28%

Primary Market Occupancy Rates:

"The average occupancy for apartments in the subject's primary market area was reported at 83.89% in the most recent (March 2010) O'Connor Data apartment market data program for the zip codes containing the subject's primary market area ... The occupancy data for the Houston area is somewhat skewed due to the number of complexes still under renovation from flood and wind damage from Hurricane Ike. " (p. 38) The Market Analyst provides further detail on the HTC developments in the immediate area. Two HTC family properties in the PMA, Silver Leaf (fka Newport Apartments) and Sovereign Townhomes, report 90% and 95% occupancy. Town Park Townhomes is a senior HTC project within the PMA, and Laurel Point is a senior HTC just outside the PMA; both report 100% occupancy. "The high occupancy level of the affordable housing projects in the area indicates a potential pent-up demand for newly-renovated affordable housing units in the primary market area." (p. 38)

Absorption Projections:

"The most recent Seniors HTC project which came on-line was West Oaks Seniors (outside tile PMA), which reportedly came on line in October 2009, and is currently 40% occupied, which equates to an average absorption of 23 units per month. Considering the strong absorption history of similar properties and the lack of available quality affordable Seniors units in this market, we project that the subject property will lease an average of 15 to 25 units per month until achieving stabilized occupancy. " (p. 75)

Market Impact:

"As the competing projects in the subject property's primary market area have high occupancy rates, and the nearest existing HTC projects also have an occupancy rate which approximates stabilized levels, it appears there is a shortage of affordable housing. The subject property should be highly competitive in this market, and should achieve stabilized occupancy within 7 to 11 months after completion." (p. 75)

Comments:

The low overall occupancy in the market area is cause for concern. But the affordable properties in the area have above average occupancy; and most significantly, the comparable senior developments are currently 100% occupied.

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of January 1, 2010, maintained by the Houston Housing Authority from the 2009 Housing Tax Credit rent limits which apply to HTC applications. 2010 rent limits were released after underwriting for 2010 applications began; therefore, the development was evaluated using 2009 limits. If the Underwriter and Applicant used 2010 rent limits, income would increase by 2% and DCR would be 1.29 and 1.28, respectively, and the recommendation would not have been affected. Tenants will be required to pay all electric and gas utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,303 per unit is within 1% of the Underwriter's estimate of \$4,273, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows one line item estimate that deviates significantly when compared to the Underwriter's estimates, specifically: utilities (38% higher). It is reasonable that utilities for the development will be high, however, based on the fact that the development has large corridor space and a large community building.

Conclusion:

The Applicant's estimate of total expenses and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.20 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION**ASSESSED VALUE**

Land Only: 19.89 acres	<u>\$4,144,080</u>	Tax Year:	<u>2009</u>
Prorated 1 acre:	<u>\$208,352</u>	Valuation by:	<u>Harris CAD</u>
Prorated 7.541 acres:	<u>\$1,571,182</u>	Tax Rate:	<u>2.797</u>

EVIDENCE of PROPERTY CONTROL

Type: <u>Purchase Agreement</u>	Acreage: <u>7.541</u>
Contract Expiration: <u>1/15/2011</u>	Valid Through Board Date? <input checked="" type="checkbox"/> <input type="checkbox"/>
Acquisition Cost: <u>\$2,627,840</u>	Other: <input type="checkbox"/> <input checked="" type="checkbox"/>
Seller: <u>Bammelbelt, L.P.</u>	Related to Development Team? <input type="checkbox"/> <input checked="" type="checkbox"/>

Comments:

The site is 7.541 acres and the acquisition price is \$2,627,840, based on Section 4 of the site purchase agreement that states based on the final survey the property size may be increased or decreased by not more than twenty thousand square feet.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 7/20/2010

Acquisition Value:

The site cost of \$2,627,840 which is \$348,474 per acre or \$17,175 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Off-Site Cost:

The Applicant claimed off-site costs of \$183,650 for road paving and overlays and provided sufficient third party certification through a registered engineers statement to justify these costs.

Sitework Cost:

The Applicant's claimed total sitework costs of \$9,000 per unit which are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$175K or 2% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by \$32,175 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Contingency & Fees:

The Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$4,826; therefore, the eligible portion of the Applicant's eligible fees in these areas have been reduced by the same amounts with the overage effectively moved to ineligible costs.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the need for permanent funds and to calculate the eligible basis. An eligible basis of \$16,385,355 supports annual tax credits of \$1,917,087. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: JPMorgan Chase Type: **Pre-Development Interim Financing**

Principal: \$4,000,000 Interest Rate: 6.0% Fixed Term: 12 months

Comments:

Interest rate set by the 30-day LIBOR (with a LIBOR floor of 2.75%) plus 325 bps spread.

Source: JPMorgan Chase Type: **Interim Financing**

Principal: \$11,790,735 Interest Rate: 5.0% Fixed Term: 24 months

Comments:

Interest rate set by the one-month LIBOR plus 3.25% adjusted monthly on a 360 day basis. An underwriting rate of 5% was identified.

Source: National Economic Opportunity Fund, LLC Type: **Interim Financing**

Principal: \$800,000 Interest Rate: 5.0% Fixed Term: 36 months

Comments:

Interest only and paid monthly for the lesser of 36 months or the occasion of permanent loan. Interest rate will be by AFR with a floor of 5%.

Source: City of Houston HOME Funds Type: **Interim and Permanent Financing**

Principal: \$3,978,000 Interest Rate: 0.0% Fixed Amort: 480 months
Term: 40 years

Comments:

Principal amount repayable over 40 years with 0% interest. A commitment for these funds was not provided. Therefore, this report is conditioned on receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston for the anticipated \$3,978,000 of HOME Funds with the terms of the funds clearly stated.

Source: JPMorgan Chase Type: **Permanent Financing**

Principal: \$2,060,000 Interest Rate: 9.5% Fixed Amort: 360 months
Term: 18 years

Comments:

Interest rate set by a spread over the 10 year U.S. Treasury. An indicative rate of 9.5% was identified.

Source: NEF, Inc. Type: **Syndication**

Proceeds: \$13,832,809 Syndication Rate: 72% Anticipated HTC: \$ 1,921,416

Amount: \$0 Type: **Deferred Developer Fees**

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,060,000 and the City of Houston HOME Funds of \$3,978,000 indicates the need for \$13,856,459 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,924,701 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,917,087
Allocation determined by gap in financing:	\$1,924,701
Allocation requested by the Applicant:	\$1,921,416

The allocation amount determined by the eligible basis method is recommended. A tax credit allocation of \$1,917,087 per year for 10 years results in total equity proceeds of \$13,801,640 at a syndication rate of \$0.72 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$54,819 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within one year of stabilized operation.

Underwriter:	_____	Date:	July 21, 2010
	<i>Carl Hoover</i>		
Manager of Real Estate Analysis:	_____	Date:	July 21, 2010
	<i>Audrey Martin</i>		
Director of Real Estate Analysis:	_____	Date:	July 21, 2010
	<i>Brent Stewart</i>		

UNIT MIX/RENT SCHEDULE

The Orchard at Westchase, Houston, 9% HTC #10096

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:			HOME				DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	89	58.2%	HH	\$640	\$714	\$866	\$1,044	\$1,145	133	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	64	41.8%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	Houston	4										APP % - ACQUISITION:		
		TOTAL	153	100.0%	MISC	#N/A	#N/A	#N/A	#N/A	#N/A		APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS			OTHER UNIT DESIGNATION	MARKET RENTS			
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market
TC 30%		5	1	1	747	\$358	\$57	\$301	\$0	\$0.40	\$301	\$1,505	\$1,505	\$301	\$0.40	\$0		\$975	\$674
TC 50%	HH	84	1	1	747	\$598	\$57	\$541	\$0	\$0.72	\$541	\$45,444	\$45,444	\$541	\$0.72	\$0	\$714	\$975	\$434
TC 50%	HH	49	2	2	1,000	\$717	\$74	\$643	\$0	\$0.64	\$643	\$31,507	\$31,507	\$643	\$0.64	\$0	\$866	\$1,335	\$692
TC 60%		3	2	2	1,000	\$861	\$74	\$787	\$0	\$0.79	\$787	\$2,361	\$2,361	\$787	\$0.79	\$0		\$1,335	\$548
TC 60%		12	2	2	1,183	\$861	\$74	\$787	\$0	\$0.67	\$787	\$9,444	\$9,444	\$787	\$0.67	\$0		\$1,445	\$658
TOTAL:		153				132,679						\$90,261	\$90,261						
AVG:						867			\$0	\$0.68	\$590			\$590	\$0.68	\$0	\$669	\$1,134	(\$544)
ANNUAL:												\$1,083,132	\$1,083,132						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

The Orchard at Westchase, Houston, 9% HTC #10096

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$1,083,132	\$1,083,132			
Secondary Income	Per Unit Per Month:	\$15.00		27,540	27,540	\$15.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$1,110,672	\$1,110,672			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(83,300)	(83,304)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$1,027,372	\$1,027,368			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.44%	\$365	0.42	\$55,859	\$58,132	\$0.44	\$380	5.66%
Management	5.00%	\$336	0.39	51,369	51,369	0.39	336	5.00%
Payroll & Payroll Tax	15.24%	\$1,023	1.18	156,554	161,250	1.22	1,054	15.70%
Repairs & Maintenance	7.92%	\$532	0.61	81,375	73,502	0.55	480	7.15%
Utilities	2.86%	\$192	0.22	29,427	40,731	0.31	266	3.96%
Water, Sewer, & Trash	5.03%	\$338	0.39	51,704	45,192	0.34	295	4.40%
Property Insurance	4.52%	\$304	0.35	46,438	53,550	0.40	350	5.21%
Property Tax	2,797 10.21%	\$685	0.79	104,846	98,462	0.74	644	9.58%
Reserve for Replacements	3.72%	\$250	0.29	38,250	38,250	0.29	250	3.72%
TDHCA Compliance Fees	0.60%	\$40	0.05	6,120	6,120	0.05	40	0.60%
Other:	3.10%	\$208	0.24	31,837	31,837	0.24	208	3.10%
TOTAL EXPENSES	63.64%	\$4,273	\$4.93	\$653,779	\$658,395	\$4.96	\$4,303	64.09%
NET OPERATING INC	36.36%	\$2,442	\$2.82	\$373,593	\$368,973	\$2.78	\$2,412	35.91%

DEBT SERVICE

Chase	\$207,859	\$207,859		
City of Houston-HOME Funds	\$99,450	\$99,450		
Additional Financing	\$0			
Additional Financing	0			
Additional Financing	0			
TOTAL DEBT SERVICE	307,309	307,309		
NET CASH FLOW	\$66,284	\$61,664	\$656,960	39,417.60
AGGREGATE DEBT COVERAGE RATIO	1.22	1.20		
RECOMMENDED DEBT COVERAGE RATIO		1.20		

CONSTRUCTION COST

1,442,199

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		13.14%	\$17,175	\$19.81	\$2,627,840	\$2,627,840	\$19.81	\$17,175	13.21%
Off-Sites		0.92%	\$1,200	\$1.38	183,650	183,650	1.38	1,200	0.92%
Sitework		6.88%	\$9,000	\$10.38	1,377,000	1,377,000	10.38	9,000	6.92%
Direct Construction		42.26%	\$55,248	\$63.71	8,452,933	8,277,825	62.39	54,103	41.61%
Contingency	4.80%	2.36%	\$3,082	\$3.55	471,491	471,491	3.55	3,082	2.37%
Contractor's Fees	12.59%	6.60%	\$8,629	\$9.95	1,320,174	1,320,174	9.95	8,629	6.64%
Indirect Construction		8.33%	\$10,885	\$12.55	1,665,413	1,665,413	12.55	10,885	8.37%
Ineligible Costs		1.05%	\$1,372	\$1.58	209,936	209,936	1.58	1,372	1.06%
Developer's Fees	14.85%	10.71%	\$14,000	\$16.14	2,142,046	2,142,046	16.14	14,000	10.77%
Interim Financing		5.68%	\$7,426	\$8.56	1,136,232	1,136,232	8.56	7,426	5.71%
Reserves		2.08%	\$2,724	\$3.14	416,756	482,852	3.64	3,156	2.43%
TOTAL COST		100.00%	\$130,741.64	\$150.77	\$20,003,471	\$19,894,459	\$149.94	\$130,029	100.00%
Construction Cost Recap		58.10%	\$75,958	\$87.59	\$11,621,598	\$11,446,490	\$86.27	\$74,814	57.54%

SOURCES OF FUNDS

RECOMMENDED

Chase	10.30%	\$13,464	\$15.53	\$2,060,000	\$2,060,000	\$2,060,000	Developer Fee Available
City of Houston-HOME Funds	19.89%	\$26,000	\$29.98	3,978,000	3,978,000	3,978,000	\$2,137,220
HTC Syndication Proceeds	69.15%	\$90,411	\$104.26	13,832,809	13,832,809	13,801,640	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	\$0	\$0.00	0		54,819	3%
Additional (Excess) Funds Req'd	0.66%	\$867	\$1.00	132,662	23,650	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$20,003,471	\$19,894,459	\$19,894,459	\$978,752

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

The Orchard at Westchase, Houston, 9% HTC #10096

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$52.91	\$7,020,196
Adjustments				
Exterior Wall Finish	4.40%		\$2.33	\$308,889
Elderly	3.00%		1.59	210,606
9-Ft. Ceilings	3.55%		1.88	249,217
Roofing			0.00	0
Subfloor			2.62	347,619
Floor Cover			2.41	319,756
Breezeways	\$23.05		0.00	0
Balconies	\$23.00	15,306	2.65	352,060
Plumbing Fixtures	\$845	192	1.22	162,240
Rough-ins	\$420	306	0.97	128,520
Built-In Appliances	\$1,850	153	2.13	283,050
Interior Stairs	\$1,900	18	0.26	34,200
Enclosed Corridors	\$40.69	31,758	9.74	1,292,269
Elevators	\$92,350	3	2.09	277,050
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	245,456
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$68.30	6,328	3.26	432,196
Other: fire sprinkler	\$2.25	132,679	2.25	298,528
SUBTOTAL			90.16	11,961,853
Current Cost Multiplier	0.99		(0.90)	(119,619)
Local Multiplier	0.88		(10.82)	(1,435,422)
TOTAL DIRECT CONSTRUCTION COSTS			\$78.44	\$10,406,812
Plans, specs, survy, bld prm	3.90%		(\$3.06)	(\$405,866)
Interim Construction Interes	3.38%		(2.65)	(351,230)
Contractor's OH & Profit	11.50%		(9.02)	(1,196,783)
NET DIRECT CONSTRUCTION COSTS			\$63.71	\$8,452,933

PROPOSED PAYMENT COMPUTATION

Chase	\$2,060,000	Amort	360
Int Rate	9.50%	DCR	1.80

City of Houston-HG	\$3,978,000	Amort	480
Int Rate	0.00%	Subtotal DCR	1.22

Additional Financil	\$0	Amort	
Int Rate		Aggregate DCR	1.22

Additional Financil	\$0	Amort	
Int Rate		Subtotal DCR	1.22

Additional Financil	\$0	Amort	
Int Rate		Aggregate DCR	1.22

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Chase	\$207,859
City of Houston-HOME Funds	99,450
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$307,309

Chase	\$2,060,000	Amort	360
Int Rate	9.50%	DCR	1.78

City of Houston-HG	\$3,978,000	Amort	480
Int Rate	0.00%	Subtotal DCR	1.20

Additional Financil	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

Additional Financil	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.20

Additional Financil	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

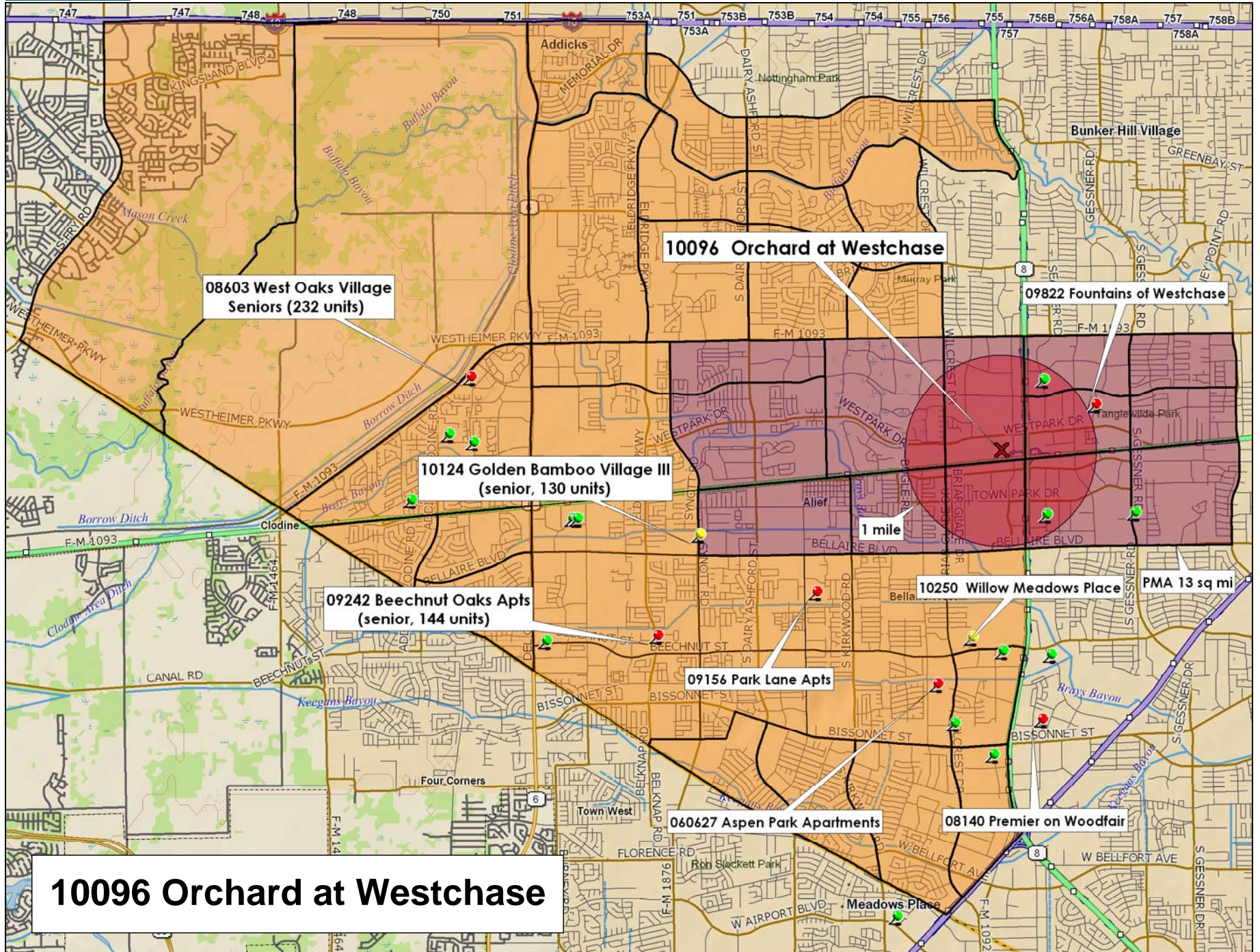
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,083,132	\$1,104,795	\$1,126,891	\$1,149,428	\$1,172,417	\$1,294,443	\$1,429,170	\$1,577,919	\$1,923,474
Secondary Income	27,540	28,091	28,653	29,226	29,810	32,913	36,338	40,121	48,907
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,110,672	1,132,885	1,155,543	1,178,654	1,202,227	1,327,356	1,465,508	1,618,039	1,972,381
Vacancy & Collection Loss	(83,304)	(84,966)	(86,666)	(88,399)	(90,167)	(99,552)	(109,913)	(121,353)	(147,929)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,027,368	\$1,047,919	\$1,068,877	\$1,090,255	\$1,112,060	\$1,227,804	\$1,355,595	\$1,496,686	\$1,824,452
EXPENSES at 3.00%									
General & Administrative	\$58,132	\$59,876	\$61,672	\$63,522	\$65,428	\$75,849	\$87,930	\$101,935	\$136,992
Management	51,369	52,396,5636	53,444	54,513	55,604	61,391	67,781	74,835	91,224
Payroll & Payroll Tax	161,250	166,088	171,070	176,202	181,488	210,395	243,905	282,753	379,996
Repairs & Maintenance	73,502	75,707	77,978	80,318	82,727	95,903	111,178	128,886	173,212
Utilities	40,731	41,953	43,212	44,508	45,843	53,145	61,609	71,422	95,985
Water, Sewer & Trash	45,192	46,548	47,944	49,383	50,864	58,965	68,357	79,244	106,498
Insurance	53,550	55,157	56,811	58,516	60,271	69,871	80,999	93,900	126,194
Property Tax	98,462	101,416	104,458	107,592	110,820	128,471	148,933	172,654	232,032
Reserve for Replacements	38,250	39,398	40,579	41,797	43,051	49,908	57,857	67,072	90,139
TDHCA Compliance Fee	6,120	6,304	6,493	6,687	6,888	7,985	9,257	10,731	14,422
Other	31,837	32,792	33,776	34,789	35,833	41,540	48,156	55,826	75,026
TOTAL EXPENSES	\$658,395	\$677,633	\$697,438	\$717,827	\$738,817	\$853,422	\$985,962	\$1,139,259	\$1,521,720
NET OPERATING INCOME	\$368,973	\$370,286	\$371,439	\$372,428	\$373,243	\$374,382	\$369,633	\$357,427	\$302,732
DEBT SERVICE									
First Lien Financing	\$207,859	\$207,859	\$207,859	\$207,859	\$207,859	\$207,859	\$207,859	\$207,859	\$207,859
Second Lien	99,450	99,450	99,450	99,450	99,450	99,450	99,450	99,450	99,450
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$61,664	\$62,977	\$64,130	\$65,119	\$65,934	\$67,073	\$62,324	\$50,118	(\$4,577)
DEBT COVERAGE RATIO	1.20	1.20	1.21	1.21	1.21	1.22	1.20	1.16	0.99

HTC ALLOCATION ANALYSIS -The Orchard at Westchase, Houston, 9% HTC #10096

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$2,627,840	\$2,627,840		
Purchase of buildings				
Off-Site Improvements	\$183,650	\$183,650		
Sitework	\$1,377,000	\$1,377,000	\$1,377,000	\$1,377,000
Construction Hard Costs	\$8,277,825	\$8,452,933	\$8,277,825	\$8,452,933
Contractor Fees	\$1,320,174	\$1,320,174	\$1,320,174	\$1,320,174
Contingencies	\$471,491	\$471,491	\$471,491	\$471,491
Eligible Indirect Fees	\$1,665,413	\$1,665,413	\$1,665,413	\$1,665,413
Eligible Financing Fees	\$1,136,232	\$1,136,232	\$1,136,232	\$1,136,232
All Ineligible Costs	\$209,936	\$209,936		
Developer Fees			\$2,137,220	
Developer Fees	\$2,142,046	\$2,142,046		\$2,142,046
Development Reserves	\$482,852	\$416,756		
TOTAL DEVELOPMENT COSTS	\$19,894,459	\$20,003,471	\$16,385,355	\$16,565,289

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$16,385,355	\$16,565,289
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$21,300,961	\$21,534,875
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$21,300,961	\$21,534,875
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,917,087	\$1,938,139

Syndication Proceeds	0.7199	\$13,801,640	\$13,953,201
Total Tax Credits (Eligible Basis Method)		\$1,917,087	\$1,938,139
Syndication Proceeds		\$13,801,640	\$13,953,201
Requested Tax Credits		\$1,921,416	
Syndication Proceeds		\$13,832,809	
Gap of Syndication Proceeds Needed		\$13,856,459	
Total Tax Credits (Gap Method)		\$1,924,701	
Recommended Tax Credits		1,917,087	
Syndication Proceeds		\$13,801,640	



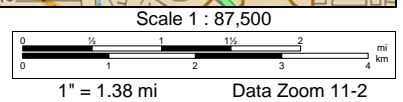
10096 Orchard at Westchase

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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Lafayette Park Apts, TDHCA Number 10101

BASIC DEVELOPMENT INFORMATION

Site Address: Approx. 200 Block of Aldine Bender and 16000 Block of Cotillion Development #: 10101
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77060 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Lafayette Park Apartments, L.P.
 Owner Contact and Phone: William D. Henson, (713) 334-5808
 Developer: Lafayette Park Developers, L.L.C.
 Housing General Contractor: Lafayette Park Contractors, L.L.C.
 Architect: Mucasey & Associates, AIA
 Market Analyst: O'Connor & Associates
 Syndicator: N/A
 Supportive Services: Texas Inter-Faith Housing Corporation
 Consultant and Contact: LBK, Ltd., Lily Kavthekar

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	150	
	8	0	68	74	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	100	50	0	0	0	
Type of Building:						Total Development Units:	150
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	20
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,930,643	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Lafayette Park Apts, TDHCA Number 10101

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Gallegos, District 6, S Points: 14 US Representative: Green, District 29, NC
TX Representative: Thompson, District 141, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
O, Dr. Wanda Bamberg, Aldine I.S.D., Superintendent

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Houston Housing Finance Corporation in the amount of \$500,000, or a commitment from a qualifying substitute source in an amount not less than \$500,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Lafayette Park Apts, TDHCA Number 10101

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **192** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Gateway Plaza Apts, TDHCA Number 10103

BASIC DEVELOPMENT INFORMATION

Site Address: NWC of Loop 250 and W. Hwy. 80 Development #: 10103
 City: Midland Region: 12 Population Served: General
 County: Midland Zip Code: 79706 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Midland GW Plaza Apartments, LP
 Owner Contact and Phone: Michael B. Wilhoit, 4178903212
 Developer: Wilhoit-O'Brien Development, L.L.C.
 Housing General Contractor: Zimmerman Properties Construction, L.L.C.
 Architect: Parker & Associates
 Market Analyst: Integra Realty Resources
 Syndicator: Raymond James
 Supportive Services: Texas Inter-Faith Housing Corporation
 Consultant and Contact: Zimmerman Properties, L.L.C.,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	95
	5 0 43 47	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	1
	0 12 48 36 0 0	Total Development Units:	96
Type of Building:		Total Development Cost*:	\$10,270,000
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	4
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,077,000	\$1,077,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Gateway Plaza Apts, TDHCA Number 10103

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, NC

Points: 0

US Representative: Conaway, District 11, NC

TX Representative: Craddick, District 82, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review and acceptance, by Commitment, of a firm commitment from Capital Area Housing Finance Corporation for the anticipated \$513,500 with the terms of the funds clearly stated.
2. Receipt, review and acceptance that the proposed zoning with the City of Midland for MF-1 zoning be granted by commitment which would allow for multifamily.
3. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into development plans.
4. Receipt, review and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
5. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
6. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$513,500, or a commitment from a qualifying substitute source in an amount not less than \$513,500, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Midland and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Midland in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Gateway Plaza Apts, TDHCA Number 10103

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **12**

Total # Monitored: **10**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **200** Meeting a Required Set-Aside Credit Amount*: \$1,077,000

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when tax credits are collapsed state-wide.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 05/20/10 PROGRAM: 9% HTC FILE NUMBER: 10103

DEVELOPMENT

Gateway Plaza Apartments

Location: NW Corner of Loop 250 and W. Hwy. 80 Region: 12
 City: Midland County: Midland Zip: 79706 OCT DDA
 Key Attributes: General, Urban, New Construction, and Multifamily

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,077,000			\$1,077,000		

CONDITIONS

- 1 Receipt, review and acceptance, by Commitment, of a firm commitment from Capital Area Housing Finance Corporation for the anticipated \$513,500 with the terms of the funds clearly stated.
- 2 Receipt, review and acceptance that the proposed zoning with the City of Midland for MF-1 zoning be granted by commitment which would allow for multifamily.
- 3 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	5
50% of AMI	50% of AMI	43
60% of AMI	60% of AMI	47
EO	N/A	1

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STRENGTHS/MITIGATING FACTORS

- The Developer has experience developing tax credit properties in Texas with 712 units completed.
- The one LIHTC development in the PMA that is currently in lease-up has leased at a rate of 23 units per month, which coupled with a gross capture rate of 4.6% indicates a high demand for new affordable units within the PMA.
- Proposed rents are on average 41% lower than market rents, with 60% 2 and 3BR rents 22-23% below market.

WEAKNESSES/RISKS

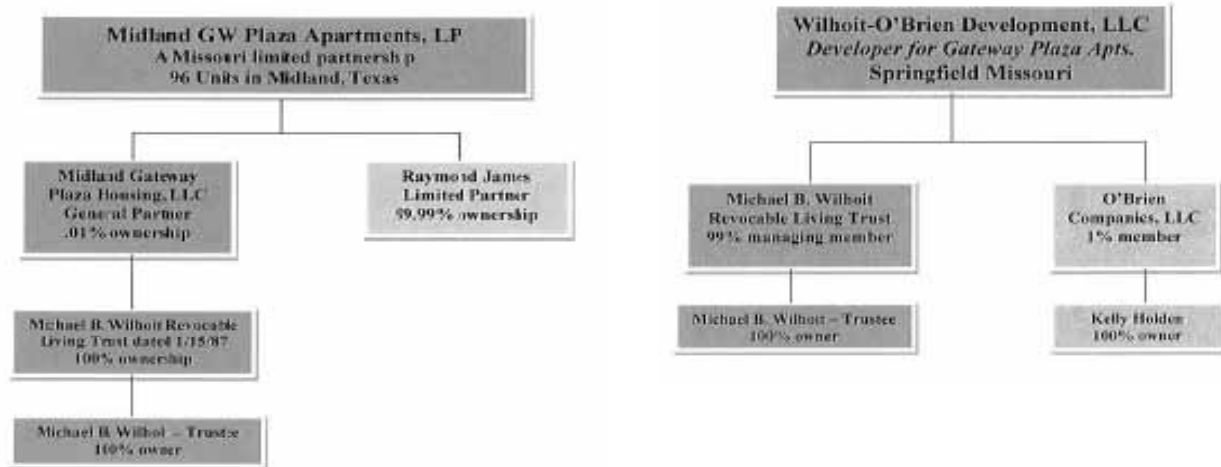
- The Underwriter's expense to income ratio is 60%, reflecting an increased risk that the development will not be able to sustain even a moderate period of flat income and rent growth with rising expenses.
- The average physical occupancy for existing LIHTC developments in the PMA is 92%, which indicates a vacancy factor higher than the standard 7.5% vacancy factor, which includes 5% vacancy and 2.5% collection loss, assumed in the underwriting analysis.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

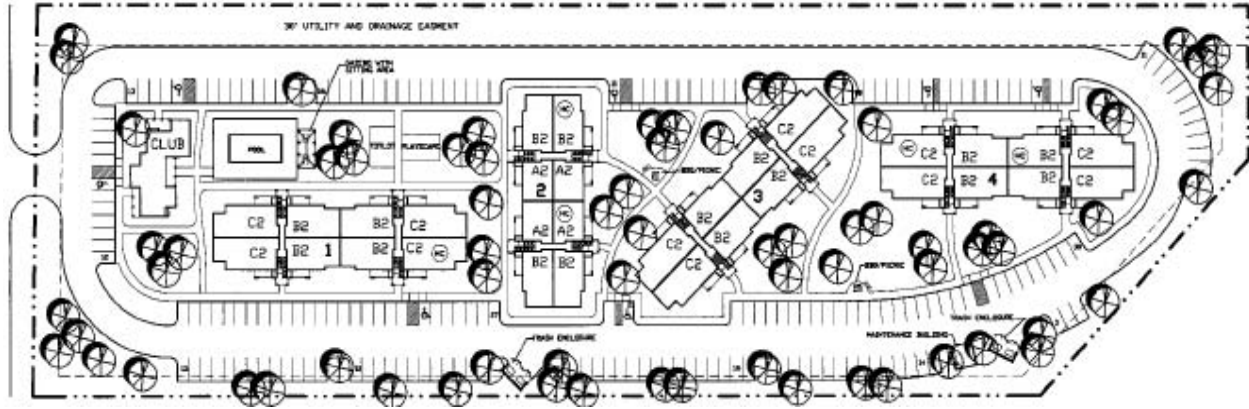
Contact: Michael B. Wilhoit Phone: (417) 890-3212 Fax: (417) 883-6343
 Email: mwilhoit@wilhoitproperties.com

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2										Total Buildings
Floors/Stories	3	3										
Number	3	1										4

BR/BA	SF	Units									Total Units	Total SF	
1	1	712		12								12	8,544
2	2	964	12	12								48	46,272
3	2	1,131	12									36	40,716
Units per Building			24	24								96	95,532

SITE ISSUES

Total Size: 6.0 acres Scattered site? Yes No
 Flood Zone: C Within 100-yr floodplain? Yes No
 Zoning: IP-1 Needs to be re-zoned? Yes No N/A

Comments:

On February 26, 2010 a zoning change request from IP-1 to MF-1 for the entire 6.0 acres was submitted to the City of Midland. This change of zoning will be a condition of this request.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/8/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Vacant Land and Sports Complex beyond East: Multiple Businesses and Residential beyond
 South: Industrial Uses and Interstate 20 beyond West: Motor Sports Company and Mobile Home Park beyond

Comments:

None.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Kaw Valley Engineering Date: 3/23/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 18)
- "The subject property is near the Texas and Pacific Railroad and State Highway 158 which may produce loud noise; therefore, it is recommended that a noise study be conducted." (p. 18)

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Integra Realty Resources DFW Date: 3/25/2010
 Contact: Amy D.B. White Phone: (972) 960-1222
 Number of Revisions: None Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 95 sq. miles 5 mile equivalent radius

The Primary Market Area is defined by 22 census tracts in Midland. The approximate geographic boundaries are the Ector County line to the west; Hwy 158, Hwy 191, and Hwy 869 to the north; Fairgrounds Road to the east; and Interstate 20 to the south.

ELIGIBLE HOUSEHOLDS BY INCOME								
Midland County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$11,589	\$12,650	---	---	\$19,337	\$21,050	\$23,211	\$25,260
2	\$11,589	\$14,450	---	---	\$19,337	\$24,100	\$23,211	\$28,920
3	\$13,920	\$16,250	---	---	\$23,211	\$27,100	\$27,874	\$32,520
4	\$16,080	\$18,050	---	---	\$26,811	\$30,100	\$32,194	\$36,120
5	\$16,080	\$19,500	---	---	\$26,811	\$32,500	\$32,194	\$39,000
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
07282	Constellation Ranch fka Palermo Apts	new	family	130	136
Other Affordable Developments in PMA since 2006					
	none			n/a	
Stabilized Affordable Developments in PMA (pre-2006)					
	Total Properties (pre-2006)	4	Total Units	540	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There is one comparable development in the PMA that will impact the determination of demand for the subject. Constellation Ranch (# 07282, fka Palermo Apts) is a 2007 Tax Credit property with 136 total units (130 restricted and 6 market rate units).

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	36,209	36,209
Potential Demand from the Primary Market Area	4,445	4,873
Potential Demand from Other Sources	0	0
GROSS DEMAND	4,445	4,873
Subject Affordable Units	95	95
Unstabilized Comparable Units	15	130
RELEVANT SUPPLY	110	225
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.5%	4.6%

Demand Analysis:

The Market Analyst incorrectly determined income-eligibility based on tenant-paid rents (i.e. net of the utility allowance) rather than the HTC gross rent limit. This would tend to overstate the demand; however, the Market Analyst applied the income percentage to the general household population, and also applied a general renter percentage adjustment, resulting in lower overall demand than the underwriting analysis.

The Market Analyst also understates the Relevant Supply, by only including the vacant units at Constellation Ranch. (The Real Estate Analysis Rules require that all comparable units at unstabilized developments be included in the supply.)

Based on Gross Demand for 4,445 units, and a Relevant Supply of 110 units (95 restricted units at the subject and 15 vacant units at Constellation Ranch) the Market Analyst determines a Gross Capture Rate of 2.5%.

The underwriting analysis is based on a HISTA Data report from Ribbon Demographics, which provides a detailed breakdown of households by income, size, tenure, and age. The HISTA data for the subject PMA indicates a higher concentration of renter households in the target income range. Gross Demand for 4,873 units, and a Relevant Supply of 225 units, indicates a Gross Capture Rate of 4.6%.

This result is well below the maximum Gross Capture Rate of 10% for urban developments targeting family households, indicating sufficient demand to support the subject development.

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UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst			Underwriter				
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	214	1	not reported		131	1	2	2%
1 BR/50%	274	5	not reported		203	5	0	2%
1 BR/60%	319	6	not reported		222	6	10	7%
2 BR/30%	270	2	not reported		126	2	8	8%
2 BR/50%	324	22	not reported		199	22	12	17%
2 BR/60%	354	23	not reported		228	23	50	32%
3 BR/30%	463	2	not reported		59	2	4	10%
3 BR/50%	481	16	not reported		125	16	0	13%
3 BR/60%	611	18	not reported		134	18	41	44%

Primary Market Occupancy Rates:

"The average occupancy level for all rental properties within the PMA is 92%." (p. 40) "The occupancy rate for the existing LIHTC properties within the PMA is 90%." (p. 42) This includes Constellation Ranch, which was in lease-up at the time of the market study. (TDHCA data indicates Constellation Ranch at 97% on April 12, 2010.)

Absorption Projections:

"Only one LIHTC project has been recently constructed within the PMA. The property, Constellation Ranch, consists of 130 income and rent restricted units (LIHTC units). It opened in October 2009 and is reporting occupancy of 85%, or 115 units. Therefore, this property has leased units at a rate of 23 units per month. The leasing manager at Constellation Ranch anticipates it will be 100% occupied by March 31, 2010." (p. 46)

"A new project, the size of the subject as proposed with 96 units, is likely to be absorbed within 6 months of opening, equating to an absorption pace of approximately 16.00 units per month." (p. 46)

Market Impact:

"The subject is located in an area with average occupancy levels, average rents, and no new projects, other than the subject, forecast to come online within the next 24 months ... we conclude there to be sufficient unmet demand to support the development of the subject." (pp. 65-66)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of October 1, 2009, maintained by the Midland County Housing Authority from the 2009 HUD rent limits which apply to HTC applications since the 2010 rent limits were not available at the time of the analysis. Tenants will be required to pay all electric utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,600 per unit is not within 5% of the Underwriter's estimate of \$3,814, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several items that deviate significantly when compared to the database averages, specifically: general & administrative (47% lower) which the Applicant states is because the accounting budget makes up the bulk of the G&A expense and with the long term relationship with their accounting firm and 60+ developments their accounting costs were below that of most other developers. Additionally, the Applicant's estimate of repairs and maintenance expense is much lower than the database; however, the Applicant's figure is supported by actual expenses at other developments in the Applicant's portfolio, and for that reason has been used by the Underwriter.

Conclusion:

The Applicant's estimate of total expenses and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.11 falls below the Department's guidelines; however, DCR under the recommended financing structure falls within the Department's guidelines at 1.15.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow under the recommended structure. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 41.5 acres	<u>\$1,355,480</u>	Tax Year:	<u>2009</u>
Prorated 6.0 acres	<u>\$196,020</u>	Valuation by:	<u>Midland CAD</u>
Total Assessed Value:	<u>\$196,020</u>	Tax Rate:	<u>2.174383</u>

EVIDENCE of PROPERTY CONTROL

Type: <u>Commercial and Industrial Real Estate Sale Contract</u>	Acreage: <u>6.0</u>
Contract Expiration: <u>10/29/2010</u>	Valid Through Board Date? <input type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$655,000</u>	Other: _____
Seller: <u>Grace Partnership, LLC</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 4/1/2010

Acquisition Value:

The site cost of \$655,000 which is \$109,167 per acre or \$6,823 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

This section intentionally left blank.

Sitework Cost:

The Applicant's claimed sitework costs of \$9,000 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$293K or 6% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Reserves:

Raymond James the equity provider has required reserves of \$287,487 which are greater than the six months of stabilized operating expenses less management fees and reserve for replacements plus debt service as required by the Department; therefore, the larger reserve figure required by the equity provider of \$287,487 will be used.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a census tract that has a median family income ("MFI") that is higher than the MFI for the county in which the census tract is located.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$9,206,000 and the 9% applicable percentage rate supports annual tax credits of \$1,077,102. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Great Southern Bank Type: Interim Financing

Principal: \$7,700,000 Interest Rate: 6.0% Fixed Term: 24 months

Comments:

Priced at Great Southern Bank Prime rate floating, with a 6.0% floor

Source: Empire Bank Type: Interim Financing

Principal: \$206,000 Interest Rate: 3.25% Fixed Term: 12 months

Comments:

The rate is based on the prime rate and it will float daily; therefore, a rate of 3.25% was used which was the rate in effect at the time of underwriting.

Source: Kenneth A. Schwab Type: Interim Financing

Principal: \$206,000 Interest Rate: 8.0% Fixed Term: 12 months

Comments:

One year balloon note, interest only monthly payments

This section intentionally left blank.

Source: Capital Area Housing Finance Corporation Type: Interim Financing
 Principal: \$513,500 Interest Rate: AFR Fixed Term: 12 months
 Comments:

The Long-Term AFR was 4.31% as of the date of underwriting. Also at the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from Capital Area Housing Finance Corporation for the anticipated \$513,500 with the terms of the funds clearly stated will be required.

Source: Great Southern Bank Type: Permanent Financing
 Principal: \$2,605,000 Interest Rate: 8.0% Fixed Amort: 360 months
 Comments:

The interest rate will be based on the 15 year FHLB plus 2.78 bps, with an underwriting rate of 8%. As of the date of underwriting the current 15 year FHLB+278 bp rate was 4.819+2.78= 7.6%, , which was the rate used in the recommended financing structure. Also the terms of the loan will be based on a 15 year term with a 30 year amortization.

Source: Raymond James Type: Syndication
 Proceeds: \$7,322,868 Syndication Rate: 68% Anticipated HTC: \$ 1,077,000
 Amount: \$342,132 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,605,000 indicates the need for \$7,665,000 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,127,319 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,077,102
Allocation determined by gap in financing:	\$1,127,319
Allocation requested by the Applicant:	\$1,077,000

The allocation amount determined by the Applicant's requested amount is recommended. A tax credit allocation of \$1,077,000 per year for 10 years results in total equity proceeds of \$7,322,868 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$342,132 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

Underwriter:	<i>Carl Hoover</i>	Date: <u>May 20, 2010</u>
Manager of Real Estate Analysis:	<i>Audrey Martin</i>	Date: <u>May 20, 2010</u>
Director of Real Estate Analysis:	<i>Brent Stewart</i>	Date: <u>May 20, 2010</u>

UNIT MIX/RENT SCHEDULE

Gateway Plaza Apartments, Midland, 9% HTC #10103

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Midland	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Midland	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	12	12.5%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	12	2	48	50.0%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	36	37.5%								APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	96	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Net Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	1	1	1	712	\$338	\$133	\$205	\$0	\$0.29	\$205	\$205	\$205	\$205	\$0.29	\$0	\$650	\$445
TC 50%	5	1	1	712	\$564	\$133	\$431	\$0	\$0.61	\$431	\$2,155	\$2,155	\$431	\$0.61	\$0	\$650	\$219
TC 60%	6	1	1	712	\$677	\$133	\$544	(\$4)	\$0.76	\$540	\$3,240	\$3,264	\$544	\$0.76	\$0	\$650	\$106
TC 30%	2	2	2	964	\$406	\$172	\$234	\$0	\$0.24	\$234	\$468	\$468	\$234	\$0.24	\$0	\$825	\$591
TC 50%	22	2	2	964	\$677	\$172	\$505	\$0	\$0.52	\$505	\$11,110	\$11,110	\$505	\$0.52	\$0	\$825	\$320
TC 60%	23	2	2	964	\$813	\$172	\$641	(\$1)	\$0.66	\$640	\$14,720	\$14,743	\$641	\$0.66	\$0	\$825	\$184
EO	1	2	2	964	#N/A	\$172	#N/A	#N/A	\$0.66	\$640	\$640	\$640	\$640	\$0.66	#N/A	\$825	\$185
TC 30%	2	3	2	1,131	\$469	\$210	\$259	\$0	\$0.23	\$259	\$518	\$518	\$259	\$0.23	\$0	\$950	\$691
TC 50%	16	3	2	1,131	\$782	\$210	\$572	\$0	\$0.51	\$572	\$9,152	\$9,152	\$572	\$0.51	\$0	\$950	\$378
TC 60%	18	3	2	1,131	\$939	\$210	\$729	(\$4)	\$0.64	\$725	\$13,050	\$13,122	\$729	\$0.64	\$0	\$950	\$221
TOTAL:	96			95,532							\$55,258	\$55,377					
AVG:				995				#N/A	\$0.58	\$576			\$577	\$0.58	#N/A	\$850	(\$273)
ANNUAL:											\$663,096	\$664,524					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Gateway Plaza Apartments, Midland, 9% HTC #10103

INCOME		Total Net Rentable Sq Ft:		TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$664,524	\$663,096			
Secondary Income	Per Unit Per Month:	\$6.00		6,912	6,912	\$6.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$671,436	\$670,008			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(50,358)	(50,256)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$621,078	\$619,752			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.44%	\$352	0.35	\$33,800	\$17,948	\$0.19	\$187	2.90%
Management	5.00%	\$323	0.33	31,054	30,988	0.32	323	5.00%
Payroll & Payroll Tax	13.07%	\$846	0.85	81,186	77,500	0.81	807	12.51%
Repairs & Maintenance	5.64%	\$365	0.37	35,000	35,000	0.37	365	5.65%
Utilities	4.73%	\$306	0.31	29,393	27,500	0.29	286	4.44%
Water, Sewer, & Trash	6.24%	\$403	0.41	38,727	42,500	0.44	443	6.86%
Property Insurance	3.23%	\$209	0.21	20,051	17,500	0.18	182	2.82%
Property Tax	2.174383	\$144	0.14	13,824	13,824	0.14	144	2.23%
Reserve for Replacements	8.91%	\$576	0.58	55,316	55,000	0.58	573	8.87%
TDHCA Compliance Fees	3.86%	\$250	0.25	24,000	24,000	0.25	250	3.87%
Other: Supp. Serv.	0.61%	\$40	0.04	3,800	3,840	0.04	40	0.62%
TOTAL EXPENSES	58.95%	\$3,814	\$3.83	\$366,150	\$345,600	\$3.62	\$3,600	55.76%
NET OPERATING INC	41.05%	\$2,655	\$2.67	\$254,928	\$274,152	\$2.87	\$2,856	44.24%
DEBT SERVICE								
Great Southern Bank				\$229,375	\$229,375			
Second Lien				\$0				
Additional Financing				\$0				
Additional Financing				0				
Additional Financing				0				
TOTAL DEBT SERVICE				229,375	229,375			
NET CASH FLOW				\$25,553	\$44,777			
AGGREGATE DEBT COVERAGE RATIO				1.11	1.20			
RECOMMENDED DEBT COVERAGE RATIO				1.15				

CONSTRUCTION COST				TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF TOTAL	
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					
Acquisition Cost (site or bldg)		6.63%	\$6,823	\$6.86	\$655,000	\$655,000	\$6.86	\$6,823	6.38%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.74%	\$9,000	\$9.04	864,000	864,000	9.04	9,000	8.41%
Direct Construction		48.42%	\$49,856	\$50.10	4,786,141	5,078,995	53.17	52,906	49.45%
Contingency	7.00%	3.95%	\$4,063	\$4.08	390,000	390,000	4.08	4,063	3.80%
Contractor's Fees	14.00%	8.00%	\$8,240	\$8.28	791,020	832,005	8.71	8,667	8.10%
Indirect Construction		2.42%	\$2,490	\$2.50	239,000	239,000	2.50	2,490	2.33%
Ineligible Costs		1.20%	\$1,237	\$1.24	118,780	118,780	1.24	1,237	1.16%
Developer's Fees	15.00%	11.64%	\$11,988	\$12.05	1,150,824	1,200,000	12.56	12,500	11.68%
Interim Financing		6.09%	\$6,271	\$6.30	602,000	602,000	6.30	6,271	5.86%
Reserves		2.91%	\$2,995	\$3.01	287,487	290,220	3.04	3,023	2.83%
TOTAL COST		100.00%	\$102,960.95	\$103.47	\$9,884,251	\$10,270,000	\$107.50	\$106,979	100.00%
Construction Cost Recap		69.11%	\$71,158	\$71.51	\$6,831,160	\$7,165,000	\$75.00	\$74,635	69.77%

SOURCES OF FUNDS				TDHCA	APPLICANT	RECOMMENDED	
Great Southern Bank	26.36%	\$27,135	\$27.27	\$2,605,000	\$2,605,000	\$2,605,000	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0		0	\$1,200,000
Additional Financing	0.00%	\$0	\$0.00	0		0	
Additional Financing	0.00%	\$0	\$0.00	0		0	
Additional Financing	0.00%	\$0	\$0.00	0		0	
HTC Syndication Proceeds	74.09%	\$76,280	\$76.65	7,322,868	7,322,868	7,322,868	% of Dev. Fee Deferred
Deferred Developer Fees	3.46%	\$3,564	\$3.58	342,132	342,132	342,132	29%
Additional (Excess) Funds Req'd	-3.90%	(\$4,018)	(\$4.04)	(385,749)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$9,884,251	\$10,270,000	\$10,270,000	\$660,324

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Gateway Plaza Apartments, Midland, 9% HTC #10103

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$52.19	\$4,985,833
Adjustments				
Exterior Wall Finish	0.40%		\$0.21	\$19,943
Elderly	0.00%		0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			1.33	127,376
Floor Cover			2.41	230,232
Breezeways	\$23.05	7,336	1.77	169,070
Balconies	\$22.10	10,660	2.47	235,601
Plumbing Fixtures	\$845	252	2.23	212,940
Rough-ins	\$420	192	0.84	80,640
Built-In Appliances	\$1,850	96	1.86	177,600
Exterior Stairs	\$1,900	32	0.64	60,800
Enclosed Corridors	\$42.27		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	176,734
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$78.19	2,046	1.67	159,967
Other: fire sprinkler	\$2.25	95,532	2.25	214,947
SUBTOTAL			71.72	6,851,683
Current Cost Multiplier	0.99		(0.72)	(68,517)
Local Multiplier	0.87		(9.32)	(890,719)
TOTAL DIRECT CONSTRUCTION COSTS			\$61.68	\$5,892,448
Plans, specs, survy, bld prm	3.90%		(\$2.41)	(\$229,805)
Interim Construction Interest	3.38%		(2.08)	(198,870)
Contractor's OH & Profit	11.50%		(7.09)	(677,631)
NET DIRECT CONSTRUCTION COSTS			\$50.10	\$4,786,141

PROPOSED PAYMENT COMPUTATION

Great Southern Bank	\$2,605,000	Amort	360
Int Rate	8.00%	DCR	1.11

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.11

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.11

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.11

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.11

RECOMMENDED FINANCING STRUCTURE:

Great Southern Bank	\$220,719
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$220,719

Great Southern Bank	\$2,605,000	Amort	360
Int Rate	7.60%	DCR	1.15

Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

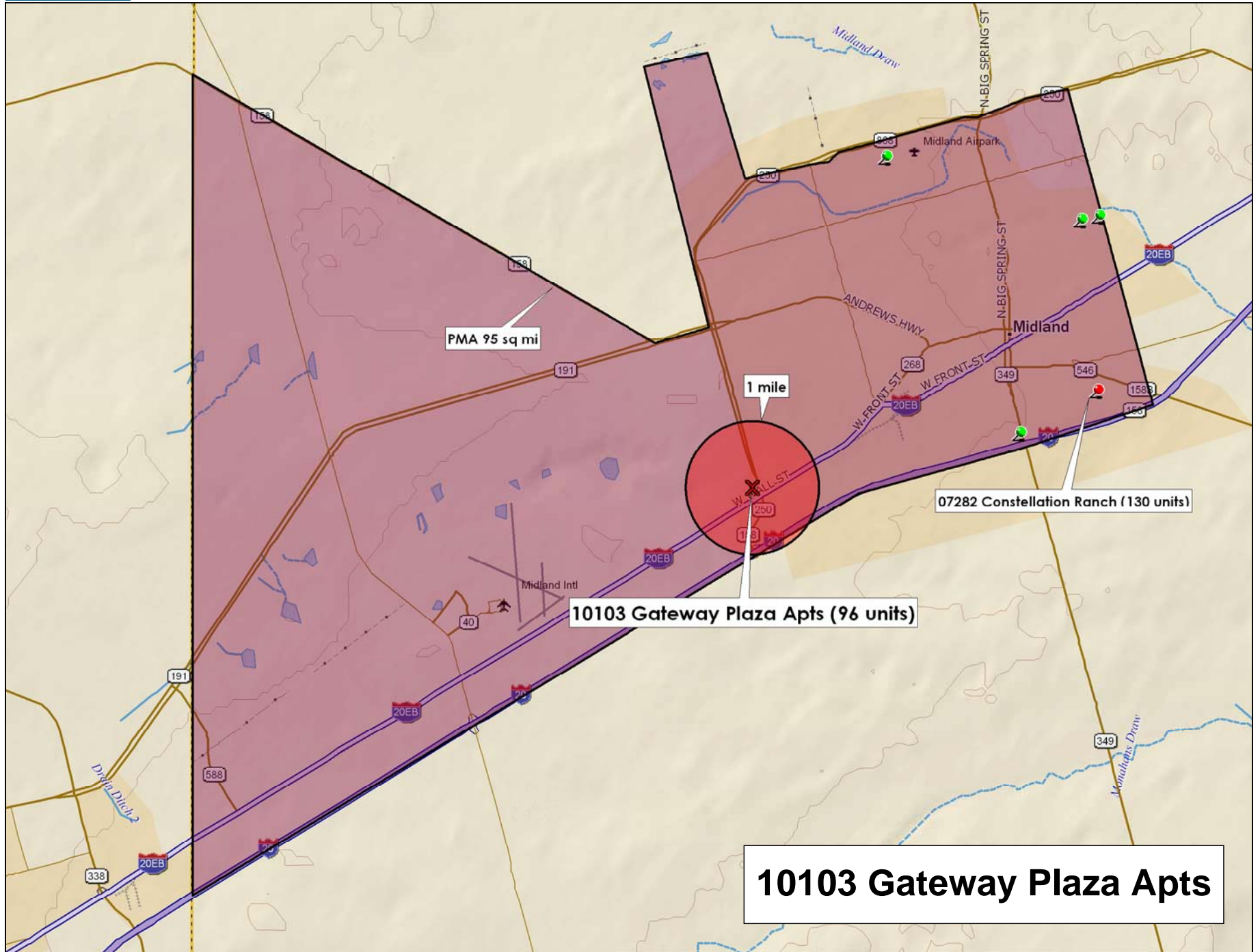
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$664,524	\$677,814	\$691,371	\$705,198	\$719,302	\$794,168	\$876,825	\$968,086	\$1,180,091
Secondary Income	6,912	7,050	7,191	7,335	7,482	8,260	9,120	10,069	12,275
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	671,436	684,865	698,562	712,533	726,784	802,428	885,946	978,155	1,192,366
Vacancy & Collection Loss	(50,358)	(51,365)	(52,392)	(53,440)	(54,509)	(60,182)	(66,446)	(73,362)	(89,427)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$621,078	\$633,500	\$646,170	\$659,093	\$672,275	\$742,246	\$819,500	\$904,794	\$1,102,939
EXPENSES at 3.00%									
General & Administrative	\$33,800	\$34,814	\$35,858	\$36,934	\$38,042	\$44,101	\$51,125	\$59,268	\$79,651
Management	31,054	31,675	32,308	32,955	33,614	37,112	40,975	45,240	55,147
Payroll & Payroll Tax	81,186	83,621	86,130	88,714	91,375	105,929	122,800	142,359	191,319
Repairs & Maintenance	35,000	36,050	37,132	38,245	39,393	45,667	52,941	61,373	82,480
Utilities	29,393	30,274	31,183	32,118	33,082	38,351	44,459	51,540	69,266
Water, Sewer & Trash	38,727	39,889	41,085	42,311	43,587	50,530	58,578	67,908	91,262
Insurance	20,051	20,653	21,273	21,911	22,568	26,163	30,330	35,160	47,253
Property Tax	55,316	56,976	58,685	60,446	62,259	72,175	83,671	96,997	130,356
Reserve for Replacements	24,000	24,720	25,462	26,225	27,012	31,315	36,302	42,084	56,558
TDHCA Compliance Fee	3,800	3,914	4,031	4,152	4,277	4,958	5,748	6,663	8,955
Other	13,824	14,239	14,666	15,106	15,559	18,037	20,910	24,240	32,577
TOTAL EXPENSES	\$366,150	\$376,824	\$387,812	\$399,124	\$410,768	\$474,337	\$547,838	\$632,833	\$844,824
NET OPERATING INCOME	\$254,928	\$256,676	\$258,358	\$259,970	\$261,507	\$267,909	\$271,661	\$271,961	\$258,115
DEBT SERVICE									
First Lien Financing	\$220,719	\$220,719	\$220,719	\$220,719	\$220,719	\$220,719	\$220,719	\$220,719	\$220,719
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$34,209	\$35,957	\$37,639	\$39,251	\$40,788	\$47,190	\$50,942	\$51,242	\$37,396
DEBT COVERAGE RATIO	1.15	1.16	1.17	1.18	1.18	1.21	1.23	1.23	1.17

HTC ALLOCATION ANALYSIS -Gateway Plaza Apartments, Midland, 9% HTC #10103

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$655,000	\$655,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$864,000	\$864,000	\$864,000	\$864,000
Construction Hard Costs	\$5,078,995	\$4,786,141	\$5,078,995	\$4,786,141
Contractor Fees	\$832,005	\$791,020	\$832,005	\$791,020
Contingencies	\$390,000	\$390,000	\$390,000	\$390,000
Eligible Indirect Fees	\$239,000	\$239,000	\$239,000	\$239,000
Eligible Financing Fees	\$602,000	\$602,000	\$602,000	\$602,000
All Ineligible Costs	\$118,780	\$118,780		
Developer Fees				
Developer Fees	\$1,200,000	\$1,150,824	\$1,200,000	\$1,150,824
Development Reserves	\$290,220	\$287,487		
TOTAL DEVELOPMENT COSTS	\$10,270,000	\$9,884,251	\$9,206,000	\$8,822,984

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$9,206,000	\$8,822,984
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$11,967,800	\$11,469,880
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$11,967,800	\$11,469,880
Applicable Percentage			9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$1,077,102	\$1,032,289

Syndication Proceeds	0.6799	\$7,323,562	\$7,018,865
Total Tax Credits (Eligible Basis Method)		\$1,077,102	\$1,032,289
Syndication Proceeds		\$7,323,562	\$7,018,865
Requested Tax Credits		\$1,077,000	
Syndication Proceeds		\$7,322,868	
Gap of Syndication Proceeds Needed		\$7,665,000	
Total Tax Credits (Gap Method)		\$1,127,319	
Recommended Tax Credits		\$1,077,000	
Syndication Proceeds		\$7,322,868	



10103 Gateway Plaza Apts



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tenth Street Apts, TDHCA Number 10107

BASIC DEVELOPMENT INFORMATION

Site Address: SE Corner Tenth St. and Whittenburg St. Development #: 10107
 City: Borger Region: 1 Population Served: General
 County: Hutchinson Zip Code: 79007 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Borger Tenth Street Apartments, LP
 Owner Contact and Phone: Justin Zimmerman, (417) 890-3239
 Developer: Zimmerman Properties, L.L.C.
 Housing General Contractor: Zimmerman Properties Construction, L.L.C.
 Architect: Parker & Associates
 Market Analyst: Integra Realty Resources
 Syndicator: Lizart Capital
 Supportive Services: Texas Inter-Faith Housing Corporation
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	47
	3	0	21	23	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	8	24	16	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	48
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$5,280,000
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$583,000	\$583,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tenth Street Apts, TDHCA Number 10107

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, NC Points: 0 US Representative: Thornberry, District 13, NC
TX Representative: Chisum, District 88, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review and acceptance, before the 10% Test, of documentation that soil sampling and testing has been completed before construction to identify potential petroleum hydrocarbon or metals contamination at the site, and that any subsequent recommendations have been incorporated into the development plans.
2. Receipt, review, and acceptance, by Cost Certification, of documentation that all recommendations related to the soil testing were implemented.
3. Receipt, review and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
4. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
5. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
6. Receipt, review and acceptance, by Cost Certification, of evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.
7. Receipt, review, and acceptance by Commitment, of a firm commitment from the Borger Economic Development Corporation for the anticipated \$160,000 with the terms of the funds clearly stated.
8. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tenth Street Apts, TDHCA Number 10107

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **157** Meeting a Required Set-Aside Credit Amount*: \$583,000

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 05/26/10 PROGRAM: 9% HTC FILE NUMBER: 10107

DEVELOPMENT

Tenth Street Apartments

Location: Southeast Corner of Tenth Street and Whittenburg Street Region: 1
 City: Borger County: Hutchinson Zip: 79007 OCT DDA
 Key Attributes: General, Rural, New Construction, and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$583,000			\$583,000		

CONDITIONS

- 1 Receipt, review, and acceptance, before the 10% Test, of documentation that soil sampling and testing has been completed before construction to identify potential petroleum hydrocarbon or metals contamination at the site, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that all recommendations related to the soil testing were implemented.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 4 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 5 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 6 Receipt, review, and acceptance, by cost certification, of evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.
- 7 Receipt, review, and acceptance by Commitment, of a firm commitment from the Borger Economic Development Corporation for the anticipated \$160,000 with the terms of the funds clearly stated.
- 8 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	21
60% of AMI	60% of AMI	23
EO	N/A	1

STRENGTHS / MITIGATING FACTORS

- The Applicant has experience developing and managing tax credit properties in Texas with 916 units completed.

WEAKNESSES / RISKS

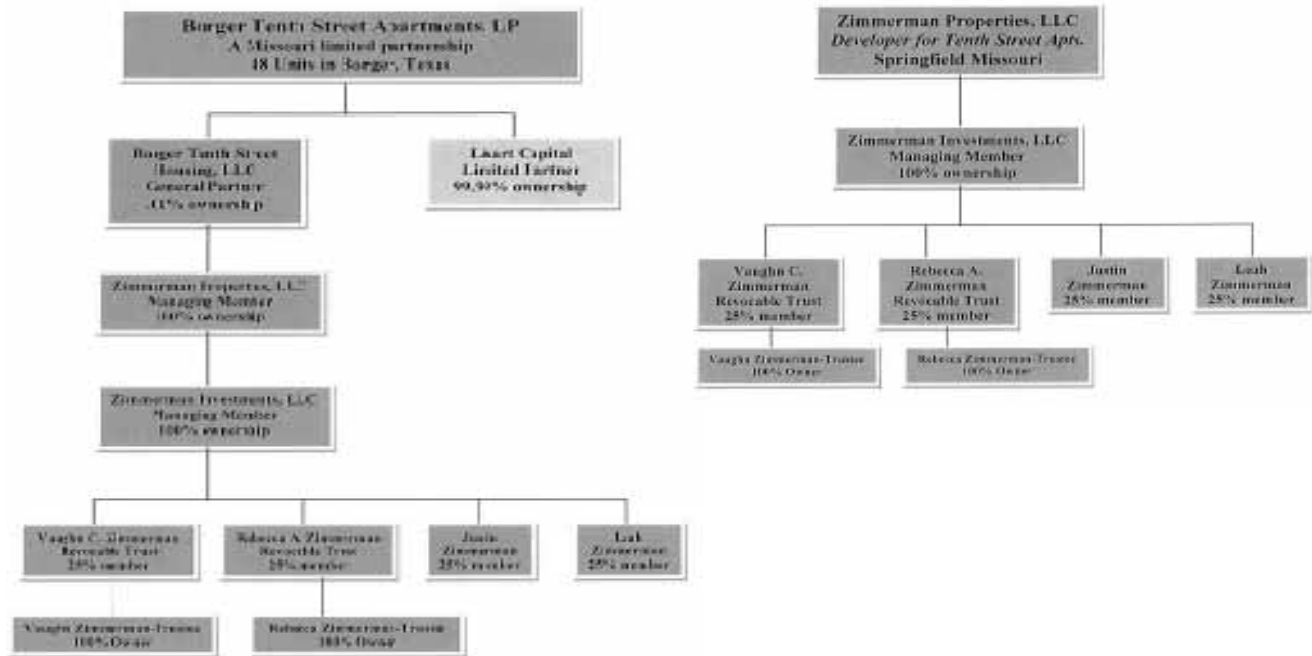
- The Underwriter's and Applicant's expense to income ratios exceeds 60%. An expense to income ratio above 60% reflects an increased risk that the development will not be able to sustain even a moderate period of flat income and rent growth with rising expenses.
- Proposed rents are on average only 9% lower than market rents, and rents for half of the units provide no discount to market rents.
- The average physical occupancy for existing LIHTC developments in the PMA is 88%.
- Average annual absorption in the PMA was 12 units per year dating back to approximately 1970.
- The unit capture rate for 3BR 50% and 60% units (31% of total units) is 72% and 69% respectively.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



SITE ISSUES

Total Size: 2.2 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: Commercial Needs to be re-zoned? Yes No N/A
 Comments:
 The City of Borger allows multi-family dwellings in the Commercial Zoned Districts.

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/22/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Single Family Housing and Vacant Land beyond East: Industrial Use and Oil Refinery beyond
 South: Single Family Housing and Commercial Business beyond West: Commercial District

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Kaw Valley Engineering Date: 3/22/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "The historical evidence indicates the potential of petroleum hydrocarbon and metals contamination at the site. This is from an old oil well at the site, as well as previous oil well drilling supply sales, machine and tool shops, and use as an oil pipe yard. Soil sampling and testing would need to be performed for evaluation of this potential condition." (p. 20)
- "The subject property is currently unoccupied with one, small boarded-up building in the northwest corner." (p. 6) "The building appears to be of an age for which asbestos-containing materials (ACMs) and lead based paint could be present within or on the structure." (p. 16) "It is recommended that the building located in the northwest corner of the referenced project be tested for asbestos containing materials and lead based paint. As directed by Zimmerman Investments, LLC, these procedures are currently in progress by Texas licensed contractors." (Addendum No. 1)
- "The subject property is near railroad tracks which may produce loud noise; therefore, it is recommended that a noise study be conducted." (p. 20)
- "Site-specific radon testing would need to be performed in any future structure in order to determine the exact radon level that may concentrate within any building. It is our opinion that the use of a visquene vapor barrier beneath concrete slabs and outside of basement walls will preclude any excessive radon migration into any future building." (p. 18)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, before the 10% Test, of documentation that soil sampling and testing has been completed before construction to identify potential petroleum hydrocarbon or metals contamination at the site, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all recommendations related to the soil testing were implemented.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- Receipt, review, and acceptance, by cost certification, of evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.

MARKET ANALYSIS

Provider: Integra Realty Resources DFW Date: 3/25/2010
 Contact: Amy D. B. White Phone: (972) 960-1222
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 3,072 sq. miles 31 mile equivalent radius

The Primary Market Area proposed by the Market Analyst is extraordinarily large, consisting of all of Hutchinson County where the subject is located, as well as all of Carson and Gray Counties and half of Hansford County. The Market Analyst states "there are a limited number of apartment complexes scattered throughout the area, indicating that renters have few options from which to choose. This tends to increase the size of market areas, as it is necessary to travel far to find suitable rental housing. Therefore, we also consider 45-minute and 30-minute drive times to the subject." (p. 16)

Immediate Market Area (SMA): 900 sq. miles 17 mile equivalent radius

The drive time map presented does encompass most of the three-and-a-half counties designated as the PMA, and provides some basis for the unusually large PMA. However, the Underwriter has also determined the demand from a smaller area consisting of just Hutchinson County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Hutchinson County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,943	\$10,850	---	---	\$16,560	\$18,050	\$19,886	\$21,660
2	\$9,943	\$12,400	---	---	\$16,560	\$20,650	\$19,886	\$24,780
3	\$11,931	\$13,950	---	---	\$19,886	\$23,200	\$23,863	\$27,840
4	\$13,817	\$15,500	---	---	\$22,971	\$25,800	\$27,566	\$30,960
5	\$13,817	\$16,750	---	---	\$22,971	\$27,850	\$27,566	\$33,420
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09101	Hampton Villages	new	family	76	76
Stabilized Affordable Developments in PMA					
Total Properties		5	Total Units		264

Proposed, Under Construction, and Unstabilized Comparable Supply:

Hampton Villages is a 76-unit new construction family development that received a tax credit allocation in 2009. It is located in Gray County, 25 miles from the subject, within the drive-time radius identified by the Market Analyst. It is therefore considered part of the comparable unstabilized supply in determining the Gross Capture Rate for the defined Primary Market Area.

However, the Underwriter notes that the Primary Market Area designated for Hampton Villages was limited to Gray County. In addition to evaluating the PMA defined by the Market Analyst, the Underwriter has taken a similar approach to that of Hampton Villages, and evaluated the supply and demand in the more immediate market for the subject, consisting of just the Hutchinson County limits. For the purpose of this immediate county evaluation there are no proposed or unstabilized units other than the subject.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
	PMA	PMA	Hutchinson County
Total Households in the Primary Market Area	21,291	21,291	8,696
Potential Demand from the Primary Market Area	1,363	1,703	593
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	1,363	1,703	593
Subject Affordable Units	47	47	47
Unstabilized Comparable Units	76	76	0
RELEVANT SUPPLY	123	123	47
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	9.0%	7.2%	7.9%

Demand Analysis:

The Market Analyst incorrectly determined income-eligibility based on tenant-paid rents (i.e. net of the utility allowance) rather than the HTC gross rent limit. This would tend to overstate the demand; however, the Market Analyst applied the income percentage to the general household population, and also applied a general renter percentage adjustment, resulting in lower overall demand than the underwriting analysis.

Based on Gross Demand for 1,363 units, and a Relevant Supply of 123 units (47 at the subject and 76 at Hampton Villages) the Market Analyst determines a Gross Capture Rate of 9.0%.

The underwriting analysis is based on a HISTA Data report from Ribbon Demographics, which provides a detailed breakdown of households by income, size, tenure, and age. The HISTA data for the subject PMA indicates a higher concentration of renter households in the target income range. Gross Demand for 1,703 units, and a Relevant Supply of 123 units, indicates a Gross Capture Rate of 7.2%.

In evaluating demand in the immediate market of Hutchinson County, the Underwriter identified Gross Demand for 593 units, indicating a Gross Capture Rate of 7.9% for the proposed 47 units at the subject.

These results are all well below the maximum Gross Capture Rate of 30% for rural developments targeting family households. This indicates sufficient demand to support the subject development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	92	1	not reported		55	1	0	2%
1 BR/50%	89	3	not reported		88	3	0	3%
1 BR/60%	162	4	not reported		77	4	0	5%
2 BR/30%	76	1	not reported		51	1	2	6%
2 BR/50%	79	11	not reported		67	11	6	26%
2 BR/60%	130	11	not reported		54	11	6	32%
3 BR/30%	77	1	not reported		20	1	2	15%
3 BR/50%	76	7	not reported		34	7	18	72%
3 BR/60%	117	8	not reported		41	8	20	69%

Primary Market Occupancy Rates:

"The average occupancy level for all rental properties within the PMA is 90% ... The occupancy rate for the existing LIHTC properties within the PMA is 88%." (pp. 39-40) The lowest reported occupancy at an LIHTC property is 81% at La Mirage (#02157). La Mirage is the closest (less than 4 miles from the subject) and the only existing LIHTC property in Hutchinson County. The low occupancy at La Mirage at the time of the market study is cause for concern. Department information indicates occupancy has improved, with only three vacancies out of 48 units on 5/5/10, or 93.75% occupancy; but the reported move-in and move-out dates indicate frequent turnover during the previous year.

Absorption Projections:

"No LIHTC projects have been recently constructed in the PMA. Based upon data gathered by Integra Realty Resources DFW, historical absorption for the PMA is" zero since 2000; 3 units per year during the 1990's; 35 units per year during the 1980's; and an overall average of 12 units per year dating back to pre 1970. "The depressed income and resulting rents does not make it feasible for an un-subsidized property to be constructed within the PMA. The most recent multifamily units were constructed in 1994 and it is our opinion that the historical absorption ... is understated. Based on our interviews with property managers, and our demand analysis, there is demand for affordable housing in the PMA. We therefore estimate that the subject property would absorb at a faster rate ... a new project, the size of the subject as proposed with 48 units, is likely to be absorbed within 12 months of opening, equating to an absorption pace of approximately 4.00 units per month.." (p. 43)

Market Impact:

"The subject is located in an area with average occupancy levels, below average rents, and one new project, in addition to the subject, forecast to come online within the next 24 months ... Thus, we conclude there to be sufficient unmet demand to support the development of the subject." (pp. 61-62)

Comments:

The recent low occupancy and high turnover at the nearest affordable property is cause for concern. But occupancy at La Mirage appears to have recovered to what is considered a stabilized level. La Mirage is a much older property that was rehabilitated in 2002. The subject will have a comparative advantage as a new construction development. And in accordance with the Real Estate Analysis Rules, the Capture Rate analysis indicates demand to support the subject development, both in the larger PMA and in the immediate county. Overall, the market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Underwriter's projected rents collected per unit are based on the lower of the tenant-paid utility allowances as of February 1, 2009, maintained by the Hutchinson County Housing Authority from the 2009 HUD rent limits which apply to HTC applications, or the market rents. The Applicant proposes rents for 60% units below program market rents based on an expectation that the market rents are not achievable. Tenants will be required to pay all electric utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,600 per unit is not within 5% of the Underwriter's estimate of \$3,828, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, specifically: general & administrative (27% lower), payroll & payroll tax (55% higher), repairs & maintenance (55% lower) and property taxes (10% lower).

The Applicant explained that the lower G&A estimate is because the accounting budget makes up the bulk of the G&A expense and with the long term relationship with their accounting firm and 60+ developments their accounting costs are below that of most developers. The Applicant explained that payroll & payroll taxes were higher because they utilize their onsite staff for most maintenance work and avoid contract labor. The Applicant's property tax estimates are based on actual expenses at existing developments within the Applicant's Texas portfolio and repairs and maintenance are lower than the database because onsite staff handles most repairs. Of note, the total of TDHCA's database repairs and maintenance and payroll was in line with the Applicant's estimate of those items. This suggests that proposed repairs and maintenance savings are offset by higher payroll expense. Also, an extra expense item is included in the Applicant's payroll expense for the rental concession on the employee unit.

Conclusion:

The Applicant's estimate of total expenses are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the recommended permanent financing structure the calculated DCR of 1.33 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 2.2 acres	<u>\$74,500</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>\$0</u>	Valuation by:	<u>Hutchinson CAD</u>
Total Assessed Value:	<u>\$74,500</u>	Tax Rate:	<u>2.70246</u>

EVIDENCE of PROPERTY CONTROL

Type: <u>Commercial and Industrial Real Estate Sale Contract</u>	Acreage: <u>2.2</u>
Contract Expiration: <u>10/29/2010</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$75,000</u>	Other: _____
Seller: <u>Dwight Axelrod an Sheryl Springer</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$75,000 is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs of \$9,000 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$176K or 7% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. The Applicant has submitted an application for a similar development in Amarillo (45 miles southwest of Borger), Viking Road. The Applicant's proposed direct construction cost for Viking Road is \$3.85 less per square foot than the proposed direct construction cost for the subject. Further, the Applicant's direct construction cost estimate for Viking Road is within 1% of the Underwriter's Marshall & Swift estimate for that development. The Underwriter has determined that the higher proposed direct construction cost for the subject is reasonable based on the following: Viking Road consists of three story buildings, rather than two stories at the subject, contributing to higher per square foot costs for roofing materials, which could account for as much as \$1.19 of the \$3.85 premium on direct construction costs. Additionally, Viking Road is 132 units versus the 48 units at the subject; while the Underwriter cannot quantify the effect of the subject's relative size on cost, the subject can reasonably be expected to have a higher per unit cost. Finally, the subject's location is approximately 45 miles from Amarillo which would cause the trades to drive a greater distance to the property also contributing to higher costs.

Reserves:

Lisart Capital, LLC the equity provider has required reserves of \$129,610 which are greater than the six months of stabilized operating expenses less management fees and reserve for replacements plus debt service as required by the Department; therefore, the larger reserve figure required by the equity provider will be used by the Underwriter.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$4,984,600 and the 9% applicable percentage rate supports annual tax credits of \$583,198. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Great Southern Bank Type: Interim Financing

Principal: \$3,810,000 Interest Rate: 6.0% Fixed Term: 24 months

Comments:

Priced at Great Southern Bank Prime rate floating, with a 6.0% floor

Source: Borger Economic Development Corp. Type: Interim Financing

Principal: \$160,000 Interest Rate: TBD Fixed Term: 12 months

Comments:

At the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from Borger Economic Development Corp. for the anticipated \$160,000 with the terms of the funds clearly stated will be required.

Source: Great Southern Bank Type: Permanent Financing

Principal: \$920,000 Interest Rate: 8.0% Fixed Amort: 360 months

Comments:

The interest rate will be based on the 15 year FHLB plus 2.78 bps, with an underwriting rate of 8%. As of the date of underwriting the current 15 year FHLB+278 bp rate was 4.819+2.78= 7.6%, which was the rate used in the recommended financing structure. Also the terms of the loan will be based on a 15 year term with a 30 year amortization.

Source: Lisart Capital, LLC Type: Syndication

Proceeds: \$4,313,768 Syndication Rate: 74% Anticipated HTC: \$ 583,000

Amount: \$46,231 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$920,000 indicates the need for \$4,360,000 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$589,248 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$583,198
Allocation determined by gap in financing:	\$589,248
Allocation requested by the Applicant:	\$583,000

The allocation amount determined by the Applicant's requested amount is recommended. A tax credit allocation of \$583,000 per year for 10 years results in total equity proceeds of \$4,313,768 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$46,232 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within two years of stabilized operation.

Underwriter:	<u>Carl Hoover</u>	Date:	<u>May 26, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>May 26, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>May 26, 2010</u>

UNIT MIX/RENT SCHEDULE

Tenth Street Apartments, Borger, 9% HTC #10107

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS			
CITY:	Borger	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New		
COUNTY:	Hutchinson	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%		
SUB-MARKET:		1	8	16.7%								EXPENSE GROWTH:	3.00%		
PROGRAM REGION:	1	2	24	50.0%								HIGH COST ADJUSTMENT:	130%		
URAL RENT USED:		3	16	33.3%								APPLICABLE FRACTION:	100.00%		
IREM REGION:		4										APP % - ACQUISITION:			
		TOTAL	48	100.0%	MISC							APP % - CONSTRUCTION:	9.00%		

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS			
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	0	Market Rent	TDHCA Savings to Market
TC 30%	1	1	1	712	\$290	\$70	\$220	\$0	\$0.31	\$220	\$220	\$220	\$220	\$0.31	\$0		\$460	\$240
TC 50%	3	1	1	712	\$483	\$70	\$413	\$0	\$0.58	\$413	\$1,239	\$1,239	\$413	\$0.58	\$0		\$460	\$47
TC 60%	4	1	1	712	\$580	\$70	\$510	(\$60)	\$0.63	\$450	\$1,800	\$1,840	\$460	\$0.65	(\$50)		\$460	\$0
TC 30%	1	2	2	964	\$348	\$90	\$258	\$0	\$0.27	\$258	\$258	\$258	\$258	\$0.27	\$0		\$560	\$302
TC 50%	11	2	2	964	\$580	\$90	\$490	\$0	\$0.51	\$490	\$5,390	\$5,390	\$490	\$0.51	\$0		\$560	\$70
TC 60%	11	2	2	964	\$696	\$90	\$606	(\$61)	\$0.57	\$545	\$5,995	\$6,160	\$560	\$0.58	(\$46)		\$560	\$0
EO	1	2	2	964	#N/A	\$90	#N/A	#N/A	\$0.57	\$545	\$545	\$545	\$545	\$0.57	#N/A		\$560	\$15
TC 30%	1	3	2	1,131	\$403	\$108	\$295	\$0	\$0.26	\$295	\$295	\$295	\$295	\$0.26	\$0		\$660	\$365
TC 50%	7	3	2	1,131	\$670	\$108	\$562	\$0	\$0.50	\$562	\$3,934	\$3,934	\$562	\$0.50	\$0		\$660	\$98
TC 60%	8	3	2	1,131	\$804	\$108	\$696	(\$61)	\$0.56	\$635	\$5,080	\$5,280	\$660	\$0.58	(\$36)		\$660	\$0
TOTAL:	48				46,928						\$24,756	\$25,161						
AVG:					978				#N/A	\$0.53	\$516		\$524	\$0.54	#N/A	\$0	\$577	(\$52)
ANNUAL:											\$297,072	\$301,932						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Tenth Street Apartments, Borger, 9% HTC #10107

INCOME		Total Net Rentable Sq Ft:		TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$301,932	\$297,072			
Secondary Income	Per Unit Per Month:	\$6.00		3,456	3,456	\$6.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$305,388	\$300,528			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(22,904)	(22,536)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$282,484	\$277,992			
EXPENSES								
	% OF EGI	PER UNIT	PER SQ.FT.			PER SQ.FT.	PER UNIT	% OF EGI
General & Administrative	6.10%	\$359	0.37	\$17,231	\$12,569	\$0.27	\$262	4.52%
Management	5.00%	\$294	0.30	14,124	13,899	0.30	290	5.00%
Payroll & Payroll Tax	10.25%	\$603	0.62	28,964	45,000	0.96	938	16.19%
Repairs & Maintenance	11.86%	\$698	0.71	33,495	15,000	0.32	313	5.40%
Utilities	4.72%	\$278	0.28	13,344	10,000	0.21	208	3.60%
Water, Sewer, & Trash	6.79%	\$399	0.41	19,175	22,000	0.47	458	7.91%
Property Insurance	3.01%	\$177	0.18	8,500	8,500	0.18	177	3.06%
Property Tax	2.70246	\$581	0.59	27,889	25,000	0.53	521	8.99%
Reserve for Replacements	4.25%	\$250	0.26	12,000	12,000	0.26	250	4.32%
TDHCA Compliance Fees	0.67%	\$39	0.04	1,880	1,920	0.04	40	0.69%
Other: Supp. Serv.	2.45%	\$144	0.15	6,912	6,912	0.15	144	2.49%
TOTAL EXPENSES				\$183,515	\$172,800	\$3.68	\$3,600	62.16%
NET OPERATING INC				\$98,969	\$105,192	\$2.24	\$2,192	37.84%
DEBT SERVICE								
Great Southern Bank				\$81,008	\$81,008			
Second Lien				\$0				
Additional Financing				\$0				
Additional Financing				0				
Additional Financing				0				
TOTAL DEBT SERVICE				81,008	81,008			
NET CASH FLOW				\$17,962	\$24,184			
AGGREGATE DEBT COVERAGE RATIO				1.22	1.30			
RECOMMENDED DEBT COVERAGE RATIO				1.27				

CONSTRUCTION COST				TDHCA	APPLICANT					
Description	Factor	% of TOTAL	PER UNIT	PER SQ.FT.			PER SQ.FT.	PER UNIT	% of TOTAL	
Acquisition Cost (site or bldg)		1.49%	\$1,563	\$1.60	\$75,000	\$75,000	\$1.60	\$1,563	1.42%	
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%	
Sitework		8.27%	\$8,688	\$8.89	417,000	417,000	8.89	8,688	7.90%	
Direct Construction		48.89%	\$51,330	\$52.50	2,463,854	2,640,020	56.26	55,000	50.00%	
Contingency	6.94%	3.97%	\$4,167	\$4.26	200,000	200,000	4.26	4,167	3.79%	
Contractor's Fees	14.00%	8.00%	\$8,402	\$8.59	403,320	427,980	9.12	8,916	8.11%	
Indirect Construction		4.64%	\$4,875	\$4.99	234,000	234,000	4.99	4,875	4.43%	
Ineligible Costs		1.80%	\$1,891	\$1.93	90,790	90,790	1.93	1,891	1.72%	
Developer's Fees	20.00%	15.69%	\$16,474	\$16.85	790,755	830,000	17.69	17,292	15.72%	
Interim Financing		4.67%	\$4,908	\$5.02	235,600	235,600	5.02	4,908	4.46%	
Reserves		2.57%	\$2,700	\$2.76	129,610	129,610	2.76	2,700	2.45%	
TOTAL COST				\$104,998.50	\$107.40	\$5,039,928	\$5,280,000	\$112.51	\$110,000	100.00%
Construction Cost Recap				\$72,587	\$74.25	\$3,484,173	\$3,685,000	\$78.52	\$76,771	69.79%

SOURCES OF FUNDS				TDHCA	APPLICANT	RECOMMENDED	
Great Southern Bank	18.25%	\$19,167	\$19.60	\$920,000	\$920,000	\$920,000	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0		0	\$830,000
HTC Syndication Proceeds	85.59%	\$89,870	\$91.92	4,313,769	4,313,769	4,313,768	% of Dev. Fee Deferred
Deferred Developer Fees	0.92%	\$963	\$0.99	46,231	46,231	46,232	6%
Additional (Excess) Funds Req'd	-4.76%	(\$5,001)	(\$5.12)	(240,072)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$5,039,928	\$5,280,000	\$5,280,000	\$321,116

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Tenth Street Apartments, Borger, 9% HTC #10107

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.95	\$2,578,730
Adjustments				
Exterior Wall Finish	0.40%		\$0.22	\$10,315
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(0.16)	(7,508)
Floor Cover			2.41	113,096
Breezeways	\$22.48	4,344	2.08	97,653
Balconies	\$22.48	5,332	2.55	119,871
Plumbing Fixtures	\$845	120	2.16	101,400
Rough-ins	\$420	96	0.86	40,320
Built-In Appliances	\$1,850	48	1.89	88,800
Exterior Stairs	\$1,900	12	0.49	22,800
Enclosed Corridors	\$45.03		0.00	0
Maintenance Garage	\$28.85	283	0.17	8,165
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	86,817
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$81.26	1,484	2.57	120,585
Other: fire sprinkler	\$2.25	46,928	2.25	105,588
SUBTOTAL			74.30	3,486,631
Current Cost Multiplier	0.99		(0.74)	(34,866)
Local Multiplier	0.88		(8.92)	(418,396)
TOTAL DIRECT CONSTRUCTION COSTS			\$64.64	\$3,033,369
Plans, specs, survy, bld prm	3.90%		(\$2.52)	(\$118,301)
Interim Construction Interes	3.38%		(2.18)	(102,376)
Contractor's OH & Profit	11.50%		(7.43)	(348,837)
NET DIRECT CONSTRUCTION COSTS			\$52.50	\$2,463,854

PROPOSED PAYMENT COMPUTATION

Great Southern Bank	\$920,000	Amort	360
Int Rate	8.00%	DCR	1.22

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.22

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.22

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.22

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.22

RECOMMENDED FINANCING STRUCTURE:

Great Southern Bank	\$77,951
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$77,951

Great Southern Bank	\$920,000	Amort	360
Int Rate	7.60%	DCR	1.27

Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.27

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.27

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.27

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.27

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

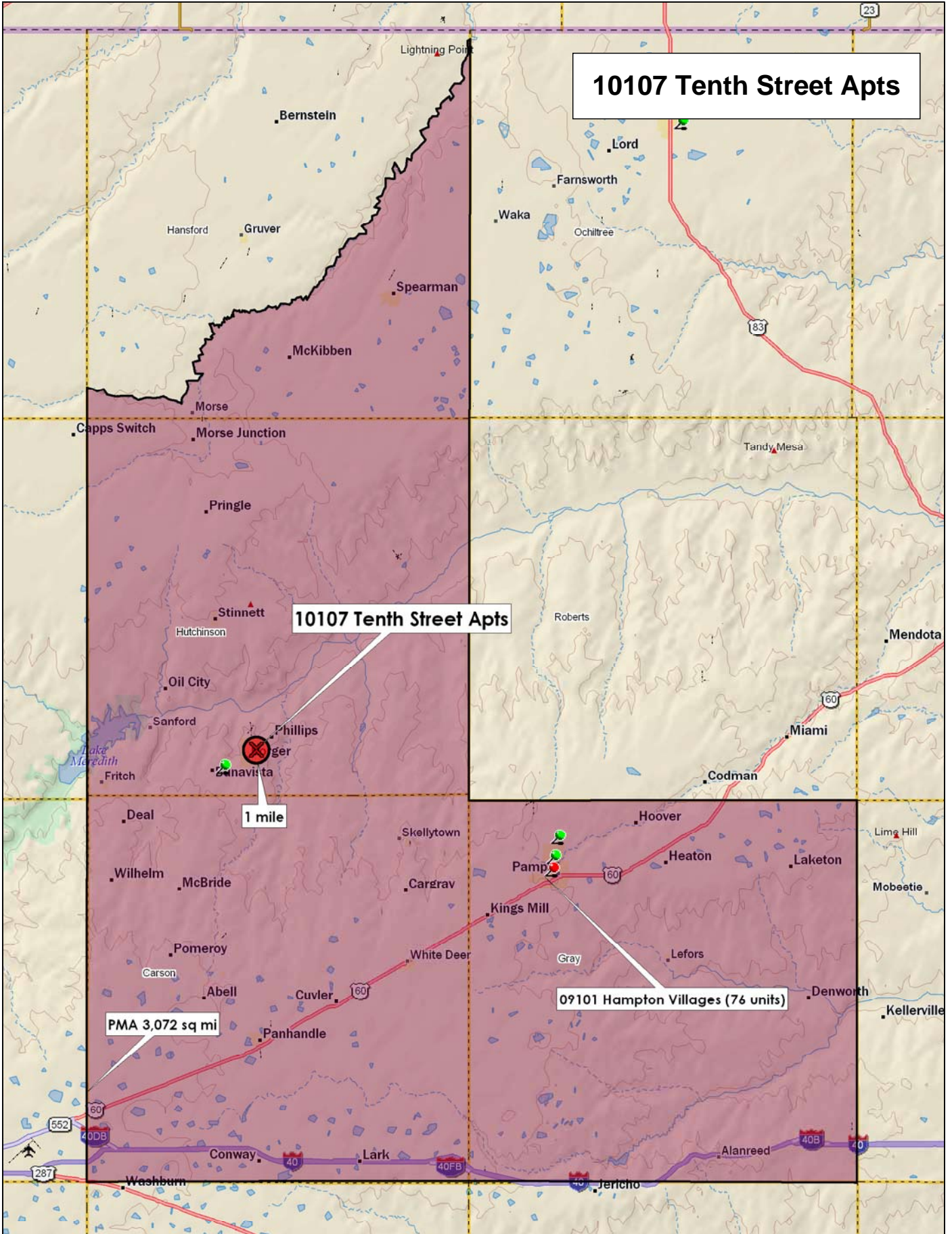
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$301,932	\$307,971	\$314,130	\$320,413	\$326,821	\$360,837	\$398,393	\$439,858	\$536,184
Secondary Income	3,456	3,525	3,596	3,668	3,741	4,130	4,560	5,035	6,137
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	305,388	311,496	317,726	324,080	330,562	364,967	402,953	444,893	542,322
Vacancy & Collection Loss	(22,904)	(23,362)	(23,829)	(24,306)	(24,792)	(27,373)	(30,221)	(33,367)	(40,674)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$282,484	\$288,134	\$293,896	\$299,774	\$305,770	\$337,594	\$372,732	\$411,526	\$501,648
EXPENSES at 3.00%									
General & Administrative	\$17,231	\$17,748	\$18,281	\$18,829	\$19,394	\$22,483	\$26,064	\$30,215	\$40,607
Management	14,124	14,407	14,695	14,989	15,288	16,880	18,637	20,576	25,082
Payroll & Payroll Tax	28,964	29,833	30,728	31,650	32,600	37,792	43,811	50,789	68,256
Repairs & Maintenance	33,495	34,499	35,534	36,600	37,698	43,703	50,663	58,733	78,932
Utilities	13,344	13,744	14,157	14,581	15,019	17,411	20,184	23,399	31,446
Water, Sewer & Trash	19,175	19,750	20,343	20,953	21,581	25,019	29,004	33,623	45,187
Insurance	8,500	8,755	9,018	9,288	9,567	11,091	12,857	14,905	20,031
Property Tax	27,889	28,726	29,588	30,475	31,390	36,389	42,185	48,904	65,723
Reserve for Replacements	12,000	12,360	12,731	13,113	13,506	15,657	18,151	21,042	28,279
TDHCA Compliance Fee	1,880	1,936	1,994	2,054	2,116	2,453	2,844	3,297	4,430
Other	6,912	7,119	7,333	7,553	7,780	9,019	10,455	12,120	16,289
TOTAL EXPENSES	\$183,515	\$188,879	\$194,401	\$200,086	\$205,939	\$237,896	\$274,855	\$317,604	\$424,262
NET OPERATING INCOME	\$98,969	\$99,255	\$99,495	\$99,688	\$99,831	\$99,698	\$97,877	\$93,922	\$77,385
DEBT SERVICE									
First Lien Financing	\$77,951	\$77,951	\$77,951	\$77,951	\$77,951	\$77,951	\$77,951	\$77,951	\$77,951
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$21,019	\$21,304	\$21,544	\$21,737	\$21,880	\$21,748	\$19,926	\$15,971	(\$565)
DEBT COVERAGE RATIO	1.27	1.27	1.28	1.28	1.28	1.28	1.26	1.20	0.99

HTC ALLOCATION ANALYSIS -Tenth Street Apartments, Borger, 9% HTC #10107

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$75,000	\$75,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$417,000	\$417,000	\$417,000	\$417,000
Construction Hard Costs	\$2,640,020	\$2,463,854	\$2,640,020	\$2,463,854
Contractor Fees	\$427,980	\$403,320	\$427,980	\$403,320
Contingencies	\$200,000	\$200,000	\$200,000	\$200,000
Eligible Indirect Fees	\$234,000	\$234,000	\$234,000	\$234,000
Eligible Financing Fees	\$235,600	\$235,600	\$235,600	\$235,600
All Ineligible Costs	\$90,790	\$90,790		
Developer Fees				
Developer Fees	\$830,000	\$790,755	\$830,000	\$790,755
Development Reserves	\$129,610	\$129,610		
TOTAL DEVELOPMENT COSTS	\$5,280,000	\$5,039,928	\$4,984,600	\$4,744,528

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$4,984,600	\$4,744,528
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$6,479,980	\$6,167,887
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$6,479,980	\$6,167,887
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$583,198	\$555,110

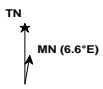
Syndication Proceeds	0.7399	\$4,315,235	\$4,107,401
Total Tax Credits (Eligible Basis Method)		\$583,198	\$555,110
Syndication Proceeds		\$4,315,235	\$4,107,401
Requested Tax Credits		\$583,000	
Syndication Proceeds		\$4,313,768	
Gap of Syndication Proceeds Needed		\$4,360,000	
Total Tax Credits (Gap Method)		\$589,248	
Recommended Tax Credits		583,000	
Syndication Proceeds		\$4,313,768	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Griffith Road Apts, TDHCA Number 10108

BASIC DEVELOPMENT INFORMATION

Site Address: SE corner of Griffith Rd. and Scottish Rd. Development #: 10108
 City: Abilene Region: 2 Population Served: General
 County: Taylor Zip Code: 79601 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Abilene Griffith Road Apartments, LP
 Owner Contact and Phone: Michael B. Wilhoit, (417) 890-3212
 Developer: Wilhoit-O'Brien Development, L.L.C.
 Housing General Contractor: Zimmerman Properties Construction, L.L.C.
 Architect: Parker & Associates
 Market Analyst: Integra Realty Resources
 Syndicator: Raymond James
 Supportive Services: Texas Inter-Faith Housing Corporation
 Consultant and Contact: Zimmerman Properties, L.L.C.,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	83	
	5	0	37	41	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	36	36	0	0	
Type of Building:						Total Development Units:	84
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$8,550,000
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	4
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$923,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Griffith Road Apts, TDHCA Number 10108

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Fraser, District 24, S Points: 14 US Representative: Neugebauer, District 19, NC
TX Representative: King, District 71, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review and acceptance, by Commitment, of a firm commitment from East Texas Housing Finance Corporation for the anticipated \$430,000 loan with the terms of the funds clearly stated.
2. Receipt, review and acceptance that the proposed zoning with the City of Abilene for Multifamily be granted by commitment which would replace the current zoning of Agriculture.
3. Receipt, review, and acceptance, by Cost Certification, of a civil engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a letter of Map Amendment ("LOMA") or letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
4. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into development plans.
5. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
6. Receipt, review and acceptance, by Cost Certification, of documentation that radon testing has been completed in the finished buildings, and that any subsequent recommendations have been implemented.
7. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
8. Receipt of a firm commitment of funding from the East Texas Housing Finance Corporation in the amount of \$430,000, or a commitment from a qualifying substitute source in an amount not less than \$430,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Abilene and East Texas HFC must be provided authorizing the East Texas HFC to act on behalf of the City of Abilene in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Griffith Road Apts, TDHCA Number 10108

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **12**

Total # Monitored: **10**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **200** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 05/20/10 PROGRAM: 9% HTC FILE NUMBER: 10108

DEVELOPMENT

Griffith Road Apartments

Location: SE Corner of Griffith Road and Scottish Road Region: 2
 City: Abilene County: Taylor Zip: 79601 OCT DDA
 Key Attributes: General, Urban, New Construction, and Multifamily

ALLOCATION

	REQUEST		RECOMMENDATION		
Housing Tax Credit (Annual)	\$923,000		\$923,000		

CONDITIONS

- 1 Receipt, review and acceptance, by Commitment, of a firm commitment from East Texas Housing Finance Corporation for the anticipated \$430,000 loan with the terms of the funds clearly stated.
- 2 Receipt, review and acceptance that the proposed zoning with the City of Abilene for Multifamily be granted by commitment which would replace the current zoning of Agriculture.
- 3 Receipt, review, and acceptance, by Cost Certification, of a civil engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
- 4 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 5 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 6 Receipt, review, and acceptance, by Cost Certification, of documentation that radon testing has been completed in the finished buildings, and that any subsequent recommendations have been implemented.
- 7 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	5
50% of AMI	50% of AMI	37
60% of AMI	60% of AMI	41
EO	N/A	1

STRENGTHS/MITIGATING FACTORS

- The Developer has experience developing tax credit properties in Texas with 712 units completed.
- No new family LIHTC developments have been constructed within the PMA since 2000 and no new comparable developments are proposed in the PMA, suggesting that the proposed subject units will be absorbed quickly within the market.
- Proposed rents are on average 43% lower than market rents, with 60% rents 23-26% below market.

WEAKNESSES/RISKS

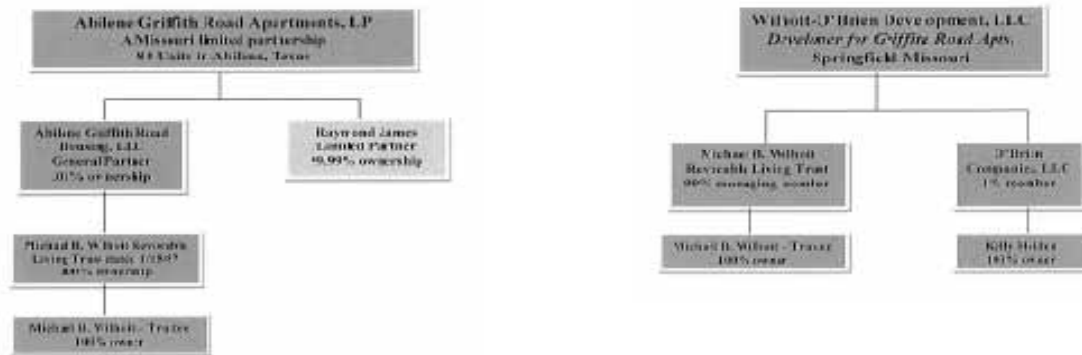
- The Underwriter's and Applicant's expense to income ratios exceeds 60%. An expense to income ratio above 60% reflects an increased risk that the development will not be able to sustain even a moderate period of flat income and rent growth with rising expenses.
- The average physical occupancy for existing LIHTC developments in the PMA is 92%, which indicates a vacancy factor higher than the standard 7.5% vacancy factor, which includes 5% vacancy and 2.5% collection loss, assumed in the underwriting analysis.
- 79% of cash flow from years 1-15 is necessary to repay deferred developer fee.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

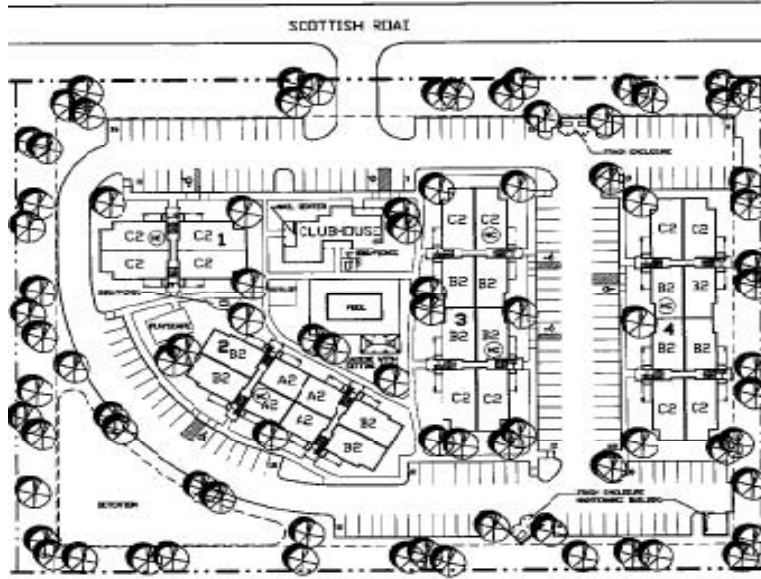
Contact: Michael B. Wilhoit Phone: (417) 890-3212 Fax: (417) 883-6343
 Email: mwilhoit@wilhoitproperties.com

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2	3									Total Buildings
Floors/Stories	3	3	3									
Number	1	1	2									4

BR/BA	SF	Units										Total Units	Total SF
1	712		12									12	8,544
2	964		12	12								36	34,704
3	1,131	12		12								36	40,716
Units per Building		12	24	24								84	83,964

SITE ISSUES

Total Size: 5.00 acres Scattered site? Yes No
 Flood Zone: A Within 100-yr floodplain? Yes No
 Zoning: AO - Agricultural Open Needs to be re-zoned? Yes No N/A

Comments:

On February 24, 2010 a zoning change request from Agricultural to Multifamily for the entire 5.0 acres was submitted to the City of Abilene. This change of zoning will be a condition of this request.

The site is partially within Flood Hazard Area Zone A. Any funding recommendation will be subject to receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 3/25/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:
 North: Hotel and Walmart beyond East: Interstate 20 and Hotel beyond
 South: Vacant Land West: Vacant Land and Residential beyond

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Kaw Valley Engineering Date: 3/22/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "The Phase I ESA has not disclosed evidence indicating the site to have recognized environmental conditions which would preclude the further development of the property." (p. 1)
- "A noise study is recommended for this site because of its proximity to Interstate Highway 20 (less than 1116-mile northeast of the property)." (p. 15)
- "Measured radon levels in the vicinity of the project site reached a maximum of 5.7 pCi/L with an average of 1.3 pCi/L in Taylor County, Texas. The regional testing was performed in basements or the lowest level of living space, which tend to yield a higher concentration than is observed in slab-on-grade buildings. Site-specific radon testing would need to be performed in any future structure in order to determine the exact radon level that may concentrate within any building. It is our opinion that the use of a visquene vapor barrier beneath concrete slabs and outside of basement walls will preclude any excessive radon migration into any future building." (p.16)

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

Receipt, review, and acceptance, by Cost Certification, of documentation that radon testing has been completed in the finished buildings, and that any subsequent recommendations have been implemented.

MARKET ANALYSIS

Provider: Integra Realty Resources Date: 3/25/2010
 Contact: Amy D. B. White Phone: (972) 960-1222
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 121 sq. miles 6 mile equivalent radius

The Primary Market Area is defined by 29 census tracts in the Abilene area. The approximate geographic boundaries are US83 to the west; Jones County to the north; Callahan County to the east; and County Roads 122, 106, and 147 to the south.

ELIGIBLE HOUSEHOLDS BY INCOME								
Taylor County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,806	\$10,700	---	---	\$16,320	\$17,800	\$19,611	\$21,360
2	\$9,806	\$12,200	---	---	\$16,320	\$20,350	\$19,611	\$24,420
3	\$11,760	\$13,750	---	---	\$19,611	\$22,900	\$23,554	\$27,480
4	\$13,577	\$15,250	---	---	\$22,663	\$25,450	\$27,223	\$30,540
5	\$13,577	\$16,450	---	---	\$22,663	\$27,500	\$27,223	\$33,000
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None					
Other Affordable Developments in PMA since 2006					
09175	Abilene Senior Village	new	senior	n/a	92
08142	Anson Park Seniors	new	senior	n/a	80
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		8	Total Units		930

Proposed, Under Construction, and Unstabilized Comparable Supply:
None.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	38,043	38,043
Potential Demand from the Primary Market Area	6,045	6,858
Potential Demand from Other Sources	0	0
GROSS DEMAND	6,045	6,858
Subject Affordable Units	83	83
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	83	83
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	1.4%	1.2%

Demand Analysis:

The Market Analyst has overstated the range of eligible household incomes by calculating minimum incomes based on collected rents (net of utility allowances) rather than gross rent. The Market Analyst also fails to exclude households of six or more persons, which are too large to qualify for the largest (three-bedroom) units at the subject property. Based on these assumptions, the Market Analyst calculates Gross Demand for 6,045 units. This results in a Gross Capture rate of 1.4% for the 83 proposed affordable units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas, the HISTA data provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, HISTA indicates that 43% of renter households are income-eligible, as compared to 37% determined by the Market Analyst. This difference outweighs the Market Analyst's overstated demand based on income range and household size. The Underwriter calculates Gross Demand for 6,858 units, resulting in a Gross Capture Rate of 1.2%.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the calculated gross Capture rate of 1.2% indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	549	1	0	0%	184	1	0	1%
1 BR/50%	635	5	0	1%	302	5	0	2%
1 BR/60%	794	6	0	1%	330	6	0	2%
2 BR/30%	302	2	0	1%	179	2	0	1%
2 BR/50%	373	16	0	4%	332	16	0	5%
2 BR/60%	420	17	0	4%	381	17	0	4%
3 BR/30%	271	2	0	1%	97	2	0	2%
3 BR/50%	309	16	0	5%	196	16	0	8%
3 BR/60%	353	18	0	5%	236	18	0	8%

The Market Analyst's demand is overstated due to minimum incomes calculated based on collected rent (i.e. net of utility allowance) rather than gross rent.

Primary Market Occupancy Rates:

"The average occupancy level for all rental properties within the PMA is 90%." (p. 41) "The occupancy rate for the existing LIHTC properties within the PMA is 92%." (p. 44)

Absorption Projections:

"No "family" LIHTC projects have been recently constructed within the PMA ... (since 2000) average annual absorption in the PMA was 142 units per year, or 12 units per month. However, based on the demand for affordable housing, we estimate that the subject property would absorb at a faster rate ... a new project, the size of the subject as proposed with 84 units, is likely to be absorbed within 6 months of opening, equating to an absorption pace of approximately 14 units per month." (p.47)

Market Impact:

"The subject is located in an area with average occupancy levels, below average rents, and one new project (which) will be an age restricted "seniors only" complex and will not be competitive with the subject ... we conclude there to be sufficient unmet demand to support the development of the subject." (pp. 65-66)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: One Date of Last Applicant Revision: 3/26/2010

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of November 25, 2008, maintained by the Abilene Housing Authority from the 2009 HUD rent limits which apply to HTC applications since the 2010 rent limits were not available at the time of the analysis. Tenants will be required to pay all electric utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: One Date of Last Applicant Revision: 3/26/2010

The Applicant's total annual operating expense projection at \$3,598 per unit is within 5% of the Underwriter's estimate of \$3,692, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, specifically: general & administrative (31% lower), repairs & maintenance (23% lower), utilities (33% higher) and property tax (16% higher). The Applicant explained that the lower G&A estimate is because the accounting budget makes up the bulk of the G&A expense and with the long term relationship with their accounting firm and 60+ developments their accounting costs are below that of most developers. The Applicant explained that repairs and maintenance costs are lower because they have the ability to handle all the repairs and maintenance duties internally which eliminates the standard contract labor costs. Finally, the Applicant explained that the utility and property tax estimates are based on actual expenses at existing developments within the Applicant's Texas portfolio.

Conclusion:

The Applicant's estimate of gross income, total expenses and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.18 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 138.348 acres	<u>\$2,043,935</u>	Tax Year:	<u>2009</u>
Prorated 5.0 acres:	<u>\$73,869</u>	Valuation by:	<u>Abilene CAD</u>
Total Assessed Value:	<u>\$73,869</u>	Tax Rate:	<u>2.3266</u>

EVIDENCE of PROPERTY CONTROL

Type: Commercial and Industrial Real Estate Sale Contract Acreage: 5.0
Contract Expiration: 10/29/2010 Valid Through Board Date? Yes No
Acquisition Cost: \$325,000 Other: _____
Seller: Ruth Elizabeth Griffith Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$325,000 which is \$65,000 per acre or \$3,869 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs of \$9,000 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$81.2K or 2% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Reserves:

Raymond James the equity provider has required reserves of \$232,428 which are greater than the six months of stabilized operating expenses less management fees and reserve for replacements plus debt service as required by the Department; therefore, the larger reserve figure required by the equity provider of \$232,428 will be used.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract and it is located in a census tract that has a median family income ("MFI") that is higher than the MFI for the county in which the census tract is located.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,889,450 and the 9% applicable percentage rate supports annual tax credits of \$923,066. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Great Southern Bank Type: Interim Financing

Principal: \$6,395,000 Interest Rate: 6.0% Term: 24 months

Comments:

Priced at Great Southern Bank Prime rate floating, with a 6.0% floor

Source: Empire Bank Type: Interim Financing

Principal: \$171,000 Interest Rate: 3.25% Fixed Term: 12 months

Comments:

The rate is based on the prime rate and it will float daily; therefore, a rate of 3.25% was used which was the rate in effect at the time of underwriting.

Source: Kenneth A. Schwab Type: Interim Financing
 Principal: \$171,000 Interest Rate: 8.0% Fixed Term: 12 months
 Comments:

One year balloon note, interest only monthly payments

Source: East Texas Housing Finance Corporation Type: Interim Financing
 Principal: \$430,000 Interest Rate: AFR Fixed Term: 12 months
 Comments:

AFR was 4.31% as of the date of underwriting. Also at the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from East Texas Housing Finance Corporation for the anticipated \$430,000 with the terms of the funds clearly stated will be required.

Source: Great Southern Bank Type: Permanent Financing
 Principal: \$1,845,000 Interest Rate: 8.00% Fixed Amort: 360 months
 Term: 15 years

Comments:

The interest rate will be based on the 15 year FHLB plus 2.78 bps, with an underwriting rate of 8%. As of the date of underwriting the current 15 year FHLB+278 bp rate was 4.819+2.78= 7.6%, which was the rate used in the recommended financing structure. Also the terms of the loan will be based on a 15 year term with a 30 year amortization.

Source: Raymond James Type: Syndication
 Proceeds: \$6,275,772 Syndication Rate: 68% Anticipated HTC: \$ 923,000
 Amount: \$429,228 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,845,000 indicates the need for \$6,705,000 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$986,128 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$923,066
Allocation determined by gap in financing:	\$986,128
Allocation requested by the Applicant:	\$923,000

The allocation amount determined by the Applicant's requested amount is recommended. A tax credit allocation of \$923,000 per year for 10 years results in total equity proceeds of \$6,275,772 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$429,228 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 12 years of stabilized operation.

Underwriter:	<i>Carl Hoover</i>	Date: <u>May 20, 2010</u>
Manager of Real Estate Analysis:	<i>Audrey Martin</i>	Date: <u>May 20, 2010</u>
Director of Real Estate Analysis:	<i>Brent Stewart</i>	Date: <u>May 20, 2010</u>

UNIT MIX/RENT SCHEDULE

Griffith Road Apartments, Abilene, 9% HTC #10108

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Abilene	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Taylor	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	12	14.3%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	2	2	36	42.9%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	36	42.9%								APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4										APP % - ACQUISITION:		
		TOTAL	84	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				HTC PROGRAM RENT LIMITS				APPLICANT RENTS				TDHCA RENTS				MARKET RENTS	
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	1	1	1	712	\$286	\$86	\$200	\$0	\$0.28	\$200	\$200	\$200	\$200	\$0.28	\$0	\$660	\$460
TC 50%	5	1	1	712	\$476	\$86	\$390	\$0	\$0.55	\$390	\$1,950	\$1,950	\$390	\$0.55	\$0	\$660	\$270
TC 60%	6	1	1	712	\$572	\$86	\$486	(\$1)	\$0.68	\$485	\$2,910	\$2,916	\$486	\$0.68	\$0	\$660	\$174
TC 30%	2	2	2	964	\$343	\$110	\$233	\$0	\$0.24	\$233	\$466	\$466	\$233	\$0.24	\$0	\$760	\$527
TC 50%	16	2	2	964	\$572	\$110	\$462	\$0	\$0.48	\$462	\$7,392	\$7,392	\$462	\$0.48	\$0	\$760	\$298
TC 60%	17	2	2	964	\$687	\$110	\$577	(\$2)	\$0.60	\$575	\$9,775	\$9,809	\$577	\$0.60	\$0	\$760	\$183
EO	1	2	2	964	#N/A	\$110	#N/A	#N/A	\$0.60	\$575	\$575	\$575	\$575	\$0.60	#N/A	\$760	\$185
TC 30%	2	3	2	1,131	\$396	\$135	\$261	\$0	\$0.23	\$261	\$522	\$522	\$261	\$0.23	\$0	\$860	\$599
TC 50%	16	3	2	1,131	\$661	\$135	\$526	\$0	\$0.47	\$526	\$8,416	\$8,416	\$526	\$0.47	\$0	\$860	\$334
TC 60%	18	3	2	1,131	\$794	\$135	\$659	(\$4)	\$0.58	\$655	\$11,790	\$11,862	\$659	\$0.58	\$0	\$860	\$201
TOTAL:	84			83,964							\$43,996	\$44,108					
AVG:				1,000				#N/A	\$0.52	\$524			\$525	\$0.53	#N/A	\$789	(\$263)
ANNUAL:											\$527,952	\$529,296					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Griffith Road Apartments, Abilene, 9% HTC #10108

INCOME		Total Net Rentable Sq Ft:		TDHCA	APPLICANT				
POTENTIAL GROSS RENT				\$529,296	\$527,952				
Secondary Income	Per Unit Per Month:	\$6.00		6,048	6,048	\$6.00	Per Unit Per Month		
Other Support Income:						\$0.00	Per Unit Per Month		
Other Support Income:						\$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME				\$535,344	\$534,000				
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(40,151)	(40,056)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions				0					
EFFECTIVE GROSS INCOME				\$495,193	\$493,944				
EXPENSES						PER SQ FT	PER UNIT	% OF EGI	
General & Administrative	4.73%	\$279	0.28	\$23,400	\$16,099	\$0.19	\$192	3.26%	
Management	5.00%	\$295	0.29	24,760	24,698	0.29	294	5.00%	
Payroll & Payroll Tax	14.66%	\$864	0.86	72,608	70,000	0.83	833	14.17%	
Repairs & Maintenance	7.89%	\$465	0.47	39,059	30,000	0.36	357	6.07%	
Utilities	3.78%	\$223	0.22	18,734	25,000	0.30	298	5.06%	
Water, Sewer, & Trash	6.24%	\$368	0.37	30,925	35,000	0.42	417	7.09%	
Property Insurance	4.29%	\$253	0.25	21,249	15,000	0.18	179	3.04%	
Property Tax	2.3266	8.68%	\$512	0.51	42,996	50,000	0.60	595	10.12%
Reserve for Replacements	4.24%	\$250	0.25	21,000	21,000	0.25	250	4.25%	
TDHCA Compliance Fees	0.67%	\$40	0.04	3,320	3,360	0.04	40	0.68%	
Other: Supp. Serv.	2.44%	\$144	0.14	12,096	12,096	0.14	144	2.45%	
TOTAL EXPENSES	62.63%	\$3,692	\$3.69	\$310,146	\$302,253	\$3.60	\$3,598	61.19%	
NET OPERATING INC	37.37%	\$2,203	\$2.20	\$185,047	\$191,691	\$2.28	\$2,282	38.81%	
DEBT SERVICE									
Great Southern Bank				\$162,455	\$162,455				
TOTAL DEBT SERVICE				162,455	162,455				
NET CASH FLOW				\$22,592	\$29,236				
AGGREGATE DEBT COVERAGE RATIO				1.14	1.18				
RECOMMENDED DEBT COVERAGE RATIO					1.23				
CONSTRUCTION COST									
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		3.77%	\$3,869	\$3.87	\$325,000	\$325,000	\$3.87	\$3,869	3.80%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.76%	\$9,000	\$9.00	756,000	756,000	9.00	9,000	8.84%
Direct Construction		51.38%	\$52,796	\$52.82	4,434,887	4,353,660	51.85	51,829	50.92%
Contingency	7.00%	3.88%	\$3,988	\$3.99	335,000	335,000	3.99	3,988	3.92%
Contractor's Fees	13.78%	8.29%	\$8,516	\$8.52	715,340	715,340	8.52	8,516	8.37%
Indirect Construction		2.77%	\$2,845	\$2.85	239,000	239,000	2.85	2,845	2.80%
Ineligible Costs		1.19%	\$1,228	\$1.23	103,120	103,120	1.23	1,228	1.21%
Developer's Fees	14.82%	11.92%	\$12,250	\$12.26	1,029,000	1,029,000	12.26	12,250	12.04%
Interim Financing		5.35%	\$5,493	\$5.50	461,450	461,450	5.50	5,493	5.40%
Reserves		2.69%	\$2,767	\$2.77	232,428	232,430	2.77	2,767	2.72%
TOTAL COST		100.00%	\$102,752.67	\$102.80	\$8,631,225	\$8,550,000	\$101.83	\$101,786	100.00%
Construction Cost Recap		72.31%	\$74,300	\$74.33	\$6,241,227	\$6,160,000	\$73.36	\$73,333	72.05%
SOURCES OF FUNDS						RECOMMENDED			
Great Southern Bank		21.38%	\$21,964	\$21.97	\$1,845,000	\$1,845,000	\$1,845,000	Developer Fee Available	
Second Lien		0.00%	\$0	\$0.00	0	0	0	\$1,029,000	
Additional Financing		0.00%	\$0	\$0.00	0	0	0		
Additional Financing		0.00%	\$0	\$0.00	0	0	0		
Additional Financing		0.00%	\$0	\$0.00	0	0	0		
HTC Syndication Proceeds		72.71%	\$74,712	\$74.74	6,275,772	6,275,772	6,275,772	% of Dev. Fee Deferred	
Deferred Developer Fees		4.97%	\$5,110	\$5.11	429,228	429,228	429,228	42%	
Additional (Excess) Funds Req'd		0.94%	\$967	\$0.97	81,225	0	0	15-Yr Cumulative Cash Flow	
TOTAL SOURCES					\$8,631,225	\$8,550,000	\$8,550,000	\$545,371	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Griffith Road Apartments, Abilene, 9% HTC #10108

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.21	\$4,552,006
Adjustments				
Exterior Wall Finish	0.40%		\$0.22	\$18,208
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			1.33	111,952
Floor Cover			2.41	202,353
Breezeways	\$23.05	6,419	1.76	147,937
Balconies	\$22.10	9,329	2.46	206,193
Plumbing Fixtures	\$845	216	2.17	182,520
Rough-ins	\$420	168	0.84	70,560
Built-In Appliances	\$1,850	84	1.85	155,400
Exterior Stairs	\$1,900	28	0.63	53,200
Enclosed Corridors	\$44.29		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	155,333
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$78.19	2,046	1.91	159,967
Other: fire sprinkler	\$2.25	83,964	2.25	188,919
SUBTOTAL			73.90	6,204,548
Current Cost Multiplier	0.99		(0.74)	(62,045)
Local Multiplier	0.89		(8.13)	(682,500)
TOTAL DIRECT CONSTRUCTION COSTS			\$65.03	\$5,460,002
Plans, specs, survy, bld prj	3.90%		(\$2.54)	(\$212,940)
Interim Construction Interest	3.38%		(2.19)	(184,275)
Contractor's OH & Profit	11.50%		(7.48)	(627,900)
NET DIRECT CONSTRUCTION COSTS			\$52.82	\$4,434,887

PROPOSED PAYMENT COMPUTATION

Great Southern Bank	\$1,845,000	Amort	360
Int Rate	8.00%	DCR	1.14

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Great Southern Bank	\$156,325
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$156,325

Great Southern Bank	\$1,845,000	Amort	360
Int Rate	7.60%	DCR	1.23

Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.23

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.23

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.23

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.23

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$527,952	\$538,511	\$549,281	\$560,267	\$571,472	\$630,952	\$696,621	\$769,126	\$937,561
Secondary Income	6,048	6,169	6,292	6,418	6,547	7,228	7,980	8,811	10,740
Other Support Income:	0	0	0	0	0				
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	534,000	544,680	555,574	566,685	578,019	638,179	704,602	777,937	948,301
Vacancy & Collection Loss	(40,056)	(40,851)	(41,668)	(42,501)	(43,351)	(47,863)	(52,845)	(58,345)	(71,123)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$493,944	\$503,829	\$513,906	\$524,184	\$534,667	\$590,316	\$651,757	\$719,592	\$877,178
EXPENSES at 3.00%									
General & Administrative	\$16,099	\$16,582	\$17,079	\$17,592	\$18,120	\$21,006	\$24,351	\$28,230	\$37,938
Management	24,698	25192.26601	25,696	26,210	26,734	29,517	32,589	35,981	43,860
Payroll & Payroll Tax	70,000	72,100	74,263	76,491	78,786	91,334	105,881	122,745	164,960
Repairs & Maintenance	30,000	30,900	31,827	32,782	33,765	39,143	45,378	52,605	70,697
Utilities	25,000	25,750	26,523	27,318	28,138	32,619	37,815	43,838	58,914
Water, Sewer & Trash	35,000	36,050	37,132	38,245	39,393	45,667	52,941	61,373	82,480
Insurance	15,000	15,450	15,914	16,391	16,883	19,572	22,689	26,303	35,348
Property Tax	50,000	51,500	53,045	54,636	56,275	65,239	75,629	87,675	117,828
Reserve for Replacements	21,000	21,630	22,279	22,947	23,636	27,400	31,764	36,824	49,488
TDHCA Compliance Fee	3,360	3,461	3,565	3,672	3,782	4,384	5,082	5,892	7,918
Other	15,456	15,920	16,397	16,889	17,396	20,167	23,379	27,102	36,423
TOTAL EXPENSES	\$305,613	\$314,535	\$323,719	\$333,173	\$342,907	\$396,047	\$457,498	\$528,567	\$705,855
NET OPERATING INCOME	\$188,331	\$189,294	\$190,187	\$191,010	\$191,761	\$194,269	\$194,259	\$191,025	\$171,324
DEBT SERVICE									
First Lien Financing	\$156,325	\$156,325	\$156,325	\$156,325	\$156,325	\$156,325	\$156,325	\$156,325	\$156,325
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$32,006	\$32,969	\$33,862	\$34,685	\$35,436	\$37,944	\$37,934	\$34,700	\$14,999
DEBT COVERAGE RATIO	1.20	1.21	1.22	1.22	1.23	1.24	1.24	1.22	1.10

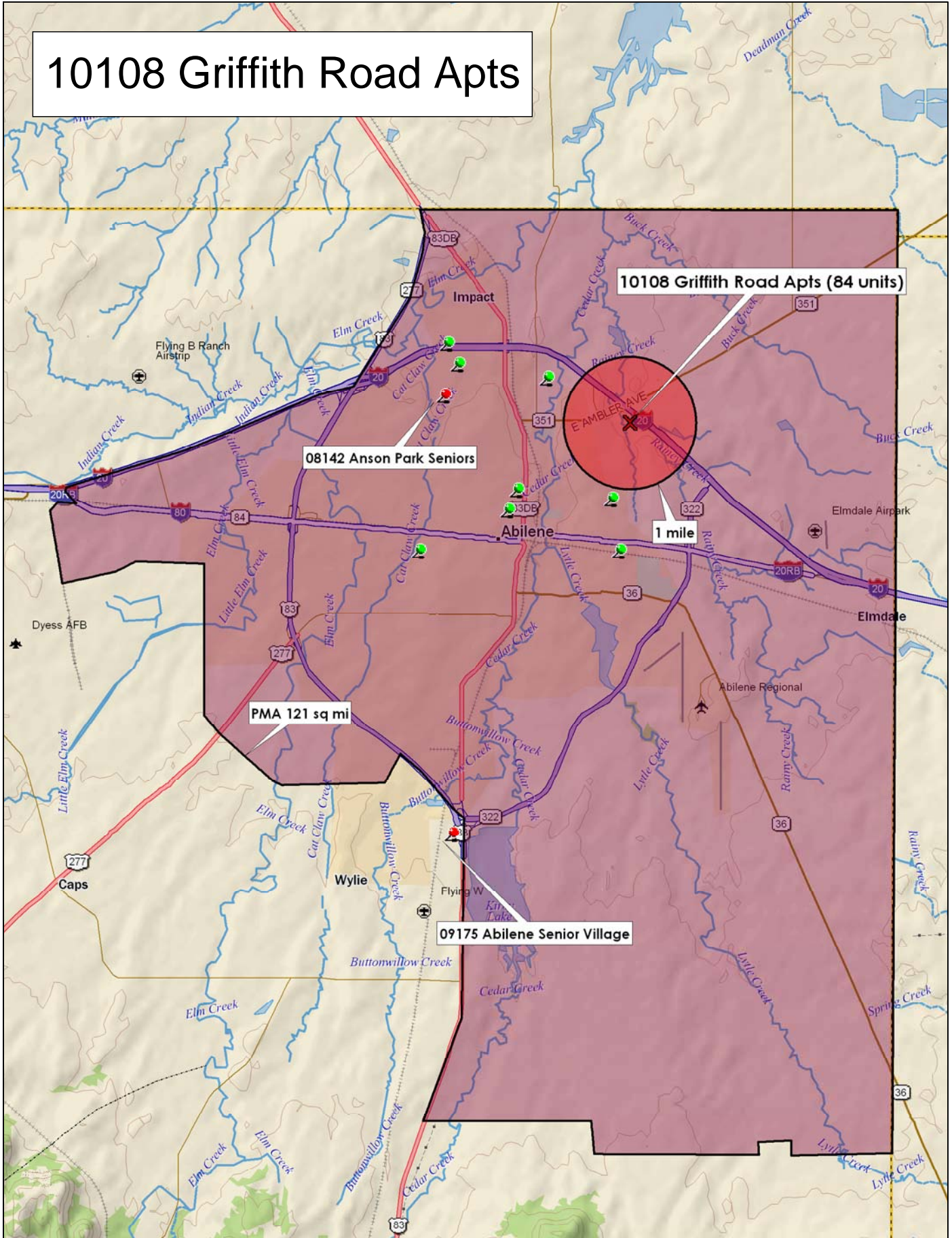
HTC ALLOCATION ANALYSIS -Griffith Road Apartments, Abilene, 9% HTC #10108

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$325,000	\$325,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$756,000	\$756,000	\$756,000	\$756,000
Construction Hard Costs	\$4,353,660	\$4,434,887	\$4,353,660	\$4,434,887
Contractor Fees	\$715,340	\$715,340	\$715,340	\$715,340
Contingencies	\$335,000	\$335,000	\$335,000	\$335,000
Eligible Indirect Fees	\$239,000	\$239,000	\$239,000	\$239,000
Eligible Financing Fees	\$461,450	\$461,450	\$461,450	\$461,450
All Ineligible Costs	\$103,120	\$103,120		
Developer Fees				
Developer Fees	\$1,029,000	\$1,029,000	\$1,029,000	\$1,029,000
Development Reserves	\$232,430	\$232,428		
TOTAL DEVELOPMENT COSTS	\$8,550,000	\$8,631,225	\$7,889,450	\$7,970,677

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$7,889,450	\$7,970,677
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$10,256,285	\$10,361,880
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$10,256,285	\$10,361,880
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$923,066	\$932,569

Syndication Proceeds	0.6799	\$6,276,218	\$6,340,836
Total Tax Credits (Eligible Basis Method)		\$923,066	\$932,569
Syndication Proceeds		\$6,276,218	\$6,340,836
Requested Tax Credits		\$923,000	
Syndication Proceeds		\$6,275,772	
Gap of Syndication Proceeds Needed		\$6,705,000	
Total Tax Credits (Gap Method)		\$986,128	
Recommended Tax Credits		923,000	
Syndication Proceeds		\$6,275,772	

10108 Griffith Road Apts



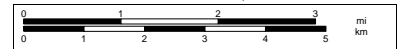
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Scale 1 : 125,000



1" = 1.97 mi

Data Zoom 10-6



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Country Village Apts, TDHCA Number 10112

BASIC DEVELOPMENT INFORMATION

Site Address: 1500 Hackberry Ln. Development #: 10112
 City: Mathis Region: 10 Population Served: Elderly
 County: San Patricio Zip Code: 78368 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: HVM Mathis, Ltd.
 Owner Contact and Phone: Dennis Hoover, (512) 756-6809
 Developer: Dennis Hoover
 Housing General Contractor: F & H Construction Co., L.L.C.
 Architect: Architetura, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Michel and Associates
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	2	0	16	18	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	34	2	0	0	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	9
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	2

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$270,645	\$270,645			
HOME Activity Fund Amount:	\$617,040	\$617,040	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Country Village Apts, TDHCA Number 10112

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, S

Points: 14 US Representative: Hinojosa, District 15, NC

TX Representative: Hunter, District 32, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Ciri Villarreal, Mayor City of Mathis

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Country Village Tenants Council, Esmeralda M. Quintanilla

Letter Score: 24 S or O: S

We support the tax credit application because several of the proposed upgrades are for a more energy efficient complex. New flooring, new appliances, new paint, new energy efficient door and windows.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$617,040 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$617,040, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.

2. Receipt of a firm commitment of funding from USDA for \$840,139, or a commitment from a qualifying substitute source in an amount not less than \$840,139, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Country Village Apts, TDHCA Number 10112

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **65**

Total # Monitored: **63**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **197** Meeting a Required Set-Aside Credit Amount*: \$270,645

Recommendation: Competitive in USDA Allocation

HOME Activity Funds: Loan Amount: \$617,040

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Promenade at Mercer Crossing, TDHCA Number 10113

BASIC DEVELOPMENT INFORMATION

Site Address: NWC of Whittington Pl. and Senlac Dr. Development #: 10113
 City: Farmers Branch Region: 3 Population Served: Elderly
 County: Dallas Zip Code: 75234 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: PMC Housing, L.P.
 Owner Contact and Phone: Brad Kyles, (469) 522-4372
 Developer: Investors Real Estate NV, LLC
 Housing General Contractor: N.E. Construction, L.L.P.
 Architect: Gailer, Tolson, French Design Associates
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Alliant Capital, Ltd.
 Supportive Services: N/A
 Consultant and Contact: Roundstone Development, LLC,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	124
	7 0 55 62	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 66 58 0 0 0	Total Development Units:	124
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	2
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,518,354	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Promenade at Mercer Crossing, TDHCA Number 10113

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Shapiro, District 8, NC

Points: 0

US Representative: Marchant, District 24, NC

TX Representative: Anchia, District 103, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the City of Farmers Branch in the amount of \$750,000, or a commitment from a qualifying substitute source in an amount not less than \$750,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Promenade at Mercer Crossing, TDHCA Number 10113

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **209** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Terrace at Haven for Hope, TDHCA Number 10114

BASIC DEVELOPMENT INFORMATION

Site Address: N. San Marcos & Perez St. Development #: 10114
 City: San Antonio Region: 9 Population Served: General
 County: Bexar Zip Code: 78207 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Terrace at Haven, Ltd.
 Owner Contact and Phone: Meghan Garza-Oswald, (210) 220-2190
 Developer: Haven for Hope of Bexar County
 Housing General Contractor: NRP Contractors
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners
 Supportive Services: Haven for Hope of Bexar County
 Consultant and Contact: NRP Holding, L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	140	
	7	0	63	70	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	40	42	50	8	0	0	
Type of Building:						Total Development Units:	140
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	4
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	20
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	5

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,638,351	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Terrace at Haven for Hope, TDHCA Number 10114

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Van De Putte, District 26, S

Points: 7

US Representative: González, District 20, NC

TX Representative: Villarreal, District 123, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the City of San Antonio in the amount of \$775,000, or a commitment from a qualifying substitute source in an amount not less than \$775,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the City of San Antonio in the amount of \$325,000, or a commitment from a qualifying substitute source in an amount not less than \$325,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Terrace at Haven for Hope, TDHCA Number 10114

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **194** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tuscany Place, TDHCA Number 10115

BASIC DEVELOPMENT INFORMATION

Site Address: N. side of Northpark Dr. (Approx. 1200LF East of TX Loop 494) Development #: 10115
 City: Kingwood Region: 6 Population Served: General
 County: Montgomery Zip Code: 77339 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Tuscany Place, Ltd.
 Owner Contact and Phone: Ben Amor, (210) 342-8576
 Developer: TG 201, Inc.
 Housing General Contractor: NRP Contractors, L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: TG 201, Inc.
 Consultant and Contact: NRP Holdings, L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	152
	8 0 69 75	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 12 72 60 8 0	Total Development Units:	152
Type of Building:		Total Development Cost*:	\$20,279,961
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	9
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$2,000,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tuscany Place, TDHCA Number 10115

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Williams, District 4, S Points: 14 US Representative: Poe, District 2, NC
TX Representative: Creighton, District 16, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by commitment, of a commitment from Capital Area Housing Finance Corporation for the proposed loan, with the terms of financing clearly stated.
2. Receipt, review, and acceptance, by commitment, of an updated engineer's cost breakdown and CPA letter to include the cost of the onsite detention pond.
3. Receipt, review, and acceptance, by carryover, of evidence from the local taxing jurisdiction confirming that a 50% property tax exemption will be available to the development.
4. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
5. Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain.
6. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
7. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tuscany Place, TDHCA Number 10115

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: 1

Total # Monitored: 1

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **208** Meeting a Required Set-Aside Credit Amount*: \$2,000,000

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/14/10 PROGRAM: HTC 9% FILE NUMBER: 10115

DEVELOPMENT

Tuscany Place

Location: North side of Northpark Dr. (~ 1200 feet east of TX Loop 494) Region: 6

City: Kingwood County: Montgomery Zip: 77339 OCT DDA

Key Attributes: General, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$2,000,000			\$2,000,000		

CONDITIONS

- 1 Receipt, review, and acceptance, by commitment, of a commitment from Capital Area Housing Finance Corporation for the proposed loan, with the terms of financing clearly stated.
- 2 Receipt, review, and acceptance, by commitment, of an updated engineer's cost breakdown and CPA letter to include the cost of the onsite detention pond.
- 3 Receipt, review, and acceptance, by carryover, of evidence from the local taxing jurisdiction confirming that a 50% property tax exemption will be available to the development.
- 4 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 5 Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain.
- 6 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 7 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

This section intentionally left blank.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	69
60% of AMI	60% of AMI	75

STRENGTHS/MITIGATING FACTORS

- Proposed rents are on average 28% lower than market rents.
- Occupancy of comparable affordable properties is 92.6%.

WEAKNESSES/RISKS

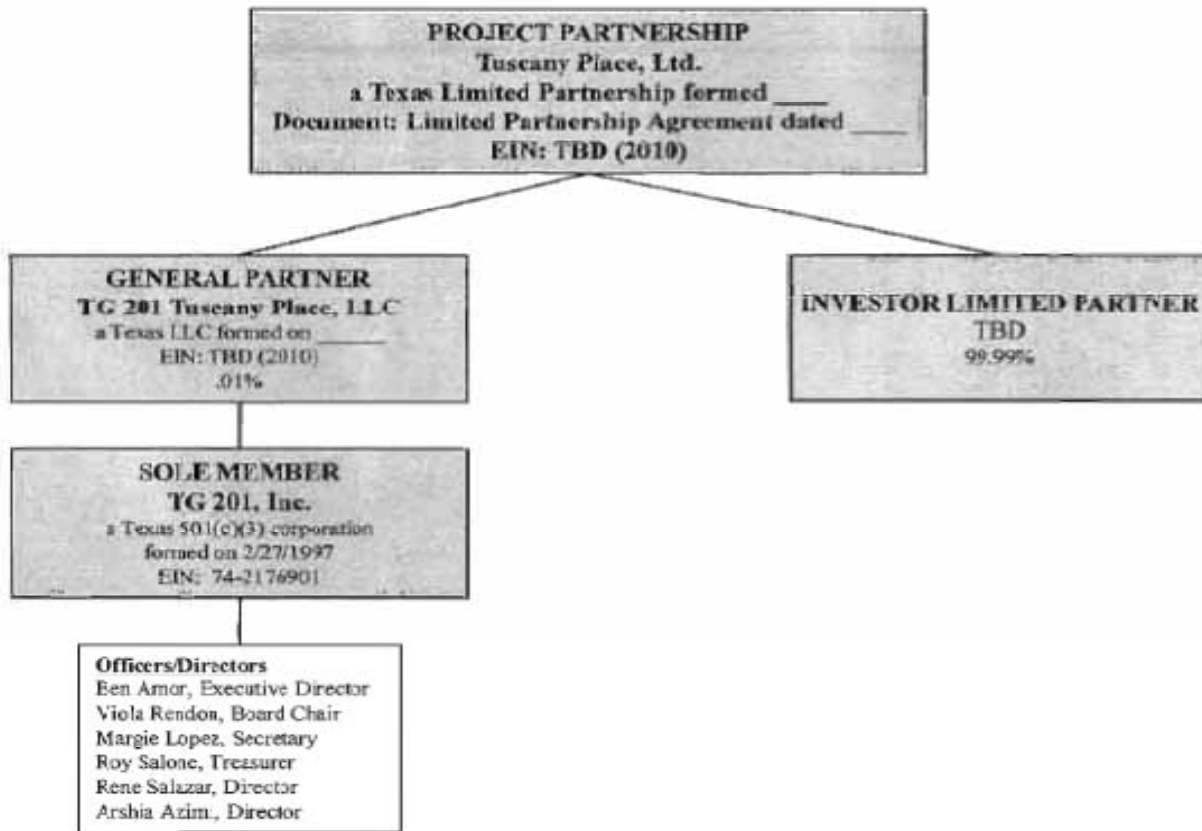
- The principals of the Applicant have limited experience developing and owning Housing Tax Credit units.
- Overall occupancy in the PMA is 89.9%.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

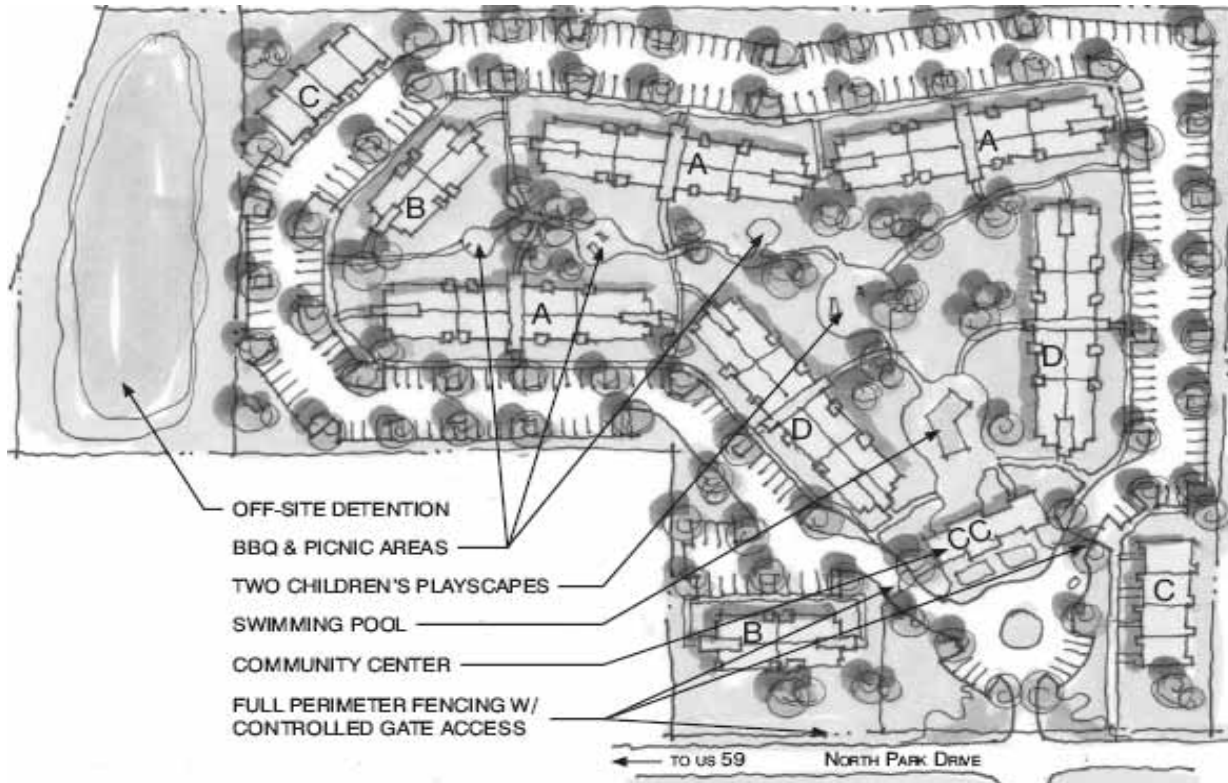
Contact: Ben Amor Phone: (210) 342-8576 Fax: (210) 348-8913
 Email: tginfo@tgicorp.org

IDENTITIES of INTEREST

- o The Applicant, Developer, General Contractor, and supportive services provider are related entities. These are common relationships for HTC-funded developments.
- o The seller is the Co-Developer and therefore is regarded as a related party. The acquisition price will be based upon the lesser of the declared price, the appraised value, and the original acquisition and holding cost. This is discussed at greater length in the construction cost section of this report.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D								Total Buildings
Floors/Stories	3	3	2	3								
Number	3	2	2	2								9

BR/BA	SF	Units										Total Units	Total SF
1	1	712				6						12	8,544
2	2	950	12			6						48	45,600
2	2	963		12								24	23,112
3	2	1,142	12			12						60	68,520
4	2	1,561			4							8	12,488
Units per Building			24	12	4	24						152	158,264

SITE ISSUES

Total Size: 9.62 acres Scattered site? Yes No
 Flood Zone: Zones AE & X Within 100-yr floodplain? Yes No
 Zoning: N/A Needs to be re-zoned? Yes No N/A

Comments:

No zoning in Montgomery County.
 According to the ESA provider, the FEMA FIRM indicates that "the site is located in Zone AE, special flood hazard areas inundated by 100 year flood - base elevations determined..." (p. 19)
 Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, is a condition of this report.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/13/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: vacant land East: commercial & residential
 South: Northpark Dr, vacant & residential West: TX Loop 494 & commercial

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Consultants, Inc. Date: 3/9/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "Based on the scope of services, limitations, and findings of this assessment, Terracon did not identify RECs which, in our opinion, warrant additional investigation at this time." (p. iii)
- "A railroad track runs north and south approximately 300 feet west of the site followed by Loop 494 which runs north and south approximately 450 feet west of the site. In accordance with U.S. Department of Housing and Urban Development guidelines and based on the proximity of a major roadway and a railroad to the site, Terracon recommends that a noise study be conducted." (p. ii)

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Apartment MarketData Date: 2/24/2010

Contact: Darrell Jack Phone: (210) 530-0040

Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 130 sq. miles 6 mile equivalent radius

The Primary Market Area is defined by 10 census tracts along HWY 59 in south Montgomery and north Harris Counties.

ELIGIBLE HOUSEHOLDS BY INCOME								
Montgomery County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$12,274	\$13,400	---	---	\$20,503	\$22,350	\$24,583	\$26,820
2	\$12,274	\$15,300	---	---	\$20,503	\$25,500	\$24,583	\$30,600
3	\$14,777	\$17,250	---	---	\$24,583	\$28,700	\$29,520	\$34,440
4	\$17,074	\$19,150	---	---	\$28,423	\$31,900	\$34,114	\$38,280
5	\$17,074	\$20,700	---	---	\$28,423	\$34,450	\$34,114	\$41,340
6	\$19,029	\$22,200	---	---	\$31,714	\$37,000	\$38,057	\$44,400

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None					
Other Affordable Developments in PMA since 2006					
None					
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		8	Total Units	703	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no unstabilized or proposed comparable developments in the PMA that will impact the demand for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	34,450	34,450
Target Households in the Primary Market Area	34,450	34,450
Potential Demand from the Primary Market Area	2,926	2,928
Potential Demand from Other Sources	0	0
GROSS DEMAND	2,926	2,928
Subject Affordable Units	152	152
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	152	152
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	5.2%	5.2%

Demand Analysis:

The Market Analyst identified Gross Demand for 2,926 units from income-eligible renter households in the PMA; and a Gross Capture Rate of 5.2% for the 152 subject units. The Underwriter has confirmed these calculations.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	163	1	0	1%	77	1	0	1%
1 BR/50%	269	5	0	2%	116	5	0	4%
1 BR/60%	276	6	0	2%	132	6	0	5%
2 BR/30%	72	3	0	4%	59	3	0	5%
2 BR/50%	138	33	0	24%	133	33	0	25%
2 BR/60%	139	36	0	26%	119	36	0	30%
3 BR/30%	35	3	0	9%	36	3	0	8%
3 BR/50%	69	27	0	39%	65	27	0	41%
3 BR/60%	86	30	0	35%	77	30	0	39%
4 BR/30%	34	1	0	3%	6	1	0	16%
4 BR/50%	69	4	0	6%	40	4	0	10%
4 BR/60%	86	3	0	3%	46	3	0	7%

Primary Market Occupancy Rates:

"The overall occupancy reported in the market is 87.2%, including Woodland Hills Village, which is undergoing renovation. Excluding this property, the overall occupancy of the PMA is 89.9%." (p. 49)

The market study provides further detail showing lower occupancy for older properties built in the 1970's (85.1% for 1,046 units) and 1980's (87.2% for 4,218 units); and higher occupancy for newer properties built in the 1990's (95.2% for 2,188 units) and the 2000's (93.2% for 3,769 units). (p. 52)

Specific data is also provided for 7 affordable projects, all built since 1990, with a total of 653 units and overall occupancy of 92.6%. (p. 54)

Absorption Projections:

"Montgomery Pines (LIHTC) 224 units were built in 2005 and reached a stabilized occupancy after 8 months of leasing." (p. 53)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable family units have been easily absorbed. Today, stabilized affordable projects are 92.4% occupied. This demonstrates that the demand for new affordable rental housing is high." (p. 56)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of April 13, 2010, maintained by Conroe Housing Authority, from the 2009 program gross rent limits. Of note, for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Rent limits increased approximately 2% from 2009 to 2010. If the Underwriter and Applicant utilized 2010 rents, DCR would increase to approximately 1.18 and 1.20, respectively, and the recommendation would not be affected. Tenants will be required to pay electric, water, and sewer costs.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines and effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,905 per unit is within 5% of the Underwriter's estimate of \$3,939, derived from the TDHCA database, and third-party data sources. Of note, the Applicant's estimate of water, sewer & trash is 39% higher than the Underwriter's estimate; however, the Applicant's estimate is in-line with the database, and is therefore considered reasonable. Also of note, the sole owner of the GP, TG 201, Inc. is a 501(c)(3) non-profit organization and as such qualifies for a property tax exemption. Accordingly, the Underwriter has applied a 50% tax exemption to the standard property tax assumption bases on a 10% cap rate & NOI. The adjusted tax estimate is in-line with the Applicant's estimate. This report is conditioned on receipt, review, and acceptance, by Carryover, of evidence from the local taxing jurisdiction confirming that a 50% property tax exemption will be available to the development.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.15, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: Multi-Housing Appraisal Associates Date: 2/15/2010
 Number of Revisions: None Date of Last Applicant Revision: N/A
 Land Only: 10.6 acres \$1,779,000 As of: 2/8/2010

ASSESSED VALUE

Land Only: 13.6 acres \$217,230 Tax Year: 2010
 1 acre: \$16,000 Valuation by: Montgomery CAD
 Total Prorata: 9.62 acres \$153,919 Tax Rate: 2.2482

EVIDENCE of PROPERTY CONTROL

Type: Commercial Unimproved Property Contract Acreage: 9.62
 Contract Expiration: 11/30/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$1,388,000 Other: _____
 Seller: NORTHHP13, Ltd. Related to Development Team? Yes No

This section intentionally left blank.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 6/14/2010

Acquisition Value:

The Applicant has provided a contract for the purchase of the subject site for \$1,388,000, which equates to \$144K per acre or \$9K per unit. The property is a 9.62 acre portion of a larger 13.577 acre tract. The current owner of the property, NORTH13, Ltd is the Co-Developer of the Subject. The Applicant has included the costs for utilities for the property and has provided documentation of holding costs, including taxes, and return on investment, that support the claimed acquisition cost of \$1,388,000; therefore, the Underwriter has used this value.

Off-Site Cost:

The Applicant claimed off-site costs of \$100K for extension to existing lift station and provided sufficient third party certification through an architect to justify these costs. Based on the submitted boundary survey and site plan, this detention pond appears to be located on the site. Therefore, the Underwriter has considered this cost to be ineligible sitework cost. Because the QAP requires third party documentation from an engineer and CPA for sitework costs, this report is conditioned on receipt, review, and acceptance, by commitment, of an updated engineer's cost breakdown and CPA letter to include the cost of the onsite detention pond.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit largely for a detention pond and landscaping. Sufficient third party certification through a detailed certified cost estimate by an architect to justify these costs was provided. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac & Company, to preliminarily opine that all of the total \$2,001,630 will be considered eligible. The CPA has indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$688K or 8% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Reserves:

The Applicant provided documentation to support \$154,370 in lease-up reserves in addition to the standard operating reserves allowed pursuant to REA rules. Therefore, the Underwriter has included this amount in addition to standard operating reserves.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,334,737 supports annual tax credits of \$2,028,164. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

This section intentionally left blank.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: CAHFC Type: Interim Financing

Principal: \$1,425,000 Interest Rate: AFR Fixed Term: TBD months

Comments:

The Applicant has applied for interim financing with requested minimum terms of the later of one year or PIS date and an interest rate at or below AFR. Because this loan has not yet been committed, this report is conditioned on receipt, review, and acceptance, by commitment, of a commitment for this source, with the terms clearly indicated. Of note, interim interest from this source was not used to justify the Applicant's claimed eligible interim interest.

Source: Lifestyle Neighborhood Co. Type: Interim Financing

Principal: \$410,000 Interest Rate: 7.0% Fixed Term: 15 months

Comments:

Lifestyle Neighborhood Co. has provided a commitment for a construction period loan of \$410K. The interest rate will be the greater of prime + 2.0% or 7.0%. The loan has a term of the lesser of 15 months or completion of construction. Of note, interim interest from this source was not used to justify the Applicant's claimed eligible interim interest.

Source: Oak Grove Capital Type: Interim to Permanent Financing

Interim: \$15,000,000 Interest Rate: 6.50% Fixed Term: 24 months

Permanent: \$5,635,000 Interest Rate: 9.00% Fixed Amort: 360 months

Comments:

The interim loan will be fixed at 6.5% for 24 months. The permanent loan will be fixed at 9% for 30 years with an 18 year term from the date of conversion.

Source: Red Stone Equity Partners, Inc. Type: Syndication

Proceeds: \$13,597,280 Syndication Rate: 68% Anticipated HTC: \$ 2,000,000

Amount: \$1,047,681 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$5,635,000 indicates the need for \$14,644,961 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,154,102 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,028,164
Allocation determined by gap in financing:	\$2,154,102
Allocation requested by the Applicant:	\$2,000,000

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$2M per year for 10 years results in total equity proceeds of \$13,597,280 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$966,469 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

Underwriter:	_____	Date:	_____ July 14, 2010 _____
	<i>Diamond Unique Thompson</i>		
Manager of Real Estate Analysis:	_____	Date:	_____ July 14, 2010 _____
	<i>Audrey Martin</i>		
Director of Real Estate Analysis:	_____	Date:	_____ July 14, 2010 _____
	<i>Brent Stewart</i>		

UNIT MIX/RENT SCHEDULE

Tuscany Place, Kingwood, HTC 9% #10115

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Kingwood	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Montgomery	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	12	7.9%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	72	47.4%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	60	39.5%								APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4	8	5.3%								APP % - ACQUISITION:	N/A	
		TOTAL	152	100.0%								APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	1	1	1	712	\$358	\$79	\$279	\$0	\$0.39	\$279	\$279	\$279	\$279	\$0.39	\$0	\$711	\$432
TC 50%	5	1	1	712	\$598	\$79	\$519	\$0	\$0.73	\$519	\$2,595	\$2,595	\$519	\$0.73	\$0	\$711	\$192
TC 60%	6	1	1	712	\$717	\$79	\$638	\$0	\$0.90	\$638	\$3,828	\$3,828	\$638	\$0.90	\$0	\$711	\$73
TC 30%	2	2	2	950	\$431	\$97	\$334	(\$1)	\$0.35	\$333	\$666	\$668	\$334	\$0.35	\$0	\$833	\$499
TC 50%	22	2	2	950	\$717	\$97	\$620	\$0	\$0.65	\$620	\$13,640	\$13,640	\$620	\$0.65	\$0	\$833	\$213
TC 60%	24	2	2	950	\$861	\$97	\$764	\$0	\$0.80	\$764	\$18,336	\$18,336	\$764	\$0.80	\$0	\$833	\$69
TC 30%	1	2	2	963	\$431	\$97	\$334	(\$1)	\$0.35	\$333	\$333	\$334	\$334	\$0.35	\$0	\$839	\$505
TC 50%	11	2	2	963	\$717	\$97	\$620	\$0	\$0.64	\$620	\$6,820	\$6,820	\$620	\$0.64	\$0	\$839	\$219
TC 60%	12	2	2	963	\$861	\$97	\$764	\$0	\$0.79	\$764	\$9,168	\$9,168	\$764	\$0.79	\$0	\$839	\$75
TC 30%	3	3	2	1,142	\$498	\$118	\$380	(\$1)	\$0.33	\$379	\$1,137	\$1,140	\$380	\$0.33	\$0	\$1,175	\$795
TC 50%	27	3	2	1,142	\$829	\$118	\$711	\$0	\$0.62	\$711	\$19,197	\$19,197	\$711	\$0.62	\$0	\$1,175	\$464
TC 60%	30	3	2	1,142	\$995	\$118	\$877	\$0	\$0.77	\$877	\$26,310	\$26,310	\$877	\$0.77	\$0	\$1,175	\$298
TC 30%	1	4	2	1,561	\$555	\$143	\$412	\$0	\$0.26	\$412	\$412	\$412	\$412	\$0.26	\$0	\$1,485	\$1,073
TC 50%	4	4	2	1,561	\$925	\$143	\$782	\$0	\$0.50	\$782	\$3,128	\$3,128	\$782	\$0.50	\$0	\$1,485	\$703
TC 60%	3	4	2	1,561	\$1,110	\$143	\$967	\$0	\$0.62	\$967	\$2,901	\$2,901	\$967	\$0.62	\$0	\$1,485	\$518
TOTAL:	152				158,264						\$108,750	\$108,756					
AVG:					1,041				(\$0)	\$0.69	\$715		\$716	\$0.69	\$0	\$994	(\$278)
ANNUAL:											\$1,305,000	\$1,305,072					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Tuscany Place, Kingwood, HTC 9% #10115

INCOME

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$7.50
Other Support Income:		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.55%	\$365	0.35	\$55,494	\$53,200	\$0.34	\$350	4.36%
Management	5.00%	\$401	0.39	60,992	60,989	0.39	401	5.00%
Payroll & Payroll Tax	12.75%	\$1,023	0.98	155,531	148,200	0.94	975	12.15%
Repairs & Maintenance	7.27%	\$583	0.56	88,687	76,000	0.48	500	6.23%
Utilities	2.79%	\$224	0.21	34,008	36,480	0.23	240	2.99%
Water, Sewer, & Trash	3.13%	\$251	0.24	38,172	53,200	0.34	350	4.36%
Property Insurance	2.36%	\$189	0.18	28,728	28,728	0.18	189	2.36%
Property Tax 2.2482	5.67%	\$455	0.44	69,200	64,600	0.41	425	5.30%
Reserve for Replacements	3.12%	\$250	0.24	38,000	38,000	0.24	250	3.12%
TDHCA Compliance Fees	0.50%	\$40	0.04	6,080	6,080	0.04	40	0.50%
Other: Supportive Services	2.31%	\$185	0.18	28,120	28,120	0.18	185	2.31%
TOTAL EXPENSES	49.43%	\$3,967	\$3.81	\$603,013	\$593,597	\$3.75	\$3,905	48.66%
NET OPERATING INC	50.57%	\$4,058	\$3.90	\$616,833	\$626,179	\$3.96	\$4,120	51.34%

DEBT SERVICE

Oak Grove Capital	\$544,086	\$544,086
Second Lien	\$0	
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	544,086	544,086
NET CASH FLOW	\$72,747	\$82,093
AGGREGATE DEBT COVERAGE RATIO	1.13	1.15
RECOMMENDED DEBT COVERAGE RATIO		1.15

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		7.18%	\$9,132	\$8.77	\$1,388,000	\$1,388,000	\$8.77	\$9,132	6.84%
Off-Sites		0.00%	\$0	\$0.00	0	100,000	0.63	658	0.49%
Sitework		10.35%	\$13,169	\$12.65	2,001,630	2,001,630	12.65	13,169	9.87%
Direct Construction		43.16%	\$54,892	\$52.72	8,343,600	9,031,238	57.06	59,416	44.53%
Contingency	6.25%	3.34%	\$4,254	\$4.09	646,643	646,643	4.09	4,254	3.19%
Contractor's Fees	14.00%	7.96%	\$10,124	\$9.72	1,538,862	1,607,132	10.15	10,573	7.92%
Indirect Construction		5.49%	\$6,977	\$6.70	1,060,532	1,060,532	6.70	6,977	5.23%
Ineligible Costs		4.23%	\$5,378	\$5.16	817,383	717,383	4.53	4,720	3.54%
Developer's Fees	15.00%	11.11%	\$14,129	\$13.57	2,147,674	2,261,000	14.29	14,875	11.15%
Interim Financing		3.76%	\$4,780	\$4.59	726,562	726,562	4.59	4,780	3.58%
Reserves		3.42%	\$4,351	\$4.18	661,323	739,841	4.67	4,867	3.65%
TOTAL COST		100.00%	\$127,185.59	\$122.15	\$19,332,210	\$20,279,961	\$128.14	\$133,421	100.00%
Construction Cost Recap		64.82%	\$82,439	\$79.18	\$12,530,736	\$13,286,643	\$83.95	\$87,412	65.52%

149,014.46

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Oak Grove Capital	29.15%	\$37,072	\$35.61	\$5,635,000	\$5,635,000	\$5,635,000	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0	0	0	\$2,261,000
Red Stone Equity Partners, Inc.	70.33%	\$89,456	\$85.92	13,597,280	13,597,280	13,597,280	% of Dev. Fee Deferred
Deferred Developer Fees	5.42%	\$6,893	\$6.62	1,047,681	1,047,681	1,047,681	46%
Additional (Excess) Funds Req'd	-4.90%	(\$6,235)	(\$5.99)	(947,751)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$19,332,210	\$20,279,961	\$20,279,961	\$1,972,216

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Tuscany Place, Kingwood, HTC 9% #10115

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.26	\$8,588,047
Adjustments				
Exterior Wall Finish	2.00%		\$1.09	\$171,761
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.25%		1.76	279,112
Roofing			0.00	0
Subfloor			1.33	211,019
Floor Cover			2.41	381,416
Breezeways	\$28.57	6,810	1.23	194,540
Balconies	\$23.01	7,194	1.05	165,537
Plumbing Fixtures	\$848	404	2.17	342,740
Rough-ins	\$421	296	0.79	124,520
Built-In Appliances	\$1,903	152	1.83	289,296
Exterior Stairs	\$1,900	48	0.58	91,200
Enclosed Corridors	\$44.34	0	0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	292,788
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$133.50	2,390	2.02	319,065
Other: fire sprinkler	\$2.25	158,264	2.25	356,094
SUBTOTAL			74.60	11,807,135
Current Cost Multiplier	0.99		(0.75)	(118,071)
Local Multiplier	0.88		(8.95)	(1,416,856)
TOTAL DIRECT CONSTRUCTION COSTS			\$64.91	\$10,272,207
Plans, specs, survy, bld prmt	3.90%		(\$2.53)	(\$400,616)
Interim Construction Interest	3.38%		(2.19)	(346,687)
Contractor's OH & Profit	11.50%		(7.46)	(1,181,304)
NET DIRECT CONSTRUCTION COSTS			\$52.72	\$8,343,600

PROPOSED PAYMENT COMPUTATION

Oak Grove Capital	\$5,635,000	Amort	360
Int Rate	9.00%	DCR	1.13

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.13

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.13

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.13

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.13

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Oak Grove Capital	\$544,086
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$544,086

Oak Grove Capital	\$5,635,000	Amort	360
Int Rate	9.00%	DCR	1.15

Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,305,000	\$1,331,100	\$1,357,722	\$1,384,876	\$1,412,574	\$1,559,596	\$1,721,920	\$1,901,139	\$2,317,477
Secondary Income	13,680	13,954	14,233	14,517	14,808	16,349	18,050	19,929	24,294
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,318,680	1,345,054	1,371,955	1,399,394	1,427,382	1,575,945	1,739,970	1,921,068	2,341,771
Vacancy & Collection Loss	(98,904)	(100,879)	(102,897)	(104,955)	(107,054)	(118,196)	(130,498)	(144,080)	(175,633)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,219,776	\$1,244,175	\$1,269,058	\$1,294,439	\$1,320,328	\$1,457,749	\$1,609,472	\$1,776,988	\$2,166,138
EXPENSES at 3.00%									
General & Administrative	\$53,200	\$54,796	\$56,440	\$58,133	\$59,877	\$69,414	\$80,470	\$93,287	\$125,369
Management	60,989	62,208.933	63,453	64,722	66,017	72,888	80,474	88,850	108,307
Payroll & Payroll Tax	148,200	152,646	157,225	161,942	166,800	193,367	224,166	259,870	349,243
Repairs & Maintenance	76,000	78,280	80,628	83,047	85,539	99,163	114,957	133,266	179,099
Utilities	36,480	37,574	38,702	39,863	41,059	47,598	55,179	63,968	85,968
Water, Sewer & Trash	53,200	54,796	56,440	58,133	59,877	69,414	80,470	93,287	125,369
Insurance	28,728	29,590	30,478	31,392	32,334	37,484	43,454	50,375	67,699
Property Tax	64,600	66,538	68,534	70,590	72,708	84,288	97,713	113,276	152,234
Reserve for Replacements	38,000	39,140	40,314	41,524	42,769	49,581	57,478	66,633	89,549
TDHCA Compliance Fee	6,080	6,262	6,450	6,644	6,843	7,933	9,197	10,661	14,328
Other	28,120	28,964	29,833	30,727	31,649	36,690	42,534	49,309	66,267
TOTAL EXPENSES	\$593,597	\$610,795	\$628,497	\$646,717	\$665,472	\$767,820	\$886,091	\$1,022,781	\$1,363,433
NET OPERATING INCOME	\$626,179	\$633,379	\$640,561	\$647,722	\$654,856	\$689,929	\$723,381	\$754,207	\$802,705
DEBT SERVICE									
First Lien Financing	\$544,086	\$544,086	\$544,086	\$544,086	\$544,086	\$544,086	\$544,086	\$544,086	\$544,086
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$82,093	\$89,294	\$96,475	\$103,636	\$110,771	\$145,843	\$179,295	\$210,121	\$258,619
DEBT COVERAGE RATIO	1.15	1.16	1.18	1.19	1.20	1.27	1.33	1.39	1.48

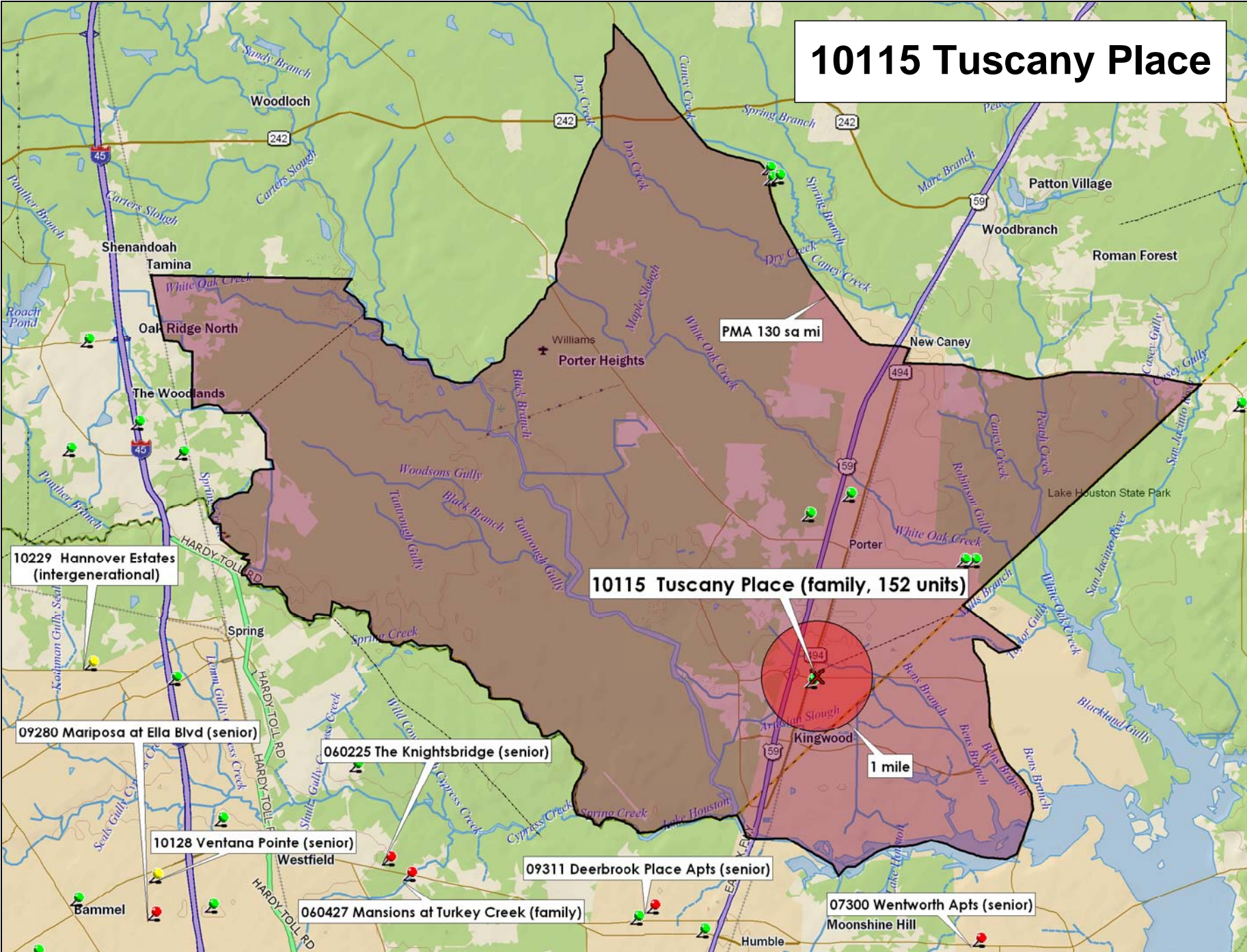
HTC ALLOCATION ANALYSIS -Tuscany Place, Kingwood, HTC 9% #10115

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,388,000	\$1,388,000		
Purchase of buildings				
Off-Site Improvements	\$100,000			
Sitework	\$2,001,630	\$2,001,630	\$2,001,630	\$2,001,630
Construction Hard Costs	\$9,031,238	\$8,343,600	\$9,031,238	\$8,343,600
Contractor Fees	\$1,607,132	\$1,538,862	\$1,607,132	\$1,538,862
Contingencies	\$646,643	\$646,643	\$646,643	\$646,643
Eligible Indirect Fees	\$1,060,532	\$1,060,532	\$1,060,532	\$1,060,532
Eligible Financing Fees	\$726,562	\$726,562	\$726,562	\$726,562
All Ineligible Costs	\$717,383	\$817,383		
Developer Fees				
Developer Fees	\$2,261,000	\$2,147,674	\$2,261,000	\$2,147,674
Development Reserves	\$739,841	\$661,323		
TOTAL DEVELOPMENT COSTS	\$20,279,961	\$19,332,210	\$17,334,737	\$16,465,504

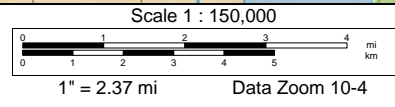
Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$17,334,737	\$16,465,504
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$22,535,158	\$21,405,155
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$22,535,158	\$21,405,155
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$2,028,164	\$1,926,464

Syndication Proceeds	0.6799	\$13,788,758	\$13,097,335
Total Tax Credits (Eligible Basis Method)		\$2,028,164	\$1,926,464
Syndication Proceeds		\$13,788,758	\$13,097,335
Requested Tax Credits		\$2,000,000	
Syndication Proceeds		\$13,597,280	
Gap of Syndication Proceeds Needed		\$14,644,961	
Total Tax Credits (Gap Method)		\$2,154,102	
Recommended Tax Credits		2,000,000	
Syndication Proceeds		\$13,597,280	

10115 Tuscany Place



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Terrell Homes I, TDHCA Number 10117

BASIC DEVELOPMENT INFORMATION

Site Address: Scattered Sites (N. of Hwy 287, E. of Hwy 35W, S. of Hwy 30 an Development #: 10117
 City: Fort Worth Region: 3 Population Served: General
 County: Tarrant Zip Code: 76104 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Terrell Homes, Ltd.
 Owner Contact and Phone: Jesus "Jay" Chapa, 8173925804
 Developer: Fort Worth Housing Finance Corp.
 Housing General Contractor: NRP Contractors, L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: Neighborhood Renewal Corp.
 Consultant and Contact: NRP Holdings, L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	54	
	3	0	25	26	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	0	27	27	0	
Type of Building:						Total Development Units:	54
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	54
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,136,782	\$1,136,782			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Terrell Homes I, TDHCA Number 10117

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Davis, District 10, S

Points: 7

US Representative: Burgess, District 26, NC

TX Representative: Veasey, District 95, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Roy C. Brooks, County Commissioner Precinct 1

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Fort Worth Housing and Economic Development Department for funding in the amount of \$560,000, or a commitment from a qualifying substitute source in an amount not less than \$560,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.

2. Receipt of a firm commitment of funding from the City of Fort Worth Housing and Economic Development Department in the amount of \$255,000, or a commitment from a qualifying substitute source in an amount not less than \$255,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Terrell Homes I, TDHCA Number 10117

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **217** Meeting a Required Set-Aside Credit Amount*: \$1,136,782

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

San Juan Square III, TDHCA Number 10118

BASIC DEVELOPMENT INFORMATION

Site Address: 2200 Block of S. Calaveras St. Development #: 10118
 City: San Antonio Region: 9 Population Served: General
 County: Bexar Zip Code: 78207 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: San Juan Square III, Ltd.
 Owner Contact and Phone: David Casso, (210) 477-6023
 Developer: San Antonio Housing Facility Corp
 Housing General Contractor: NRP Contractors, L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: Community Housing Resource Partners, Inc.
 Consultant and Contact: NRP Holdings L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	139
	49 0 21 69	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 16 63 52 8 0	Total Development Units:	139
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	10
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,908,261	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

San Juan Square III, TDHCA Number 10118

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Van De Putte, District 26, S

Points: 7

US Representative: González, District 20, NC

TX Representative: Gutierrez, District 119, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

San Juan Square III, TDHCA Number 10118

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **190** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Race Street Lofts, TDHCA Number 10119

BASIC DEVELOPMENT INFORMATION

Site Address: 2817/2812/2820/2822/2902 McLemore St. Development #: 10119
 City: Fort Worth Region: 3 Population Served: General
 County: Tarrant Zip Code: 76111 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Race Street Lofts, Ltd.
 Owner Contact and Phone: Jesus "Jay" Chapa, (817) 392-5804
 Developer: Fort Worth Housing Finance Corp.
 Housing General Contractor: NRP Contractors, L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: NRP Management, L.L.C.
 Consultant and Contact: NRP Holdings L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	36
	2 0 16 18	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 10 16 10 0 0	Total Development Units:	36
Type of Building:		Total Development Cost*:	\$6,762,739
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	3
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$592,207	\$592,207			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Race Street Lofts, TDHCA Number 10119

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Davis, District 10, S Points: 14 US Representative: Granger, District 12, NC
TX Representative: Burnam, District 90, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government
S, Roy C. Brooks, County Commissioner Precinct 1

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Scenic Bluff Neighborhood Association, Belinda Norris Letter Score: 24 S or O: S

We are well aware of the need for quality affordable accessible housing in the Riverside/Scenic Bluff Area and throughout Ft Worth. We feel that this project will not only help to meet the existing housing need but will be designed and managed in a manner that will continue to be a benefit to our community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
2. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that a subsurface investigation was conducted to evaluate potential impacts to soils and groundwater associated with the former adjacent plastics company, dry cleaners, former US Post Office and the former adjacent Midas Rex facility, and that any subsequent recommendations were implemented.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for demolition and removal of any such materials.
5. If any existing drinking water piping will be used in the future, then, receipt, review, and acceptance, by Cost Certification, of documentation that a lead in drinking water survey was conducted, and that any subsequent recommendations were implemented.
6. Receipt, review, and acceptance, by Commitment, of a firm commitment from the City of Fort Worth Department of Housing and Economic Development for the anticipated \$1,500,000 of HOME funds with the terms of the funds clearly stated.
7. Receipt, review, and acceptance, by Cost Certification, of an attorney's opinion affirming that the City of Fort Worth Department of Housing and Economic Development cash flow loan can be repaid at or by maturity and can be considered valid debt.
8. Receipt of a firm commitment from the City of Fort Worth Housing and Economic Development Department for funding in the amount of \$1,000,000, or a commitment from a qualifying substitute source in an amount not less than \$1,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
9. Receipt of a firm commitment of funding from the City of Fort Worth Housing and Economic Development Department in the amount of \$500,000, or a commitment from a qualifying substitute source in an amount not less than \$500,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
10. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Race Street Lofts, TDHCA Number 10119

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: 1

Total # Monitored: 1

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **228** Meeting a Required Set-Aside Credit Amount*: \$592,207

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/14/10 PROGRAM: 9% HTC FILE NUMBER: 10119

DEVELOPMENT

Race Street Lofts

Location: 2817 Race Street and 2812/2820/2822/2902 McLemore Region: 3
 City: Fort Worth County: Tarrant Zip: 76111 OCT DDA
 Key Attributes: General, Reconstruction, Urban, and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$592,207			\$592,207		

CONDITIONS

- 1 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that a subsurface investigation was conducted to evaluate potential impacts to soils and groundwater associated with the former adjacent plastics company, dry cleaners, former US Post Office and the former adjacent Midas Rex facility, and that any subsequent recommendations were implemented.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 5 If any existing drinking water piping will be used in the future, then, receipt, review, and acceptance, by Cost Certification, of documentation that a lead in drinking water survey was conducted, and that any subsequent recommendations were implemented.
- 6 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Fort Worth Department of Housing and Economic Development for the anticipated \$1,500,000 of HOME Funds with the terms of the funds clearly stated.
- 7 Receipt, review and acceptance, by Cost Certification, of an attorney's opinion affirming that the City of Fort Worth Department of Housing and Economic Development cash flow loan can be repaid at or by maturity and can be considered valid debt.
- 8 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	2
50% of AMI	50% of AMI	16
60% of AMI	60% of AMI	18

STRENGTHS/MITIGATING FACTORS

- Historical absorption for units built since 2000 is 25-30 units per month.
- Developments in the PMA built since 2005 have occupancies from 92-100%; higher vacancies are concentrated in older properties.
- The property manager NRP Management, LLC has experience managing 16 tax credit properties in Texas with a total 2,925 units.

WEAKNESSES/RISKS

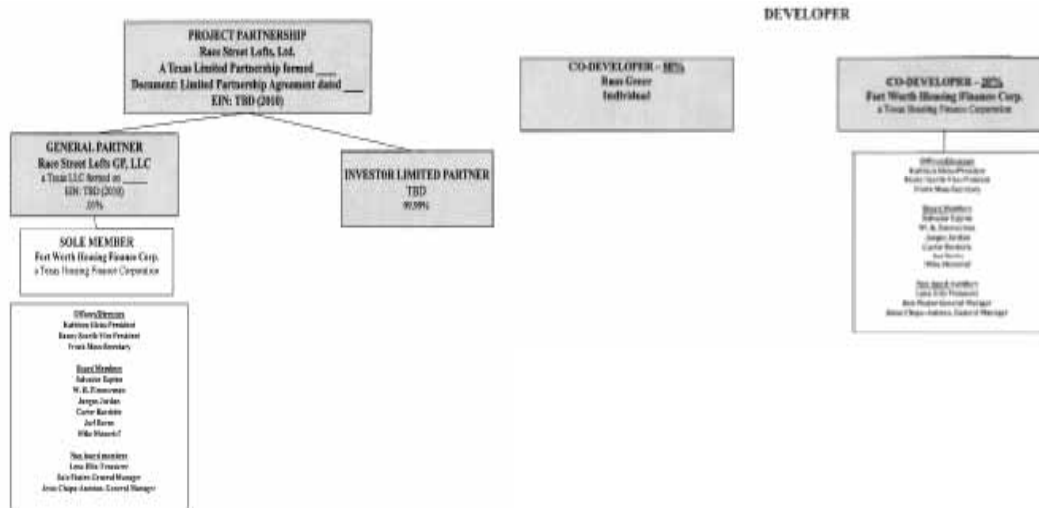
- Occupancies for 2BR and 3BR units in the PMA are below 90%.
- Gross capture rate of 8.9% is close to 10% maximum allowed by Department rule.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

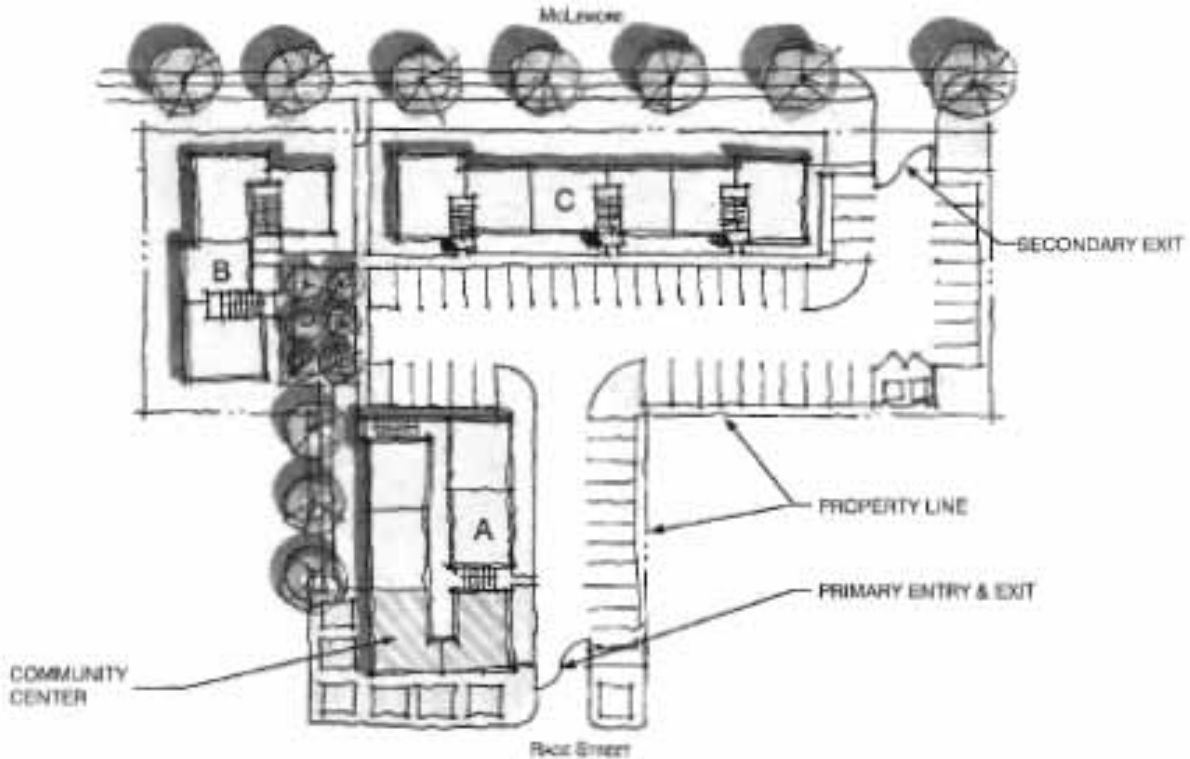
Contact: Jesus "Jay" Chapa Phone: (817) 392-5804 Fax: (817) 392-2431
 Email: jesus.chapa@fortworthgov.org.

IDENTITIES of INTEREST

- The Applicant and Developer are related parties. Additionally, the consultant, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C									Total Buildings
Floors/Stories	3	2	2									
Number	1	1	1									3

BR/BA	SF	Units										Total Units	Total SF	
1	1	818		2	8								10	8,180
2	2	1,001	12	4									16	16,016
3	2	1,202		2	4								6	7,212
3	2	1,206	4										4	4,824
Units per Building			16	8	12								36	36,232

Development Plan:

Race Street Lofts is a reconstruction of a 45-unit dilapidated vacant apartment complex located at 2817 Race Street, one duplex, and two single-family residences located on McLamore Street of which all the sites are contiguous to each other. The development will involve demolishing all the structures. The PCA dated March 30, 2010 confirms the apartment units were not occupied and deemed uninhabitable. The PCA identified the duplex and one single family home as being in poor condition, with the remaining two single family homes identified as being in fair to good condition. The occupied duplex and single-family homes are leased on a month to month basis.

The proposed reconstruction will involve the demolition and reconstruction of 36 units of affordable multi-family apartments. The development will include the new construction of three residential buildings on approximately 1.56 acres.

Relocation Plan:

When the appropriate time nears for each of the tenants in the four single-family homes to move more information will be provided explaining the reimbursement of moving expenses, utility transfers, etc. The Applicant has provided a relocation budget of approximately \$50,000.

SITE ISSUES

Total Size:	<u>1.56</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>MU-1 Residential</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/5/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North:	<u>Residential</u>	East:	<u>Small Businesses</u>
South:	<u>Small Businesses / Residential Beyond</u>	West:	<u>Small Businesses</u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Date: 3/9/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Based on the dates of construction (i.e. prior to 1960), Terracon recommends that an asbestos survey be conducted in accordance with local, state, and/or federal laws on the structures prior to renovation or demolition. If the on-site structures are not planned for demolition, Terracon recommends that a lead-based paint survey be conducted."
- "If the existing drinking water piping will be used in the future, Terracon recommends that a lead in drinking water survey be conducted. If new piping will be installed during site development, and if water to the site is or will be supplied by the City of Fort Worth, it does not appear that a lead in drinking water survey will be necessary."
- "Terracon recommends that a subsurface investigation be conducted to evaluate potential impacts to soils and groundwater associated with the former adjacent plastics company, dry cleaners, former US Post Office and the former adjacent Midas Rex facility."
- "Terracon recommends that further evaluation be conducted regarding the noise assessment guidelines."

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a subsurface investigation was conducted to evaluate potential impacts to soils and groundwater associated with the former adjacent plastics company, dry cleaners, former US Post Office and the former adjacent Midas Rex facility, and that any subsequent recommendations were implemented.

- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- If any existing drinking water piping will be used in the future, then, receipt, review, and acceptance, by Cost Certification, of documentation that a lead in drinking water survey was conducted, and that any subsequent recommendations were implemented.

MARKET ANALYSIS

Provider: Apartment MarketData Date: 2/24/2010
 Contact: Darrell Jack Phone: (210) 530-0040
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 46 sq. miles 4 mile equivalent radius

The Primary Market Area is defined by 31 census tracts in central Fort Worth, along I 35 between I30 and I820.

ELIGIBLE HOUSEHOLDS BY INCOME								
Tarrant County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$12,720	\$13,850	---	---	\$21,189	\$23,100	\$25,440	\$27,720
2	\$12,720	\$15,850	---	---	\$21,189	\$26,400	\$25,440	\$31,680
3	\$15,257	\$17,800	---	---	\$25,440	\$29,700	\$30,549	\$35,640
4	---	---	---	---	\$29,417	\$33,000	\$35,280	\$39,600
5	---	---	---	---	\$29,417	\$35,650	\$35,280	\$42,780
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10117	Terrell Homes I	new	family	54	54
10202	Bonnie Brae Estates	new	family	68	68
Other Affordable Developments in PMA since 2006					
060211	Hanratty Place	new	family	n/a	32
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		10	Total Units		1,520

COMPARABLE SUPPLY in SECONDARY MARKET					
08124	Mill Stone Apts	new	family	144	144
07149	Residences at Eastland	new	family	146	146
060415	Village Creek	new	family	252	252

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are two applications, other than the subject, in the 2010 tax credit cycle, for developments in the Primary Market Area targeting family households. Terrell Homes I (#10117) and Bonnie Brae Estates (#10202) both consist entirely of single-family units, but they will compete for some of the same households as the subject, and are therefore included in the comparable supply in calculating the capture rate.

There are also three unstabilized family developments in the surrounding area that must be considered. Mill Stone Apartments, Residences at Eastland, and Village Creek Apartments are all located outside the subject PMA, but the market areas defined for these developments each intersect with the subject PMA. Thirty-five percent of the population of the subject PMA is also targeted by at least one of these developments. These developments are therefore also included in the comparable supply.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	34,745	34,745
Potential Demand from the Primary Market Area	8,325	7,893
Potential Demand from Other Sources	0	0
GROSS DEMAND	8,325	7,893
Subject Affordable Units	36	36
Unstabilized Comparable Units	55	664
RELEVANT SUPPLY	91	700
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	1.1%	8.9%

Demand Analysis:

The Market Analyst identifies 8,325 income-eligible renter households in the PMA, and calculates a Gross Capture rate of 1.1% for a total Relevant Supply of 91 units (36 units at the subject and a total of 55 between Terrell Homes and Bonnie Brae Estates).

The Underwriter only includes eligible households of five-persons or less, providing Gross Demand for 7,893 units; this results in a Gross Capture rate of 8.9% for a total Relevant Supply of 600 units (including Mill Stone, Residences at Eastland, and Village Creek as well as the subject, Terrell Homes and Bonnie Brae Estates).

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development as well as the other proposed and unstabilized units in the area.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	606	1	0	0%	268	1	0	0%
1 BR/50%	924	5	0	1%	420	5	0	1%
1 BR/60%	1001	6	0	1%	474	4	0	1%
2 BR/30%	284	1	0	0%	234	1	1	1%
2 BR/50%	512	6	0	1%	413	6	9	4%
2 BR/60%	468	7	0	1%	375	9	0	2%
3 BR/50%	403	5	13	4%	241	5	51	23%
3 BR/60%	475	5	13	4%	268	5	12	6%

Primary Market Occupancy Rates:

The market study reports overall occupancy in the PMA at 89.2% based on data for 8,558 units. (p. 51) The data shows one-bedroom units at 90.3%, two-bedroom units at 87.8%, and three-bedroom units at 88.0%. (A sample of 20 four-bedroom units are reportedly 100% occupied.)

Additional data with a larger sample representing a larger submarket indicates that properties built since 2000 are 94.4% occupied, properties built in the 1990's average 95.0%, those built in the 1980's average 90%, and those built in the 1970's average 82.3%. (p. 54)

Department data on the affordable properties closest to the subject tends to confirm the trend of occupancy by the age of the properties. Of seven properties within three miles of the subject, four of them, all built since 2005, report occupancies ranging from 92% to 100%. The older properties, from 2001, 1996, and 1995, report 82%, 94%, and 86%. Most of these properties are near the subject or to the south, closer to downtown; Residences at Diamond Hill, the 2001 property at only 82% occupancy, is three miles north of the subject and the furthest from downtown.

The subject will consist of new, contemporary buildings, replacing some very old, dilapidated, and vacant structures. The stronger performance of the newer properties in the market area suggests the subject will have an advantage over the older stock.

Absorption Projections:

The market study reports net absorption of 886 units over five years, but this is made up of 1,558 newer units (built since 2000), and overall negative absorption for older product. Similarly, the trailing one-year data shows absorption of 358 newer units, with negative data for all older units. (p. 54) This data indicates that newer units have been absorbed at an average rate of 25-30 units per month.

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer affordable family units have been easily absorbed. Today, the two newest stabilized affordable projects are both 100% occupied. This demonstrates that the demand for new affordable rental housing is high." (p. 59)

Comments:

While there appears to be some weakness in the occupancy of two- and three-bedroom units, the vacancies seem to be concentrated among the older developments. The overall market analysis supports a funding recommendation for the subject.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: Two Date of Last Applicant Revision: 5/13/2010

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of January 1, 2010, maintained by the Fort Worth Housing Authority from the 2009 Housing Tax Credit rent limits which apply to HTC applications. 2010 rent limits were released after underwriting for 2010 applications began; therefore, the development was evaluated using 2009 limits. If the Underwriter and Applicant used 2010 rent limits, income would increase by 2% and DCR would be 1.34 and 1.24, respectively, and the recommendation would not have been affected. Tenants will be required to pay all electric utility costs and water & sewer.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,062 per unit is not within 5% of the Underwriter's estimate of \$3,699, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows two line item estimates that deviate significantly when compared to the Underwriter's estimates, specifically: utilities (56% higher) and water, sewer & trash (71% higher). However, although the Applicant's estimates for these line items differ from the Underwriter's estimates, they are in line with the TDHCA database, and as such are considered to be reasonable.

Conclusion:

The Applicant's estimate of total expenses and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.29 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	1.56 acres	\$84,756	Tax Year:	2009
Existing Buildings:		\$803,144	Valuation by:	Tarrant CAD
Total Assessed Value:		\$887,900	Tax Rate:	2.826567

EVIDENCE of PROPERTY CONTROL

Type:	<u>Agreement to Purchase and Sell Commercial Land</u>		Acreage:	<u>1.56</u>
Contract Expiration:	<u>12/31/2010</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Acquisition Cost:	<u>\$1,110,000</u>	Other:	<u></u>	
Seller:	<u>Race Street Properties, LP</u>	Related to Development Team?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 4/26/2010

Acquisition Value:

The site cost of \$1,110,000 which is \$711,538 per acre or \$30,833 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs over the Departments maximum guideline of \$9,000 per unit and provided sufficient third party certification through a detailed certified cost estimate by a licensed engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac & Company, to preliminarily opine that \$324,000 of the total \$458,232 will be considered eligible. Of note, without the demolition cost the sitework costs would be within the Department's maximum guideline of \$9,000.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$25.6K or 1% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$5,061,600 and the 9% applicable percentage rate supports annual tax credits of \$592,207. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Oak Grove Capital Type: Interim Financing

Principal: \$3,750,000 Interest Rate: 6.5% Fixed Term: 24 months

Source: City of Fort Worth Type: Interim Financing

Principal: \$1,500,000 Interest Rate: 1.0% Fixed Term: TBD months

Comments:

At the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from The City of Fort Worth for the anticipated \$1,500,000 with the terms of the funds clearly stated will be required.

Source: Lifestyle Neighborhoods Corporation Type: Interim Financing

Principal: \$140,000 Interest Rate: 7.0% Fixed Term: 15 months

Comments:

The interest will be the greater of seven percent or prime plus two percent.

Source: Oak Grove Capital Type: Permanent Financing

Principal: \$1,220,000 Interest Rate: 9.0% Fixed Amort: 360 months
Term: 18 years

Source: City of Fort Worth Type: Permanent Financing

Principal: \$1,500,000 Interest Rate: 1.0% Fixed Amort: 420 months
Term: 35 years

Comments:

Applicant has requested a 1% soft simple interest rate, accruing, but not compounded based on available cash flow. Also at the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from The City of Fort Worth for the anticipated \$1,500,000 with the terms of the funds clearly stated will be required.

The recommended financing structure does not show sufficient cash flow to repay the loan. Accordingly, receipt, review and acceptance, by Cost Certification, of an attorney's opinion affirming that the cash flow loan can be repaid at or by maturity and can be considered valid debt is a condition of this report.

Source: Red Stone Equity Partners Type: Syndication

Proceeds: \$4,026,202 Syndication Rate: 68% Anticipated HTC: \$ 592,207

Amount: \$16,537 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,220,000 and the HOME funds from the City of Fort Worth for \$1,500,000 indicates the need for \$4,042,739 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$594,639 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$592,207
Allocation determined by gap in financing:	\$594,639
Allocation requested by the Applicant:	\$592,207

The allocation amount determined by the Applicant's requested amount / eligible basis is recommended. A tax credit allocation of \$592,207 per year for 10 years results in total equity proceeds of \$4,026,202 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$16,537 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within one year of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Carl Hoover</i>		June 14, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 14, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 14, 2010

UNIT MIX/RENT SCHEDULE

Race Street Lofts, Fort Worth, 9% HTC #10119

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Fort Worth	# Beds	# Units	% Total	PROGRAMS:			HOME				DEVELOPMENT ACTIVITY:	Reconstruction	
COUNTY:	Tarrant				Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	10	27.8%	LH	\$577	\$618	\$742	\$858	\$957	3	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	3	2	16	44.4%	HH	\$648	\$689	\$838	\$1,082	\$1,186	12	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	10	27.8%								APPLICABLE FRACTION:	100.00%	
IREM REGION:	Fort Worth	4										APP % - ACQUISITION:	N/A	
		TOTAL	36	100.0%	MISC	#N/A	#N/A	#N/A	#N/A	#N/A		APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS					TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS		
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market	
TC 30%	LH	1	1	1	818	\$371	\$80	\$291	\$0	\$0.36	\$291	\$291	\$291	\$291	\$0.36	\$0	\$618	\$845	\$554	
TC 50%	HH	5	1	1	818	\$618	\$80	\$538	\$0	\$0.66	\$538	\$2,690	\$2,690	\$538	\$0.66	\$0	\$689	\$845	\$307	
TC 60%		4	1	1	818	\$742	\$80	\$662	\$0	\$0.81	\$662	\$2,648	\$2,648	\$662	\$0.81	\$0		\$845	\$183	
TC 30%	LH	1	2	2	1,001	\$445	\$97	\$348	\$0	\$0.35	\$348	\$348	\$348	\$348	\$0.35	\$0	\$742	\$950	\$602	
TC 50%	HH	6	2	2	1,001	\$742	\$97	\$645	\$0	\$0.64	\$645	\$3,870	\$3,870	\$645	\$0.64	\$0	\$838	\$950	\$305	
TC 60%		9	2	2	1,001	\$891	\$97	\$794	\$0	\$0.79	\$794	\$7,146	\$7,146	\$794	\$0.79	\$0		\$950	\$156	
TC 50%		3	3	2	1,202	\$858	\$113	\$745	(\$1)	\$0.62	\$744	\$2,232	\$2,235	\$745	\$0.62	\$0		\$1,170	\$425	
TC 60%		3	3	2	1,202	\$1,029	\$113	\$916	\$0	\$0.76	\$916	\$2,748	\$2,748	\$916	\$0.76	\$0		\$1,170	\$254	
TC 50%	LH	1	3	2	1,206	\$858	\$113	\$745	(\$1)	\$0.62	\$744	\$744	\$745	\$745	\$0.62	\$0	\$858	\$1,175	\$430	
TC 50%	HH	1	3	2	1,206	\$858	\$113	\$745	(\$1)	\$0.62	\$744	\$744	\$745	\$745	\$0.62	\$0	\$1,082	\$1,175	\$430	
TC 60%		2	3	2	1,206	\$1,029	\$113	\$916	\$0	\$0.76	\$916	\$1,832	\$1,832	\$916	\$0.76	\$0		\$1,175	\$259	
TOTAL:		36				36,232						\$25,293	\$25,298							
AVG:						1,006				(\$0)	\$0.70	\$703			\$703	\$0.70	\$0	\$327	\$983	(\$280)
ANNUAL:												\$303,516	\$303,576							

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Race Street Lofts, Fort Worth, 9% HTC #10119

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT		
POTENTIAL GROSS RENT				\$303,576	\$303,516		
Secondary Income	Per Unit Per Month:	\$10.00		4,320	4,320	\$10.00	Per Unit Per Month
Other Support Income:						\$0.00	Per Unit Per Month
Other Support Income:						\$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME				\$307,896	\$307,836		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(23,092)	(23,088)	-7.50%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions				0			
EFFECTIVE GROSS INCOME				\$284,804	\$284,748		

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	3.99%	\$316	0.31	\$11,376	\$11,880	\$0.33	\$330	4.17%
Management	5.00%	\$396	0.39	14,240	14,091	0.39	391	4.95%
Payroll & Payroll Tax	10.07%	\$796	0.79	28,670	30,420	0.84	845	10.68%
Repairs & Maintenance	10.12%	\$801	0.80	28,820	28,440	0.78	790	9.99%
Utilities	3.15%	\$250	0.25	8,982	14,040	0.39	390	4.93%
Water, Sewer, & Trash	4.24%	\$335	0.33	12,072	20,700	0.57	575	7.27%
Property Insurance	3.99%	\$316	0.31	11,368	9,036	0.25	251	3.17%
Property Tax	2.826567	0.00%	\$0	0	0	0.00	0	0.00%
Reserve for Replacements	3.16%	\$250	0.25	9,000	9,000	0.25	250	3.16%
TDHCA Compliance Fees	0.51%	\$40	0.04	1,440	1,440	0.04	40	0.51%
Other: Supp. Serv.	2.53%	\$200	0.20	7,200	7,200	0.20	200	2.53%
TOTAL EXPENSES	46.76%	\$3,699	\$3.68	\$133,168	\$146,247	\$4.04	\$4,062	51.36%
NET OPERATING INC	53.24%	\$4,212	\$4.19	\$151,636	\$138,501	\$3.82	\$3,847	48.64%

DEBT SERVICE

Oak Grove Capital	\$117,797	\$117,797
City of Fort Worth - HOME	\$0	
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	117,797	117,797
NET CASH FLOW	\$33,839	\$20,704
AGGREGATE DEBT COVERAGE RATIO	1.29	1.18
RECOMMENDED DEBT COVERAGE RATIO	1.29	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		16.69%	\$30,833	\$30.64	\$1,110,000	\$1,110,000	\$30.64	\$30,833	16.41%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		4.87%	\$9,000	\$8.94	324,000	324,000	8.94	9,000	4.79%
Direct Construction		30.23%	\$55,849	\$55.49	2,010,568	2,036,210	56.20	56,561	30.11%
Contingency	5.05%	1.77%	\$3,278	\$3.26	118,010	118,010	3.26	3,278	1.75%
Contractor's Fees	16.00%	5.90%	\$10,900	\$10.83	392,412	396,514	10.94	11,014	5.86%
Indirect Construction		15.83%	\$29,244	\$29.06	1,052,798	1,052,798	29.06	29,244	15.57%
Ineligible Costs		6.09%	\$11,253	\$11.18	405,117	405,117	11.18	11,253	5.99%
Developer's Fees	20.00%	12.60%	\$23,268	\$23.12	837,651	843,600	23.28	23,433	12.47%
Interim Financing		4.37%	\$8,069	\$8.02	290,468	290,468	8.02	8,069	4.30%
Reserves		1.65%	\$3,043	\$3.02	109,542	186,022	5.13	5,167	2.75%
TOTAL COST		100.00%	\$184,737.97	\$183.56	\$6,650,567	\$6,762,739	\$186.65	\$187,854	100.00%
Construction Cost Recap		42.78%	\$79,028	\$78.52	\$2,844,990	\$2,874,734	\$79.34	\$79,854	42.51%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Oak Grove Capital	18.34%	\$33,889	\$33.67	\$1,220,000	\$1,220,000	\$1,220,000	Developer Fee Available
City of Fort Worth - HOME	22.55%	\$41,667	\$41.40	1,500,000	1,500,000	1,500,000	\$843,600
HTC Syndication Proceeds	60.54%	\$111,839	\$111.12	4,026,202	4,026,202	4,026,202	% of Dev. Fee Deferred
Deferred Developer Fees	0.25%	\$459	\$0.46	16,537	16,537	16,537	2%
Additional (Excess) Funds Req'd	-1.69%	(\$3,116)	(\$3.10)	(112,172)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$6,650,567	\$6,762,739	\$6,762,739	\$700,087

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Race Street Lofts, Fort Worth, 9% HTC #10119

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.58	\$1,977,575
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.64	59,327
Roofing			0.00	0
Subfloor			0.63	22,754
Floor Cover			2.41	87,319
Breezeways	\$24.13	5,310	3.54	128,120
Balconies	\$22.22	2,704	1.66	60,080
Plumbing Fixtures	\$845	78	1.82	65,910
Rough-ins	\$420	72	0.83	30,240
Built-In Appliances	\$1,850	36	1.84	66,600
Exterior Stairs	\$1,900	9	0.47	17,100
Enclosed Corridors	\$44.66		0.00	0
Carpets	\$9.70	0	0.00	0
Heating/Cooling			1.85	67,029
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$78.98	1,890	4.12	149,272
Other: fire sprinkler	\$2.25	36,232	2.25	81,522
SUBTOTAL			77.63	2,812,848
Current Cost Multiplier	0.99		(0.78)	(28,128)
Local Multiplier	0.89		(8.54)	(309,413)
TOTAL DIRECT CONSTRUCTION COSTS			\$68.32	\$2,475,307
Plans, specs, survy, bld prn	3.90%		(\$2.66)	(\$96,537)
Interim Construction Interest	3.38%		(2.31)	(83,542)
Contractor's OH & Profit	11.50%		(7.86)	(284,660)
NET DIRECT CONSTRUCTION COSTS			\$55.49	\$2,010,568

PROPOSED PAYMENT COMPUTATION

Oak Grove Capital	\$1,220,000	Amort	360
Int Rate	9.00%	DCR	1.29

City of Fort Worth - f	\$1,500,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.29

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.29

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.29

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.29

RECOMMENDED FINANCING STRUCTURE:

Oak Grove Capital	\$117,797
City of Fort Worth - HOME	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$117,797

Oak Grove Capital	\$1,220,000	Amort	360
Int Rate	9.00%	DCR	1.29

City of Fort Worth - f	\$1,500,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.29

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.29

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.29

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.29

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$303,576	\$309,648	\$315,840	\$322,157	\$328,600	\$362,801	\$400,562	\$442,253	\$539,104
Secondary Income	4,320	4,406	4,495	4,584	4,676	5,163	5,700	6,293	7,672
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	307,896	314,054	320,335	326,742	333,277	367,964	406,262	448,546	546,775
Vacancy & Collection Loss	(23,092)	(23,554)	(24,025)	(24,506)	(24,996)	(27,597)	(30,470)	(33,641)	(41,008)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$284,804	\$290,500	\$296,310	\$302,236	\$308,281	\$340,367	\$375,793	\$414,905	\$505,767
EXPENSES at 3.00%									
General & Administrative	\$11,376	\$11,717	\$12,068	\$12,430	\$12,803	\$14,843	\$17,207	\$19,947	\$26,807
Management	14,240	14,525	14,815	15,112	15,414	17,018	18,790	20,745	25,288
Payroll & Payroll Tax	28,670	29,530	30,416	31,328	32,268	37,407	43,365	50,272	67,562
Repairs & Maintenance	28,820	29,685	30,576	31,493	32,438	37,604	43,593	50,537	67,917
Utilities	8,982	9,251	9,529	9,815	10,109	11,719	13,586	15,750	21,167
Water, Sewer & Trash	12,072	12,434	12,807	13,191	13,587	15,751	18,260	21,168	28,448
Insurance	11,368	11,709	12,061	12,422	12,795	14,833	17,196	19,934	26,790
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	9,000	9,270	9,548	9,835	10,130	11,743	13,613	15,782	21,209
TDHCA Compliance Fee	1,440	1,483	1,528	1,574	1,621	1,879	2,178	2,525	3,393
Other	7,200	7,416	7,638	7,868	8,104	9,394	10,891	12,625	16,967
TOTAL EXPENSES	\$133,168	\$137,021	\$140,986	\$145,068	\$149,268	\$172,192	\$198,679	\$229,286	\$305,550
NET OPERATING INCOME	\$151,636	\$153,479	\$155,324	\$157,168	\$159,012	\$168,175	\$177,114	\$185,619	\$200,217
DEBT SERVICE									
First Lien Financing	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797	\$117,797
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$33,839	\$35,682	\$37,527	\$39,372	\$41,216	\$50,378	\$59,317	\$67,822	\$82,421
DEBT COVERAGE RATIO	1.29	1.30	1.32	1.33	1.35	1.43	1.50	1.58	1.70

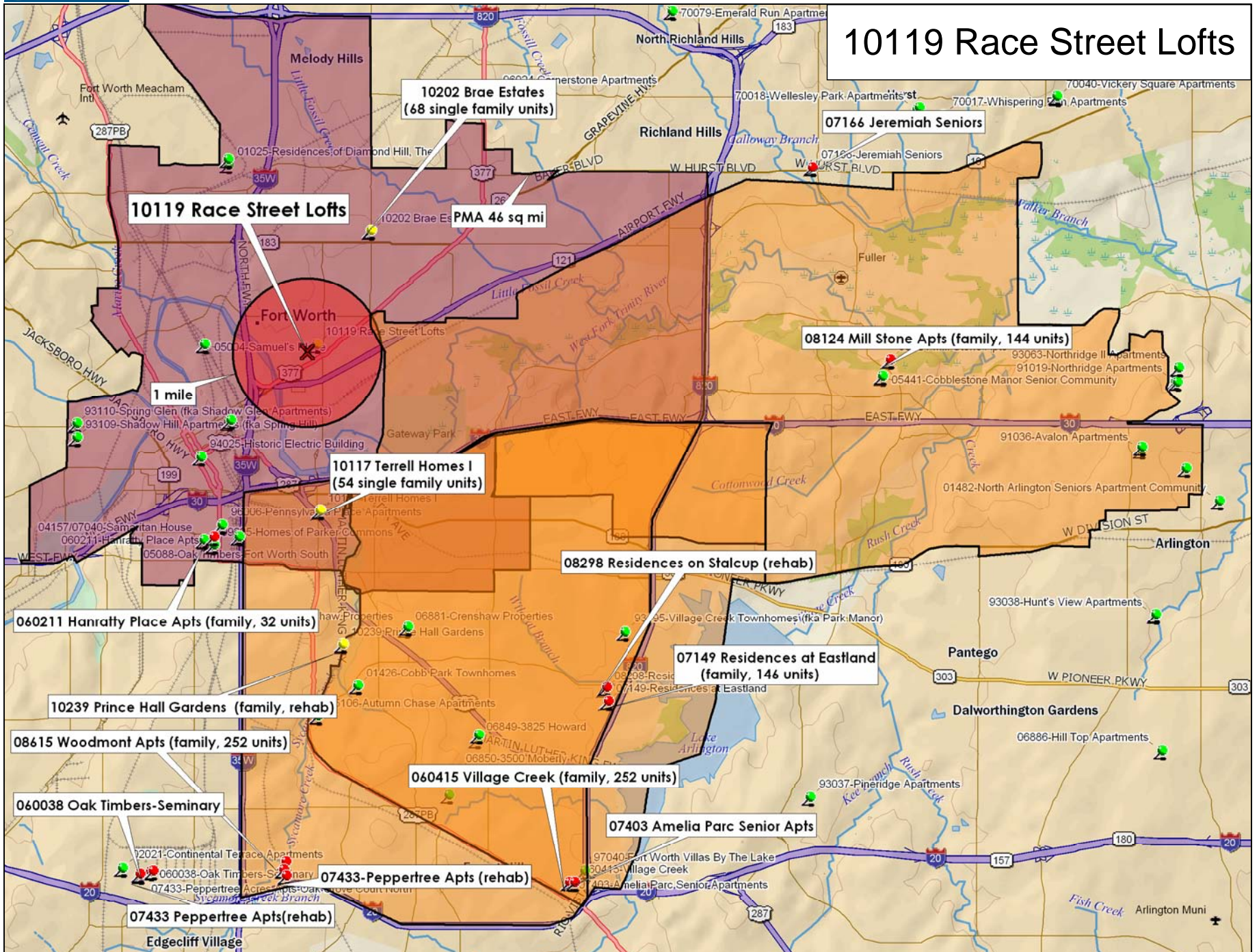
HTC ALLOCATION ANALYSIS -Race Street Lofts, Fort Worth, 9% HTC #10119

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,110,000	\$1,110,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$324,000	\$324,000	\$324,000	\$324,000
Construction Hard Costs	\$2,036,210	\$2,010,568	\$2,036,210	\$2,010,568
Contractor Fees	\$396,514	\$392,412	\$396,514	\$392,412
Contingencies	\$118,010	\$118,010	\$118,010	\$118,010
Eligible Indirect Fees	\$1,052,798	\$1,052,798	\$1,052,798	\$1,052,798
Eligible Financing Fees	\$290,468	\$290,468	\$290,468	\$290,468
All Ineligible Costs	\$405,117	\$405,117		
Developer Fees				
Developer Fees	\$843,600	\$837,651	\$843,600	\$837,651
Development Reserves	\$186,022	\$109,542		
TOTAL DEVELOPMENT COSTS	\$6,762,739	\$6,650,567	\$5,061,600	\$5,025,907

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$5,061,600	\$5,025,907
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$6,580,080	\$6,533,680
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$6,580,080	\$6,533,680
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$592,207	\$588,031

Syndication Proceeds	0.6799	\$4,026,203	\$3,997,812
Total Tax Credits (Eligible Basis Method)		\$592,207	\$588,031
Syndication Proceeds		\$4,026,203	\$3,997,812
Requested Tax Credits		\$592,207	
Syndication Proceeds		\$4,026,202	
Gap of Syndication Proceeds Needed		\$4,042,739	
Total Tax Credits (Gap Method)		\$594,639	
Recommended Tax Credits		592,207	
Syndication Proceeds		\$4,026,202	

10119 Race Street Lofts

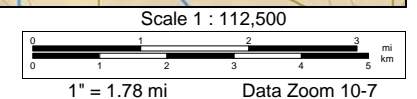


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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Montabella Senior, TDHCA Number 10120

BASIC DEVELOPMENT INFORMATION

Site Address: NWC of tract of land at NWC of Lakeview Dr. & Foster Rd. Development #: 10120
 City: San Antonio Region: 9 Population Served: Elderly
 County: Bexar Zip Code: 78244 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Montabella Senior, Ltd.
 Owner Contact and Phone: Susan Sheeran, (210) 281-0234
 Developer: Merced Housing Texas
 Housing General Contractor: NRP Contractors L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc
 Supportive Services: Merced Housing Texas
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	90	
	5	0	40	45	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	44	46	0	0	0	
Type of Building:						Total Development Units:	90
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	12
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,161,397	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Montabella Senior, TDHCA Number 10120

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Uresti, District 19, NC Points: 0 US Representative: Smith, District 21, NC

TX Representative: Jones McClendon, District 120, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Highland Farm Neighborhood Association, Marvin Corothers Letter Score: 24 S or O: S

It will always give community a chance to belong.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Montabella Senior, TDHCA Number 10120

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **212** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Mesquite Place, TDHCA Number 10121

BASIC DEVELOPMENT INFORMATION

Site Address: Tract of land on S. side County Rd. 4010 (Gilliam Rd.) approx. 1 Development #: 10121
 City: Pearsall Region: 9 Population Served: General
 County: Frio Zip Code: 78061 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Mesquite Place, Ltd.
 Owner Contact and Phone: Lucille Jones, (830) 257-5323
 Developer: LRJ Consulting L.L.C.
 Housing General Contractor: NRP Contractors L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc
 Supportive Services: NRP Management, L.L.C.
 Consultant and Contact: NRP Holdings LLC, Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	80
	5 0 35 40	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 12 44 24 0 0	Total Development Units:	80
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	7
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	11
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,096,573	\$0			
HOME Activity Fund Amount:	\$1,300,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Mesquite Place, TDHCA Number 10121

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, S

Points: 7

US Representative: Cuellar, District 28, NC

TX Representative: King, District 80, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Mesquite Place, TDHCA Number 10121

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **203** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

La Terraza at Lomas del Sur, TDHCA Number 10122

BASIC DEVELOPMENT INFORMATION

Site Address: E. side of Ejido Blvd. (approx. 2000LF S. of the intersection of Ejido Blvd. and Laredo St.) Development #: 10122
 City: Laredo Region: 11 Population Served: General
 County: Webb Zip Code: 78046 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: La Terraza at Lomas del Sur, Ltd.
 Owner Contact and Phone: Carlos Villarreal, (956) 791-7302
 Developer: Ejido Holdings L.L.C.
 Housing General Contractor: NRP Contractors L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: NRP Management, L.L.C.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	128	
	7	0	57	64	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	60	48	8	0	
Type of Building:						Total Development Units:	128
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$16,066,604
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	8
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input checked="" type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,714,465	\$1,714,465			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

La Terraza at Lomas del Sur, TDHCA Number 10122

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, S Points: 14 US Representative: Cuellar, District 28, NC
TX Representative: Guillen, District 31, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by carryover, of evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.
2. Receipt review and acceptance before the 10% Test of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
4. Receipt, review, and acceptance, by Commitment, that the proposed zoning with the City of Laredo for R-2 zoning be granted which would allow for multifamily.
5. Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Laredo for the anticipated \$1,500,000 of HOME Funds with the terms of the funds clearly stated.
6. Receipt, review and acceptance, by Cost Certification, of an attorney's opinion affirming that the City of Laredo cash flow HOME loan can be repaid at or by maturity and can be considered valid debt.
7. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
8. Receipt of a firm commitment from the City of Laredo for funding in the amount of \$1,100,000, or a commitment from a qualifying substitute source in an amount not less than \$1,100,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
9. Receipt of a firm commitment of funding from the City of Laredo in the amount of \$400,000, or a commitment from a qualifying substitute source in an amount not less than \$400,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

La Terraza at Lomas del Sur, TDHCA Number 10122

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **0**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: \$1,714,465

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/19/10 PROGRAM: 9% HTC FILE NUMBER: 10122

DEVELOPMENT

La Terraza at Lomas del Sur

Location: East side of Ejido Blvd. (approx. 2000 LF South of the intersection of Ejido Blvd. and Wormser Rd. Region: 11

City: Laredo County: Webb Zip: 78046 OCT DDA

Key Attributes: General, Urban, New Construction, and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,688,667			\$1,688,609		

CONDITIONS

- 1 Receipt, review, and acceptance, by carryover, of evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.
- 2 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 4 Receipt, review, and acceptance, by Commitment, that the proposed zoning with the City of Laredo for R-2 zoning be granted which would allow for multifamily.
- 5 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Laredo for the anticipated \$1,500,000 of HOME Funds with the terms of the funds clearly stated.
- 6 Receipt, review and acceptance, by Cost Certification, of an attorney's opinion affirming that the City of Laredo cash flow HOME loan can be repaid at or by maturity and can be considered valid debt.
- 7 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	7
50% of AMI	50% of AMI	57
60% of AMI	60% of AMI	64

STRENGTHS/MITIGATING FACTORS

- Overall occupancy in the PMA is 94.1%.

- The 3% Gross Capture Rate indicates significant demand for the subject.

- The subject will be the first affordable project funded in Laredo since 2002.

- Proposed rents are on average 43% below market rents.

WEAKNESSES/RISKS

- The Underwriter's and Applicant's expense to income ratios both approach 65%. An expense to income ratio above 65% reflects an increased risk that the development will not be able to sustain even a moderate period of flat income and rent growth with rising expenses.

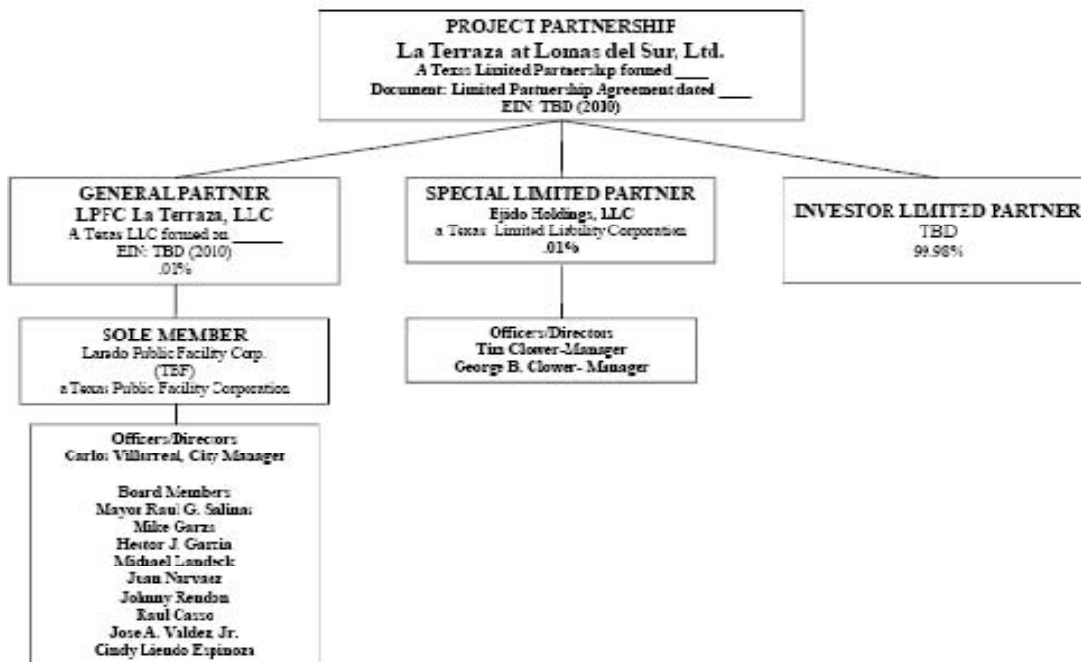
- Future development of parcels between site and Ejido Blvd. could diminish visibility of site.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

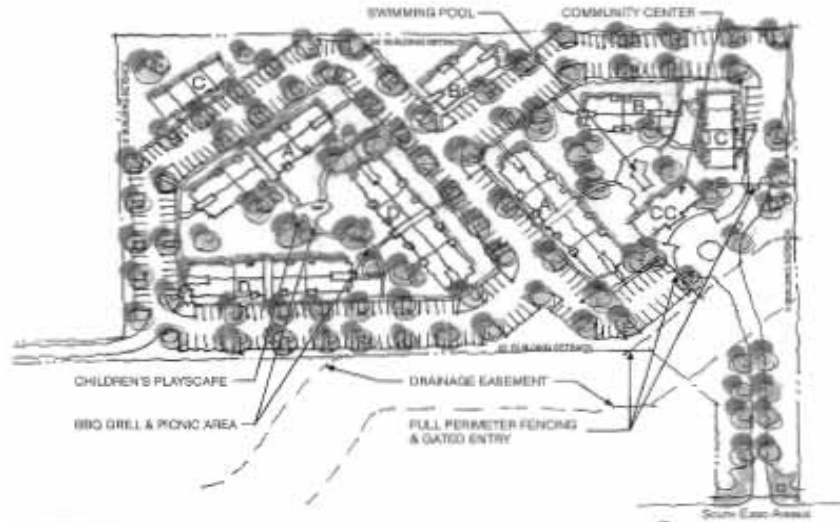
Contact: Carlos Villarreal Phone: (956) 791-7302 Fax: (956) 791-7498
 Email: cvillarrea@ci.laredo.tx.us

IDENTITIES of INTEREST

- The Applicant and Developer are related parties. Additionally, the consultant, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D								Total Buildings
Floors/Stories	3	3	2	3								
Number	2	2	2	2								8

BR/BA	SF	Units										Total Units	Total SF	
1	1	712				6							12	8,544
2	2	950	12			6							36	34,200
2	2	963		12									24	23,112
3	2	1,142	12			12							48	54,816
4	2	1,561			4								8	12,488
Units per Building			24	12	4	24							128	133,160

SITE ISSUES

Total Size: 9.5 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: R-1A Needs to be re-zoned? Yes No N/A
 Comments:

The site is presently zoned R-1A which allows for single family residences and there is an application pending with the City of Laredo to change the zoning to R-2 which would allow multi-family residences. This rezoning to R-2 will be made a condition to this report.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/26/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Vacant Land East: Vacant Land
 South: Vacant Land West: Residential Housing

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Consultants, Inc. Date: 3/24/2010
 Recognized Environmental Conditions (RECs) and Other Concerns:
 ◦ "Terracon did not identify RECs which, in our opinion, warrant additional investigation at this time." (p. ii)
 ◦ "Based on the proximity of the airport to the site, Terracon recommends that a noise study be conducted." (p. ii)
 Any funding recommendation will be subject to the following conditions:
 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Apartment MarketData Date: 2/19/2010
 Contact: Darrell Jack Phone: (210) 530-0040
 Number of Revisions: none Date of Last Applicant Revision: N / A
 Primary Market Area (PMA): 20 sq. miles 2 mile equivalent radius
 The Primary Market Area is defined by 14 census tracts encompassing central and south Laredo.

ELIGIBLE HOUSEHOLDS BY INCOME								
Webb County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,777	\$9,600	---	---	\$14,640	\$15,950	\$17,589	\$19,140
2	\$8,777	\$10,950	---	---	\$14,640	\$18,250	\$17,589	\$21,900
3	\$10,560	\$12,350	---	---	\$17,554	\$20,500	\$21,086	\$24,600
4	\$12,206	\$13,700	---	---	\$20,297	\$22,800	\$24,377	\$27,360
5	\$12,206	\$14,800	---	---	\$20,297	\$24,600	\$24,377	\$29,520
6	---	---	---	---	\$22,663	\$26,450	\$27,189	\$31,740

This section intentionally left blank.

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None					
Other Affordable Developments in PMA since 2006					
None					
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)			8	Total Units	602

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no unstabilized comparable units in the PMA that will impact the demand determination for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	26,263	26,263
Potential Demand from the Primary Market Area	4,566	4,220
Potential Demand from Other Sources	0	0
GROSS DEMAND	4,566	4,220
Subject Affordable Units	128	128
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	128	128
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.8%	3.0%

Demand Analysis:

The Market Analyst determined Gross Demand for 4,566 units based on income-eligible renter households of all sizes; and a Gross Capture Rate of 2.8% for the subject 128 units. The Underwriter determined Gross Demand for 4,220 units from income-eligible renter households with 1-6 persons; and a Gross Capture Rate of 3.0%.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

This section intentionally left blank.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	171	1	0	1%	97	1	0	1%
1 BR/50%	222	5	0	2%	117	5	0	4%
1 BR/60%	193	6	0	3%	104	6	0	6%
2 BR/30%	159	3	0	2%	141	3	0	2%
2 BR/50%	242	27	0	11%	232	27	0	12%
2 BR/60%	158	30	0	19%	148	30	0	20%
3 BR/30%	143	3	0	2%	113	3	0	3%
3 BR/50%	182	21	0	12%	177	21	0	12%
3 BR/60%	217	24	0	11%	190	24	0	13%
4 BR/50%	142	4	0	3%	118	4	0	3%
4 BR/60%	152	4	0	3%	132	4	0	3%

Primary Market Occupancy Rates:

The market study reports overall occupancy of 94.1% for a total of 697 units in the PMA. (p. 47)

Absorption Projections:

"Over the past 5 years, we see 394 new units built and absorbed since 2000 ... There have been no affordable units absorbed in the PMA in recent years. Clark's Crossing is the most recently constructed affordable project, built in 2001, and is currently 96.3% occupied ... We estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction." (pp. 49-51)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable family units have been easily absorbed. Today, stabilized affordable projects are 95.9% occupied." (p. 54)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: One Date of Last Applicant Revision: 7/16/2010

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of March 16, 2010 maintained by the Laredo Housing Authority from the 2010 Housing Tax Credit rent limits which apply to HTC applications. 2010 rent limits were released after underwriting for 2010 applications began; therefore, the Underwriter's income reflects 2009 rents consistent with all other applications underwritten during the 2010 tax credit cycle. Tenants will be required to pay all electric and gas utility costs and water & sewer.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

This section intentionally left blank.

Expense: Number of Revisions: One Date of Last Applicant Revision: 7/16/2010

The Applicant's total annual operating expense projection at \$3,074 per unit is within 5% of the Underwriter's estimate of \$3,008, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows two line item estimates that deviates significantly when compared to the Underwriter's estimates, specifically: property insurance (16% lower) and utilities (45% higher). The Underwriter relied on an insurance quote provided by the Applicant to determine a property insurance expense estimate. The Applicant's estimate appears to be in line with the property insurance quote excluding general liability insurance. Regarding utilities, although the Applicant's estimates for these line items differ from the Underwriter's estimates, they are in line with the TDHCA database, and as such are considered to be reasonable.

Of note, the Applicant has indicated that the development will receive a property tax exemption. The Applicant did not provide documentation from the taxing jurisdiction to support this claim; however, the Applicant did provide an excerpt of the tax code that discusses tax exemptions for properties owned by public facilities corporations. The Underwriter relied on this documentation and has also assumed that the development will be tax exempt. However, this report is conditioned on receipt, review, and acceptance, by carryover, of evidence from the local taxing jurisdiction confirming that a 100% property tax exemption will be available to the development.

Conclusion:

The Applicant's estimate of gross income, total expenses and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.19 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 117.76 acres	<u>\$2,119,740</u>	Tax Year:	<u>2009</u>
Prorated per acre:	<u>\$18,001</u>	Valuation by:	<u>Webb CAD</u>
Prorated 9.5 acres:	<u>\$171,005</u>	Tax Rate:	<u>2.543225</u>

EVIDENCE of PROPERTY CONTROL

Type: Agreement to Purchase Unimproved Real Estate Acreage: 9.5

Contract Expiration: 12/18/2010 Valid Through Board Date? Yes No

Acquisition Cost: \$675,000 Other: _____

Seller: A & W Investments Related to Development Team? Yes No

Comments:

NRP Properties LLC has executed an agreement to purchase the subject property from A&W Investments and commits to assign the property to La Terraza at Lomas de Sur upon formation of this entity and upon TDHCA issuing a tax credit reservation for La Terraza at Lomas de Sur.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: Two Date of Last Applicant Revision: 7/19/2010

Acquisition Value:

The site cost of \$675,000 which is \$71,053 per acre or \$5,273 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit and provided sufficient third party certification through a detailed certified cost estimate by a licensed engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Thomas Stephen & Company, LLP, to preliminarily opine that \$2,009,067 of the total \$2,009,067 will be considered eligible.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$512K or 8% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Reserves:

Red Stone the equity provider has required reserves of \$291,284 which is greater than the six months of stabilized operating expenses less management fees and reserve for replacements plus debt service as required by the Department. Additionally, the Applicant documented \$140,194 in lease-up reserves. These reserve figures were included in the Underwriter's analysis.

Contingency & Fees:

The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. However, the Applicant's eligible developer fee was overstated by \$493; therefore, the Applicant's eligible basis has been reduced by this amount.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it proposes to provide an additional 10% of units at 30% of AMFI in excess of those 30% units committed for scoring purposes.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$14,432,555 and the 9% applicable percentage rate supports annual tax credits of \$1,688,609. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: One Date of Last Applicant Revision: 7/16/2010

Source: Oak Grove Capital Type: Interim Financing

Principal: \$10,100,000 Interest Rate: 6.5% Fixed Term: 24 months

Comments:

Upon lease-up of the property, 1.15 debt service coverage, and 90% occupancy for 90 days, the construction loan will be repaid.

Source: Lifestyle Neighborhoods Corporation Type: Interim Financing

Principal: \$330,000 Interest Rate: 7.0% Fixed Term: 15 months

Comments:

The loan will accrue interest at the greater of seven percent (7%) or prime plus two percent (2%).

Source: Oak Grove Capital Type: Permanent Financing
Principal: \$1,870,000 Interest Rate: 9.0% Fixed Amort: 360 months
Term: 18 years

Source: City of Laredo - HOME Funds Type: Interim and Permanent Financing
Principal: \$1,500,000 Interest Rate: 1.0% Fixed Amort: 420 months
Term: 35 years

Comments:

Applicant has requested a 1% soft simple interest rate, accruing, but not compounding, with payments subject to available cash flow. Also at the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from The City of Laredo for the anticipated \$1,500,000 with the terms of the funds clearly stated will be required.
The recommended financing structure does not show sufficient cash flow to repay the loan. Accordingly, receipt, review and acceptance, by Cost Certification, of an attorney's opinion affirming that the cash flow loan can be repaid at or by maturity and can be considered valid debt is a condition of this report.

Source: Red Stone Equity Partners Type: Syndication
Proceeds: \$12,513,094 Syndication Rate: 73% Anticipated HTC: \$ 1,714,465
Amount: \$404,011 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$1,870,000 and the City of Laredo HOME Funds of \$1,500,000 indicates the need for \$12,696,604 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,739,608 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,688,609
Allocation determined by gap in financing:	\$1,739,608
Allocation requested by the Applicant:	\$1,688,667

The allocation amount determined by the Applicant's eligible basis, as adjusted for adherence to REA rules, is recommended. A tax credit allocation of \$1,688,609 per year for 10 years results in total equity proceeds of \$12,324,383 at a syndication rate of \$0.73 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$372,221 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 12 years of stabilized operation.

Underwriter:	<u>Carl Hoover</u>	Date:	<u>July 19, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>July 19, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 19, 2010</u>

UNIT MIX/RENT SCHEDULE

La Terraza at Lomas del Sur, Laredo, 9% HTC #10122

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Laredo	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Webb	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	12	9.4%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	11	2	60	46.9%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	48	37.5%								APPLICABLE FRACTION:	100.00%	
IREM REGION:		4	8	6.3%								APP % - ACQUISITION:		
		TOTAL	128	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	1	1	1	712	\$256	\$130	\$126	\$5	\$0.18	\$131	\$131	\$126	\$126	\$0.18	\$0	\$563	\$437
TC 50%	5	1	1	712	\$427	\$130	\$297	\$9	\$0.43	\$306	\$1,530	\$1,485	\$297	\$0.42	\$0	\$563	\$266
TC 60%	6	1	1	712	\$513	\$130	\$383	\$10	\$0.55	\$393	\$2,358	\$2,298	\$383	\$0.54	\$0	\$563	\$180
TC 30%	1	2	2	950	\$308	\$163	\$145	\$6	\$0.16	\$151	\$151	\$145	\$145	\$0.15	\$0	\$700	\$555
TC 50%	17	2	2	950	\$512	\$163	\$349	\$11	\$0.38	\$360	\$6,120	\$5,933	\$349	\$0.37	\$0	\$700	\$351
TC 60%	18	2	2	950	\$615	\$163	\$452	\$13	\$0.49	\$465	\$8,370	\$8,136	\$452	\$0.48	\$0	\$700	\$248
TC 30%	2	2	2	963	\$308	\$163	\$145	\$6	\$0.16	\$151	\$302	\$290	\$145	\$0.15	\$0	\$707	\$562
TC 50%	10	2	2	963	\$512	\$163	\$349	\$11	\$0.37	\$360	\$3,600	\$3,490	\$349	\$0.36	\$0	\$707	\$358
TC 60%	12	2	2	963	\$615	\$163	\$452	\$13	\$0.48	\$465	\$5,580	\$5,424	\$452	\$0.47	\$0	\$707	\$255
TC 30%	3	3	2	1,142	\$356	\$196	\$160	\$7	\$0.15	\$167	\$501	\$480	\$160	\$0.14	\$0	\$802	\$642
TC 50%	21	3	2	1,142	\$592	\$196	\$396	\$13	\$0.36	\$409	\$8,589	\$8,316	\$396	\$0.35	\$0	\$802	\$406
TC 60%	24	3	2	1,142	\$711	\$196	\$515	\$15	\$0.46	\$530	\$12,720	\$12,360	\$515	\$0.45	\$0	\$802	\$287
TC 50%	4	4	2	1,561	\$661	\$266	\$395	\$14	\$0.26	\$409	\$1,636	\$1,580	\$395	\$0.25	\$0	\$1,028	\$633
TC 60%	4	4	2	1,561	\$793	\$266	\$527	\$17	\$0.35	\$544	\$2,176	\$2,108	\$527	\$0.34	\$0	\$1,028	\$501
TOTAL:	128			133,160							\$53,764	\$52,171					
AVG:				1,040					\$12	\$0.40	\$420		\$408	\$0.39	\$0	\$747	(\$340)
ANNUAL:											\$645,168	\$626,052					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

La Terraza at Lomas del Sur, Laredo, 9% HTC #10122

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT		
POTENTIAL GROSS RENT				\$626,052	\$645,168		
Secondary Income	Per Unit Per Month:	\$8.00		12,288	12,288	\$8.00	Per Unit Per Month
Other Support Income:						\$0.00	Per Unit Per Month
Other Support Income:						\$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME				\$638,340	\$657,456		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(47,876)	(49,308)	-7.50%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions				0			
EFFECTIVE GROSS INCOME				\$590,465	\$608,148		

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	6.56%	\$302	0.29	\$38,709	\$39,040	\$0.29	\$305	6.42%
Management	5.00%	\$231	0.22	29,523	30,200	0.23	236	4.97%
Payroll & Payroll Tax	16.65%	\$768	0.74	98,298	97,000	0.73	758	15.95%
Repairs & Maintenance	8.77%	\$404	0.39	51,755	49,280	0.37	385	8.10%
Utilities	7.76%	\$358	0.34	45,848	66,356	0.50	518	10.91%
Water, Sewer, & Trash	5.93%	\$273	0.26	35,004	29,900	0.22	234	4.92%
Property Insurance	4.58%	\$211	0.20	27,028	22,784	0.17	178	3.75%
Property Tax 2.543225	0.00%	\$0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements	5.42%	\$250	0.24	32,000	32,000	0.24	250	5.26%
TDHCA Compliance Fees	0.87%	\$40	0.04	5,120	5,120	0.04	40	0.84%
Other: Supportive Services	3.68%	\$170	0.16	21,750	21,750	0.16	170	3.58%
TOTAL EXPENSES	65.21%	\$3,008	\$2.89	\$385,036	\$393,430	\$2.95	\$3,074	64.69%
NET OPERATING INC	34.79%	\$1,605	\$1.54	\$205,429	\$214,718	\$1.61	\$1,677	35.31%

DEBT SERVICE

Oak Grove Capital	\$180,557	\$180,557
City of Laredo-HOME Funds	\$0	
TOTAL DEBT SERVICE	180,557	180,557
NET CASH FLOW	\$24,872	\$34,161
AGGREGATE DEBT COVERAGE RATIO	1.14	1.19
RECOMMENDED DEBT COVERAGE RATIO	1.19	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		4.39%	\$5,273	\$5.07	\$675,000	\$675,000	\$5.07	\$5,273	4.20%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		13.05%	\$15,696	\$15.09	2,009,067	2,009,067	15.09	15,696	12.50%
Direct Construction		42.30%	\$50,862	\$48.89	6,510,383	7,022,559	52.74	54,864	43.71%
Contingency	5.99%	3.32%	\$3,987	\$3.83	510,330	510,330	3.83	3,987	3.18%
Contractor's Fees	14.00%	8.21%	\$9,876	\$9.49	1,264,169	1,335,873	10.03	10,437	8.31%
Indirect Construction		7.27%	\$8,742	\$8.40	1,119,000	1,119,000	8.40	8,742	6.96%
Ineligible Costs		3.40%	\$4,088	\$3.93	523,272	523,272	3.93	4,088	3.26%
Developer's Fees	15.00%	11.66%	\$14,023	\$13.48	1,794,925	1,883,000	14.14	14,711	11.72%
Interim Financing		3.59%	\$4,322	\$4.15	553,219	553,219	4.15	4,322	3.44%
Reserves		2.80%	\$3,371	\$3.24	431,478	435,284	3.27	3,401	2.71%
TOTAL COST		100.00%	\$120,240.96	\$115.58	\$15,390,843	\$16,066,604	\$120.66	\$125,520	100.00%
Construction Cost Recap		66.88%	\$80,421	\$77.31	\$10,293,949	\$10,877,829	\$81.69	\$84,983	67.70%

SOURCES OF FUNDS

						RECOMMENDED	
Oak Grove Capital	12.15%	\$14,609	\$14.04	\$1,870,000	\$1,870,000	\$1,870,000	Developer Fee Available
City of Laredo-HOME Funds	9.75%	\$11,719	\$11.26	1,500,000	1,500,000	1,500,000	\$1,882,507
HTC Syndication Proceeds	80.08%	\$96,288	\$92.56	12,324,803	12,324,803	12,324,383	% of Dev. Fee Deferred
Deferred Developer Fees	2.42%	\$2,905	\$2.79	371,802	371,802	372,221	20%
Additional (Excess) Funds Req'd	-4.39%	(\$5,279)	(\$5.07)	(675,762)	(1)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$15,390,843	\$16,066,604	\$16,066,604	\$530,634

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

La Terraza at Lomas del Sur, Laredo, 9% HTC #10122

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.37	\$7,240,428
Adjustments				
Exterior Wall Finish	0.80%		\$0.43	\$57,923
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.10%		1.69	224,453
Roofing			0.00	0
Subfloor			1.33	177,547
Floor Cover			2.48	330,804
Breezeways	\$23.05	15,903	2.75	366,511
Balconies	\$22.84	8,804	1.51	201,043
Plumbing Fixtures	\$849	332	2.12	281,900
Rough-ins	\$420	248	0.78	104,160
Built-In Appliances	\$1,892	128	1.82	242,200
Exterior Stairs	\$1,900	40	0.57	76,000
Enclosed Corridors	\$44.45	0	0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	246,346
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$77.58	2,193	1.28	170,130
Other: fire sprinkler	\$2.25	133,160	2.25	299,610
SUBTOTAL			75.24	10,019,056
Current Cost Multiplier	0.99		(0.75)	(100,191)
Local Multiplier	0.81		(14.30)	(1,903,621)
TOTAL DIRECT CONSTRUCTION COSTS			\$60.19	\$8,015,245
Plans, specs, survy, bld prm	3.90%		(\$2.35)	(\$312,595)
Interim Construction Interest	3.38%		(2.03)	(270,515)
Contractor's OH & Profit	11.50%		(6.92)	(921,753)
NET DIRECT CONSTRUCTION COSTS			\$48.89	\$6,510,383

PROPOSED PAYMENT COMPUTATION

Oak Grove Capital	\$1,870,000	Amort	360
Int Rate	9.00%	DCR	1.14

City of Laredo-HOME Funds	\$1,500,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Oak Grove Capital	\$180,557
City of Laredo-HOME Funds	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$180,557

Oak Grove Capital	\$1,870,000	Amort	360
Int Rate	9.00%	DCR	1.19

City of Laredo-HOME Funds	\$1,500,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.19

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.19

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.19

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.19

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

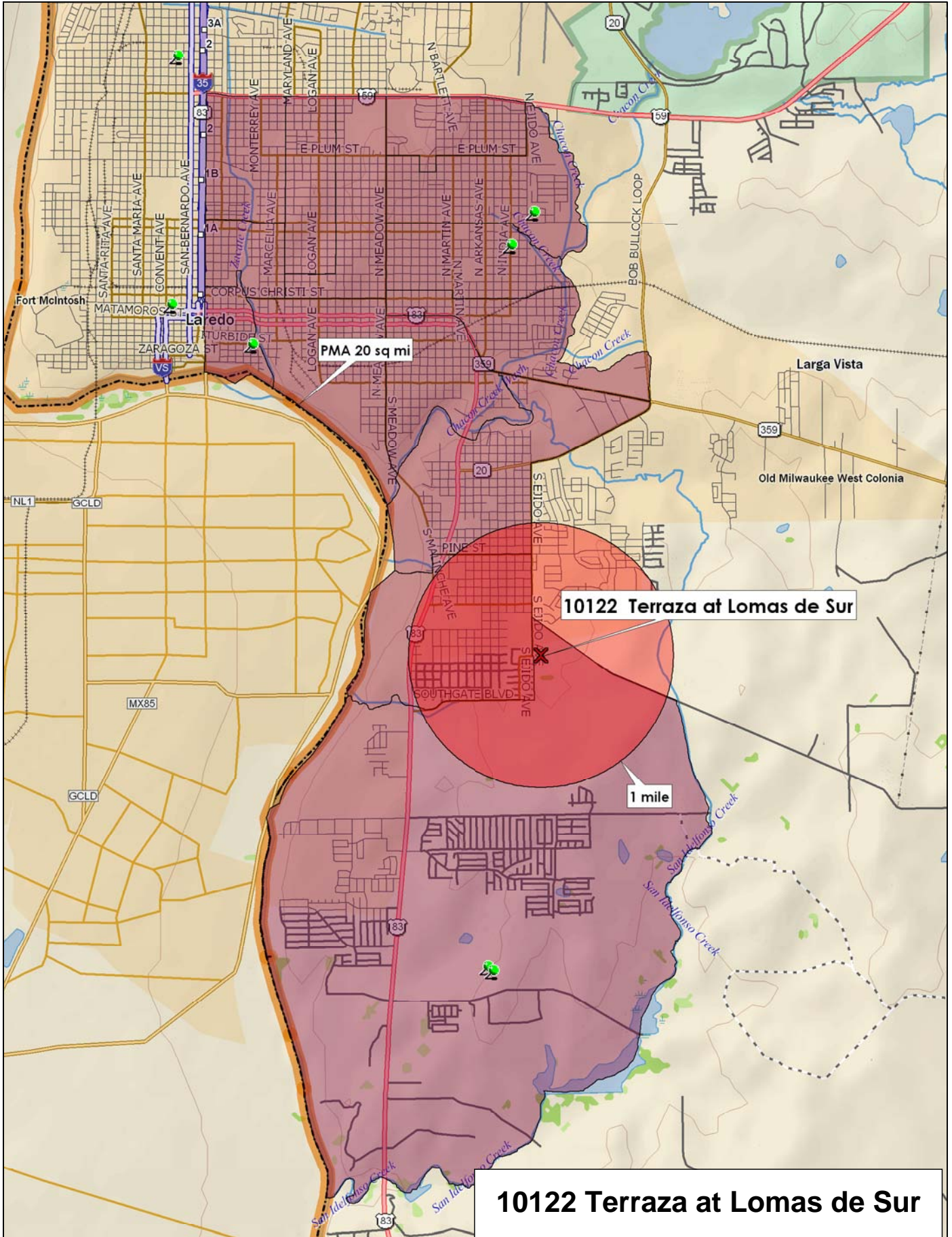
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$645,168	\$658,071	\$671,233	\$684,657	\$698,351	\$771,035	\$851,285	\$939,888	\$1,145,718
Secondary Income	12,288	12,534	12,784	13,040	13,301	14,685	16,214	17,901	21,822
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	657,456	670,605	684,017	697,698	711,652	785,721	867,499	957,789	1,167,540
Vacancy & Collection Loss	(49,308)	(50,295)	(51,301)	(52,327)	(53,374)	(58,929)	(65,062)	(71,834)	(87,565)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$608,148	\$620,310	\$632,716	\$645,370	\$658,278	\$726,792	\$802,437	\$885,955	\$1,079,974
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$39,040	\$40,211	\$41,418	\$42,660	\$43,940	\$50,938	\$59,052	\$68,457	\$92,000
Management	30,200	30803.93922	31,420	32,048	32,689	36,092	39,848	43,996	53,630
Payroll & Payroll Tax	97,000	99,910	102,907	105,995	109,174	126,563	146,721	170,090	228,587
Repairs & Maintenance	49,280	50,758	52,281	53,850	55,465	64,299	74,540	86,413	116,132
Utilities	66,356	68,347	70,397	72,509	74,684	86,580	100,369	116,356	156,372
Water, Sewer & Trash	29,900	30,797	31,721	32,673	33,653	39,013	45,226	52,430	70,461
Insurance	22,784	23,468	24,172	24,897	25,644	29,728	34,463	39,952	53,692
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	32,000	32,960	33,949	34,967	36,016	41,753	48,403	56,112	75,410
TDHCA Compliance Fee	5,120	5,274	5,432	5,595	5,763	6,680	7,744	8,978	12,066
Other	21,750	22,403	23,075	23,767	24,480	28,379	32,899	38,139	51,255
TOTAL EXPENSES	\$393,430	\$404,931	\$416,771	\$428,960	\$441,508	\$510,024	\$589,266	\$680,922	\$909,606
NET OPERATING INCOME	\$214,718	\$215,379	\$215,945	\$216,411	\$216,770	\$216,767	\$213,171	\$205,033	\$170,369
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$180,557	\$180,557	\$180,557	\$180,557	\$180,557	\$180,557	\$180,557	\$180,557	\$180,557
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$34,161	\$34,822	\$35,388	\$35,853	\$36,212	\$36,210	\$32,613	\$24,476	(\$10,189)
DEBT COVERAGE RATIO	1.19	1.19	1.20	1.20	1.20	1.20	1.18	1.14	0.94

HTC ALLOCATION ANALYSIS -La Terraza at Lomas del Sur, Laredo, 9% HTC #10122

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$675,000	\$675,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$2,009,067	\$2,009,067	\$2,009,067	\$2,009,067
Construction Hard Costs	\$7,022,559	\$6,510,383	\$7,022,559	\$6,510,383
Contractor Fees	\$1,335,873	\$1,264,169	\$1,335,873	\$1,264,169
Contingencies	\$510,330	\$510,330	\$510,330	\$510,330
Eligible Indirect Fees	\$1,119,000	\$1,119,000	\$1,119,000	\$1,119,000
Eligible Financing Fees	\$553,219	\$553,219	\$553,219	\$553,219
All Ineligible Costs	\$523,272	\$523,272		
Developer Fees			\$1,882,507	
Developer Fees	\$1,883,000	\$1,794,925		\$1,794,925
Development Reserves	\$435,284	\$431,478		
TOTAL DEVELOPMENT COSTS	\$16,066,604	\$15,390,843	\$14,432,555	\$13,761,093

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$14,432,555	\$13,761,093
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$18,762,322	\$17,889,421
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$18,762,322	\$17,889,421
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,688,609	\$1,610,048

Syndication Proceeds	0.7299	\$12,324,383	\$11,751,002
Total Tax Credits (Eligible Basis Method)		\$1,688,609	\$1,610,048
Syndication Proceeds		\$12,324,383	\$11,751,002
Requested Tax Credits		\$1,688,667	
Syndication Proceeds		\$12,324,806	
Gap of Syndication Proceeds Needed		\$12,696,604	
Total Tax Credits (Gap Method)		\$1,739,608	
Recommended Tax Credits		1,688,609	
Syndication Proceeds		\$12,324,383	



10122 Terraza at Lomas de Sur



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Golden Bamboo Village III, TDHCA Number 10124

BASIC DEVELOPMENT INFORMATION

Site Address: W. side of Synott Rd. (approx. 900LF N. of intersection of Synott Development #: 10124
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77083 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Golden Bamboo III, Ltd.
 Owner Contact and Phone: Michael CaoMy Nguyen, (281) 495-8936
 Developer: VN Teamwork, Inc.
 Housing General Contractor: NRP Contractors L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: VN Teamwork, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	130	
	7	0	59	64	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	65	65	0	0	0	
Type of Building:						Total Development Units:	130
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$16,005,379
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,611,321	\$1,611,321			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Golden Bamboo Village III, TDHCA Number 10124

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Huffman, District 17, NC Points: 0 US Representative: Green, District 9, NC
TX Representative: Vo, District 149, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Alief Super Neighborhood Council, Anne W. Williams Letter Score: 24 S or O: S

There remains a tremendous need for affordable housing for aging and disabled adults in the greater Houston area.

Also, the success of Golden Bamboo Village I and the location of this project will give its residents greater access to bus routes and medical facilities.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.
2. Receipt, review, and acceptance, by Cost Certification, of documentation of additional testing of the on-site soils and groundwater to identify any necessary corrective action related to contamination from the Bellknot Martinizing facility, and evidence that any subsequent recommendations have been implemented.
3. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into development plans.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the tax credit allocation may be warranted.
6. Receipt of a firm commitment from the City of Houston Housing and Community Development Department for funding in the amount of \$807,000, or a commitment from a qualifying substitute source in an amount not less than \$807,000, as required by §50.9(i)(5) of the 2010 QAP.
7. Receipt of a firm commitment of funding from the City of Houston Housing and Community Development Department in the amount of \$323,000, or a commitment from a qualifying substitute source in an amount not less than \$323,000, as required by §50.9(i)(28) of the 2010 QAP.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Golden Bamboo Village III, TDHCA Number 10124

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **1**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$1,611,321

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/03/10 PROGRAM: HTC 9% FILE NUMBER: 10124

DEVELOPMENT

Golden Bamboo Village III

Location: West side of Synott Rd (North of Intersection of Synott Rd. & Bellaire Blvd.) Region: 6
 City: Houston County: Harris Zip: 77083 OCT DDA
 Key Attributes: Elderly; New Construction, Urban; Non-Profit

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,611,321			\$1,611,321		

CONDITIONS

- 1 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation of additional testing of the on-site soils and groundwater to identify any necessary corrective action related to contamination from the Bellknot Martinizing facility, and evidence that any subsequent recommendations have been implemented.
- 3 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	7
50% of AMI	50% of AMI	59
60% of AMI	60% of AMI	64

STRENGTHS/MITIGATING FACTORS

- Principals of Applicant demonstrate LIHTC development experience.
- One- and two-bedroom units at income restricted properties in the PMA are 92% occupied, and five senior properties report 98% occupancy.
- Occupancy for two bedroom units at five elderly developments in the market is 98.6%.

WEAKNESSES/RISKS

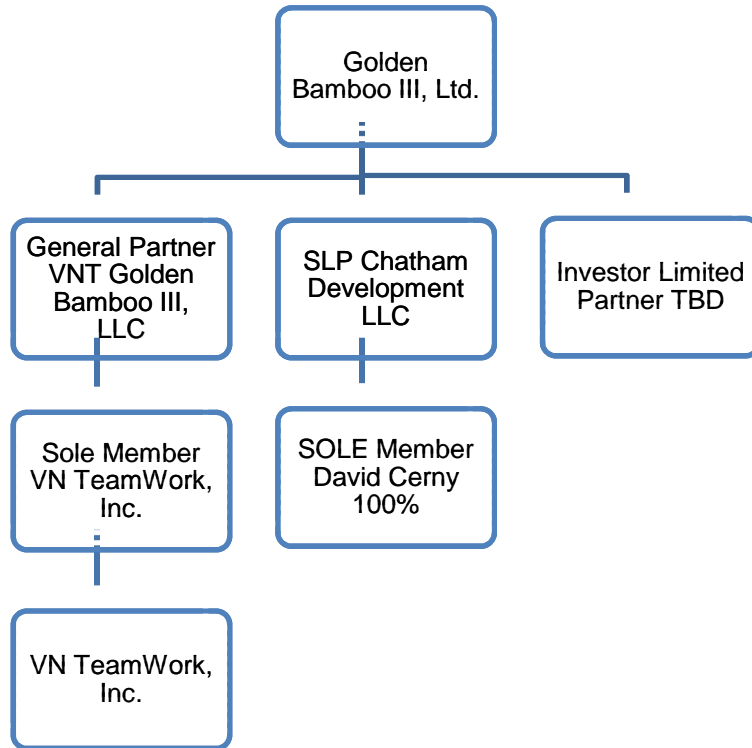
- The overall multifamily occupancy in the PMA is only 86.5%; income restricted properties report 89% overall occupancy.
- Half of the units are two bedroom units.
- Future development of parcels between site and Synott Rd. could diminish visibility of site.

PREVIOUS UNDERWRITING REPORTS

None.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Michael Nguyen Phone: (281) 495-8936 Fax: (281) 495-8938
 Email: hiepluc@vnteamwork.org

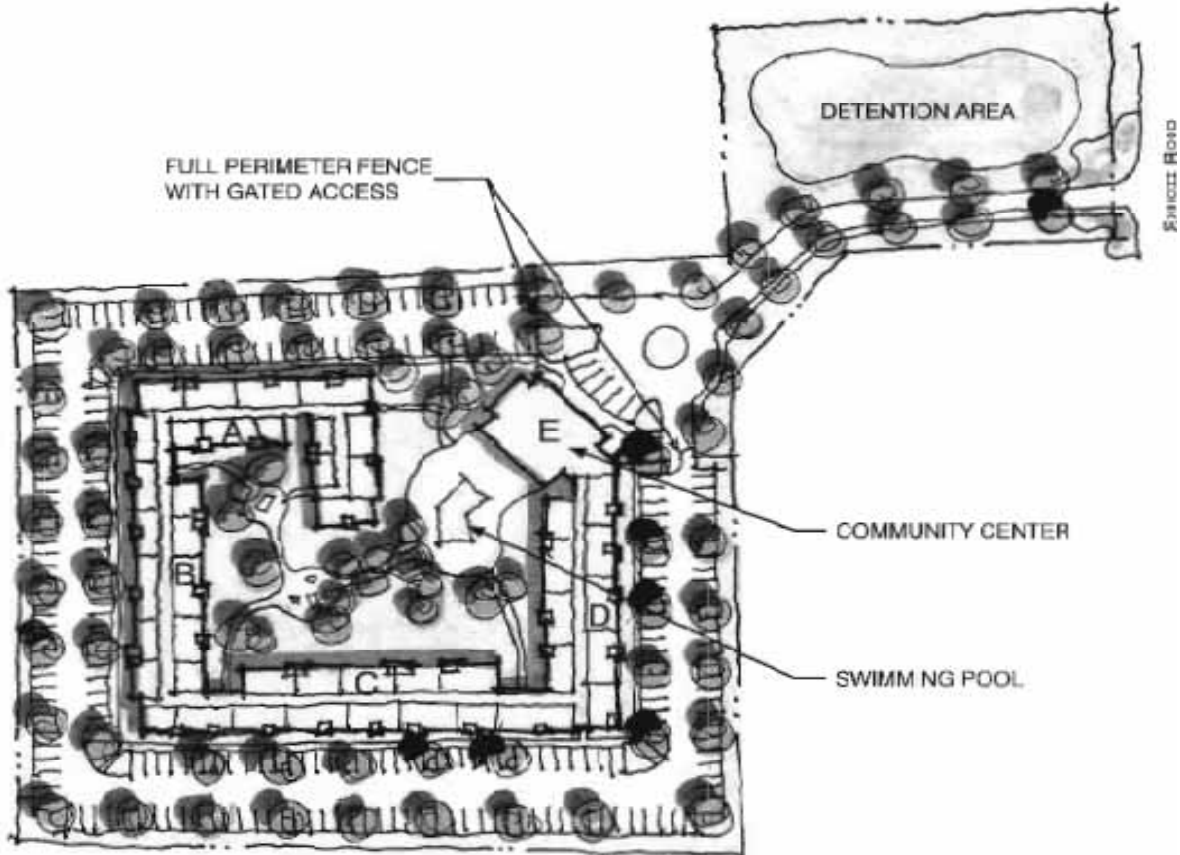
IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

This section intentionally left blank.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E							Total Buildings
Floors/Stories	3	3	3	3	3							
Number	1	1	1	1	1							5

Of note, there will be one building, separated by five firewalls. Also of note, the clubhouse will be located on the first floor of building type E.

BR/BA	SF	Units								Total Units	Total SF
1 1	755	18	15	15	15	2				65	49,075
2 2	900	12	18	18	15	2				65	58,500
Units per Building		30	33	33	30	4				130	107,575

SITE ISSUES

Total Size: 6.83 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: N/A Needs to be re-zoned? Yes No N/A

Comments:

No zoning in Houston. The contract for the site is for approximately 6.8 acres; the survey in the application indicates 6.83 acres.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Date: 5/13/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:
 North: residential East: Synott Rd & residential
 South: Bellaire Blvd & commercial West: vacant land & residences

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Date: 3/9/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Based on the proximity to the site, the apparent topographic up-gradient position in relation to the site, the types of chemical utilized (halogenated solvents), and the high frequency of releases associated with facilities of this type, the former Bellnott Martinizing facility appears to constitute an REC to the site at this time ... Additional investigation would be required to evaluate the on-site soils and groundwater; however, any corrective action activities required would be the responsibility of the off-site property owners." (pp. 23-24)
- "In accordance with U.S. Department of Housing and Urban Development guidelines and based on the proximity of a major roadway to the site, Terracon recommends that a noise study be conducted." (p. 23)

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, by Cost Certification, of documentation of additional testing of the on-site soils and groundwater to identify any necessary corrective action related to contamination from the Bellknot Martinizing facility, and evidence that any subsequent recommendations have been implemented.

Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Apartment MarketData Date: 2/24/2010
 Contact: Darrell Jack Phone: (210) 530-0040
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 15.5 sq. miles 2 mile equivalent radius

The Primary Market area consists of 13 census tracts in southwest Harris County. The approximate geographic boundaries are the Fort Bend County line to the southwest; State road 6 to the west; Richmond Avenue, Westpark Tollway, and Bellaire Blvd to the north; West Houston Parkway, Wilcrest Drive, and Sam Houston Parkway to the east; and Bissonnet Drive and Old Richmond Drive to the south.

Secondary Market Area (SMA): 67 sq. miles 5 mile equivalent radius

Several comparable properties are located within a mile of the PMA boundaries and are clearly targeting a large part of the same population as the subject. The Underwriter has therefore also considered the supply and demand for an Extended Market Area consisting of the combined Primary Market Areas for the comparable properties. The approximate geographic boundaries of the Extended Market Area are the Fort Bend County line to the southwest; South Fry Road to the west; Interstate 10 and Memorial Drive to the north; and Wilcrest Drive, Sam Houston Parkway, and US59 to the east.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,592	\$13,400	---	---	\$14,352	\$22,350	\$17,208	\$26,820
2	\$8,592	\$15,300	---	---	\$14,352	\$25,500	\$17,208	\$30,600
3	\$10,344	\$17,250	---	---	\$17,208	\$28,700	\$20,664	\$34,440
4	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
09242	Beechnut Oaks	new	senior	144	144
Other Affordable Developments in PMA since 2006					
10250	Willow Meadows Place	rehab	family	n/a	328
09156	Park Lane Apts	new	family	n/a	144
060627	Aspen Park Apts	rehab	family	n/a	256
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		4	Total Units		802

COMPARABLE SUPPLY in EXTENDED MARKET					
Proposed, Under Construction, and Unstabilized Comparable Developments					
File #	Development	Type	Target Population	Comp Units	Total Units
10096	Orchard at Westchase	new	senior	153	153
08603	West Oaks Village Seniors	new	senior	232	232
Other Affordable Developments in EXTENDED MARKET since 2006					
09822	Fountains of Westchase	rehab	family	n/a	288
08140	Premier on Woodfair	rehab	family	n/a	408
Stabilized Affordable Developments in EXTENDED MARKET (pre-2006)					
Total Properties (pre-2006)		10	Total Units		1,935

Proposed, Under Construction, and Unstabilized Comparable Supply:

Beechnut Oaks (#09242) is a 2009 senior development with 144 units located within the PMA approximately one mile south of the subject.

West Oaks Senior Village (#08603) is a 2008 senior development with 232 units located one mile outside the subject PMA to the northwest. Orchard at Westchase (#10096) is a proposed 2010 senior development with 153 units located one mile outside the subject PMA to the northeast.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
	PMA	PMA	Extended Market
Total Households in the Primary Market Area	33,252	33,252	125,571
Target Households in the Primary Market Area	7,121	8,245	31,126
Potential Demand from the Primary Market Area	2,817	3,121	9,615
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	2,817	3,121	9,615
Subject Affordable Units	130	130	130
Unstabilized Comparable Units	144	144	529
RELEVANT SUPPLY	274	274	659
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	9.7%	8.8%	6.9%

Demand Analysis:

The Market Analyst identifies Gross Demand for 2,817 units in the Primary Market Area, resulting in a Gross Capture Rate of 9.7% for a Total Relevant Supply of 274 units (130 at the subject and 144 at Beechnut Oaks).

Demographic data independently generated by the Underwriter indicates the same number of renter households but a larger number of homeowners, resulting in Gross Demand for 3,121 units and a Gross Capture Rate of 8.8% for 274 units.

The Underwriter also determined Gross Demand for 9,615 units within the Extended Market Area, indicating a Gross Capture Rate of 6.9% for 659 units (including the subject and Beechnut Oaks as well as West Oaks Senior Village and Orchard at Westchase).

The maximum Gross Capture Rate for developments targeting senior households is 10%; the calculated results all indicate sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	287	4	5	3%	355	4	5	3%
1 BR/50%	412	29	39	17%	598	29	39	11%
1 BR/60%	449	32	42	16%	295	32	42	25%
2 BR/30%	137	3	3	4%	242	3	3	2%
2 BR/50%	240	30	26	23%	493	30	26	11%
2 BR/60%	307	32	29	20%	288	32	29	21%

Primary Market Occupancy Rates:

The Market Analyst reports that overall occupancy for 10,000 units in the PMA is 86.5%. The market study also provides a more detailed survey of comparable properties. Income restricted properties report greater than 92% occupancy for 360 one- and two-bedroom units, and 89% overall occupancy for a total of 800 units. Market rate properties report 94% occupancy for 1,777 one- and two-bedroom units, and 95% overall occupancy for a total of 1,910 units. (pp. 13-14)

Unit Mix:

The proposed unit mix contains an equal number of one-bedroom and two-bedroom units. The market study indicates that the overall unit mix in the market area includes 53% one-bedrooms and 39% two-bedrooms. But this is in comparison to the entire market, not just senior properties. The Market Analyst provided additional information indicating that among five senior properties in the area, there are 320 one-bedroom units with 8 units (2.5%) vacant; and there are 554 two-bedroom units, with 8 units (1.4%) vacant.

Absorption Projections:

"There have been no affordable projects recently built in the PMA. Matthew Ridge (LIHTC) was built in 2002 and leased up after 7 months." (p. 54) The market study offers no information on absorption of senior developments in the PMA. The market study for West Oaks Senior Village (#08603) discusses several senior developments in the Extended Market Area: Meadows Place Senior Village leased up at a rate of 24 units per month during 2005; Manor at Jersey Village leased up at 12 units per month during 2006; and Pinnacle on Wilcrest leased up at 17 units per month during 2007.

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. New affordable family units have been easily absorbed. Today, stabilized affordable projects are just 89% occupied. At the same time, the only affordable project built since 2000, Matthew Ridge, is 99% occupied and leased up after just 7 months." (p. 58) The Market Analyst also provided additional information indicating that five senior properties in the Extended Market Area report 98% occupancy.

Comments:

The Underwriter has concluded there is sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 1, 2010, maintained by Houston Housing Authority, from the 2009 program gross rent limits. Of note, the final 2010 rent limits had not been released at the time of underwriting. Tenants will be required to pay electric, natural gas, water, and sewer costs.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines, and effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,174 per unit is within 5% of the Underwriter's estimate of \$4,188, derived from the TDHCA database, and third-party data sources. Of note, although slightly higher than the Underwriter's estimate, the Applicant's utility estimate is lower than the TDHCA database, reasonably accounting for smaller seniors units and lower utility usage. Also of note, the Applicant's estimate of water, sewer, and trash expense is 33% higher than the Underwriter's estimate; however, the Applicant's estimate is in line with the TDHCA database and as such is considered reasonable. Finally, property insurance is 32% lower than the Underwriter's estimate; however it is in line with the IREM database and is therefore also considered reasonable.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.20, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	27.7465 acres	<u>\$4,906,386</u>	Tax Year:	<u>2010</u>
1 acre:		<u>\$176,829</u>	Valuation by:	<u>Harris CAD</u>
Total Pro rata:	6.8 acres	<u>\$1,202,438</u>	Tax Rate:	<u>2.807</u>

EVIDENCE of PROPERTY CONTROL

Type: Purchase Option Acreage: 6.8

Contract Expiration: 12/17/2010 Valid Through Board Date? Yes No

Acquisition Cost: \$1,110,000 Other: _____

Seller: OKC Development Co. Ltd. Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 2 Date of Last Applicant Revision: 5/28/210

Acquisition Value:

The site cost of \$163,235 per acre or \$8,538 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit largely due to the construction of a detention pond and extending water & sewer lines. Sufficient third party certification was provided through a detailed certified cost estimate by an architect to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac, to preliminarily opine that all \$1,787,500 will be considered eligible. The CPA has indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$298K or 5% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$13,771,975 supports annual tax credits of \$1,611,321. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: City of Houston - HOME Type: Permanent Financing

Principal: \$1,130,000 Interest Rate: 1.0% Fixed Amort: 420 months

Comments:

The Applicant has applied for the local HOME funds. The application indicates a request for a soft loan amortized over 35 years at a 1% soft simple interest rate. Accordingly, the Applicant has not included any debt service associated with this funding as the intention is to have this source structured as a soft loan repayable out of available cashflow. It should be noted that if this debt were amortized over 35 years at a 1% interest rate, the additional debt service would decrease the DCR to a 1.05.

For purposes of this analysis the Underwriter has not included any debt service on the anticipated City of Houston HOME funds to mirror the Applicant's expectations of a cash flow loan. However, based on the Underwriter's first year pro forma the estimated DCR is at a 1.20. This suggests that at least a portion (\$281,673) of the City of Houston HOME funds could be repayable at 1% over 30 years and still maintain an acceptable DCR. The remaining \$848K in HOME funds could also be repaid from remaining cashflow over the term of the loan. Nevertheless, any funding recommendation will be conditioned upon receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.

Source: Oak Grove Capital Type: Interim to Permanent Financing

Interim: \$10,725,000 Interest Rate: 6.50% Fixed Term: 24 months

Permanent: \$2,995,000 Interest Rate: 9.00% Fixed Amort: 360 months

Comments:

Interim loan is interest only during construction period. Permanent loan term is 18 years.

Source: Red Stone Equity Type: Syndication

Proceeds: \$11,276,991 Syndication Rate: 70% Anticipated HTC: \$ 1,611,321

Amount: \$603,388 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,995,000 and \$1,130,000 City HOME loan indicates the need for \$11,880,379 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,697,537 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,611,321
Allocation determined by gap in financing:	\$1,697,537
Allocation requested by the Applicant:	\$1,611,321

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$1,611,321 per year for 10 years results in total equity proceeds of \$11,276,991 at a syndication rate of \$0.70 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$603,388 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Diamond Unique Thompson</i>		June 3, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 3, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 3, 2010

UNIT MIX/RENT SCHEDULE

Golden Bamboo Village III, Houston, HTC 9% #10124

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:				HOME			DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	65	50.0%	LH	\$558	\$598	\$717	\$829	\$925	3	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	65	50.0%	HH	\$640	\$714	\$866	\$1,044	\$1,145	9	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	Houston	4										APP % - ACQUISITION:	3.50%	
		TOTAL	130	100.0%	MISC	#N/A	#N/A	#N/A	#N/A	#N/A		APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS			OTHER UNIT DESIGNATION	MARKET RENTS		
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market
TC 30%		4	1	1	755	\$358	\$87	\$271	\$0	\$0.36	\$271	\$1,084	\$1,084	\$271	\$0.36	\$0		\$734	\$463
TC 50%	LH	3	1	1	755	\$598	\$87	\$511	\$0	\$0.68	\$511	\$1,533	\$1,533	\$511	\$0.68	\$0	\$598	\$734	\$223
TC 50%		26	1	1	755	\$598	\$87	\$511	\$0	\$0.68	\$511	\$13,286	\$13,286	\$511	\$0.68	\$0		\$734	\$223
TC 60%	HH	9	1	1	755	\$717	\$87	\$630	\$0	\$0.83	\$630	\$5,670	\$5,643	\$627	\$0.83	(\$3)	\$714	\$734	\$107
TC 60%		23	1	1	755	\$717	\$87	\$630	\$0	\$0.83	\$630	\$14,490	\$14,490	\$630	\$0.83	\$0		\$734	\$104
TC 30%		3	2	2	900	\$431	\$111	\$320	(\$1)	\$0.35	\$319	\$957	\$960	\$320	\$0.36	\$0		\$885	\$565
TC 50%		30	2	2	900	\$717	\$111	\$606	\$0	\$0.67	\$606	\$18,180	\$18,180	\$606	\$0.67	\$0		\$885	\$279
TC 60%		32	2	2	900	\$861	\$111	\$750	\$0	\$0.83	\$750	\$24,000	\$24,000	\$750	\$0.83	\$0		\$885	\$135
TOTAL:		130				107,575						\$79,200	\$79,176						
AVG:						828				(\$0)	\$0.74	\$609		\$609	\$0.74	(\$0)	\$63	\$810	(\$200)
ANNUAL:												\$950,400	\$950,112						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Golden Bamboo Village III, Houston, HTC 9% #10124

INCOME

			TDHCA	APPLICANT		
POTENTIAL GROSS RENT			\$950,112	\$950,400		
Secondary Income	Per Unit Per Month:	\$7.50	11,700	11,700	\$7.50	Per Unit Per Month
Other Support Income:					\$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME			\$961,812	\$962,100		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%	(72,136)	(72,156)	-7.50%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions			0			

EFFECTIVE GROSS INCOME

EXPENSES	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.33%	\$365	0.44	\$47,462	\$45,500	\$0.42	\$350	5.11%
Management	5.00%	\$342	0.41	44,484	44,497	0.41	342	5.00%
Payroll & Payroll Tax	14.95%	\$1,023	1.24	133,020	127,400	1.18	980	14.32%
Repairs & Maintenance	7.60%	\$520	0.63	67,612	65,000	0.60	500	7.30%
Utilities	2.87%	\$197	0.24	25,545	30,500	0.28	235	3.43%
Water, Sewer, & Trash	4.82%	\$330	0.40	42,900	57,250	0.53	440	6.43%
Property Insurance	4.23%	\$290	0.35	37,651	25,480	0.24	196	2.86%
Property Tax 2.807	9.84%	\$674	0.81	87,578	88,776	0.83	683	9.98%
Reserve for Replacements	3.65%	\$250	0.30	32,500	32,500	0.30	250	3.65%
TDHCA Compliance Fees	0.58%	\$40	0.05	5,200	5,200	0.05	40	0.58%
Other: Supportive Services	2.31%	\$158	0.19	20,540	20,540	0.19	158	2.31%
TOTAL EXPENSES	61.20%	\$4,188	\$5.06	\$544,493	\$542,643	\$5.04	\$4,174	60.97%
NET OPERATING INC	38.80%	\$2,655	\$3.21	\$345,183	\$347,301	\$3.23	\$2,672	39.03%

DEBT SERVICE

Oak Grove Capital	\$289,181	\$289,181
City of Houston - HOME	\$0	
Additional Financing	\$0	
TOTAL DEBT SERVICE	289,181	289,181
NET CASH FLOW	\$56,002	\$58,120
AGGREGATE DEBT COVERAGE RATIO	1.19	1.20
RECOMMENDED DEBT COVERAGE RATIO		1.20

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		7.13%	\$8,538	\$10.32	\$1,110,000	\$1,110,000	\$10.32	\$8,538	6.94%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		11.48%	\$13,750	\$16.62	1,787,500	1,787,500	16.62	13,750	11.17%
Direct Construction		41.30%	\$49,461	\$59.77	6,429,970	6,727,731	62.54	51,752	42.03%
Contingency	5.79%	3.06%	\$3,660	\$4.42	475,762	475,762	4.42	3,660	2.97%
Contractor's Fees	14.00%	7.82%	\$9,362	\$11.31	1,217,052	1,251,740	11.64	9,629	7.82%
Indirect Construction		7.68%	\$9,200	\$11.12	1,196,000	1,196,000	11.12	9,200	7.47%
Ineligible Costs		3.60%	\$4,317	\$5.22	561,242	561,242	5.22	4,317	3.51%
Developer's Fees	15.00%	11.22%	\$13,435	\$16.24	1,746,529	1,796,000	16.70	13,815	11.22%
Interim Financing		3.45%	\$4,133	\$4.99	537,242	537,242	4.99	4,133	3.36%
Reserves		3.26%	\$3,904	\$4.72	507,517	562,162	5.23	4,324	3.51%
TOTAL COST		100.00%	\$119,760.11	\$144.73	\$15,568,814	\$16,005,379	\$148.78	\$123,118	100.00%
Construction Cost Recap		63.65%	\$76,233	\$92.12	\$9,910,284	\$10,242,733	\$95.21	\$78,790	64.00%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Oak Grove Capital	19.24%	\$23,038	\$27.84	\$2,995,000	\$2,995,000	\$2,995,000	Developer Fee Available
City of Houston - HOME	7.26%	\$8,692	\$10.50	1,130,000	1,130,000	1,130,000	\$1,796,000
Red Stone Equity	72.43%	\$86,746	\$104.83	11,276,991	11,276,991	11,276,991	% of Dev. Fee Deferred
Deferred Developer Fees	3.88%	\$4,641	\$5.61	603,388	603,388	603,388	34%
Additional (Excess) Funds Req'd	-2.80%	(\$3,358)	(\$4.06)	(436,565)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$15,568,814	\$16,005,379	\$16,005,379	\$1,017,949

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Golden Bamboo Village III, Houston, HTC 9% #10124

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$53.94	\$5,803,044
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	3.00%		1.62	174,091
9-Ft. Ceilings	3.00%		1.62	174,091
Roofing			0.00	0
Subfloor			1.33	143,433
Floor Cover			2.41	259,256
Breezeways	\$23.05		0.00	0
Balconies	\$23.05	6,890	1.48	158,792
Plumbing Fixtures	\$845	195	1.53	164,775
Rough-ins	\$420	260	1.02	109,200
Built-In Appliances	\$1,850	130	2.24	240,500
Exterior Stairs	\$1,900	12	0.21	22,800
Enclosed Corridors	\$44.02	23,148	9.47	1,019,071
Elevator:	\$81.175	2	1.51	162,350
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	199,014
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$74.43	2,956	2.05	220,020
Other: fire sprinkler	\$2.25	110,531	2.31	248,695
SUBTOTAL			84.58	9,099,132
Current Cost Multiplier	0.99		(0.85)	(90,991)
Local Multiplier	0.88		(10.15)	(1,091,896)
TOTAL DIRECT CONSTRUCTION COSTS			\$73.59	\$7,916,245
Plans, specs, survy, bld pmt	3.90%		(\$2.87)	(\$308,734)
Interim Construction Interest	3.38%		(2.48)	(267,173)
Contractor's OH & Profit	11.50%		(8.46)	(910,368)
NET DIRECT CONSTRUCTION COSTS			\$59.77	\$6,429,970

PROPOSED PAYMENT COMPUTATION

Oak Grove Capital	\$2,995,000	Amort	360
Int Rate	9.00%	DCR	1.19

City of Houston - HOME	\$1,130,000	Amort	
Int Rate	1.00%	Subtotal DCR	1.19

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.19

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.19

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.19

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Oak Grove Capital	\$289,181
City of Houston - HOME	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$289,181

Oak Grove Capital	\$2,995,000	Amort	360
Int Rate	9.00%	DCR	1.20

City of Houston - HOME	\$1,130,000	Amort	0
Int Rate	1.00%	Subtotal DCR	1.20

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

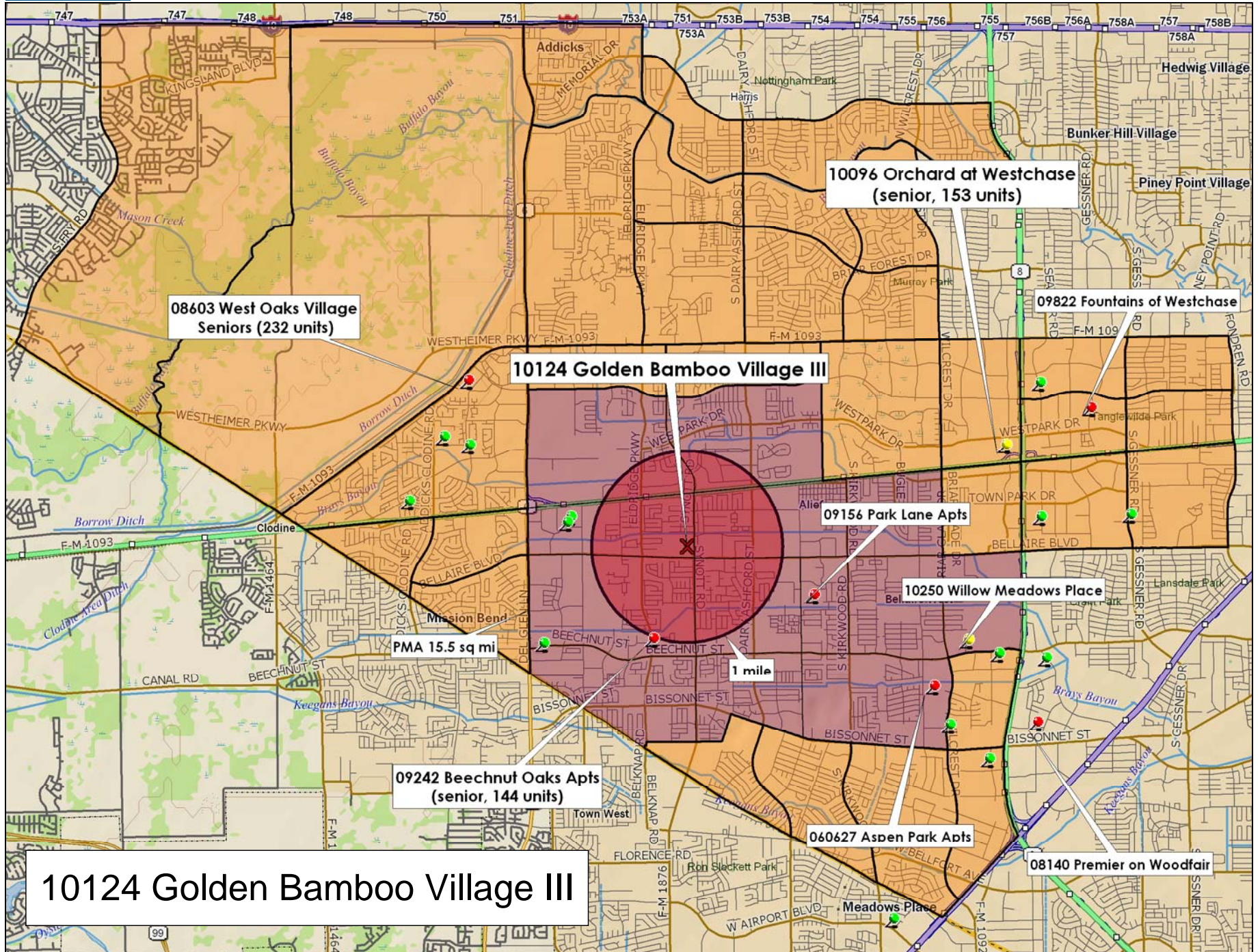
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$950,400	\$969,408	\$988,796	\$1,008,572	\$1,028,744	\$1,135,816	\$1,254,033	\$1,384,553	\$1,687,763
Secondary Income	11,700	11,934	12,173	12,416	12,664	13,983	15,438	17,045	20,777
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	962,100	981,342	1,000,969	1,020,988	1,041,408	1,149,799	1,269,471	1,401,598	1,708,540
Vacancy & Collection Loss	(72,156)	(73,601)	(75,073)	(76,574)	(78,106)	(86,235)	(95,210)	(105,120)	(128,141)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$889,944	\$907,741	\$925,896	\$944,414	\$963,302	\$1,063,564	\$1,174,260	\$1,296,478	\$1,580,400
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$45,500	\$46,865	\$48,271	\$49,719	\$51,211	\$59,367	\$68,823	\$79,785	\$107,224
Management	44,497	45,386.8635	46,295	47,220	48,165	53,178	58,713	64,824	79,020
Payroll & Payroll Tax	127,400	131,222	135,159	139,213	143,390	166,228	192,704	223,397	300,226
Repairs & Maintenance	65,000	66,950	68,959	71,027	73,158	84,810	98,318	113,978	153,177
Utilities	30,500	31,415	32,357	33,328	34,328	39,796	46,134	53,482	71,875
Water, Sewer & Trash	57,250	58,968	60,737	62,559	64,435	74,698	86,596	100,388	134,913
Insurance	25,480	26,244	27,032	27,843	28,678	33,246	38,541	44,679	60,045
Property Tax	88,776	91,439	94,182	97,008	99,918	115,833	134,282	155,669	209,206
Reserve for Replacements	32,500	33,475	34,479	35,514	36,579	42,405	49,159	56,989	76,588
TDHCA Compliance Fee	5,200	5,356	5,517	5,682	5,853	6,785	7,865	9,118	12,254
Other	20,540	21,156	21,791	22,445	23,118	26,800	31,069	36,017	48,404
TOTAL EXPENSES	\$542,643	\$558,477	\$574,778	\$591,558	\$608,833	\$703,145	\$812,203	\$938,326	\$1,252,933
NET OPERATING INCOME	\$347,301	\$349,264	\$351,118	\$352,856	\$354,470	\$360,418	\$362,057	\$358,153	\$327,466
DEBT SERVICE									
First Lien Financing	\$289,181	\$289,181	\$289,181	\$289,181	\$289,181	\$289,181	\$289,181	\$289,181	\$289,181
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$58,120	\$60,083	\$61,937	\$63,675	\$65,288	\$71,237	\$72,876	\$68,971	\$38,285
DEBT COVERAGE RATIO	1.20	1.21	1.21	1.22	1.23	1.25	1.25	1.24	1.13

HTC ALLOCATION ANALYSIS -Golden Bamboo Village III, Houston, HTC 9% #10124

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,110,000	\$1,110,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,787,500	\$1,787,500	\$1,787,500	\$1,787,500
Construction Hard Costs	\$6,727,731	\$6,429,970	\$6,727,731	\$6,429,970
Contractor Fees	\$1,251,740	\$1,217,052	\$1,251,740	\$1,217,052
Contingencies	\$475,762	\$475,762	\$475,762	\$475,762
Eligible Indirect Fees	\$1,196,000	\$1,196,000	\$1,196,000	\$1,196,000
Eligible Financing Fees	\$537,242	\$537,242	\$537,242	\$537,242
All Ineligible Costs	\$561,242	\$561,242		
Developer Fees				
Developer Fees	\$1,796,000	\$1,746,529	\$1,796,000	\$1,746,529
Development Reserves	\$562,162	\$507,517		
TOTAL DEVELOPMENT COSTS	\$16,005,379	\$15,568,814	\$13,771,975	\$13,390,055

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$13,771,975	\$13,390,055
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$17,903,568	\$17,407,072
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$17,903,568	\$17,407,072
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,611,321	\$1,566,636

Syndication Proceeds	0.6999	\$11,276,992	\$10,964,262
Total Tax Credits (Eligible Basis Method)		\$1,611,321	\$1,566,636
Syndication Proceeds		\$11,276,992	\$10,964,262
Requested Tax Credits		\$1,611,321	
Syndication Proceeds		\$11,276,991	
Gap of Syndication Proceeds Needed		\$11,880,379	
Total Tax Credits (Gap Method)		\$1,697,537	
Recommended Tax Credits		1,611,321	
Syndication Proceeds		\$11,276,991	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Costa Tarragona II, TDHCA Number 10125

BASIC DEVELOPMENT INFORMATION

Site Address: 2240 N. Padre Island Dr. Development #: 10125
 City: Corpus Christi Region: 10 Population Served: General
 County: Nueces Zip Code: 78408 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Costa Tarragona II, Ltd.
 Owner Contact and Phone: John D. Bell, (361) 880-3220
 Developer: Rofam Enterprises, Inc.
 Housing General Contractor: NRP Contractors L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: Community Housing Resource Partners, Inc.
 Consultant and Contact: NRP Holdings, L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	96	
	5	0	44	47	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	48	36	0	0	
Type of Building:						Total Development Units:	96
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	5
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	5

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,333,459	\$1,333,459			
HOME Activity Fund Amount:	\$500,000	\$500,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Costa Tarragona II, TDHCA Number 10125

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Hinojosa, District 20, NC Points: 0 US Representative: Ortiz, District 27, NC
TX Representative: Herrero, District 34, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Leopard Street Corridor Association, Jimmy Rodriguez Letter Score: 24 S or O: S

The community needs quality affordable housing. Costa Tarragona II will serve those needs and spur additional economic development.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt of a firm commitment from the City of Corpus Christi HOME for funding in the amount of \$700,000, or a commitment from a qualifying substitute source in an amount not less than \$700,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the City of Corpus Christi HOME in the amount of \$300,000, or a commitment from a qualifying substitute source in an amount not less than \$300,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Costa Tarragona II, TDHCA Number 10125

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **2**

Total # Monitored: **2**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: \$1,333,459

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when tax credits are collapsed state-wide.

HOME Activity Funds:

Loan Amount: \$500,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Auburn Square, TDHCA Number 10126

BASIC DEVELOPMENT INFORMATION

Site Address: 11.35 acres E. of 2390 N. Main St. Development #: 10126
 City: Vidor Region: 5 Population Served: General
 County: Orange Zip Code: 77662 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Auburn Square, Ltd.
 Owner Contact and Phone: Vivian L. Ballou, (409) 727-5987
 Developer: Tender Loving Care Ctr. For Children dba Legacy
 Housing General Contractor: NRP Contractors L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners, Inc.
 Supportive Services: Tender Loving Care Ctr. For Children dba Legacy Com
 Consultant and Contact: NRP Holdings L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	5	0	35	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	44	24	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	7
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	24
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	4

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,102,290	\$1,102,290			
HOME Activity Fund Amount:	\$500,000	\$500,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Auburn Square, TDHCA Number 10126

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Williams, District 4, S Points: 7 US Representative: Brady, District 8, NC
TX Representative: Hamilton, District 19, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Ray Long, Mayor, City of Vidor Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6
Azalea Garden Club, S, Margie S. Brown, Secretary

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the Southeast Texas Regional Planning Commission/Orange Regional HOME Consortium for funding in the amount of \$530,000, or a commitment from a qualifying substitute source in an amount not less than \$530,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the Southeast Texas Regional Planning Commission/Orange Regional HOME Consortium in the amount of \$420,000, or a commitment from a qualifying substitute source in an amount not less than \$420,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Auburn Square, TDHCA Number 10126

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **204** Meeting a Required Set-Aside Credit Amount*: \$1,102,290

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$500,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Ventana Pointe, TDHCA Number 10128

BASIC DEVELOPMENT INFORMATION

Site Address: Red Oak Dr. & Butterfield Rd. Development #: 10128
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77090 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Ventana Pointe, Ltd.
 Owner Contact and Phone: Monique Allen, (214) 236-3701
 Developer: UPCDC Texas, Inc.
 Housing General Contractor: NRP Contractors, L.L.C.
 Architect: Alamo Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Red Stone Equity Partners
 Supportive Services: UPCDC Texas, Inc.
 Consultant and Contact: NRP Holdings, L.L.C., Debra Guerrero

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	96	
	5	0	43	48	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	48	48	0	0	0	
Type of Building:						Total Development Units:	96
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	4
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,232,530	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Ventana Pointe, TDHCA Number 10128

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, NC

Points: 0

US Representative: Jackson Lee, District 18, NC

TX Representative: Harless, District 126, NC

Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

N, David B. Turkel, Director, Harris County

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Cali-Hafer/Red Oak Neighborhood Assoc., Gerard Wilder

Letter Score: 24 S or O: S

There is a need for safe, decent, affordable housing in the area.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Ventana Pointe, TDHCA Number 10128

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **178** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Meadow Vista, TDHCA Number 10130

BASIC DEVELOPMENT INFORMATION

Site Address: White Settlement Rd. (1/4 mile E. of FM 730) Development #: 10130
 City: Weatherford Region: 3 Population Served: Elderly
 County: Parker Zip Code: 76087 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Weatherford Meadow Vista Apartments, L.P.
 Owner Contact and Phone: Justin MacDonald, (830) 257-5323
 Developer: Weatherford Meadow Vista Builders, L.L.C.
 Housing General Contractor: G.G. MacDonald, Inc.
 Architect: Archon Corporation
 Market Analyst: Mark C. Temple & Associates, L.L.C.
 Syndicator: Alliant Capital, LTD
 Supportive Services: J.C. Ventures, L.L.C.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	68	8	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	40	40	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$8,630,858
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	20
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	12

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$896,376	\$895,498			
HOME Activity Fund Amount:	\$500,000	\$500,000	30	18	2.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Meadow Vista, TDHCA Number 10130

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Estes, District 30, NC

Points: 0

US Representative: Granger, District 12, NC

TX Representative: King, District 61, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Center of Hope Parker County, S, Paula Robinson, Executive Director

Parker County Committee on Aging, S, Glenda Webb, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt, review and acceptance, by commitment, of appropriate zoning of the subject property for multifamily residential development.
2. By Commitment Notice - Receipt, review and acceptance, of a commitment from Capital Area Housing Finance Corporation for the proposed \$270,000 loan with terms of financing, including interest rate, term and amortization period.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that all ESA recommendations regarding asbestos abatement, the on-site septic system, and the on-site pole-mounted transformer have been followed, and that any subsequent recommendations resulting from testing for asbestos or PCB have been implemented.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the tax credit allocation may be warranted.
5. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$270,000, or a commitment from a qualifying substitute source in an amount not less than \$270,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Weatherford and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Weatherford in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
6. Receipt of a firm commitment of funding from the Texas Department of Housing and Community Affairs for \$500,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$500,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Meadow Vista, TDHCA Number 10130

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **23**

Total # Monitored: **19**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$895,498

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$500,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/23/10 PROGRAM: HTC 9% / HOME FILE NUMBER: 10130

DEVELOPMENT

Meadow Vista

Location: White Settlement Rd. (1/4 mile east of FM 730) Region: 3
 City: Weatherford County: Parker Zip: 76087 OCT DDA
 Key Attributes: Elderly, New Construction, Rural

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
HOME Activity Funds	\$500,000	2.00%	30/30	\$500,000	2.00%	30/18	2nd
Housing Tax Credit (Annual)	\$896,376			\$895,498			

CONDITIONS

- 1 Receipt, review, and acceptance, by commitment, of approval of appropriate zoning of the subject property for multifamily residential development.
- 2 By Commitment Notice - Receipt, review, and acceptance of a commitment from Capital Area Housing Finance Corporation for the proposed \$270,000 loan with terms of financing, including interest rate, term and amortization period.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that all ESA recommendations regarding asbestos abatement, the on-site water well, the on-site septic system, and the on-site pole-mounted transformer have been followed, and that any subsequent recommendations resulting from testing for asbestos or PCB have been implemented.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	4
50% of AMI	50% of AMI	68
60% of AMI	60% of AMI	8

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

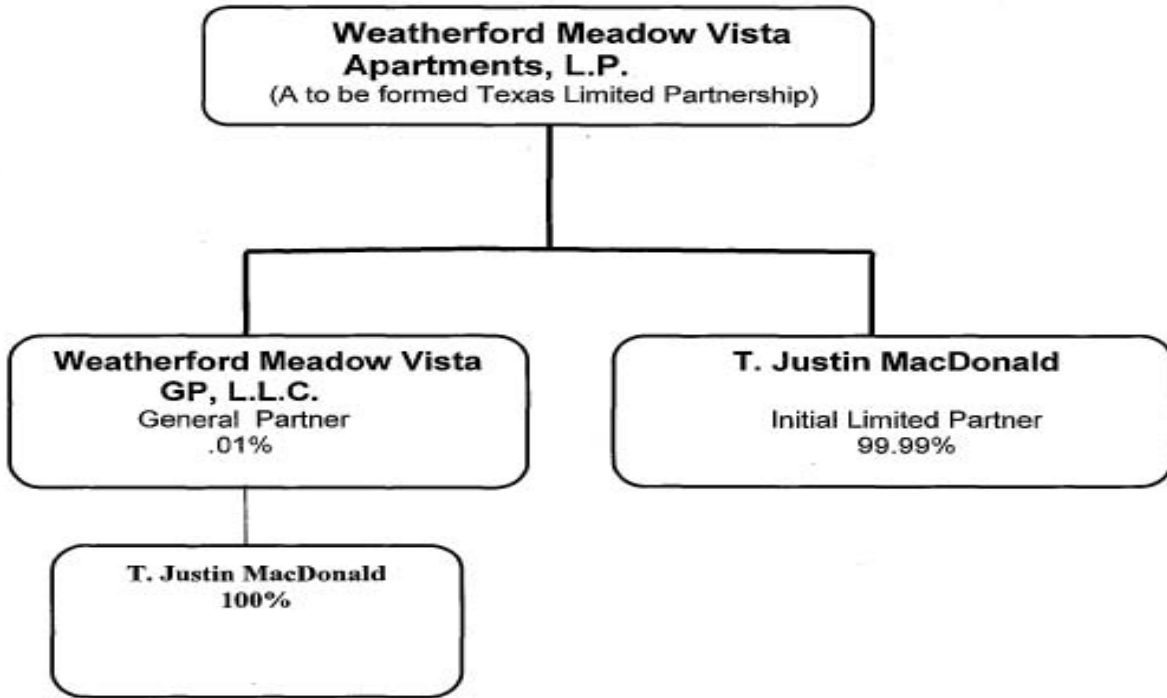
- The principal of the Applicant has experience developing and managing 2,096 HTC units in Texas.
- The development will be located in a good location with good visibility and good access.
- Between 2000 and 2009 the senior population increased almost 43% and senior households by almost 36% in the subject market.
- Overall occupancy in the Primary Market Area is 94.5%.
- Proposed rents are on average 37% below market rents.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Justin MacDonald Phone: (830) 257-5323 Fax: (830) 257-3168
 Email: tjmacdonald@macdonald-companies.com

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



SITE PLAN

MEADOW VISTA

MACDONALD COMPANIES

WEATHERFORD, TEXAS



BUILDING CONFIGURATION

Building Type	A	B									Total Buildings
Floors/Stories	1	1									
Number	10	10									

BR/BA	SF	Units									Total Units	Total SF
1	1	814	4								40	32,560
2	1.5	1,043		4							40	41,720
Units per Building			4	4							80	74,280

SITE ISSUES

Total Size: 8 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: A and SF-8.4 Needs to be re-zoned? Yes No N/A
 Comments:

The subject property is currently zoned both A Agricultural and SF-8.4. The Applicant has made application to the city for a zoning change to Multifamily MF-1, which allows for the proposed development.

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/23/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Single Family Residential/Single Family East: Undeveloped / Single Family Residential
 South: Undeveloped / Single Family Residential West: Undeveloped

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Alpha testing, Inc. Date: 3/1/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "If the on-site structures are scheduled for renovation or demolition, a comprehensive asbestos survey must be performed by a State of Texas licensed and EPA accredited asbestos inspector in accordance with Texas Asbestos Health Protection Rules and the EPA's NESHAP regulation (40 CFR Part 61) prior to the initiation of renovation or demolition in activities." (p. 3)
- "If the on-site water well is not intended for future use, ALPHA recommends the water well be plugged and abandoned in accordance with 16 Texas Administrative Code (T AC) Chapter 76." (p. 3)
- "If the on-site septic tank system is encountered during future Site development activities and is not intended for future use, ALPHA recommends the septic tank system be closed and abandoned in accordance with local, state and federal regulations." (p. 3)
- "If the on-site pole-mounted transformer is planned for removal/disposal, and is not owned by a third-party utility company, the transformer should be assumed to be polychlorinated biphenyl (PCB)-containing until testing proves otherwise. PCB-containing transformers should be disposed in accordance to local, state and federal regulations." (p. 3)

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, by Cost Certification, of documentation that all ESA recommendations regarding asbestos abatement, the on-site water well, the on-site septic system, and the on-site pole-mounted transformer have been followed, and that any subsequent recommendations resulting from testing for asbestos or PCB have been implemented.

MARKET ANALYSIS

Provider: Mark Temple Date: 3/1/2010
 Contact: Mark Temple Phone: (210) 496-9499
 Number of Revisions: Two Date of Last Revision: 6/13/2010

Primary Market Area (PMA): 670 sq. miles 15 mile equivalent radius

The original market study submitted for this application identified a Primary Market Area that was not clearly defined and did not conform to the TDHCA Real Estate Analysis Rules. A revised market study submitted June 10, 2010 still did not satisfy the requirements. A revision submitted June 13, 2010 establishes a PMA defined by twelve of the thirteen census tracts in Parker County, including the City of Weatherford. The PMA includes approximately 75% of the county, excluding the northwest quadrant.

ELIGIBLE HOUSEHOLDS BY INCOME								
Parker County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,904	\$13,850	---	---	\$14,832	\$23,100	\$17,808	\$27,720
2	\$8,904	\$15,850	---	---	\$14,832	\$26,400	\$17,808	\$31,680
3	---	---	---	---	\$17,808	\$29,700	---	---
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
060419	Gardens of Weatherford	new	senior	76	76
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		5	Total Units		396

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Market Analyst reports that there are no unstabilized comparable developments in the PMA, and that Gardens of Weatherford (#060419), a 2006 tax exempt bond project, "never materialized due to lack of financing." However, Gardens of Weatherford is still an active application currently under consideration for a TCAP award; it must therefore be considered in determining the capture rate for the subject PMA.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	not provided	36,734
Target Households in the Primary Market Area	13,987	14,128
Potential Demand from the Primary Market Area	3,989	3,366
Potential Demand from Other Sources	0	0
GROSS DEMAND	3,989	3,366
Subject Affordable Units	80	80
Unstabilized Comparable Units	0	76
RELEVANT SUPPLY	80	156
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.0%	4.6%

Demand Analysis:

The Market Analyst identifies Gross Demand for 3,989 units based on income-eligible senior households; this indicates a Gross Capture Rate of 2.0% for the subject 80 units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a lower concentration of senior households in the target income range. The Underwriter calculates Gross Demand for 3,366 units, resulting in a Gross Capture Rate of 4.6% for a total Relevant Supply of 156 units.

The maximum Gross Capture Rate for developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	1198	4	0	0%	485	4	0	1%
1 BR/50%	2229	28	0	1%	845	28	0	3%
1 BR/60%	2614	40	0	2%	438	8	33	9%
2 BR/50%	2262	40	0	2%	627	40	43	13%

Primary Market Occupancy Rates:

The market study reports occupancies of 95% and 98% at two existing HTC properties in Weatherford with a combined 292 units; and overall occupancy of 94.5% for a total of 992 multifamily units in the market area. (p. VII-7)

Absorption Projections:

The market study reports absorption of 179 units per year over six years, but this is only general absorption data on overall rental units, including single family homes. There is little data available on multifamily absorption. The most recent tax credit development in Weatherford was built in 2003. (p. VII-8)

Market Impact:

"Demographic trends were very strong between 2000 and 2009. Within the Weatherford Market Area, senior population increased by almost 34 percent and senior households by more than 21 percent. Future trends for the Weatherford Market Area indicate senior population will increase by almost 29 percent and senior households by almost 20 percent between 2009 and 2014 ... The subject development will not affect the trends of the other HTC apartment projects located in the market area." (p. XI-1)

Comments:

The market analysis indicates sufficient demand to support a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 5/7/2010

The Applicant's and Underwriter's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of 1/1/2009, maintained by the Housing Authority of Weatherford, from the lesser of the 2009 tax credit or HOME program gross rent limits. Tenants will be required to pay electric, water, and sewer costs. Rent limits increased approximately 2.6% in 2010. The use of 2010 rent limits by the Underwriter and Applicant would increase DCR to 1.22 and 1.26, respectively, and would not materially change the analysis, nor affect the recommended tax credits.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

Expenses: Number of Revisions: 0 Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,030 per unit is within 5% of the Underwriter's estimate of \$4,106, derived from the TDHCA database, and third-party data sources. The Applicant's budget however has one line item estimate that deviates significantly when compared to the Underwriter's estimate; specifically, utilities, which are 28% higher than the Underwriter's estimate. However, when the Applicant's estimate of \$24.5K is compared to both the Underwriter's estimate of \$19K (derived from the utility allowances from the Housing Authority of Weatherford) and the database average of \$29.4K, the Applicant's estimate is in line with the available data points, and can be considered reasonable.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are all within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.17, which is within the Department's DCR guideline of 1.15 to 1.35. Additionally, the Applicant's expense to income ratio at 61.95% is within the Department's acceptable guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expenses and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 128.51 acres	\$2,056,160	Tax Year:	2009
Existing Buildings:	\$0	Valuation by:	Parker CAD
Total Assessed Value:	\$2,056,160	Tax Rate:	2.45747
1 acre:	\$16,000		
Total Prorata: 8 acres	\$128,000		

EVIDENCE of PROPERTY CONTROL

Type:	Commercial Contract - Unimproved Property	Acreage:	8
Contract Expiration:	8/16/2010	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$460,000	Other:	
Seller:	Parker Pearson, LP	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

<i>COST SCHEDULE</i> Number of Revisions:	0	Date of Last Applicant Revision:	N/A
---	---	----------------------------------	-----

Acquisition Value:

The site cost of \$57,500 per acre is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's proposed total site work cost of \$8,988 per unit is within the Department's guidelines, therefore no further third party substantiation is required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$335K or 7% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, the Underwriter evaluated a nearly identical development proposed in Big Spring by an affiliate of the Applicant. The Big Spring development, Comanche Crossing, utilizes the same unit floor plans, but is slightly smaller at 68 units. The Underwriter's estimated direct construction cost per square foot for Comanche Crossing was \$58.68 compared to \$61.75 for the Subject. The Underwriter considers this cost differential reasonable based on the fact that the Subject proposes a higher percentage of masonry exterior than Comanche Crossing, and because the local multiplier in effect for the Subject is higher than the multiplier used for Comanche Crossing.

However, while the Underwriter's direct cost estimate for the Subject is higher than the previously evaluated Comanche Crossing, the Applicant's cost estimates show the opposite trend. The Applicant proposes direct cost per square foot of \$57.24 for the Subject as compared to \$59.74 for Comanche Crossing. While this is counter to the Underwriter's conclusion, the Underwriter considers the Applicant's estimates reasonable based on the assumption that the Subject's location near the Dallas/Ft. Worth metroplex may lead to cost savings that Comanche Crossing's in Big Spring may not benefit from.

Contingency & Fees:

The Applicant's eligible developer fees exceeds 15% of the Applicant's adjusted eligible basis by \$7,500; therefore the eligible portion of the Applicant's contractor and developer fees must be reduced by the same amount.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,653,832 supports annual tax credits of \$895,498. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Alliant Mortgage Co., Inc. Type: Interim to Permanent Financing

Interim: \$5,104,921 Interest Rate: Prime + 3.5% Fixed Term: 24 months

Permanent: \$1,664,256 Interest Rate: 10Y Treasury + 4% Fixed Term: 360 months

Comments:

The interim loan will have a variable interest rate equal to prime plus 350 bps. The permanent loan will be set up on a 30 year amortization with an 18 year term. The interest rate will be based on a spread of approximately 400 basis points above the 10-year Treasury Bill. The rate, if set at the time of the commitment would have been approximately 7.62%. The lender is projecting the permanent rate to be approximately 8.0%; the Underwriter's analysis reflects an interest rate of 8%.

Source: TDHCA HOME Loan Type: Interim to Permanent Financing

Permanent: \$500,000 Interest Rate: 2.0% Fixed Amort: 360 months

Comments:

The Applicant has requested this interim-to-permanent HOME loan that will be in a second lien position.

Source: Capital Area Housing Finance Corp. Type: Interim Financing

Principal: \$270,000 Interest Rate: AFR Fixed Term: TBD months

Comment:

The Applicant has applied for this loan but has not received a commitment from the subject lender. The requested terms are a loan at or below AFR for a term of 12 months or placement in service, whichever is longer. Accordingly, "By Commitment Notice - Receipt, review, and acceptance of a commitment from Capital Area Housing Finance Corporation for the proposed \$270,000 loan with terms of financing, including interest rate, term and amortization period" is a condition of this report.

Of note, the interim period interest on this loan was not needed to substantiate the Applicant's claimed eligible interim interest.

Source: Mark Stevenson Type: Interim Financing

Principal: \$175,000 Interest Rate: 8.00% Fixed Term: 24 months

Comments:

A commitment for this loan was provided. The loan will mature at conversion of the primary debt to the permanent phase. Of note, the interim period interest on this loan was not needed to substantiate the Applicant's claimed eligible interim interest.

Source: Alliant Capital, Ltd. Type: Syndication

Proceeds: \$6,274,003 Syndication Rate: 70% Anticipated HTC: \$ 896,376

Amount: \$192,599 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Underwriter recommends a second lien HOME loan in the amount of \$500,000 at 2%. The Underwriter recommends a term of 18 years with a 30 year amortization, consistent with the terms of the first lien debt. The HOME loan will be in a second lien position.

The Applicant's total development cost estimate less the permanent loans of \$2,164,256 indicates the need for \$6,466,602 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$923,893 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$895,498
Allocation determined by gap in financing:	\$923,893
Allocation requested by the Applicant:	\$896,376

The allocation amount determined by the eligible basis calculation of \$895,498 is recommended resulting in total equity proceeds of \$6,267,862 at a syndication rate of \$0.70 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$198,740 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

The HOME award amount is below the 221 (d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Underwriter: _____ Date: June 23, 2010

D.P. Burrell

Manager of Real Estate Analysis: _____ Date: June 23, 2010

Audrey Martin

Director of Real Estate Analysis: _____ Date: June 23, 2010

Brent Stewart

UNIT MIX/RENT SCHEDULE

Meadow Vista, Weatherford, HTC 9% / HOME #10130

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Weatherford	# Beds	# Units	% Total	PROGRAMS:		HOME					DEVELOPMENT ACTIVITY:	New	
COUNTY:	Parker	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	40	50.0%	LH	\$577	\$618	\$742	\$858	\$957	16	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	3	2	40	50.0%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:		3										APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	80	100.0%	MISC	#N/A	#N/A	#N/A	#N/A	#N/A		APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS	
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market
TC 30%	LH / 30% AMI	4	1	1	814	\$371	\$95	\$277	(\$1)	\$0.34	\$276	\$1,104	\$1,106	\$277	\$0.34	\$0	\$618	\$801	\$525
TC 50%	LH / 50% AMI	12	1	1	814	\$618	\$95	\$524	(\$1)	\$0.64	\$523	\$6,276	\$6,282	\$524	\$0.64	\$0	\$618	\$801	\$278
TC 50%		16	1	1	814	\$618	\$95	\$524	(\$1)	\$0.64	\$523	\$8,368	\$8,376	\$524	\$0.64	\$0		\$801	\$278
TC 60%		8	1	1	814	\$742	\$95	\$648	(\$1)	\$0.79	\$647	\$5,176	\$5,180	\$648	\$0.80	\$0		\$801	\$154
TC 50%		40	2	1.5	1,043	\$742	\$122	\$621	(\$2)	\$0.59	\$619	\$24,760	\$24,820	\$621	\$0.59	\$0		\$1,005	\$385
TOTAL:		80				74,280						\$45,684	\$45,764						
AVG:						929				(\$1)	\$0.62	\$571		\$572	\$0.62	\$0	\$124	\$903	(\$331)
ANNUAL:												\$548,208	\$549,168						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Meadow Vista, Weatherford, HTC 9% / HOME #10130

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$15.00
Other Support Income:		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.58%	\$364	0.39	\$29,104	\$26,250	\$0.35	\$328	5.04%
Management	5.00%	\$326	0.35	26,065	20,816	0.28	260	4.00%
Payroll & Payroll Tax	15.96%	\$1,040	1.12	83,198	78,740	1.06	984	15.13%
Repairs & Maintenance	9.01%	\$587	0.63	46,968	42,100	0.57	526	8.09%
Utilities	3.67%	\$239	0.26	19,140	24,500	0.33	306	4.71%
Water, Sewer,Trash	5.96%	\$388	0.42	31,073	32,000	0.43	400	6.15%
Property Insurance	3.36%	\$219	0.24	17,498	17,600	0.24	220	3.38%
Property Tax	2.45747	8.55%	\$557	44,586	49,500	0.67	619	9.51%
Reserve for Replacements	3.84%	\$250	0.27	20,000	20,000	0.27	250	3.84%
TDHCA Compliance Fees	0.61%	\$40	0.04	3,200	3,200	0.04	40	0.61%
Other: Supportive Services	1.47%	\$96	0.10	7,680	7,680	0.10	96	1.48%
TOTAL EXPENSES	63.02%	\$4,106	\$4.42	\$328,514	\$322,386	\$4.34	\$4,030	61.95%
NET OPERATING INC	36.98%	\$2,410	\$2.60	\$192,787	\$198,030	\$2.67	\$2,475	38.05%

DEBT SERVICE

Alliant Mortgage Co, Inc.	\$146,541	\$146,538
TDHCA HOME Loan	\$22,177	\$22,175
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	168,718	168,713
NET CASH FLOW	\$24,069	\$29,317
AGGREGATE DEBT COVERAGE RATIO	1.14	1.17
RECOMMENDED DEBT COVERAGE RATIO		1.17

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		5.13%	\$5,750	\$6.19	\$460,000	\$460,000	\$6.19	\$5,750	5.33%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		7.46%	\$8,363	\$9.01	669,000	669,000	9.01	8,363	7.75%
Direct Construction		51.16%	\$57,337	\$61.75	4,586,965	4,252,030	57.24	53,150	49.27%
Contingency	4.68%	2.74%	\$3,076	\$3.31	246,052	246,052	3.31	3,076	2.85%
Contractor's Fees	13.11%	7.68%	\$8,612	\$9.27	688,945	688,945	9.27	8,612	7.98%
Indirect Construction		4.02%	\$4,506	\$4.85	360,500	360,500	4.85	4,506	4.18%
Ineligible Costs		4.57%	\$5,119	\$5.51	409,525	409,525	5.51	5,119	4.74%
Developer's Fees	14.39%	11.22%	\$12,573	\$13.54	1,005,826	1,005,826	13.54	12,573	11.65%
Interim Financing		4.90%	\$5,487	\$5.91	438,980	438,980	5.91	5,487	5.09%
Reserves		1.12%	\$1,250	\$1.35	100,000	100,000	1.35	1,250	1.16%
TOTAL COST		100.00%	\$112,072.41	\$120.70	\$8,965,793	\$8,630,858	\$116.19	\$107,886	100.00%
Construction Cost Recap		69.05%	\$77,387	\$83.35	\$6,190,962	\$5,856,027	\$78.84	\$73,200	67.85%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Alliant Mortgage Co, Inc.	18.56%	\$20,803	\$22.41	\$1,664,256	\$1,664,256	\$1,664,256	Developer Fee Available
TDHCA HOME Loan	5.58%	\$6,250	\$6.73	500,000	500,000	500,000	\$998,326
HTC Syndication Proceeds	69.98%	\$78,425	\$84.46	6,274,003	6,274,003	6,267,862	% of Dev. Fee Deferred
Deferred Developer Fees	2.15%	\$2,407	\$2.59	192,599	192,599	198,740	20%
Additional (Excess) Funds Req'd	3.74%	\$4,187	\$4.51	334,935	0	(0)	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$8,965,793	\$8,630,858	\$8,630,858	\$500,093

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Meadow Vista, Weatherford, HTC 9% / HOME #10130

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$67.60	\$5,021,016
Adjustments				
Exterior Wall Finish	6.00%		\$4.06	\$301,261
Elderly	3.00%		2.03	150,630
9-Ft. Ceilings	3.75%		2.53	188,288
Roofing			0.00	0
Subfloor			(2.48)	(184,214)
Floor Cover			3.14	233,091
Breezeways	\$23.05	0	0.00	0
Balconies	\$20.78	10,123	2.83	210,364
Plumbing Fixtures	\$1,015	(80)	(1.09)	(81,200)
Rough-ins	\$445	0	0.00	0
Built-In Appliances	\$2,525	80	2.72	202,000
Exterior Stairs	\$1,900	0	0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	137,418
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$74.38	2,968	2.97	220,766
Other: fire sprinkler	\$2.25	74,280	2.25	167,130
SUBTOTAL			88.40	6,566,550
Current Cost Multiplier	0.99		(0.88)	(65,665)
Local Multiplier	0.87		(11.49)	(853,651)
TOTAL DIRECT CONSTRUCTION COSTS			\$76.03	\$5,647,233
Plans, specs, survy, bld prmt	3.90%		(\$2.97)	(\$220,242)
Interim Construction Interest	3.38%		(2.57)	(190,594)
Contractor's OH & Profit	11.50%		(8.74)	(649,432)
NET DIRECT CONSTRUCTION COSTS			\$61.75	\$4,586,965

PROPOSED PAYMENT COMPUTATION

Alliant Mortgage Co, Int	\$1,664,256	Amort	360
Int Rate	8.00%	DCR	1.32

TDHCA HOME Loan	\$500,000	Amort	360
Int Rate	2.00%	Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Alliant Mortgage Co, Inc.	\$146,541
TDHCA HOME Loan	22,177
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$168,718

Alliant Mortgage Co, Int	\$1,664,256	Amort	360
Int Rate	8.00%	DCR	1.35

TDHCA HOME Loan	\$500,000	Amort	360
Int Rate	2.00%	Subtotal DCR	1.17

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$548,208	\$559,172	\$570,356	\$581,763	\$593,398	\$655,159	\$723,349	\$798,636	\$973,532
Secondary Income	14,400	14,688	14,982	15,281	15,587	17,209	19,000	20,978	25,572
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	562,608	573,860	585,337	597,044	608,985	672,369	742,349	819,614	999,104
Vacancy & Collection Loss	(42,192)	(43,040)	(43,900)	(44,778)	(45,674)	(50,428)	(55,676)	(61,471)	(74,933)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$520,416	\$530,821	\$541,437	\$552,266	\$563,311	\$621,941	\$686,673	\$758,143	\$924,172
EXPENSES at 3.00%									
General & Administrative	\$26,250	\$27,038	\$27,849	\$28,684	\$29,545	\$34,250	\$39,705	\$46,030	\$61,860
Management	20,816	21,232	21,657	22,090	22,532	24,877	27,466	30,325	36,966
Payroll & Payroll Tax	78,740	81,102	83,535	86,041	88,623	102,738	119,101	138,071	185,556
Repairs & Maintenance	42,100	43,363	44,664	46,004	47,384	54,931	63,680	73,823	99,211
Utilities	24,500	25,235	25,992	26,772	27,575	31,967	37,058	42,961	57,736
Water, Sewer & Trash	32,000	32,960	33,949	34,967	36,016	41,753	48,403	56,112	75,410
Insurance	17,600	18,128	18,672	19,232	19,809	22,964	26,622	30,862	41,476
Property Tax	49,500	50,985	52,515	54,090	55,713	64,586	74,873	86,799	116,650
Reserve for Replacements	20,000	20,600	21,218	21,855	22,510	26,095	30,252	35,070	47,131
TDHCA Compliance Fee	3,200	3,296	3,395	3,497	3,602	4,175	4,840	5,611	7,541
Other	7,680	7,910	8,148	8,392	8,644	10,021	11,617	13,467	18,098
TOTAL EXPENSES	\$322,386	\$331,849	\$341,592	\$351,624	\$361,951	\$418,357	\$483,618	\$559,130	\$747,635
NET OPERATING INCOME	\$198,030	\$198,971	\$199,845	\$200,642	\$201,360	\$203,584	\$203,055	\$199,013	\$176,536
DEBT SERVICE									
First Lien Financing	\$146,541	\$146,541	\$146,541	\$146,541	\$146,541	\$146,541	\$146,541	\$146,541	\$146,541
Second Lien	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$29,312	\$30,254	\$31,127	\$31,924	\$32,642	\$34,866	\$34,338	\$30,295	\$7,819
DEBT COVERAGE RATIO	1.17	1.18	1.18	1.19	1.19	1.21	1.20	1.18	1.05

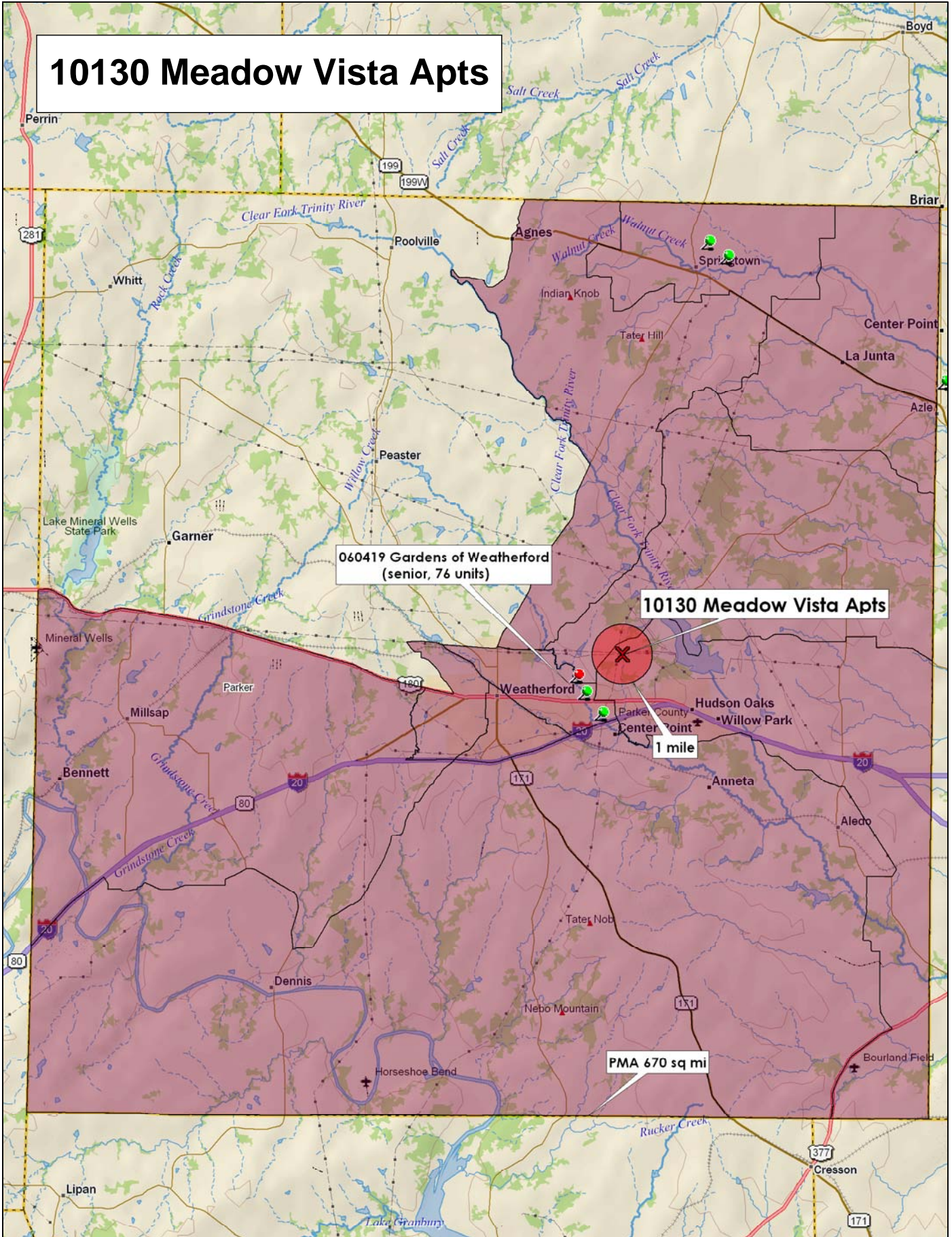
HTC ALLOCATION ANALYSIS -Meadow Vista, Weatherford, HTC 9% / HOME #10130

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$460,000	\$460,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$669,000	\$669,000	\$669,000	\$669,000
Construction Hard Costs	\$4,252,030	\$4,586,965	\$4,252,030	\$4,586,965
Contractor Fees	\$688,945	\$688,945	\$688,945	\$688,945
Contingencies	\$246,052	\$246,052	\$246,052	\$246,052
Eligible Indirect Fees	\$360,500	\$360,500	\$360,500	\$360,500
Eligible Financing Fees	\$438,980	\$438,980	\$438,980	\$438,980
All Ineligible Costs	\$409,525	\$409,525		
Developer Fees			\$998,326	
Developer Fees	\$1,005,826	\$1,005,826		\$1,005,826
Development Reserves	\$100,000	\$100,000		
TOTAL DEVELOPMENT COSTS	\$8,630,858	\$8,965,793	\$7,653,833	\$7,996,268

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$7,653,833	\$7,996,268
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$9,949,983	\$10,395,148
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$9,949,983	\$10,395,148
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$895,498	\$935,563

Syndication Proceeds	0.6999	\$6,267,862	\$6,548,288
Total Tax Credits (Eligible Basis Method)		\$895,498	\$935,563
Syndication Proceeds		\$6,267,862	\$6,548,288
Requested Tax Credits		\$896,376	
Syndication Proceeds		\$6,274,004	
Gap of Syndication Proceeds Needed		\$6,466,602	
Total Tax Credits (Gap Method)		\$923,893	
Recommended Tax Credits		895,498	
Syndication Proceeds		\$6,267,862	

10130 Meadow Vista Apts



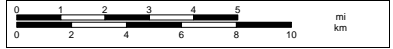
060419 Gardens of Weatherford (senior, 76 units)

10130 Meadow Vista Apts

1 mile

PMA 670 sq mi

Scale 1 : 275,000



1" = 4.34 mi

Data Zoom 9-5



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Guadalupe Crossing, TDHCA Number 10131

BASIC DEVELOPMENT INFORMATION

Site Address: End of Sunflower Ln. Development #: 10131
 City: Comfort Region: 9 Population Served: General
 County: Kendall Zip Code: 78013 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Comfort Guadalupe Crossing Apartments, L.P.
 Owner Contact and Phone: Granger MacDonald, (830) 257-5323
 Developer: Comfort Guadalupe Crossing Builders, L.L.C.
 Housing General Contractor: G.G. MacDonald, Inc.
 Architect: Archon Corporation
 Market Analyst: Mark C. Temple & Associates, L.L.C.
 Syndicator: Alliant Capital, LTD
 Supportive Services: J C Ventures, L.L.C.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	68	
	0	0	62	6	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	16	28	24	0	0	
Type of Building:						Total Development Units:	68
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$8,113,731
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$858,802	\$858,688			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Guadalupe Crossing, TDHCA Number 10131

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Wentworth, District 25, NC Points: 0 US Representative: Smith, District 21, S
TX Representative: Miller, District 73, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []
S, Kenneth Rusch, County Commissioner, Precinct 4
S, Anne Reissig, County Commissioner of Kendall

Individuals and Businesses: In Support: 32 In Opposition: 43

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6
814 A Texas Bistro, S, Millard Kuykendall, Chef/Owner
Greater Comfort Area Chamber of Commerce, S, Linda Cook, President
Lindner Enterprises, S, Gary L. Lindner, Colonel, USAF (ret)
Russell C. Busby Attorney at Law, S, Russell C. Busby, Attorney
Immanuel Lutheran Church, S, Bob Kaul, Pastor
James Avery, S, Chris Avery, CEO

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review and acceptance, by Commitment, of evidence of Department approval of the utility allowances calculated by UA Pro, and reflected in this underwriting report, or alternatively evidence of Department approval of utility allowances for the one bedroom units between \$82-127, two bedroom units between \$100-156, and three bedrooms between \$116-181.
2. Receipt, review and acceptance, by Commitment, of a firm commitment from Southeast Texas Housing Finance Corporation for the anticipated \$260,000 loan with the terms of the funds clearly stated.
3. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
4. Receipt of a firm commitment of funding from the Southeast Texas Housing Finance Corporation in the amount of \$260,000, or a commitment from a qualifying substitute source in an amount not less than \$260,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the Kendall County and CAHFC must be provided authorizing the CAHFC to act on behalf of the Kendall County in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Guadalupe Crossing, TDHCA Number 10131

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **36**

Total # Monitored: **31**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **209** Meeting a Required Set-Aside Credit Amount*: \$858,688

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when Rural tax credits are collapsed.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/23/10 PROGRAM: 9% HTC FILE NUMBER: 10131

DEVELOPMENT

Guadalupe Crossing

Location: End of Sunflower Lane Region: 9
 City: Comfort County: Kendall Zip: 78013 OCT DDA
 Key Attributes: General, Rural, New Construction, and Multifamily

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$858,688			\$858,688		

CONDITIONS

- 1 Receipt, review and acceptance, by Commitment, of evidence of Department approval of the utility allowances calculated by UA Pro, and reflected in this underwriting report, or alternatively evidence of Department approval of utility allowances for the one bedroom units between \$82-127, two bedroom units between \$100-156, and three bedrooms between \$116-181.
- 2 Receipt, review and acceptance, by Commitment, of a firm commitment from Southeast Texas Housing Finance Corporation for the anticipated \$260,000 loan with the terms of the funds clearly stated.
- 3 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	62
60% of AMI	60% of AMI	6

STRENGTHS/MITIGATING FACTORS

- The Developer has experience developing tax credit properties in Texas with a total of 22 developments providing 2,747 units.
- Overall occupancy in the PMA is reported at 96%.

WEAKNESSES/RISKS

- The site inspector reported that access to the subject property and condition of surrounding properties are not good, and rated the site "Questionable."

STRENGTHS/MITIGATING FACTORS

- The gross capture rate of 9% is well below the maximum of 30% applicable to this development.
- There are no existing apartment developments within Comfort.
- Good access to IH-10.

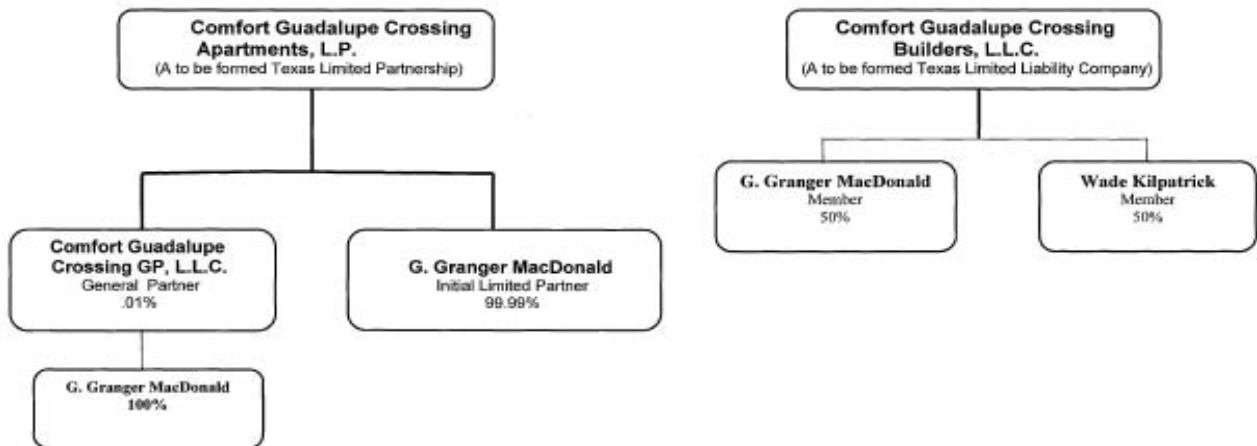
WEAKNESSES/RISKS

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Granger MacDonald Phone: (830) 257-5323 Fax: (830) 257-3168
 Email: gmacdonald@macdonald-companies.com

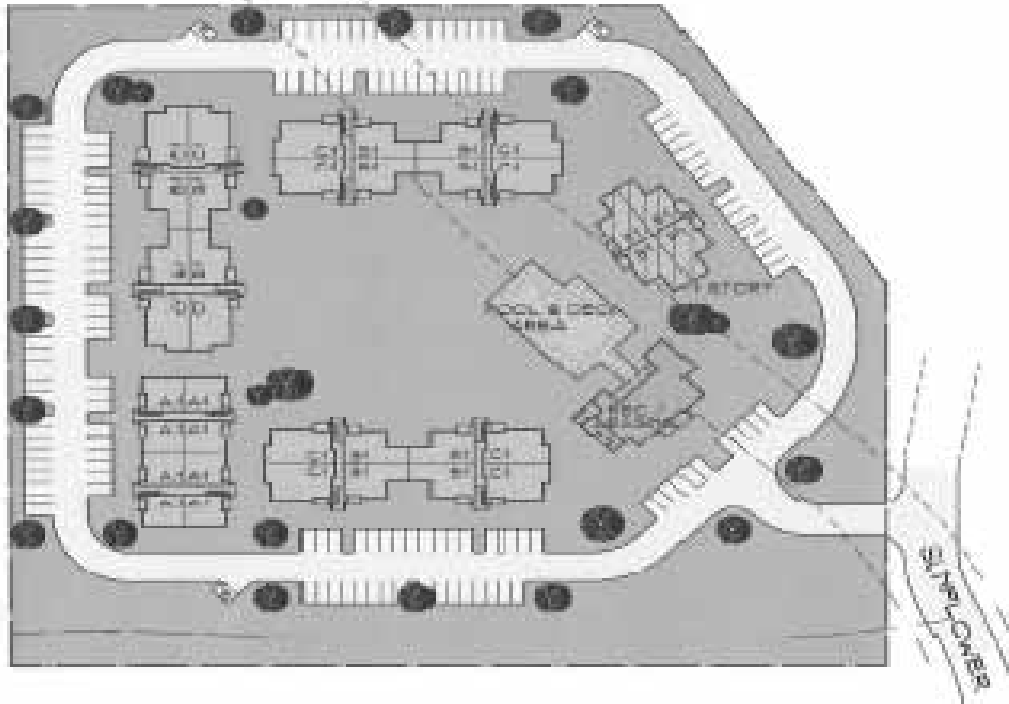
IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor and Supportive Services are related entities. These are common relationships for HTC-funded developments.
- The seller is regarded as a related party due to the fact that Wade Kilpatrick is part-owner of Comfort Partners, L.P. the seller of the 6.95 acres and has a 50% interest in the Developer.

This section intentionally left blank.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III																Total Buildings
Floors/Stories	1	2	2																
Number	1	1	3																5

BR/BA	SF	Units										Total Units	Total SF	
1	1	701		16									16	11,216
2	2	1,002	4		8								28	28,056
3	2	1,228			8								24	29,472
Units per Building			4	16	16								68	68,744

SITE ISSUES

Total Size: 6.95 acres Scattered site? Yes No
 Flood Zone: B Within 100-yr floodplain? Yes No
 Zoning: None Needs to be re-zoned? Yes No N/A
 Comments:
 Property is not subject to any zoning ordinance.

This section intentionally left blank.

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/8/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Interstate 10 East: Idlewilde Boulevard
 South: FM 473 West: Highway 87

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Alpha Testing, Inc. Date: 3/1/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the Site." (p. 2)

MARKET ANALYSIS

Provider: Mark Temple Date: 2/26/2010

Contact: Mark Temple Phone: (210) 496-9499

Number of Revisions: 1 Date of Last Applicant Revision: 6/9/2010

Primary Market Area (PMA): 664 sq. miles 15 mile equivalent radius

The Primary Market Area is defined as being all of Kendall County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Kendall County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	\$23,966	\$26,100	---	---
2	---	---	---	---	\$23,966	\$29,850	\$34,491	\$35,820
3	---	---	---	---	\$28,731	\$33,550	\$34,491	\$40,260
4	---	---	---	---	\$33,257	\$37,300	\$39,909	\$44,760
5	---	---	---	---	\$33,257	\$40,300	\$39,909	\$48,360
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
none					
Other Affordable Developments in PMA since 2006					
07604	Terraces at Cibolo	new	senior	n/a	150
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		2	Total Units		171

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Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed, under construction, or unstabilized comparable developments in the PMA that will impact the demand for the subject.

Terraces at Cibolo (#07604) in Boerne is currently in lease-up. As a senior development it is not considered comparable to the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	12,000	12,000
Potential Demand from the Primary Market Area	611	758
Potential Demand from Other Sources	0	0
GROSS DEMAND	611	758
Subject Affordable Units	68	68
Unstabilized Comparable Units	13	0
RELEVANT SUPPLY	81	68
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	13%	9%

Demand Analysis:

The oldest tax credit property in Boerne, Creekside Apartments (#98154) reports 80% occupancy. The Market Analyst has included the 13 vacant units at Creekside in determining the Gross Capture rate.

The Market Analyst identifies Gross Demand fro 611 units in the PMA, resulting in a Gross Capture Rate of 13% for a total supply of 81 units (68 at the subject and 13 vacant units at Creekside).

The Underwriter's demographic calculation identifies Gross Demand for 758 units in the PMA. The Real Estate Analysis do not consider vacant units at previously stabilized properties when calculating a Gross Capture Rate; as a result, the Underwriter determines a Gross Capture Rate of 9% for the 68 units at the subject.

The maximum Gross Capture Rate for rural developments targeting family households is 30%; this indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/50%	171	16	0	9%	61	16	0	26%
2 BR/50%	154	25	0	16%	58	25	0	43%
2 BR/60%	163	3	7	6%	16	3	0	19%
3 BR/50%	190	21	0	11%	33	21	0	64%
3 BR/60%	233	3	6	4%	45	3	0	7%

Primary Market Occupancy Rates:

"There are no apartment projects located in the City of Comfort. The only apartment projects located in the Kendall County Market Area are located in the City of Boerne ... Multi-family units surveyed represented 7 apartment projects totaling 814 units in the Kendall County Market Area; the occupancy level of the market area is presently 96.1 percent." (p. VII-1)

There are three HTC properties in Boerne. Terraces at Cibolo (#07604) is a senior development currently in lease-up. Park Meadows (#01461), with 100 units, reports 97% occupancy. The oldest property, Creekside Apartments (#98154) reports 80% occupancy.

Absorption Projections:

"According to the Comfort Chamber of Commerce, Boerne Chamber of Commerce and Claritas, Inc., present absorption trends of apartment projects located in the Comfort and Boerne, Kendall County Market Area range from 7 to 10 units per month. The strength of this immediate market area is further supported by the continued and projected indicators of increasing occupancy levels and rental rates. Based upon current positive multi-family indicators and present absorption levels of 7 to 10 units per month, it is estimated that a 95.+ percent occupancy level can be achieved in a 11 to 16 month time frame." (p. IX-3,4)

Market Impact:

"According to the City of Comfort and the Comfort Chamber of Commerce, a Comprehensive Housing Affordability Strategy (CHAS) Report has not been performed for the City of Comfort due to Comfort being an unincorporated city. Further verification with the City of Comfort and the Comfort Chamber of Commerce confirmed the tremendous need for affordable housing in the City of Comfort. Both organizations stood ready to assist sponsors with potential projects that met this objective." (p. IX-6)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: One Date of Last Applicant Revision: 6/18/2010

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances calculated by UA Pro as of June 17, 2010 from the 2010 HUD rent limits which apply to HTC applications. The Underwriter's analysis is based on 2009 rents, for consistency with underwriting report published earlier in the application round, before 2010 rent limits were released. If the Underwriter used 2010 rent limits, income would increase by 1% and the DCR would be 1.17 and the recommendation would not have been affected. Tenants will be required to pay all electric utility costs plus water and sewer.

Of note, the utility allowances calculated by UA Pro have not been approved by the Department as of the date of this report. Because of this, the Underwriter performed a sensitivity analysis to determine the range of utility allowances in which the development's DCR would fall within a 1.15 to 1.35 and in which the neither the analysis nor recommendation for funding would be materially affected. This range is: \$82-127 for one bedroom units, \$100-156 for two bedroom units, and \$116-181 for three bedroom units. Therefore, this report is conditioned on receipt, by commitment, of evidence of Department approval of utility allowances within this range.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,167 per unit is within 5% of the Underwriter's estimate of \$4,275, derived from the TDHCA database, IREM, and third-party data sources.

Conclusion:

The Applicant's estimate of net operating income is within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the recommended DCR of 1.20 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: Gipson Real Estate Services, LLC Date: 2/18/2010
 Number of Revisions: None Date of Last Applicant Revision: N/A
 Land Only: 6.95 acres \$375,000 As of: 2/18/2010
 Existing Buildings: (as-is) \$0 As of:
 Total Development: (as-is) \$375,000 As of: 2/18/2010

ASSESSED VALUE

Land Only: 32.009 acres \$273,080 Tax Year: 2009
 Prorated 1 acre: \$8,531 Valuation by: Kendall CAD
 Prorated 6.95 acres: \$59,293 Tax Rate: 1.794551

EVIDENCE of PROPERTY CONTROL

Type: Commercial Contract - Unimproved Property Acreage: 6.95
 Contract Expiration: 9/15/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$350,000 Other:
 Seller: Comfort Partners, LP Related to Development Team? Yes No

Comments:

The acquisition is an identity of interest transaction. Wade Kilpatrick is a principal of the Seller, Comfort Partners, LP, and is a 50% owner of the Developer.

This section intentionally left blank.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 6/18/2010

Acquisition Value:

The acquisition is considered an identity of interest purchase since the seller will have a 50% interest as the Developer. The Underwriter calculated the land cost by taking the original acquisition price plus allowable holding expenses which included property taxes, interest expense, insurance costs and a calculated return on equity of 10%, to establish a per acre price of \$21,030. For the 6.95, the allowable identity of interest acquisition cost is \$146,161. The Applicant claimed an acquisition cost of \$350,000; therefore, the recommended financing structure reflects an adjustment to the Applicant's total cost to deduct the overstatement of acquisition cost in the Applicant's development cost schedule.

Off-Site Cost:

The Applicant claimed off-site costs of \$200K for a water well and sanitary sewers and provided sufficient third party certification through an engineer's certification to justify these costs.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit and provided sufficient third party certification through a detailed certified cost estimate by a licensed engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Reznick Group, P.C., to preliminarily opine that \$915,000 of the total \$975,000 will be considered eligible.

Direct Construction Cost:

The Underwriter's direct construction cost estimate was determined by averaging a per square foot cost for direct construction cost of two developments similar in size and in their rural locations that have recently been completed by the Applicant. The average cost per square foot of \$56.01 was multiplied by the square footage in the subject development to determine a direct construction cost of \$3,850,452. The Underwriter's estimate is \$977 higher than the Applicant's.

Contingency & Fees:

The Applicant's contractor's fees are overstated by a nominal \$1 and the eligible portion of each fee has been adjusted downward by that amount.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area and it is located in an eligible QCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,340,190 and the 9% applicable percentage rate supports annual tax credits of \$858,802. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

This section intentionally left blank.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Alliant Mortgage Company, Inc. Type: Interim Financing

Principal: \$2,595,700 Interest Rate: 6.75% Fixed Term: 24 months

Comments:

The commitment indicates a loan amount of \$2,619,300; however, the Applicant intends to utilize \$2,595,700. The interest rate is based on the prime rate plus 350 bp and will be variable for the entire term of the construction loan. At the time of underwriting, the prime rate was 3.25%.

Source: Southeast Texas Housing Finance Corporation Type: Interim Financing

Principal: \$260,000 Interest Rate: AFR Fixed Term: TBD months

Comments:

The Applicant has applied for this loan but has not received a commitment from the subject lender. The requested terms are a loan at AFR for a term of 12 months or placement in service, whichever is longer. Therefore, by Commitment a firm commitment from Southeast Texas Housing Finance Corporation for the anticipated \$260,000 with the terms of the funds clearly stated will be required. Of note, the interim period interest on this loan was not needed to substantiate the Applicant's claimed eligible interim interest.

Source: J. Mark Stevenson Type: Interim Financing

Principal: \$170,000 Interest Rate: 8.0% Fixed Term: TBD months

Comments:

A commitment for this loan was provided. The loan will mature at conversion of the primary debt to the permanent phase. Of note, the interim period interest on this loan was not needed to substantiate the Applicant's claimed eligible interim interest.

Source: Alliant Mortgage Company, Inc. Type: Permanent Financing

Principal: \$2,595,700 Interest Rate: 8.0% Fixed Amort: 360 months
Term: 18 years

Comments:

The commitment indicates a loan amount of \$2,619,300; however, the Applicant intends to utilize \$2,595,700. The rate will be set and rate locked at the time of construction loan closing. The rate will be based on a spread of approximately 400 bp above the 10-year Treasury Bill which at the time of underwriting was 3.33%. However, the rate is projected by the lender to be 8%; therefore, this rate was used in the recommended financing structure. Of note, the commitment states that the spread over the 10-year Treasury is subject to change.

Source: Alliant Capital, Ltd. Type: Syndication

Proceeds: \$5,495,051 Syndication Rate: 64% Anticipated HTC: \$ 858,688

Amount: \$226,819 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate after the site acquisition adjustment due to the identity of interest issue less the permanent loan of \$2,595,700 indicates the need for \$5,518,031 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$862,279 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$858,802
Allocation determined by gap in financing:	\$862,279
Allocation requested by the Applicant:	\$858,688

The allocation amount originally requested by the Applicant is recommended. A tax credit allocation of \$858,688 per year for 10 years results in total equity proceeds of \$5,495,051 at a syndication rate of \$0.64 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$22,980 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within one year of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Carl Hoover</i>		June 23, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 23, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 23, 2010

UNIT MIX/RENT SCHEDULE

Guadalupe Crossing, Comfort, 9% HTC #10131

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Comfort	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Kendall	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	16	23.5%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	9	2	28	41.2%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	24	35.3%								APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	68	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 50%	16	1	1	701	\$699	\$120	\$579	\$4	\$0.83	\$583	\$9,328	\$9,264	\$579	\$0.83	\$0	\$771	\$192
TC 50%	25	2	2	1,002	\$838	\$147	\$691	\$5	\$0.69	\$696	\$17,400	\$17,275	\$691	\$0.69	\$0	\$921	\$230
TC 60%	3	2	2	1,002	\$1,006	\$147	\$859	\$6	\$0.86	\$865	\$2,595	\$2,577	\$859	\$0.86	\$0	\$921	\$62
TC 50%	21	3	2	1,228	\$970	\$171	\$799	\$5	\$0.65	\$804	\$16,884	\$16,779	\$799	\$0.65	\$0	\$1,079	\$280
TC 60%	3	3	2	1,228	\$1,164	\$171	\$993	\$6	\$0.81	\$999	\$2,997	\$2,979	\$993	\$0.81	\$0	\$1,079	\$86
TOTAL:	68			68,744							\$49,204	\$48,874					
AVG:				1,011				\$5	\$0.72	\$724			\$719	\$0.71	\$0	\$941	(\$223)
ANNUAL:											\$590,448	\$586,488					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Guadalupe Crossing, Comfort, 9% HTC #10131

INCOME		Total Net Rentable Sq Ft:		TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$586,488	\$590,448			
Secondary Income		Per Unit Per Month:	\$15.00	12,240	12,240	\$15.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$598,728	\$602,688			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%	(44,905)	(45,204)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$553,823	\$557,484			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.74%	\$386	0.38	\$26,265	\$27,650	\$0.40	\$407	4.96%
Management	4.00%	\$326	0.32	22,153	22,403	0.33	329	4.02%
Payroll & Payroll Tax	12.10%	\$985	0.97	66,992	68,439	1.00	1,006	12.28%
Repairs & Maintenance	8.12%	\$662	0.65	44,994	42,600	0.62	626	7.64%
Utilities	3.48%	\$284	0.28	19,284	14,400	0.21	212	2.58%
Water, Sewer, & Trash	4.37%	\$356	0.35	24,192	25,400	0.37	374	4.56%
Property Insurance	2.58%	\$210	0.21	14,296	15,000	0.22	221	2.69%
Property Tax	1.794551 8.51%	\$693	0.69	47,103	42,000	0.61	618	7.53%
Reserve for Replacements	3.07%	\$250	0.25	17,000	17,000	0.25	250	3.05%
TDHCA Compliance Fees	0.49%	\$40	0.04	2,720	2,720	0.04	40	0.49%
Other: Supp. Serv.	1.03%	\$84	0.08	5,712	5,712	0.08	84	1.02%
TOTAL EXPENSES	52.49%	\$4,275	\$4.23	\$290,711	\$283,324	\$4.12	\$4,167	50.82%
NET OPERATING INC	47.51%	\$3,869	\$3.83	\$263,113	\$274,160	\$3.99	\$4,032	49.18%

DEBT SERVICE		TDHCA	APPLICANT
Alliant Mortgage Company, Inc.		\$228,556	\$228,551
Second Lien		\$0	
Additional Financing		\$0	
Additional Financing		0	
Additional Financing		0	
TOTAL DEBT SERVICE		228,556	228,551
NET CASH FLOW		\$34,557	\$45,609
AGGREGATE DEBT COVERAGE RATIO		1.15	1.20
RECOMMENDED DEBT COVERAGE RATIO			1.20

CONSTRUCTION COST				TDHCA	APPLICANT				
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		1.80%	\$2,149	\$2.13	\$146,161	\$350,000	\$5.09	\$5,147	4.21%
Off-Sites		2.46%	\$2,941	\$2.91	200,000	200,000	2.91	2,941	2.40%
Sitework		11.28%	\$13,456	\$13.31	915,000	915,000	13.31	13,456	11.00%
Direct Construction		47.45%	\$56,624	\$56.01	3,850,452	3,849,475	56.00	56,610	46.28%
Contingency	5.00%	2.94%	\$3,503	\$3.47	238,224	238,224	3.47	3,503	2.86%
Contractor's Fees	14.00%	8.22%	\$9,809	\$9.70	667,028	667,028	9.70	9,809	8.02%
Indirect Construction		4.36%	\$5,206	\$5.15	354,000	354,000	5.15	5,206	4.26%
Ineligible Costs		4.03%	\$4,814	\$4.76	327,379	327,379	4.76	4,814	3.94%
Developer's Fees	15.00%	11.80%	\$14,080	\$13.93	957,416	957,416	13.93	14,080	11.51%
Interim Financing		4.42%	\$5,280	\$5.22	359,048	359,048	5.22	5,280	4.32%
Reserves		1.23%	\$1,471	\$1.45	100,000	100,000	1.45	1,471	1.20%
TOTAL COST		100.00%	\$119,333.94	\$118.04	\$8,114,708	\$8,317,570	\$120.99	\$122,317	100.00%
Construction Cost Recap		69.88%	\$83,393	\$82.49	\$5,670,704	\$5,669,727	\$82.48	\$83,378	68.17%

SOURCES OF FUNDS				RECOMMENDED			
Alliant Mortgage Company, Inc.	31.99%	\$38,172	\$37.76	\$2,595,700	\$2,595,700	\$2,595,700	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0		0	\$957,416
HTC Syndication Proceeds	67.72%	\$80,810	\$79.93	5,495,051	5,495,051	5,495,051	% of Dev. Fee Deferred
Deferred Developer Fees	2.80%	\$3,336	\$3.30	226,819	226,819	22,980	2%
Additional (Excess) Funds Req'd	-2.50%	(\$2,983)	(\$2.95)	(202,862)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$8,114,708	\$8,317,570	\$8,113,731	\$972,230

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Guadalupe Crossing, Comfort, 9% HTC #10131

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ.FT	PER SF	AMOUNT
Base Cost			\$54.50	\$3,746,476
Adjustments				
Exterior Wall Finish	0.40%		\$0.22	\$14,986
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.05%		1.66	114,268
Roofing			0.00	0
Subfloor			(0.16)	(10,999)
Floor Cover			2.41	165,673
Breezeways	\$22.48	9,831	3.21	220,992
Balconies	\$22.23	6,275	2.03	139,494
Plumbing Fixtures	\$845	156	1.92	131,820
Rough-ins	\$420	68	0.42	28,560
Built-In Appliances	\$1,850	68	1.83	125,800
Exterior Stairs	\$1,900	16	0.44	30,400
Enclosed Corridors	\$44.58	0	0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	127,176
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$74.38	2,968	3.21	220,766
Other: fire sprinkler	\$2.25	68,744	2.25	154,674
SUBTOTAL			75.79	5,210,086
Current Cost Multiplier	0.99		(0.76)	(52,101)
Local Multiplier	0.86		(10.61)	(729,412)
TOTAL DIRECT CONSTRUCTION COSTS			\$64.42	\$4,428,573
Plans, specs, survy, bid prm	3.90%		(\$2.51)	(\$172,714)
Interim Construction Interest	3.38%		(2.17)	(149,464)
Contractor's OH & Profit	11.50%		(7.41)	(509,286)
NET DIRECT CONSTRUCTION COSTS			\$52.33	\$3,597,108

PROPOSED PAYMENT COMPUTATION

Alliant Mortgage Company, Inc.	\$2,595,700	Amort	360
Int Rate	8.00%	DCR	1.15
Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.15
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.15
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.15
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.15

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Alliant Mortgage Company, Inc.	\$228,556
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$228,556

Alliant Mortgage Company, Inc.	\$2,595,700	Amort	360
Int Rate	8.00%	DCR	1.20
Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.20
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.20
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

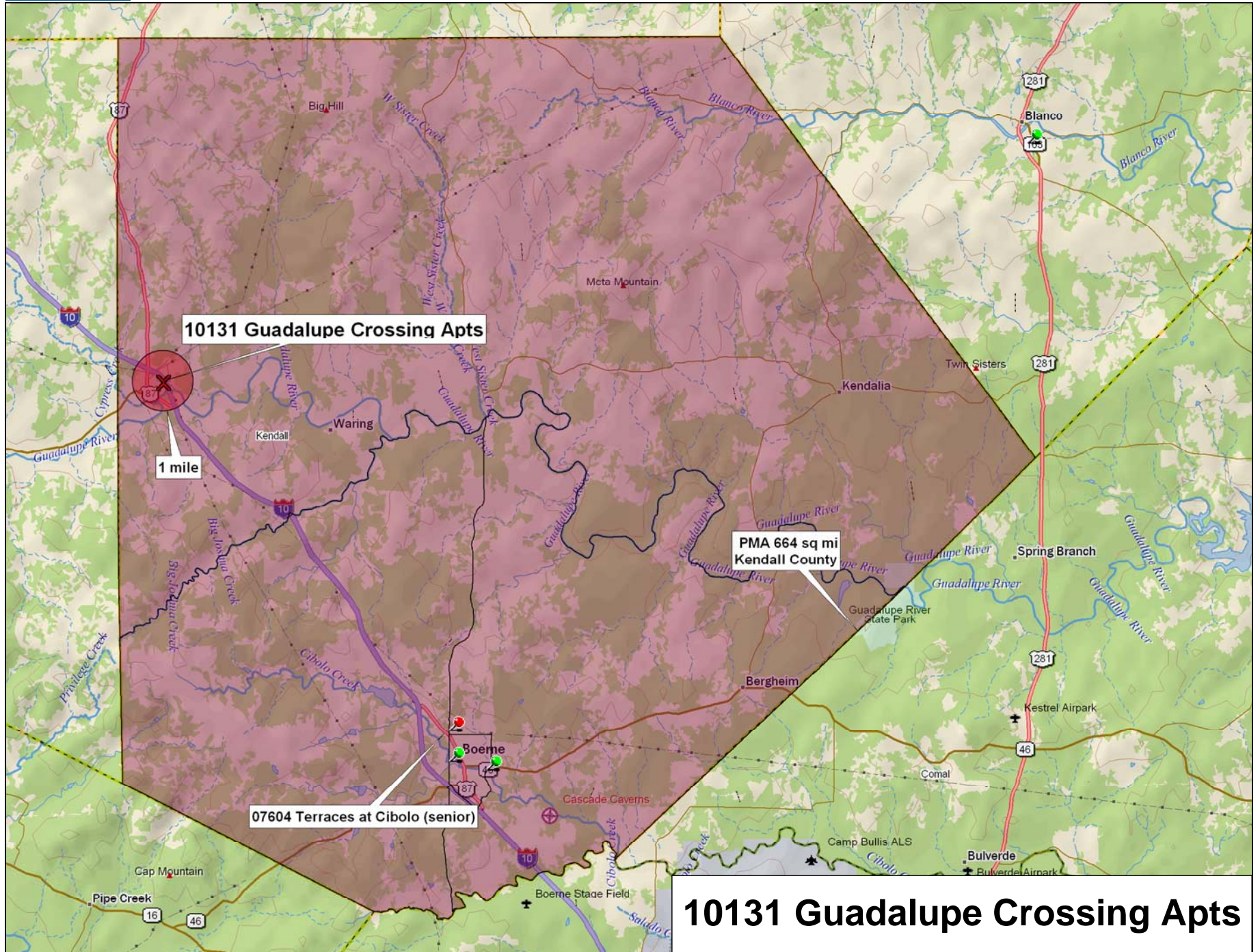
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$590,448	\$602,257	\$614,302	\$626,588	\$639,120	\$705,640	\$779,084	\$860,171	\$1,048,544
Secondary Income	12,240	12,485	12,734	12,989	13,249	14,628	16,150	17,831	21,736
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	602,688	614,742	627,037	639,577	652,369	720,268	795,234	878,003	1,070,280
Vacancy & Collection Loss	(45,204)	(46,106)	(47,028)	(47,968)	(48,928)	(54,020)	(59,643)	(65,850)	(80,271)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$557,484	\$568,636	\$580,009	\$591,609	\$603,441	\$666,248	\$735,591	\$812,152	\$990,009
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$27,650	\$28,480	\$29,334	\$30,214	\$31,120	\$36,077	\$41,823	\$48,484	\$65,159
Management	22,403	22851.15838	23,308	23,774	24,250	26,774	29,560	32,637	39,784
Payroll & Payroll Tax	68,439	70,492	72,607	74,785	77,029	89,297	103,520	120,008	161,281
Repairs & Maintenance	42,600	43,878	45,194	46,550	47,947	55,583	64,436	74,699	100,390
Utilities	14,400	14,832	15,277	15,735	16,207	18,789	21,781	25,250	33,935
Water, Sewer & Trash	25,400	26,162	26,947	27,755	28,588	33,141	38,420	44,539	59,857
Insurance	15,000	15,450	15,914	16,391	16,883	19,572	22,689	26,303	35,348
Property Tax	42,000	43,260	44,558	45,895	47,271	54,800	63,529	73,647	98,976
Reserve for Replacements	17,000	17,510	18,035	18,576	19,134	22,181	25,714	29,810	40,062
TDHCA Compliance Fee	2,720	2,802	2,886	2,972	3,061	3,549	4,114	4,770	6,410
Other	5,712	5,883	6,060	6,242	6,429	7,453	8,640	10,016	13,461
TOTAL EXPENSES	\$283,324	\$291,600	\$300,119	\$308,890	\$317,919	\$367,216	\$424,227	\$490,164	\$654,662
NET OPERATING INCOME	\$274,160	\$277,036	\$279,890	\$282,719	\$285,522	\$299,031	\$311,365	\$321,989	\$335,347
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$228,556	\$228,556	\$228,556	\$228,556	\$228,556	\$228,556	\$228,556	\$228,556	\$228,556
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$45,604	\$48,480	\$51,334	\$54,163	\$56,967	\$70,475	\$82,809	\$93,433	\$106,791
DEBT COVERAGE RATIO	1.20	1.21	1.22	1.24	1.25	1.31	1.36	1.41	1.47

HTC ALLOCATION ANALYSIS -Guadalupe Crossing, Comfort, 9% HTC #10131

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$350,000	\$146,161		
Purchase of buildings				
Off-Site Improvements	\$200,000	\$200,000		
Sitework	\$915,000	\$915,000	\$915,000	\$915,000
Construction Hard Costs	\$3,849,475	\$3,850,452	\$3,849,475	\$3,850,452
Contractor Fees	\$667,028	\$667,028	\$667,027	\$667,028
Contingencies	\$238,224	\$238,224	\$238,224	\$238,224
Eligible Indirect Fees	\$354,000	\$354,000	\$354,000	\$354,000
Eligible Financing Fees	\$359,048	\$359,048	\$359,048	\$359,048
All Ineligible Costs	\$327,379	\$327,379		
Developer Fees				
Developer Fees	\$957,416	\$957,416	\$957,416	\$957,416
Development Reserves	\$100,000	\$100,000		
TOTAL DEVELOPMENT COSTS	\$8,317,570	\$8,114,708	\$7,340,190	\$7,341,168

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$7,340,190	\$7,341,168
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$9,542,246	\$9,543,518
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$9,542,246	\$9,543,518
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$858,802	\$858,917

Syndication Proceeds	0.6399	\$5,495,782	\$5,496,514
Total Tax Credits (Eligible Basis Method)		\$858,802	\$858,917
Syndication Proceeds		\$5,495,782	\$5,496,514
Requested Tax Credits		\$858,688	
Syndication Proceeds		\$5,495,051	
Gap of Syndication Proceeds Needed		\$5,518,031	
Total Tax Credits (Gap Method)		\$862,279	
Recommended Tax Credits		858,688	
Syndication Proceeds		\$5,495,051	



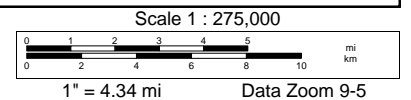
10131 Guadalupe Crossing Apts

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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Seaside Manor, TDHCA Number 10132

BASIC DEVELOPMENT INFORMATION

Site Address: SWC of FM 1069 and Gallion St. Development #: 10132
 City: Ingleside Region: 10 Population Served: Elderly
 County: San Patricio Zip Code: 78362 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Ingleside Seaside Manor Apartments, L.P.
 Owner Contact and Phone: Justin MacDonald, (830) 257-5323
 Developer: Ingleside Seaside Manor Builders, L.L.C.
 Housing General Contractor: G.G. MacDonald, Inc.
 Architect: Archon Corporation
 Market Analyst: Mark C. Temple & Associates, L.L.C.
 Syndicator: Alliant Capital, LTD
 Supportive Services: J C Ventures, L.L.C.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	100	
	10	0	10	80	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	50	50	0	0	0	
Type of Building:						Total Development Units:	100
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	25
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	20

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,103,591	\$0			
HOME Activity Fund Amount:	\$550,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Seaside Manor, TDHCA Number 10132

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Zaffirini, District 21, S

Points: 7

US Representative: Ortiz, District 27, NC

TX Representative: Hunter, District 32, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Rural Economic Assistance League, Inc., S, Gloria Ramos, Executive Director

Ingleside Chamber of Commerce, S, Matt Sablatura, Chair Elect Ingleside Chamber of Commerce

Community Action Corporation of South Texas, S, Rafael Trevino, Jr., Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Seaside Manor, TDHCA Number 10132

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **206** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Champion Homes at Copperridge, TDHCA Number 10134

BASIC DEVELOPMENT INFORMATION

Site Address: 5602 Maple Ave. Development #: 10134
 City: Dallas Region: 3 Population Served: General
 County: Dallas Zip Code: 75235 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Chicory Court IX, L.P.
 Owner Contact and Phone: Saleem Jafar, (972) 701-5551
 Developer: Odyssey Residential Holdings, LP
 Housing General Contractor: Odyssey Residential Construction, LP
 Architect: BGO Architects, Inc.
 Market Analyst: Gerald A. Teel Company, Inc.
 Syndicator: First Sterling Financial, Inc.
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	107	
	7	0	47	53	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	32	55	20	0	0	
Type of Building:						Total Development Units:	107
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,378,758	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Champion Homes at Copperridge, TDHCA Number 10134

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Carona, District 16, S

Points: 14 US Representative: Johnson, District 30, NC

TX Representative: Hodge, District 100, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 1

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Champion Homes at Copperridge, TDHCA Number 10134

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **212** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended due to \$2 million cap violation.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Champion Homes at Canyon Creek, TDHCA Number 10135

BASIC DEVELOPMENT INFORMATION

Site Address: 1700 N. Minnesota Ave. Development #: 10135
 City: Brownsville Region: 11 Population Served: General
 County: Cameron Zip Code: 78521 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Chicory Court Stream, L.P.
 Owner Contact and Phone: Saleem Jafar, (972) 701-5551
 Developer: Odyssey Residential Holdings, LP
 Housing General Contractor: Odyssey Residential Construction L.L.C.
 Architect: K+ Architects
 Market Analyst: Gerald A. Teel Company, Inc
 Syndicator: First Sterling Financial, Inc.
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	100	
	6	0	45	49	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	16	49	35	0	0	
Type of Building:						Total Development Units:	100
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	8
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,348,738	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Champion Homes at Canyon Creek, TDHCA Number 10135

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S

Points: 7

US Representative: Ortiz, District 27, NC

TX Representative: Oliveira, District 37, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Champion Homes at Canyon Creek, TDHCA Number 10135

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **199** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended due to \$2 million cap violation.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen at Richardson, TDHCA Number 10136

BASIC DEVELOPMENT INFORMATION

Site Address: SWC of Renner Rd. & N. Star Rd. Development #: 10136
 City: Richardson Region: 3 Population Served: Elderly
 County: Collin Zip Code: 75082 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Evergreen Richardson Senior Community, L.P.
 Owner Contact and Phone: Don Maison, (214) 941-0523
 Developer: Churchill Residential, Inc.
 Housing General Contractor: ICI Construction, Inc.
 Architect: GTF Designs
 Market Analyst: Integra Realty Resources
 Syndicator: National Equity fund, Inc.
 Supportive Services: PWA Coalition of Dallas, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	170
	9	0	77	84	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	85	85	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	170
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	27
		HOME Low Total Units:	7

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$2,000,000			
HOME Activity Fund Amount:	\$2,000,000	\$2,000,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$50,000			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen at Richardson, TDHCA Number 10136

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, NC

Points: 0 US Representative: Hensarling, District 5, NC

TX Representative: Miklos, District 101, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Jerry Madden, State Representative District 67

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$1,400,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1,400,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$600,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$600,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen at Richardson, TDHCA Number 10136

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **222** Meeting a Required Set-Aside Credit Amount*: \$2,000,000

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$2,000,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$50,000

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Evergreen at Wylie, TDHCA Number 10137

BASIC DEVELOPMENT INFORMATION

Site Address: Approx. the 600 to 700 Block of S. McCreary Rd. Development #: 10137
 City: Wylie Region: 3 Population Served: Elderly
 County: Collin Zip Code: 75098 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Evergreen Wylie Senior Community, L.P.
 Owner Contact and Phone: Don Maison, (214) 941-0523
 Developer: Churchill Residential, Inc.
 Housing General Contractor: ICI Construction, Inc.
 Architect: GTF Designs
 Market Analyst: Integra Realty Resources
 Syndicator: National Equity Fund, Inc.
 Supportive Services: PWA Coalition of Dallas, Inc.
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	160	
	8	0	72	80	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	80	80	0	0	0	
Type of Building:						Total Development Units:	160
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	25
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	7

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,936,192	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$50,000	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Evergreen at Wylie, TDHCA Number 10137

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Shapiro, District 8, S Points: 14 US Representative: Hall, District 4, NC
TX Representative: Laubenberg, District 89, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Woodbridge Association, Inc., Donald Herzog Letter Score: 24 S or O: S

There is a need within the Sachse/Wylie area for senior living.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Evergreen at Wylie, TDHCA Number 10137

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **215** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Mason Senior Apartment Homes, TDHCA Number 10142

BASIC DEVELOPMENT INFORMATION

Site Address: W. side of Mason Rd., N. of Franz Rd. Development #: 10142
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77449 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Mason Senior Apartments LP
 Owner Contact and Phone: Kenneth G. Cash, (281) 493-0700
 Developer: Stonearch Development, Inc.
 Housing General Contractor: Stonearch Builders, L.L.C.
 Architect: Daniel Mazilu/ The Thompson Nelson Group
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	120	
	6	0	54	60	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	42	78	0	0	0	
Type of Building:						Total Development Units:	120
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$14,997,021
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	8
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,451,258	\$1,451,258			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Mason Senior Apartment Homes, TDHCA Number 10142

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Patrick, District 7, NC Points: 0 US Representative: McCaul, District 10, NC
TX Representative: Callegari, District 132, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

S, Glenn Hegar, State Senator District 18

O, David B. Turkel, Director, Harris County

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

North Mason Property Owners Association, Thomas G. Steinweg Letter Score: 24 S or O: S

The Association supports the building of Senior Tax Credit Multi-Family homes or apartments within the boundary of the North Mason Property Owners Association, because it will be a benefit to the Association and the neighborhood.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
2. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
3. Receipt, review and acceptance by commitment of a commitment signed by the lender including terms of financing; including interest rate, term, and amortization period for the CAHFC & Mark Elkins contraction loans.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
5. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$750,000, or a commitment from a qualifying substitute source in an amount not less than \$750,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Houston and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Houston in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Mason Senior Apartment Homes, TDHCA Number 10142

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **216** Meeting a Required Set-Aside Credit Amount*: \$1,451,258

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/16/10 PROGRAM: 9% HTC FILE NUMBER: 10142

DEVELOPMENT

Mason Senior Apartment Homes

Location: West side of Mason Rd. North of Franz Rd. Region: 6

City: Houston County: Harris Zip: 77449 OCT DDA

Key Attributes: Elderly, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,451,258			\$1,451,258		

CONDITIONS

- 1 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 3 Receipt, review and acceptance by commitment of a commitment signed by the lender including terms of financing; including interest rate, term, and amortization period for the CAHFC & Mark Elkins contraction loans.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	54
60% of AMI	60% of AMI	60

This section intentionally left blank.

STRENGTHS/MITIGATING FACTORS

- Overall occupancy in the PMA is 94.1%

- The principals of the Applicant have experience developing and owning 596 Housing Tax Credit units.

- Proposed rents are on average 21% lower than market rents.

WEAKNESSES/RISKS

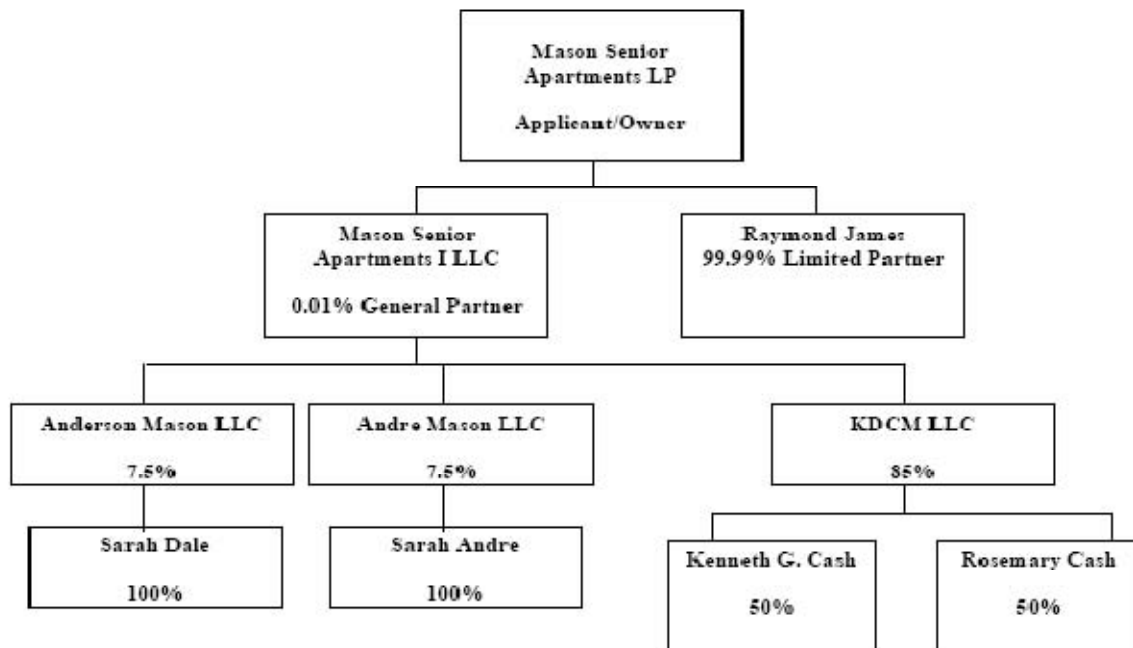
- Proposed rents for the 60% two bedroom units, which account for half of the total units, are \$75 less than program max. Per the Applicant, this is due to the Applicant's past experience with 60% two bedroom units leasing up slowly.

PREVIOUS UNDERWRITING REPORTS

Manson Apartment Homes (TDHCA #09272) was submitted during the 2009 tax credit cycle and a preliminary underwriting analysis was performed. However, it appears the development ultimately may not have scored high enough to receive an allocation during the competitive round and the underwriting analysis was never finalized.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

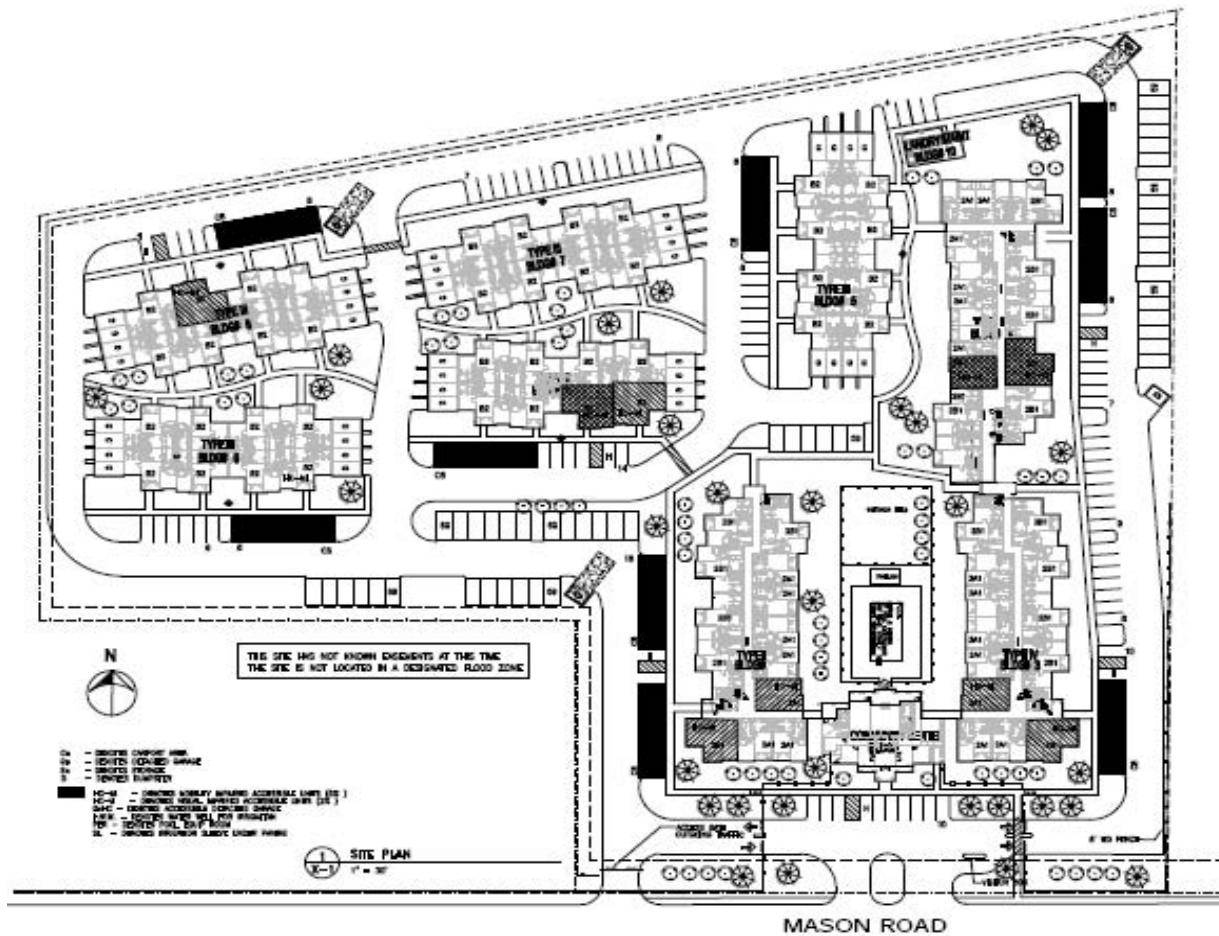
Contact: Kenneth Cash Phone: (281) 493-0700 Fax: (281) 493-0702
 Email: ken@stonearchdev.com

IDENTITIES of INTEREST

- The Applicant, Developer and General Contractor are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III	IV															Total Buildings
Floors/Stories	2	2	2	2															
Number	1	1	5	1															8

BR/BA	SF	Units								Total Units	Total SF	
1	1	760	14	14		14					42	31,920
2	2	1,000	12	14	8	12					78	78,000
Units per Building			26	28	8	26					120	109,920

SITE ISSUES

Total Size: 9 acres Scattered site? Yes No

Flood Zone: Zone X Within 100-yr floodplain? Yes No

Zoning: N/A Needs to be re-zoned? Yes No N/A

Comments:
No zoning in Houston.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/21/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:
 North: vacant & residential East: Mason Rd & vacant
 South: Franz Rd, vacant & residential West: vacant

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: DCH Environmental Consultants, LP Date: 3/1/2009

Recognized Environmental Conditions (RECs) and Other Concerns:

- The ESA did not identify direct evidence indicating recognized environmental conditions exist at the site.
- The Applicant provided the results of a noise assessment completed by an acoustics consultant, which concluded: "the day night sound level (DNL) at the site is 70 dBA. This is categorized by HUD as a 'Normally Unacceptable' level. Further noise study will be required during the design phase."

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Apert MarketData Date: 2/24/2010
 Contact: Darrell Jack Phone: (210) 530-0040
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 47 sq. miles 4 mile equivalent radius

The Primary Market Area is defined by 15 census tracts at the southwest corner of Harris County along the boundaries with Waller and Fort Bend Counties.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,592	\$13,400	---	---	\$14,352	\$22,350	\$20,664	\$26,820
2	\$8,592	\$15,300	---	---	\$14,352	\$25,500	\$20,664	\$30,600
3	\$10,344	\$17,250	---	---	\$17,208	\$28,700	\$20,664	\$34,440
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None					
Other Affordable Developments in PMA since 2006					
060628	Lancaster Apts	new	family	n/a	252
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		4	Total Units		590

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed, under construction, or unstabilized comparable units in the PMA.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	29,569	29,569
Target Households in the Primary Market Area	7,745	8,384
Potential Demand from the Primary Market Area	1,766	1,910
Potential Demand from Other Sources	0	0
GROSS DEMAND	1,766	1,910
Subject Affordable Units	120	120
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	120	120
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	6.8%	6.3%

Demand Analysis:

The Market Analyst identified Gross Demand for 1,766 units from income-eligible 1-3 person senior household sin the PMA; and a Gross Capture Rate of 6.8% for the subject 120 units. The underwriting analysis includes all senior households. The Underwriter has identified Gross Demand for 1,910 units, and a Gross Capture Rate of 6.3%.

The maximum Gross Capture Rate for developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	78	3	0	4%	198	3	0	2%
1 BR/50%	127	39	0	31%	373	39	0	10%
2 BR/30%	28	3	0	11%	133	3	0	2%
2 BR/50%	70	15	0	21%	319	15	0	5%
2 BR/60%	97	60	0	62%	159	60	0	38%

Primary Market Occupancy Rates:

The market study reports 94.1% overall occupancy for 5,227 units in the PMA. One-bedroom units are at 93.3% and two-bedroom units are at 94.9%. (p. 50)

Seventy-eight of the 120 subject units (65% of the total) are two-bedroom units, and 60 of these (50% of the total) are designated with rent and income restrictions at 60% of AMI. The maximum net rent for a two-bedroom unit at 60% of AMI is \$775, but the Applicant's pro forma indicates only \$713 net rent for these units, claiming this is necessary to be competitive and achieve a reasonable lease-up period. The market study does not support this assertion.

The market study provides data on five comparable income-restricted properties, two of which are restricted to seniors. The two-bedroom units at both senior projects are 100% occupied. Providence Place Seniors has 10 2BR/60% units, and each are reported to be leased at \$745. (This is less than the maximum, but more than the Applicant's proposed rent). Villas of Park Grove has 35 2BR/60% units, and they are all renting for \$775.

Two of the non-senior properties contain a total of 231 2BR/60% units, and each is achieving the maximum program net rents. (The fifth property has rents set by USDA.)

Absorption Projections:

"The nearest senior project, Providence Place, reported that it achieved a stabilized occupancy of 90%+ in just eight months of leasing. Today, the project reports an occupancy of 99%." (p. 54)

Market Impact:

"We assess that the PMA could immediately absorb 95 units without the overall occupancy of the PMA falling below 93%. The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer "affordable" units have been easily absorbed." (p. 58)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 3 Date of Last Applicant Revision: 7/13/2010

The Applicant's projected rents collected per unit were generally calculated by subtracting tenant-paid utility allowances as of July 1, 2009, maintained by the Harris County Housing Authority, from the 2009 program gross rent limits. Of note, for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Rent limits increased approximately 2% from 2009 to 2010. If the Underwriter and Applicant utilized 2010 rents, DCR would increase to approximately 1.35 and 1.37, respectively, and the recommendation would not be affected. Tenants will be required to pay electric and natural gas utility costs.

It should be noted, the Applicant chose not to anticipate the max tax credit rents for the 60% two bedroom units as achievable, but rather utilized rents that are \$62 less for these units. Also of note, the 60% two bedroom units account for half of the total units. Per the Applicant, this is due to the Applicant's past experience with 60% two bedroom units leasing up slowly.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines; however, secondary income is above the \$20 per unit per month maximum due to carport and detached garage fees per unit per month. Despite the differences in rents and secondary income, the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 2 Date of Last Applicant Revision: 7/13/2010

The Applicant's total annual operating expense projection at \$4,365 per unit is not within 5% of the Underwriter's estimate of \$4,284, derived from the TDHCA database, and third-party data sources. Of note, the Applicant's estimate of property tax is 17% higher than the Underwriter's estimate of approximately \$32K/unit based on a 10% cap rate and the Underwriter's NOI.

Conclusion:

The Applicant's net operating income is not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.29, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 10.1 acres	<u>\$1,101,524</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>\$0</u>	Valuation by:	<u>Harris CAD</u>
1 acre:	<u>\$108,900</u>		
Total Prorata: 9 acres	<u>\$980,101</u>	Tax Rate:	<u>2.24432</u>

EVIDENCE of PROPERTY CONTROL

Type: <u>Unimproved Commercial Property Contract</u>	Acreage: <u>9</u>
Contract Expiration: <u>1/20/2011</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$1,470,150</u>	Other: _____
Seller: <u>Mason & Franz Partners, LP</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$163,350 per acre or \$12,251 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs of \$8,500 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$377K or 6% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, detached garages and carports are being provided for a fee, and as a result the both the Applicant and Underwriter have excluded the cost of these amenities from eligible basis.

Reserves:

The Syndicator is requiring the project to capitalize the following reserve accounts: rent-up reserve of \$82,556, reserve for replacements of \$30,000, and an operating reserve of \$222,815. The Underwriter has used the rent-up & replacement reserve requirements in addition to the typical TDHCA operating reserve calculation.

Ineligible Costs:

The Underwriter's ineligible cost is adjusted for carport and detached garages. Specifically, the Underwriter determined carports & detached garages to be \$244,266 based on Marshall & Swift; however, the Applicant has included \$162K for these costs.

Contingency & Fees:

The Applicant's contractor's & developer fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone and it is located in an eligible QCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$12,403,915 supports annual tax credits of \$1,451,258. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 2 Date of Last Applicant Revision: 5/25/2010

Source: CAHFC Type: Interim Financing

Principal: \$750,000 Interest Rate: AFR Fixed Term: TBD months

Comments:

The Applicant has applied for \$750K in interim financing with requested minimum terms of the later of one year or PIS date and an interest rate at or below AFR. Of note, because a specific estimated interest rate was not provided, construction period interest for this source was not included by the Underwriter in eligible basis.

Source: Mark Elkins/Mason & Franz Partners Type: Interim Financing

Principal: \$305,000 Interest Rate: TBD Fixed Term: 12 months

Comments:

The Applicant will receive a construction loan in the amount of \$305K, with terms TBD; funds are contingent upon award of tax credits. Of note, because an estimated interest rate was not provided, construction period interest for this source was not included by the Underwriter in eligible basis.

Source: Dougherty Mortgage Type: Interim to Permanent Financing

Principle: \$4,127,800 Interest Rate: 6.70% Fixed Amort: 480 months

Comments:

The interest rate is anticipated to be 6.17% plus 0.45% mortgage insurance premium. The lender has identified a debt service payment of \$297,087 based on a loan constant of 7.197223%; this effectively results in an amortized interest rate of 6.7%, inclusive of MIP. This is the rate that is reflected in the analysis.

Source:	<u>Raymond James</u>	Type:	<u>Syndication</u>
Proceeds:	<u>\$10,738,235</u>	Syndication Rate:	<u>74%</u>
		Anticipated HTC:	<u>\$ 1,451,258</u>
Amount:	<u>\$130,986</u>	Type:	<u>Deferred Developer Fees</u>

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$4,127,800 indicates the need for \$10,869,221 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,468,961 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,451,258
Allocation determined by gap in financing:	\$1,468,961
Allocation requested by the Applicant:	\$1,451,258

The allocation amount determined by the eligible basis calculation / Applicant's request is recommended. A tax credit allocation of \$1,451,258 per year for 10 years results in total equity proceeds of \$10,738,235 at a syndication rate of \$0.74 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$130,986 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within two years of stabilized operation.

Underwriter:	<u>Diamond Unique Thompson</u>	Date:	<u>July 16, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>July 16, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 16, 2010</u>

UNIT MIX/RENT SCHEDULE

Mason Senior Apartment Homes, Houston, 9% HTC #10142

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:		
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	42	35.0%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	78	65.0%								HIGH COST ADJUSTMENT:		
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	Houston	4										APP % - ACQUISITION:		
		TOTAL	120	100.0%	MISC							APP % - CONSTRUCTION:		

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS	
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	3	1	1	760	\$358	\$71	\$287	\$0	\$0.38	\$287	\$861	\$861	\$287	\$0.38	\$0	\$680	\$393
TC 50%	39	1	1	760	\$598	\$71	\$527	\$0	\$0.69	\$527	\$20,553	\$20,553	\$527	\$0.69	\$0	\$680	\$153
TC 30%	3	2	2	1,000	\$431	\$86	\$345	(\$1)	\$0.34	\$344	\$1,032	\$1,035	\$345	\$0.35	\$0	\$905	\$560
TC 50%	15	2	2	1,000	\$717	\$86	\$631	\$0	\$0.63	\$631	\$9,465	\$9,465	\$631	\$0.63	\$0	\$905	\$274
TC 60%	60	2	2	1,000	\$861	\$86	\$775	(\$62)	\$0.71	\$713	\$42,780	\$46,500	\$775	\$0.78	\$0	\$905	\$130
TOTAL:	120			109,920							\$74,691	\$78,414					
AVG:				916				(\$31)	\$0.68	\$622			\$653	\$0.71	\$0	\$826	(\$173)
ANNUAL:											\$896,292	\$940,968					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Mason Senior Apartment Homes, Houston, 9% HTC #10142

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$20.00
Other Support Income: Carports (72) Garages (88)		
Other Support Income:		

TDHCA	APPLICANT
\$940,968	\$896,292
28,800	14,400
	24,480
\$969,768	\$935,172

\$10.00	Per Unit Per Month
\$17.00	Per Unit Per Month
\$0.00	Per Unit Per Month

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

(72,733)	(70,140)
0	

-7.50%	of Potential Gross Income
--------	---------------------------

EFFECTIVE GROSS INCOME

\$897,035	\$865,032
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EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.88%	\$365	0.40
Management	5.00%	\$374	0.41
Payroll & Payroll Tax	13.69%	\$1,023	1.12
Repairs & Maintenance	7.31%	\$546	0.60
Utilities	3.24%	\$242	0.26
Water, Sewer, & Trash	4.65%	\$348	0.38
Property Insurance	4.29%	\$321	0.35
Property Tax 2.24432	9.70%	\$725	0.79
Reserve for Replacements	3.34%	\$250	0.27
TDHCA Compliance Fees	0.54%	\$40	0.04
Other:	0.67%	\$50	0.05

PER SQ FT	PER UNIT	% OF EGI
\$43,811	\$42,000	\$0.38
44,852	41,625	0.38
122,788	116,955	1.06
65,560	60,000	0.55
29,070	35,160	0.32
41,724	43,440	0.40
38,472	41,760	0.38
86,990	102,000	0.93
30,000	30,000	0.27
4,800	4,800	0.04
6,000	6,000	0.05

TOTAL EXPENSES

NET OPERATING INC

\$514,067	\$523,740
\$382,968	\$341,292

\$4.76	\$4,365	60.55%
\$3.10	\$2,844	39.45%

DEBT SERVICE

Dougherty Mortgage

Second Lien

Additional Financing

TOTAL DEBT SERVICE

NET CASH FLOW

\$297,087	\$297,087
\$0	
\$0	
297,087	297,087
\$85,882	\$44,205

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

1.29	1.15
1.29	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		10.33%	\$12,496	\$13.64
Off-Sites		0.00%	\$0	\$0.00
Sitework		7.03%	\$8,500	\$9.28
Direct Construction		46.13%	\$55,796	\$60.91
Contingency	6.29%	3.35%	\$4,046	\$4.42
Contractor's Fees	13.78%	7.79%	\$9,421	\$10.28
Indirect Construction		2.59%	\$3,136	\$3.42
Ineligible Costs		3.34%	\$4,044	\$4.41
Developer's Fees	15.00%	10.76%	\$13,013	\$14.21
Interim Financing		4.84%	\$5,851	\$6.39
Reserves		3.84%	\$4,649	\$5.08
TOTAL COST		100.00%	\$120,952.23	\$132.04

TDHCA	APPLICANT
\$1,499,553	\$1,499,553
0	0
1,020,040	1,020,040
6,695,574	7,072,377
485,545	485,545
1,130,511	1,130,511
376,330	376,330
485,223	513,553
1,561,517	1,617,000
702,112	702,112
557,863	580,000
\$14,514,268	\$14,997,021

PER SQ FT	PER UNIT	% of TOTAL
\$13.64	\$12,496	10.00%
0.00	0	0.00%
9.28	8,500	6.80%
64.34	58,936	47.16%
4.42	4,046	3.24%
10.28	9,421	7.54%
3.42	3,136	2.51%
4.67	4,280	3.42%
14.71	13,475	10.78%
6.39	5,851	4.68%
5.28	4,833	3.87%
\$136.44	\$124,975	100.00%

Construction Cost Recap

64.29%	\$77,764	\$84.90	\$9,331,670	\$9,708,473	\$88.32	\$80,904	64.74%
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SOURCES OF FUNDS

Dougherty Mortgage	28.44%	\$34,398	\$37.55
Second Lien	0.00%	\$0	\$0.00
Raymond James	73.98%	\$89,485	\$97.69
Deferred Developer Fees	0.90%	\$1,092	\$1.19
Additional (Excess) Funds Req'd	-3.33%	(\$4,023)	(\$4.39)
TOTAL SOURCES			

\$4,127,800	\$4,127,800
0	0
10,738,235	10,738,235
130,986	130,986
(482,753)	0
\$14,514,268	\$14,997,021

RECOMMENDED

\$4,127,800
0
10,738,235
130,986
0
\$14,997,021

Developer Fee Available	
\$1,617,000	
% of Dev. Fee Deferred	
8%	
15-Yr Cumulative Cash Flow	
\$1,553,973	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Mason Senior Apartment Homes, Houston, 9% HTC #10142

91249

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.21	\$6,068,975
Adjustments				
Exterior Wall Finish	3.20%		\$1.77	\$194,207
Elderly	3.00%		1.66	182,069
9-Ft. Ceilings	3.40%		1.88	206,345
Roofing			0.00	0
Subfloor			(0.16)	(17,587)
Floor Cover			5.58	613,793
Breezeways	\$22.48	10,406	2.13	233,927
Balconies	\$22.48	6,655	1.36	149,595
Plumbing Fixtures	\$845	234	1.80	197,730
Rough-ins	\$420	240	0.92	100,800
Built-In Appliances	\$1,850	120	2.02	222,000
Exterior Stairs	\$1,900	6	0.10	11,400
Enclosed Corridors	\$45.29		0.00	0
Elevators	\$70,000	3	1.91	210,000
Garages (Attached)	\$27.84	9,240	2.34	257,260
Carports	\$9.70	14,400	1.27	139,680
Heating/Cooling			1.85	203,352
Garages (Detached)	\$18.44	11,143	1.87	205,507
Comm &/or Aux Bldgs	\$69.44	5,500	3.47	381,906
Other: fire sprinkler	\$2.25	115,420	2.36	259,695
SUBTOTAL			89.34	9,820,656
Current Cost Multiplier	0.99		(0.89)	(98,207)
Local Multiplier	0.88		(10.72)	(1,178,479)
TOTAL DIRECT CONSTRUCTION COSTS			\$77.73	\$8,543,970
Plans, specs, survy, bld prnt	3.90%		(\$3.03)	(\$333,215)
Interim Construction Interest	3.38%		(2.62)	(288,359)
Contractor's OH & Profit	11.50%		(8.94)	(982,557)
NET DIRECT CONSTRUCTION COSTS			\$63.14	\$6,939,840

PROPOSED PAYMENT COMPUTATION

Dougherty Mortgage	\$4,127,800	Amort	480
Int Rate	6.70%	DCR	1.29
Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.29
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.29
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.29
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.29

RECOMMENDED FINANCING STRUCTURE:

Dougherty Mortgage	\$297,087
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$297,087

Dougherty Mortgage	\$4,127,800	Amort	480
Int Rate	6.70%	DCR	1.29
Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.29
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.29
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.29
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.29

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

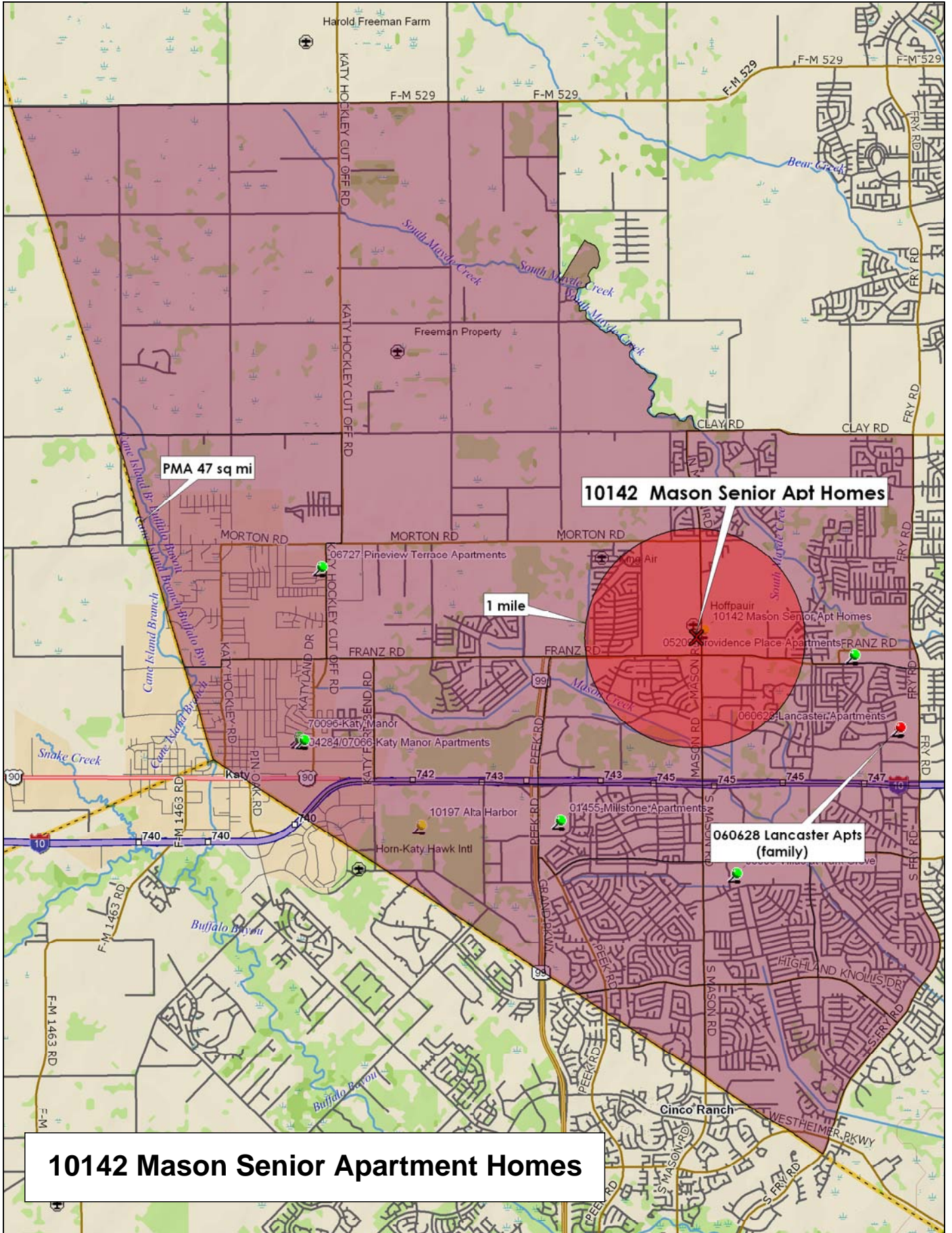
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$940,968	\$959,787	\$978,983	\$998,563	\$1,018,534	\$1,124,544	\$1,241,587	\$1,370,813	\$1,671,013
Secondary Income	28,800	29,376	29,964	30,563	31,174	34,419	38,001	41,956	51,144
Other Support Income: Carports	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	969,768	989,163	1,008,947	1,029,126	1,049,708	1,158,963	1,279,588	1,412,769	1,722,157
Vacancy & Collection Loss	(72,733)	(74,187)	(75,671)	(77,184)	(78,728)	(86,922)	(95,969)	(105,958)	(129,162)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$897,035	\$914,976	\$933,276	\$951,941	\$970,980	\$1,072,040	\$1,183,619	\$1,306,811	\$1,592,996
EXPENSES at 3.00%									
General & Administrative	\$43,811	\$45,126	\$46,479	\$47,874	\$49,310	\$57,164	\$66,268	\$76,823	\$103,244
Management	44,852	45,749	46,664	47,597	48,549	53,602	59,181	65,341	79,650
Payroll & Payroll Tax	122,788	126,471	130,266	134,174	138,199	160,210	185,728	215,309	289,358
Repairs & Maintenance	65,560	67,527	69,553	71,640	73,789	85,542	99,166	114,961	154,498
Utilities	29,070	29,942	30,840	31,766	32,719	37,930	43,971	50,974	68,505
Water, Sewer & Trash	41,724	42,976	44,265	45,593	46,961	54,440	63,111	73,163	98,325
Insurance	38,472	39,626	40,815	42,039	43,301	50,197	58,192	67,461	90,662
Property Tax	86,990	89,600	92,288	95,056	97,908	113,502	131,580	152,537	204,997
Reserve for Replacements	30,000	30,900	31,827	32,782	33,765	39,143	45,378	52,605	70,697
TDHCA Compliance Fee	4,800	4,944	5,092	5,245	5,402	6,263	7,260	8,417	11,312
Other	6,000	6,180	6,365	6,556	6,753	7,829	9,076	10,521	14,139
TOTAL EXPENSES	\$514,067	\$529,041	\$544,454	\$560,321	\$576,655	\$665,822	\$768,911	\$888,113	\$1,185,387
NET OPERATING INCOME	\$382,968	\$385,935	\$388,821	\$391,620	\$394,325	\$406,219	\$414,708	\$418,699	\$407,609
DEBT SERVICE									
First Lien Financing	\$297,087	\$297,087	\$297,087	\$297,087	\$297,087	\$297,087	\$297,087	\$297,087	\$297,087
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$85,882	\$88,849	\$91,735	\$94,533	\$97,238	\$109,132	\$117,621	\$121,612	\$110,523
DEBT COVERAGE RATIO	1.29	1.30	1.31	1.32	1.33	1.37	1.40	1.41	1.37

HTC ALLOCATION ANALYSIS -Mason Senior Apartment Homes, Houston, 9% HTC #10142

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,499,553	\$1,499,553		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,020,040	\$1,020,040	\$1,020,040	\$1,020,040
Construction Hard Costs	\$7,072,377	\$6,695,574	\$7,072,377	\$6,695,574
Contractor Fees	\$1,130,511	\$1,130,511	\$1,130,511	\$1,130,511
Contingencies	\$485,545	\$485,545	\$485,545	\$485,545
Eligible Indirect Fees	\$376,330	\$376,330	\$376,330	\$376,330
Eligible Financing Fees	\$702,112	\$702,112	\$702,112	\$702,112
All Ineligible Costs	\$513,553	\$485,223		
Developer Fees				
Developer Fees	\$1,617,000	\$1,561,517	\$1,617,000	\$1,561,517
Development Reserves	\$580,000	\$557,863		
TOTAL DEVELOPMENT COSTS	\$14,997,021	\$14,514,268	\$12,403,915	\$11,971,629

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$12,403,915	\$11,971,629
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$16,125,090	\$15,563,118
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$16,125,090	\$15,563,118
Applicable Percentage			9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$1,451,258	\$1,400,681

Syndication Proceeds	0.7399	\$10,738,235	\$10,364,000
Total Tax Credits (Eligible Basis Method)		\$1,451,258	\$1,400,681
Syndication Proceeds		\$10,738,235	\$10,364,000
Requested Tax Credits		\$1,451,258	
Syndication Proceeds		\$10,738,235	
Gap of Syndication Proceeds Needed		\$10,869,221	
Total Tax Credits (Gap Method)		\$1,468,961	
Recommended Tax Credits		1,451,258	
Syndication Proceeds		\$10,738,235	



PMA 47 sq mi

10142 Mason Senior Apt Homes

1 mile

060628 Lancaster Apts (family)

10142 Mason Senior Apartment Homes



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Oak Creek Townhomes, TDHCA Number 10143

BASIC DEVELOPMENT INFORMATION

Site Address: 1110 Broadway St. Development #: 10143
 City: Marble Falls Region: 7 Population Served: General
 County: Burnet Zip Code: 78654 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: THF Marble Falls Redevelopment Venture, LP
 Owner Contact and Phone: Dennis Hoover, (512) 756-6809
 Developer: THF Development Company, LLC
 Housing General Contractor: THF Development Company, LLC
 Architect: Cameron Alread
 Market Analyst: Ed Ipser, Ipser and Associates
 Syndicator: Michel and Associates
 Supportive Services: N/A
 Consultant and Contact: N/A, Dennis Hoover

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	24	44	12	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	14
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	4

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,019,154	\$1,019,154			
HOME Activity Fund Amount:	\$2,000,000	\$2,000,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Oak Creek Townhomes, TDHCA Number 10143

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Fraser, District 24, S

Points: 14 US Representative: Conaway, District 11, NC

TX Representative: Aycock, District 54, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, George Russell, Mayor City of Marble Falls

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Marble Falls Resident Advisory Board, Esther J. Lopez

Letter Score: 24 S or O: S

To better our standard of living and to make our place of living a safer place and more accessible to handicap residents.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$2,000,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$2,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Oak Creek Townhomes, TDHCA Number 10143

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **77**

Total # Monitored: **65**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **193** Meeting a Required Set-Aside Credit Amount*: \$1,019,154

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when Rural tax credits are collapsed.

HOME Activity Funds:

Loan Amount: \$2,000,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Woodlawn Ranch Apts, TDHCA Number 10150

BASIC DEVELOPMENT INFORMATION

Site Address: 330 W. Cheryl Dr. Development #: 10150
 City: San Antonio Region: 9 Population Served: General
 County: Bexar Zip Code: 78228 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Hillcrest SA Apartments, LP
 Owner Contact and Phone: Stephen J. Poppoon, (210) 682-1500
 Developer: Hogan Real Estate Services
 Housing General Contractor: Galaxy Builders, Ltd
 Architect: Gonzalez Newell, Bender, Inc. Architects
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Royal Bank of Canada
 Supportive Services: HomeSpring Residential Services
 Consultant and Contact: Stephen J. Poppoon, Stephen J. Poppoon

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	200
	10 0 90 100	Market Rate Units:	52
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 72 140 40 0 0	Total Development Units:	252
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	12
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$2,000,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Woodlawn Ranch Apts, TDHCA Number 10150

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Van De Putte, District 26, S Points: 14 US Representative: González, District 20, NC
TX Representative: Martinez Fischer, District 116, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

University Park Neighborhood Association, Rick Idar Letter Score: 24 S or O: S

The contribution for neighborhood revitalization and the preservation of affordable housing.

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0

Marianist Ligustrum Community, S, Rev. Rudy Ves, S.M.

Congregation of the Daughters of Mary Immaculate, S, Sr. Marcy Loehrlein, FMI, Province Treasurer

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt of a firm commitment from the City of San Antonio HOME for funding in the amount of \$1,500,000, or a commitment from a qualifying substitute source in an amount not less than \$1,500,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the San Antonio Housing Trust in the amount of \$750,000, or a commitment from a qualifying substitute source in an amount not less than \$750,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Woodlawn Ranch Apts, TDHCA Number 10150

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: \$2,000,000

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Sunflower Estates, TDHCA Number 10151

BASIC DEVELOPMENT INFORMATION

Site Address: 404 Lion's Villa Ave. Development #: 10151
 City: La Feria Region: 11 Population Served: General
 County: Cameron Zip Code: 78559 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Duke's Highway, LP
 Owner Contact and Phone: Sunny K. Philip, (956) 797-2261
 Developer: Lynd Development Partners
 Housing General Contractor: Geofill Materials Technologies, LLC
 Architect: Lloyd Walker Jary & Associates
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: PNC Multifamily Capital
 Supportive Services: Region One Education Service Center
 Consultant and Contact: Sandi Williams Housing and Community Development, Sandi Williams

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	77
	4 0 36 37	Market Rate Units:	2
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 12 44 24 0 0	Total Development Units:	79
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	10
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	4
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,010,136	\$0			
HOME Activity Fund Amount:	\$792,008	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Sunflower Estates, TDHCA Number 10151

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S Points: 14 US Representative: Hinojosa, District 15, NC
TX Representative: Ybarra, District 43, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 6 In Opposition: 0

Quantifiable Community Participation Input:

City of La Feria TIRZ #1 Property Owners Association, Lance Elliott Letter Score: 24 S or O: S

The TIRZ Property Owners Association was formed in part to have input on residential development within the zone. The developer has agreed to include amenities and social services that will benefit the residents of the development and the development will provide housing opportunities for city residents who will be employed in future zone commercial development.

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0
Property Owners Association City of La Feria, S, Lance F. Elliott, Zone Administrator

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$792,008 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$792,008, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a firm commitment of funding from the Rio Grande Valley Multibank in the amount of \$195,907.82, or a commitment from a qualifying substitute source in an amount not less than \$195,907.82, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Sunflower Estates, TDHCA Number 10151

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Shady Oaks, TDHCA Number 10152

BASIC DEVELOPMENT INFORMATION

Site Address: 4320 S. Congress Ave. Development #: 10152
 City: Austin Region: 7 Population Served: General
 County: Travis Zip Code: 78745 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Shady Oaks Housing, LP
 Owner Contact and Phone: Walter Moreau, (512) 447-2026
 Developer: Foundation Communities, Inc.
 Housing General Contractor: Renovations Solution of Texas
 Architect: John Rickard
 Market Analyst: O'Conner & Associates
 Syndicator: Wells Fargo Bank
 Supportive Services: Foundation Communities Inc
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	238
	24 0 166 48	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 156 82 0 0 0	Total Development Units:	238
Type of Building:		Total Development Cost*:	\$20,047,850
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	10
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,339,983	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Shady Oaks, TDHCA Number 10152

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Watson, District 14, NC

Points: 0

US Representative: Doggett, District 25, NC

TX Representative: Rodríguez, District 51, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

South Congress Combined Neighborhood Plan Contact Team, Emily Layton Letter Score: 24 S or O: S

Shady Oaks is in disrepair and is the epicenter of crime in our immediate neighborhood. Foundation Communities owns another apartment property in our neighborhood that is well maintained. We look forward to the improvements Foundation Communities plans at Shady Oaks.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt, review, and acceptance by Cost Certification of final documentation for the \$500k loan from Foundation Communities including an attorney opinion that the funds are not treated as federal grant funds that must be deducted from eligible basis.
2. Should the terms and rates of the proposed financing change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Shady Oaks, TDHCA Number 10152

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **9**

Total # Monitored: **9**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **225** Meeting a Required Set-Aside Credit Amount*: **\$0**

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: **\$0**

HOME CHDO Operating Expense Grant: Grant Amount: **\$0**

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/28/10 PROGRAM: 9% LIHTC FILE NUMBER: 10152

DEVELOPMENT

Shady Oaks

Location: 4320 South Congress Avenue Region: 7
 City: Austin County: Travis Zip: 78745 OCT DDA
 Key Attributes: General, Acquisition/Rehabilitation, Non-Profit, Multifamily Development

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,339,983			\$1,339,983		

CONDITIONS

- 1 Receipt, review, and acceptance by Cost Certification of final documentation for the \$500k loan from Foundation Communities including an attorney opinion that the funds are not treated as federal grant funds that must be deducted from eligible basis.
- 2 Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	24
50% of AMI	50% of AMI	166
60% of AMI	60% of AMI	48

STRENGTHS/MITIGATING FACTORS

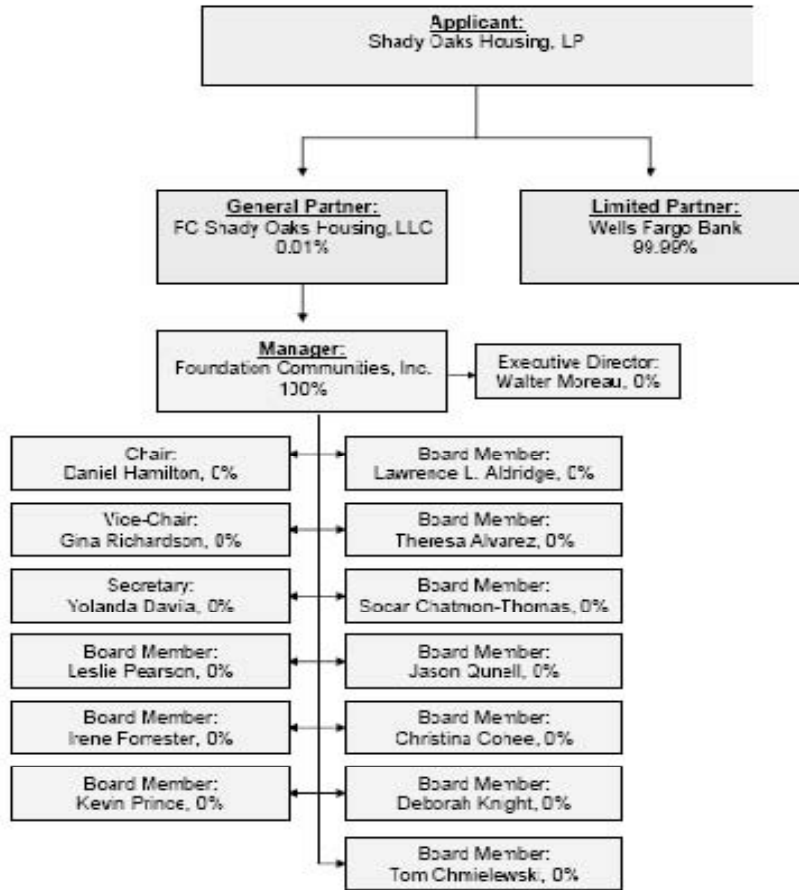
- Low capture rate of 2.3%. Current partial occupancy will mitigate lease-up risk.
- Average occupancy on LIHTC properties exceeds overall market occupancy.
- Experienced non-profit developer and operator of LIHTC properties.
- Significant local financial support (15% of total costs).

WEAKNESSES/RISKS

- Declining overall market occupancy since 2008.
- Although additional deferred developer exists, the 5% stated contingency may not cover potential cost overruns.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Walter Moreau Phone: (512) 447-2026 Fax: (512) 447-0288
Email: walter.moreau@foundcom.org

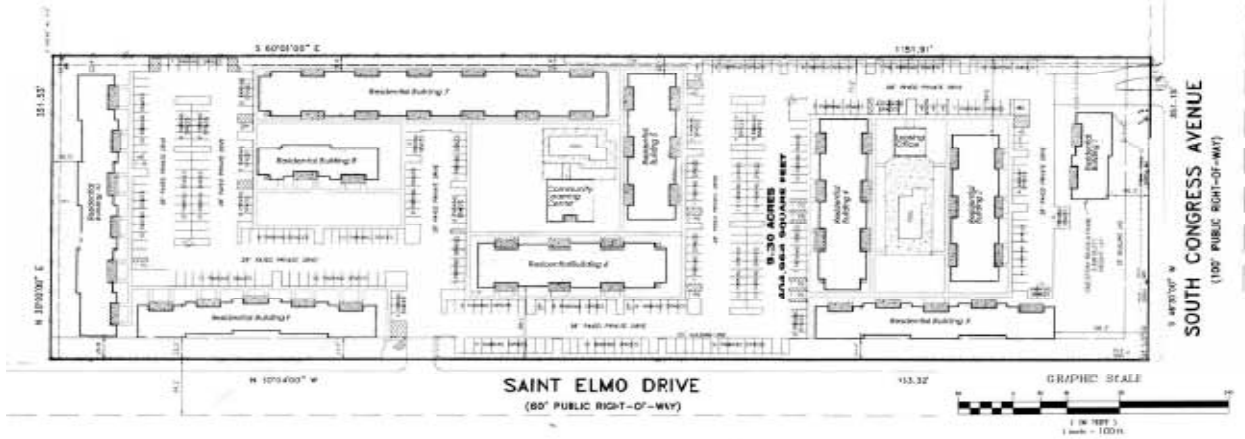
IDENTITIES of INTEREST

- The Applicant, Developer, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.
- A related party to the Applicant acquired the property in February 2010. The seller and the Applicant are both controlled by Foundation Communities. The related party seller is not claiming a gain on the sale.

This section intentionally left blank.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2	3	4	5	6	7	8	9	10	Total Buildings
Floors/Stories	2	2	2	2	2	2	2	2	2	2	
Number	1	1	1	1	1	1	1	1	1	1	

BR/BA	SF	Units										Total Units	Total SF	
1	1	628		20		24	16	24	48				132	82,896
1	1	642		4		4	8	4	4				24	15,408
2	2	840	4		16					8	16	20	64	53,760
2	2	866	4		4					2	4	4	18	15,588
Units per Building			8	24	20	28	24	28	52	10	20	24	238	167,652

SITE ISSUES

Total Size: 9.3 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: CS-MU-NP Needs to be re-zoned? Yes No N/A

TDHCA SITE INSPECTION

Inspector: TDHCA Manufactured Housing Staff Date: 5/20/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Goodwill Industries, Business East: Residential Homes
 South: Apartments, Residential Homes West: Warehouses, Apartments
 Comments:
 None.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Environmental Support Services Date: 1/23/2010
 Recognized Environmental Concerns (RECs) and Other Concerns:
 • "ESS identified no existing or potential Recognized Environmental Conditions (as defined by the American Society for Testing and Materials (ASTM) Standard E-1527-05) affecting the property." (p. 17)

- "Due to characteristics of Radon and EPA recommendations regarding residential testing for Radon, testing is recommended to understand the potential for Radon at the subject site." (p. 17)
- "Suspect ceiling texture tested as non asbestos. Other suspect asbestos containing materials tested as non asbestos." (p. 16) "To obtain a permit for renovations, the asbestos survey conducted in this study needs to be available on site and presented to inspectors upon request." (p. 17)

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 2/25/2010
 Contact: Robert Coe Phone: (713) 375-4279
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 19 sq. miles 2 mile equivalent radius

The Primary Market Area is defined by 24 census tracts in South Austin, from Lady Bird Lake to William Cannon Drive along I35.

ELIGIBLE HOUSEHOLDS BY INCOME								
Travis County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$14,126	\$15,400	---	---	\$23,520	\$25,650	\$28,251	\$30,780
2	\$14,126	\$17,600	---	---	\$23,520	\$29,300	\$28,251	\$35,160
3	\$16,971	\$19,800	---	---	\$28,286	\$33,000	\$33,943	\$39,600
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
none					
Other Affordable Developments in PMA since 2006					
060192	Skyline Terrace	adaptive reuse	supportive housing	n/a	100
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		6	Total Units		1,044

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed, under construction, or unstabilized comparable units in the PMA.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	44,830	42,851
Potential Demand from the Primary Market Area	8,714	10,522
Potential Demand from Other Sources	0	0
GROSS DEMAND	8,714	10,522
Subject Affordable Units	238	238
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	238	238
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.7%	2.3%

Demand Analysis:

The Market Analyst identifies Gross Demand for 8,714 units in the PMA, resulting in a Gross Capture rate of 2.7% for the subject 238 units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a higher concentration of renter households in the target income range. The Underwriter calculates Gross Demand for 10,522 units, resulting in a Gross Capture Rate of 2.3%.

The maximum Gross Capture Rate for an urban development targeting family households is 10%. The underwriting analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	1,940	16	0	1%	360	16	0	4%
1 BR/50%	1,100	109	0	10%	749	109	0	15%
1 BR/60%	1,439	31	0	2%	871	31	0	4%
2 BR/30%	2,126	8	0	0%	281	8	0	3%
2 BR/50%	1,151	57	0	5%	631	57	0	9%
2 BR/60%	1,166	17	0	1%	789	17	0	2%

Primary Market Occupancy Rates:

The market study provides data indicating the overall occupancy trend for the PMA. Quarterly reports for 2009 ranged between 90% and 91%; this is down slightly from a range of 92% to 93% during 2008.

"The HTC properties we were able to contact all reported a waiting list ... the most recently constructed Family HTC in the subject PMA is Woodway Square. Woodway Square reported typically being 95% to 98% occupied with a waitlist, has a current occupancy of 89%." (p. 41)

Absorption Projections:

"The most recent HTC project which came on-line was Cityview at the Park, which was completed in August 2008, and attained 99% occupancy in September 2008. Recent market-rate Family projects ... reported average absorption ranging from 11 units to 42 units per month, and lease-up ranging from five months to 14 months. Considering the strong absorption history of similar properties and the lack of available quality affordable Family units in this market, we project that the subject property will lease an average of 15 to 20 units per month until achieving stabilized occupancy." (p. 71)

Market Impact:

"As the competing projects in the subject property's primary market area have high occupancy rates, and the nearest existing HTC projects also have an occupancy rate which approximates stabilized levels, it appears there is a shortage of affordable housing. The subject property should be highly competitive in this market, and should achieve stabilized occupancy within 6 months after completion ... Based on our analysis of the subject property's primary market area, there is sufficient demand to construct and successfully re-absorb the Shady Oaks." (p. 71)

Comments:

The Applicant reports the subject is currently 60% occupied; this is partly due to some uninhabitable units, and partly due to allowed attrition in anticipation of the proposed rehabilitation. As the Market Analyst reports, there appears to be sufficient demand to achieve stabilized occupancy following the rehabilitation.

OPERATING PRO FORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit type were calculated by subtracting tenant-paid utility allowances as maintained by the Austin Housing Authority as of September 2009 from 2009 HTC Gross Program rent limits. Tenants will be required to pay for all electric utilities while the development will pay for water, sewer, and trash expenses. The Applicant's secondary income projections of \$11/unit/month and vacancy and collection loss assumptions of -7.5% are inline with current underwriting guidelines. 2009 HTC Rent Limits were utilized in this analysis per current underwriting guidelines. 2009 HTC rents compared to 2010 HTC rents for the subject result in a potential increase of \$16,848 annually for gross rents collected. Using the 2010 rents increases the DCR grows from 1.22 to 1.30 times which is still within the underwriting parameters.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense estimates per unit of \$4,273 are within 5% of the Underwriter's estimates of \$4,149 per unit annually. The Applicant's projected expense to income ratio is 58% which is below the 65% limit for initial feasibility requirements. The Underwriter's expense estimates are derived from TDHCA and IREM database figures for comparable developments.

The property is unable to apply for a property tax exemption because Section 11.1825 (1)(2) of the Texas Tax Code states: "If the property is owned for the purpose of rehabilitating a housing project on the property: (2) the person from whom the organization is acquired the project must have owned the project for at least 5 years, if the organization is not the original owner of the project." The Applicant reports that the previous owner changed ownership in 2006 and therefore the Applicant's purchase of the property in 2010 causes the subject to be ineligible for a property tax exemption. In turn, Foundation Communities' non-profit affiliate, Central Texas/PC Mutual Housing Corp, will transfer ownership to the Limited Partner upon closing of the tax credits which will cause the ownership "clock" to restart the 5 year requirement for a property tax exemption. Due to the uncertainty surrounding the tax-exemption, the Underwriter has not factored it into the long-term proforma.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are all within 5% of the Underwriter's estimates; therefore, the Applicant's year-1 operating pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.22, which within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: <u>9.3</u> acres	<u>\$1,620,432</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>\$6,345,807</u>	Valuation by:	<u>Travis CAD</u>
Total Assessed Value:	<u>\$7,966,239</u>	Tax Rate:	<u>2.2064</u>

Comments:

2009 assessed value with 2008 tax rates.

This section intentionally left blank.

EVIDENCE of PROPERTY CONTROL

Type: Warranty Deed Acreage: 9.3
 Contract Expiration: 8/31/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$8,050,000 Other: _____
 Seller: Central Texas/PC Mutual Housing Corp. Related to Development Team? Yes No

Comments:
 The seller is a non-profit affiliate of Foundation Communities, Inc., the Applicant and Developer of the subject and 100% manager of FC Shady Oaks Housing, LLC (the General Partner).

TITLE

Comments:
 There are two liens reported on title: Mechanic's and Materialman's affidavit and claim of lien in the amount of \$731,250 (not yet recorded); & Mechanic's and Materialman's affidavit and claim of lien in the amount of \$239,990 (not yet recorded). The Applicant provided the HUD settlement statement dated 2/4/2010 from the purchase closing which shows both liens to have been paid in full at closing. Therefore the property is considered to be free and clear of all Mechanic's and Materialman's liens as of the date of this report.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:
 The Applicant's claimed acquisition cost, including closing costs of \$20K, is \$8,070,000 which is equal to the related party's acquisition cost as confirmed by a settlement statement dated 2/4/10. As the Applicant is not claiming an acquisition cost in excess of the related party's acquisition cost, no appraisal is required under the REA rules. The Applicant's acquisition cost is used in the Underwriter's analysis.

The Applicant is not claiming eligible basis on the building acquisition cost because acquisition credits can only be claimed on the acquisition of an existing development when the previous owner meets the 10-year ownership requirement. On 10/6/1994, the Kokinada Corp purchased the subject property. Then on 7/27/2006 the Kokinada Corp changed its name to Austin Kokinada, LP. On 8/8/2006, Austin Kokinada LP sold the property to Salaam Memsaab LP. On 2/4/2010 Central Texas/PC Mutual Housing Corp purchased the property from Salaam Memsaab LP. Only four years has passed since the last change in ownership, thus this application is unable to claim acquisition credits.

Site Work Cost:
 The Applicant's claimed total site work costs of \$600,000 (or \$ 2,521 per unit) are within current underwriting guidelines, and no further third-party justification is required at this time. Based on the PCA report the Underwriter identified site work costs totaling \$1,054,850 (or \$4,432 per unit).

Direct Construction Cost:
 The Applicant's direct construction cost estimate is not within 5% of the Underwriter's. This is a result of direct construction cost classification differences between the Applicant's estimates and the PCA Provider's estimates. In accordance with current underwriting guidelines the Underwriter relied on the PCA's direct construction cost estimate of \$6,195,150 compared to the Applicant's estimate of \$6,650,000.

30% Increase to Eligible Basis
 The development qualifies for a 30% increase in eligible basis because it is located within an eligible OCT with less than 40% HTC units per household in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; however, since this is an acquisition/rehabilitation deal the Underwriter's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. Given the differences in the site work and direct construction cost analysis the Underwriter's and Applicant's site work plus direct construction costs are both equal to \$7,250,000; and are therefore considered to be reasonable. An eligible basis of \$11,452,850 supports annual tax credits of \$1,339,983. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds in order to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 0 Date of Last Applicant Revision: N/A

Source: Wachovia Bank Type: Interim Financing

Principal: \$11,700,000 Interest Rate: 5.0% Fixed Term: 24 months

Comments:

This loan will carry an interest rate of LIBOR plus 3% with a floor rate of 5.00% and will require interest only payment during the construction period.

Source: Wachovia Bank Type: Permanent Financing

Principal: \$6,750,000 Interest Rate: 8.25% Fixed Amort: 360 months

Comments:

The permanent loan will carry a fixed interest rate of 8.25% and payments are based on a 30-year amortization schedule with a term of 18 years.

Source: Austin Housing Finance Corp. Type: Grant - Interim to Permanent

Principal: \$3,000,000 Interest Rate: 0.00% Fixed Amort: 99 years

Comments:

These funds are sourced from the Affordable Housing General Obligation Bond proceeds. The funds will have a 0% interest rate and a term of 99 years. Payments are deferred on an annual basis and forgiven at the end of the loan period contingent upon compliance with the loan program. These funds were approved on 12/10/2009 by the Board of Directors of the Austin HFC for the acquisition of the subject property. These funds are not Federal funds.

Source: NeighborWorks America Type: Permanent Financing

Principal: \$500,000 Conditions: None described.

Comments:

NeighborWorks America is a national, congressionally chartered and partially funded housing organization charged with investing in affordable housing developments. Their sources of funds include appropriations and private funds. NeighborWorks has granted these funds to Foundation Communities who intends to loan the funds to the Applicant. The structure of the loan has not been determined, but it is anticipated that the eventual structure will prevent the funds from being deducted from eligible basis. Due to the uncertainty surrounding this structure, this recommendation will provide a condition that an opinion letter will be provided at cost certification indicating the treatment of the funds on eligible basis. The Underwriter's analysis on the loan indicates it can be repaid at AFR over a 30-year period with the DCR remaining within REA parameters.

Source: Wells Fargo Bank Type: Syndication

Proceeds: \$9,110,976 Syndication Rate: 68% Anticipated HTC: \$ 1,339,983

Amount: \$686,874 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$6,750,000; \$3,000,000 in General Obligation funds, and a private grant of \$500,000 indicates the need for \$9,797,850 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,441,004 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,339,983
Allocation determined by gap in financing:	\$1,441,004
<u>Allocation requested by the Applicant:</u>	<u>\$1,339,983</u>

The allocation amount requested by the Applicant is recommended and supported by the eligible basis calculation. A tax credit allocation of \$1,339,983 per year for 10 years results in total equity proceeds of \$9,110,976 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$686,874 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cash flow within 15 years of stabilized operation.

Underwriter:	<u>Colton Sanders</u>	Date:	<u>June 28, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>June 28, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 28, 2010</u>

UNIT MIX/RENT SCHEDULE

Shady Oaks, Austin, 9% LIHTC #10152

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Austin	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:		
COUNTY:	Travis	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:		
SUB-MARKET:		1	156	65.5%								EXPENSE GROWTH:		
PROGRAM REGION:	7	2	82	34.5%								HIGH COST ADJUSTMENT:		
URIAL RENT USED:	No	3										APPLICABLE FRACTION:		
IREM REGION:	Austin	4										APP % - ACQUISITION:		
		TOTAL	238	100.0%	MISC							APP % - CONSTRUCTION:		

UNIT MIX / MONTHLY RENT SCHEDULE																		
UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market	
TC 30%	13	1	1	628	\$412	\$71	\$341	\$0	\$0.54	\$341	\$4,433	\$4,433	\$341	\$0.54	\$0	\$755	\$414	
TC 50%	92	1	1	628	\$686	\$71	\$615	\$0	\$0.98	\$615	\$56,580	\$56,580	\$615	\$0.98	\$0	\$755	\$140	
TC 60%	27	1	1	628	\$824	\$71	\$753	\$0	\$1.20	\$753	\$20,331	\$20,331	\$753	\$1.20	\$0	\$755	\$2	
TC 30%	3	1	1	642	\$412	\$71	\$341	\$0	\$0.53	\$341	\$1,023	\$1,023	\$341	\$0.53	\$0	\$755	\$414	
TC 50%	17	1	1	642	\$686	\$71	\$615	\$0	\$0.96	\$615	\$10,455	\$10,455	\$615	\$0.96	\$0	\$755	\$140	
TC 60%	4	1	1	642	\$824	\$71	\$753	\$0	\$1.17	\$753	\$3,012	\$3,012	\$753	\$1.17	\$0	\$755	\$2	
TC 30%	6	2	2	840	\$495	\$93	\$402	\$0	\$0.48	\$402	\$2,412	\$2,412	\$402	\$0.48	\$0	\$900	\$498	
TC 50%	45	2	2	840	\$825	\$93	\$732	\$0	\$0.87	\$732	\$32,940	\$32,940	\$732	\$0.87	\$0	\$900	\$168	
TC 60%	13	2	2	840	\$990	\$93	\$897	\$0	\$1.07	\$897	\$11,661	\$11,661	\$897	\$1.07	\$0	\$900	\$3	
TC 30%	2	2	2	866	\$495	\$93	\$402	\$0	\$0.46	\$402	\$804	\$804	\$402	\$0.46	\$0	\$900	\$498	
TC 50%	12	2	2	866	\$825	\$93	\$732	\$0	\$0.85	\$732	\$8,784	\$8,784	\$732	\$0.85	\$0	\$900	\$168	
TC 60%	4	2	2	866	\$990	\$93	\$897	\$0	\$1.04	\$897	\$3,588	\$3,588	\$897	\$1.04	\$0	\$900	\$3	
TOTAL:	238			167,652							\$156,023	\$156,023						
AVG:				704				\$0	\$0.93	\$656			\$656	\$0.93	\$0	\$805	(\$149)	
ANNUAL:											\$1,872,276	\$1,872,276						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Shady Oaks, Austin, 9% LIHTC #10152

INCOME

Total Net Rentable Sq Ft: 167,652

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$11.00
 Other Support Income: \$0.00 Per Unit Per Month

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%
 Employee or Other Non-Rental Units or Concessions 0

EFFECTIVE GROSS INCOME

EXPENSES

	<u>% OF EGI</u>	<u>PER UNIT</u>	<u>PER SQ FT</u>			<u>PER SQ FT</u>	<u>PER UNIT</u>	<u>% OF EGI</u>
General & Administrative	4.79%	\$355	0.50	\$84,375	\$67,354	\$0.40	\$283	3.82%
Management	5.00%	\$370	0.53	88,046	88,046	0.53	370	5.00%
Payroll & Payroll Tax	14.89%	\$1,102	1.56	262,276	262,276	1.56	1,102	14.89%
Repairs & Maintenance	6.88%	\$509	0.72	121,177	133,994	0.80	563	7.61%
Utilities	3.19%	\$236	0.33	56,106	30,255	0.18	127	1.72%
Water, Sewer, & Trash	5.48%	\$406	0.58	96,534	148,750	0.89	625	8.45%
Property Insurance	1.60%	\$118	0.17	28,202	35,224	0.21	148	2.00%
Property Tax 2.2064	8.13%	\$601	0.85	143,119	143,574	0.86	603	8.15%
Reserve for Replacements	4.05%	\$300	0.43	71,400	71,400	0.43	300	4.05%
TDHCA Compliance Fees	0.54%	\$40	0.06	9,520	9,520	0.06	40	0.54%
Other:	1.51%	\$112	0.16	26,630	26,630	0.16	112	1.51%
TOTAL EXPENSES	56.07%	\$4,149	\$5.89	\$987,385	\$1,017,023	\$6.07	\$4,273	57.76%
NET OPERATING INC	43.93%	\$3,250	\$4.61	\$773,531	\$743,893	\$4.44	\$3,126	42.24%

DEBT SERVICE

Wachovia Bank	\$608,526	\$608,526
Austin Housing Finance Corp.	\$0	\$0
NeighborWorks America	\$0	\$0
TOTAL DEBT SERVICE	608,526	608,526
NET CASH FLOW	\$165,005	\$135,367
AGGREGATE DEBT COVERAGE RATIO	1.27	1.22
RECOMMENDED DEBT COVERAGE RATIO	1.17	

CONSTRUCTION COST

<u>Description</u>	<u>Factor</u>	<u>% of TOTAL</u>	<u>PER UNIT</u>	<u>PER SQ FT</u>	<u>TDHCA</u>	<u>APPLICANT</u>	<u>PER SQ FT</u>	<u>PER UNIT</u>	<u>% of TOTAL</u>
Acquisition Cost (site or bldg)		40.25%	\$33,908	\$48.14	\$8,070,000	\$8,070,000	\$48.14	\$33,908	40.25%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		5.26%	\$4,432	\$6.29	1,054,850	600,000	3.58	2,521	2.99%
Direct Construction		30.90%	\$26,030	\$36.95	\$6,195,150	6,650,000	39.67	27,941	33.17%
Contingency 4.48%	1.62%	\$1,366	\$1.94	325,000	325,000	1.94	1,366	1.62%	
Contractor's Fees 12.14%	4.39%	\$3,697	\$5.25	880,000	880,000	5.25	3,697	4.39%	
Indirect Construction	3.42%	\$2,884	\$4.09	686,500	686,500	4.09	2,884	3.42%	
Ineligible Costs	0.87%	\$735	\$1.04	175,000	175,000	1.04	735	0.87%	
Developer's Fees 15.00%	7.45%	\$6,277	\$8.91	1,493,850	1,493,850	8.91	6,277	7.45%	
Interim Financing	4.08%	\$3,435	\$4.88	817,500	817,500	4.88	3,435	4.08%	
Reserves	1.75%	\$1,471	\$2.09	350,000	350,000	2.09	1,471	1.75%	
TOTAL COST	100.00%	\$84,234.66	\$119.58	\$20,047,850	\$20,047,850	\$119.58	\$84,235	100.00%	
Construction Cost Recap	42.17%	\$35,525	\$50.43	\$8,455,000	\$8,455,000	\$50.43	\$35,525	42.17%	

SOURCES OF FUNDS

				<u>TDHCA</u>	<u>APPLICANT</u>	<u>RECOMMENDED</u>	
Wachovia Bank	33.67%	\$28,361	\$40.26	\$6,750,000	\$6,750,000	\$6,750,000	Developer Fee Available
Austin Housing Finance Corp.	14.96%	\$12,605	\$17.89	3,000,000	3,000,000	3,000,000	\$1,493,850
NeighborWorks America	2.49%	\$2,101	\$2.98	500,000	500,000	500,000	
Wells Fargo Bank	45.45%	\$38,281	\$54.34	9,110,976	9,110,976	9,110,976	% of Dev. Fee Deferred
Deferred Developer Fees	3.43%	\$2,886	\$4.10	686,874	686,874	686,874	46%
Additional (Excess) Funds Req'd	0.00%	\$0	\$0.00	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$20,047,850	\$20,047,850	\$20,047,850	\$2,346,718

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Shady Oaks, Austin, 9% LIHTC #10152

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$50.00	\$8,382,600
Adjustments				
Exterior Wall Finish	6.80%		\$3.40	\$570,017
Elderly			0.00	0
9-Ft. Ceilings	3.00%		1.50	251,478
Roofing			0.00	0
Subfloor			1.33	223,536
Floor Cover			2.41	404,041
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	310,156
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.15	0	0.00	0
SUBTOTAL			64.36	10,789,998
Current Cost Multiplier	0.99		(0.64)	(107,900)
Local Multiplier	0.90		(6.44)	(1,079,000)
TOTAL DIRECT CONSTRUCTION COSTS			\$57.28	\$9,603,099
Plans, specs, survy, bld prm	3.90%		(\$2.23)	(\$374,521)
Interim Construction Interest	3.38%		(1.93)	(324,105)
Contractor's OH & Profit	11.50%		(6.59)	(1,104,356)
NET DIRECT CONSTRUCTION COSTS			\$46.53	\$7,800,117

PROPOSED PAYMENT COMPUTATION

Wachovia Bank	\$6,750,000	Amort	360
Int Rate	8.25%	DCR	1.27

Austin Housing Finance Corp.	\$3,000,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.27

NeighborWorks America	\$500,000	Amort	0
Int Rate	0.00%	Aggregate DCR	1.27

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Wachovia Bank	\$608,526
Austin Housing Finance Corp.	0
NeighborWorks America	26,675
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$635,201

Wachovia Bank	\$6,750,000	Amort	360
Int Rate	8.25%	DCR	1.22

Austin Housing Finance Corp.	\$3,000,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.22

NeighborWorks America	\$500,000	Amort	360
Int Rate	3.42%	Aggregate DCR	1.17

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

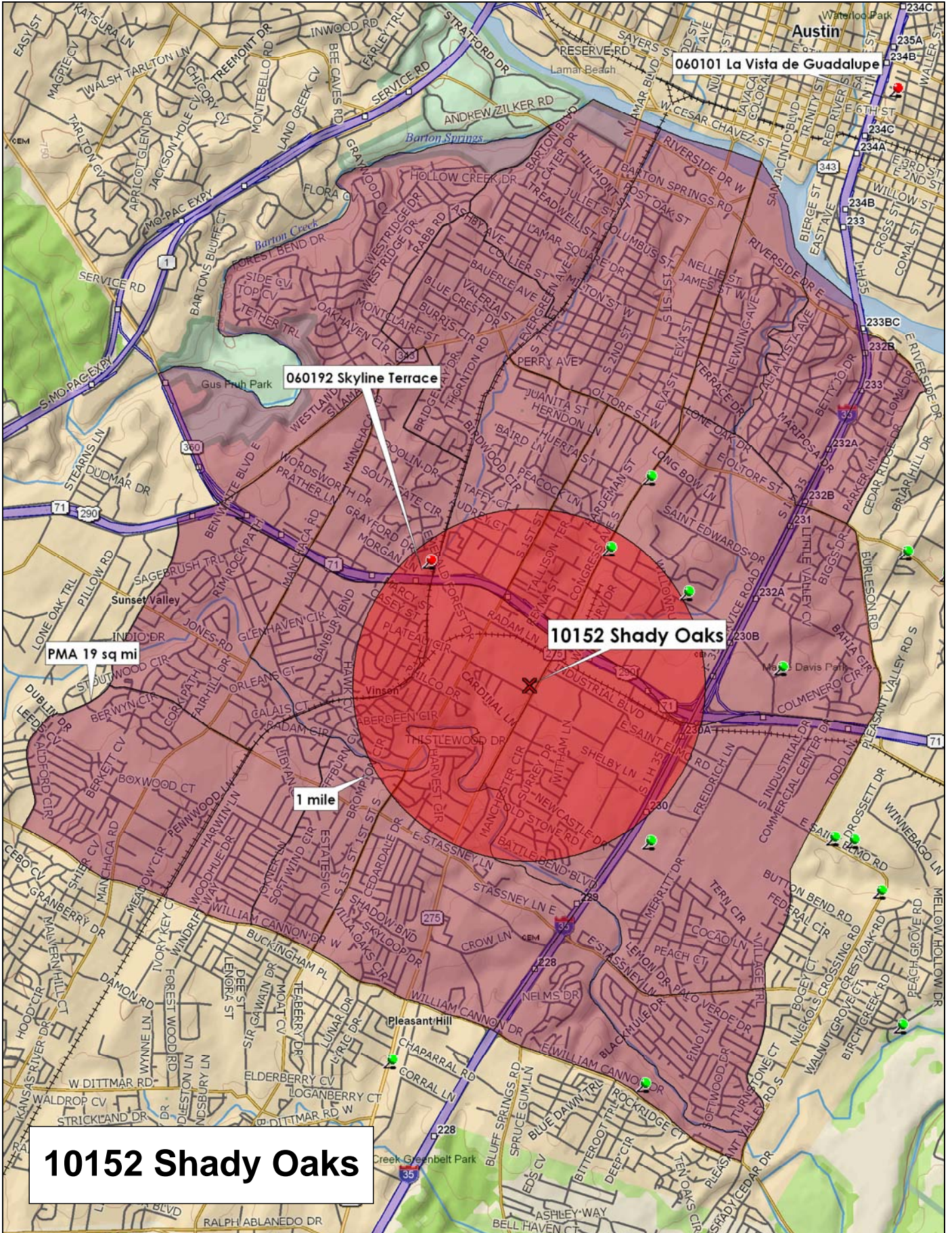
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,872,276	\$1,909,722	\$1,947,916	\$1,986,874	\$2,026,612	\$2,237,543	\$2,470,428	\$2,727,553	\$3,324,871
Secondary Income	31,416	32,044	32,685	33,339	34,006	37,545	41,453	45,767	55,790
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,903,692	1,941,766	1,980,601	2,020,213	2,060,617	2,275,088	2,511,881	2,773,320	3,380,661
Vacancy & Collection Loss	(142,776)	(145,632)	(148,545)	(151,516)	(154,546)	(170,632)	(188,391)	(207,999)	(253,550)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,760,916	\$1,796,133	\$1,832,056	\$1,868,697	\$1,906,071	\$2,104,457	\$2,323,490	\$2,565,321	\$3,127,112
EXPENSES at 3.00%									
General & Administrative	\$67,354	\$69,375	\$71,456	\$73,600	\$75,808	\$87,882	\$101,879	\$118,106	\$158,724
Management	88,046	89,806.6293	91,603	93,435	95,304	105,223	116,174	128,266	156,356
Payroll & Payroll Tax	262,276	270,144	278,249	286,596	295,194	342,211	396,716	459,903	618,071
Repairs & Maintenance	133,994	138,014	142,154	146,419	150,811	174,832	202,678	234,959	315,766
Utilities	30,255	31,163	32,098	33,060	34,052	39,476	45,763	53,052	71,298
Water, Sewer & Trash	148,750	153,213	157,809	162,543	167,419	194,085	224,998	260,834	350,539
Insurance	35,224	36,281	37,369	38,490	39,645	45,959	53,279	61,765	83,008
Property Tax	143,574	147,881	152,317	156,887	161,594	187,331	217,168	251,758	338,341
Reserve for Replacements	71,400	73,542	75,748	78,021	80,361	93,161	107,999	125,200	168,259
TDHCA Compliance Fee	9,520	9,806	10,100	10,403	10,715	12,421	14,400	16,693	22,435
Other	36,150	37,235	38,352	39,502	40,687	47,168	54,680	63,389	85,190
TOTAL EXPENSES	\$1,026,543	\$1,056,458	\$1,087,254	\$1,118,956	\$1,151,590	\$1,329,748	\$1,535,735	\$1,773,926	\$2,367,985
NET OPERATING INCOME	\$734,373	\$739,675	\$744,802	\$749,742	\$754,481	\$774,708	\$787,755	\$791,395	\$759,127
DEBT SERVICE									
First Lien Financing	\$608,526	\$608,526	\$608,526	\$608,526	\$608,526	\$608,526	\$608,526	\$608,526	\$608,526
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	26,675	26,675	26,675	26,675	26,675	26,675	26,675	26,675	26,675
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$99,172	\$104,474	\$109,601	\$114,540	\$119,280	\$139,507	\$152,554	\$156,194	\$123,926
DEBT COVERAGE RATIO	1.21	1.22	1.22	1.23	1.24	1.27	1.29	1.30	1.25

HTC ALLOCATION ANALYSIS -Shady Oaks, Austin, 9% LIHTC #10152

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$8,070,000	\$8,070,000				
Purchase of buildings						
Off-Site Improvements						
Sitework	\$600,000	\$1,054,850			\$600,000	\$1,054,850
Construction Hard Costs	\$6,650,000	\$6,195,150			\$6,650,000	\$6,195,150
Contractor Fees	\$880,000	\$880,000			\$880,000	\$880,000
Contingencies	\$325,000	\$325,000			\$325,000	\$325,000
Eligible Indirect Fees	\$686,500	\$686,500			\$686,500	\$686,500
Eligible Financing Fees	\$817,500	\$817,500			\$817,500	\$817,500
All Ineligible Costs	\$175,000	\$175,000				
Developer Fees						
Developer Fees	\$1,493,850	\$1,493,850			\$1,493,850	\$1,493,850
Development Reserves	\$350,000	\$350,000				
TOTAL DEVELOPMENT COSTS	\$20,047,850	\$20,047,850			\$11,452,850	\$11,452,850

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS					\$11,452,850	\$11,452,850
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS					\$14,888,705	\$14,888,705
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS					\$14,888,705	\$14,888,705
Applicable Percentage			4.00%	4.00%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS					\$1,339,983	\$1,339,983

Syndication Proceeds	0.6799	\$9,110,979	\$9,110,979
Total Tax Credits (Eligible Basis Method)		\$1,339,983	\$1,339,983
Syndication Proceeds		\$9,110,979	\$9,110,979
Requested Tax Credits		\$1,339,983	
Syndication Proceeds		\$9,110,976	
Gap of Syndication Proceeds Needed		\$9,797,850	\$9,797,850
Total Tax Credits (Gap Method)		\$1,441,004	\$1,441,004
Recommended Tax Credits		1,339,983	
Syndication Proceeds		\$9,110,976	



10152 Shady Oaks

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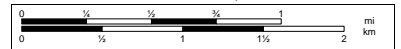
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Scale 1 : 46,875



1" = 3,906.3 ft

Data Zoom 12-1



MULTIFAMILY FINANCE DIVISION

July 29, 2010

**Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary**

Britain Way, TDHCA Number 10153

BASIC DEVELOPMENT INFORMATION

Site Address: 1954 Shoaf Development #: 10153
 City: Irving Region: 3 Population Served: General
 County: Dallas Zip Code: 75061 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Irving Britain Way Apartments LP
 Owner Contact and Phone: Deepak Sulakhe, (214) 632-1565
 Developer: OM Housing, LLC
 Housing General Contractor: TBD
 Architect: TGK Architecture, Inc
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Raymond James
 Supportive Services: N/A
 Consultant and Contact: S2A Development Consulting LLC, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	168	
	9	0	76	83	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	44	80	44	0	0	
Type of Building:						Total Development Units:	168
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	17
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	27
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	9

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,627,680	\$1,627,680			
HOME Activity Fund Amount:	\$500,000	\$500,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Britain Way, TDHCA Number 10153

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Harris, District 9, NC Points: 0 US Representative: Sessions, District 32, NC
TX Representative: Harper-Brown, District 105, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []
S, Thomas D. Spink, Irving City Council Place 1

Individuals and Businesses: In Support: 11 In Opposition: 0

Quantifiable Community Participation Input:

Britain Way Resident's Council, Robert E. Maxheimer Letter Score: 24 S or O: S

The rehab of Britainway would improve the quality of housing for the neighborhood and the City of Irving.

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0
Greater Irving Las Colinas Texas Chamber of Commerce, S, Chris E. Wallace, President and
Chief Executive Officer

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$950,000, or a commitment from a qualifying substitute source in an amount not less than \$950,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Irving and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Irving in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Britain Way, TDHCA Number 10153

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **0**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **225** Meeting a Required Set-Aside Credit Amount*: \$1,627,680

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$500,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Sedona Ranch, TDHCA Number 10158

BASIC DEVELOPMENT INFORMATION

Site Address: 6101 Old Denton Rd. Development #: 10158
 City: Fort Worth Region: 3 Population Served: Elderly
 County: Tarrant Zip Code: 76131 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Fossil Ridge II, LP
 Owner Contact and Phone: Chris Applequist, (817) 501-9577
 Developer: N/A
 Housing General Contractor: Galaxy Builders, Ltd
 Architect: Kelly Grossman Architects LLC
 Market Analyst: O'Connor & Associates
 Syndicator: JER Hudson Housing Capital
 Supportive Services: TBD
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	172
	9 0 78 85	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 95 77 0 0 0	Total Development Units:	172
Type of Building:		Total Development Cost*:	\$18,802,817
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	3
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,940,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Sedona Ranch, TDHCA Number 10158

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nelson, District 12, S Points: 14 US Representative: Granger, District 12, NC
TX Representative: Geren, District 99, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

The Crossing at Fossil Creek Home Owner Association, Larry Stevens Letter Score: 24 S or O: S

While we have opposed the general expansion of affordable housing neighboring our homes due to the large presence of existing affordable housing surrounding and boarding our neighborhood, we do, however, support the development of this proposed development for seniors. As a matter of fact, the support across our neighborhood is overwhelming for such a project. We believe that there is a present and growing need for senior housing and that it would be the most compatible with our community and the existing infrastructure.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by commitment, of a commitment from East TX HFC for the \$1.4 in interim funds, with the terms clearly indicated.
2. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
4. Receipt, review, and acceptance, by Cost Certification, of evidence that the de minimis environmental conditions identified in the ESA have been removed and properly disposed of as recommended.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated, and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Sedona Ranch, TDHCA Number 10158

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **216** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/20/10 PROGRAM: 9% HTC FILE NUMBER: 10158/09264

DEVELOPMENT

Sedona Ranch

Location: 6101 Old Denton Rd Region: 3

City: Fort Worth County: Tarrant Zip: 76131 OCT DDA

Key Attributes: Elderly, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,940,000			\$1,940,000		

CONDITIONS

- 1 Receipt, review, and acceptance, by commitment, of a commitment from East TX HFC for the \$1.4 in interim funds, with the terms clearly indicated.
- 2 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 4 Receipt, review, and acceptance, by Cost Certification, of evidence that the de minimis environmental conditions identified in the ESA have been removed and properly disposed of as recommended.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	9
50% of AMI	50% of AMI	78
60% of AMI	60% of AMI	85

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STRENGTHS/MITIGATING FACTORS

- Proposed rents are on average 15% lower than market rents.
- The principals of the Applicant have experience developing and owning 1712 Housing Tax Credit units.
- Comparable developments in the PMA have occupancies between 90% and 97%.

WEAKNESSES/RISKS

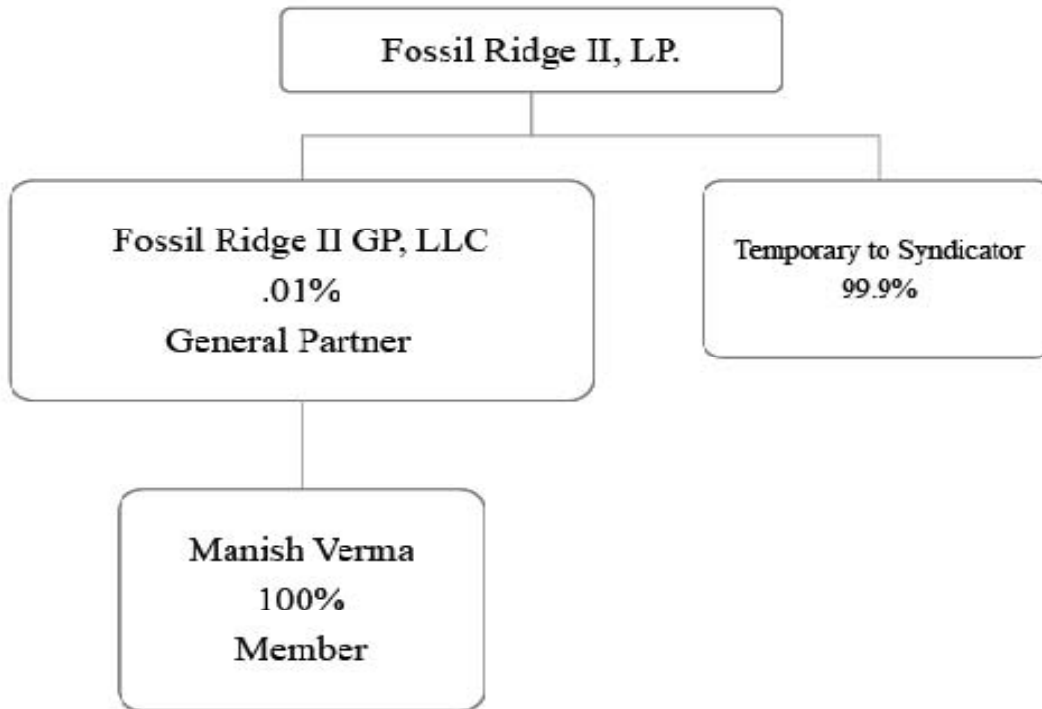
- Future development of parcels between site and Old Denton Rd. could diminish visibility of site.
- The overall occupancy rate for all operating apartment projects in this market area is 83.19%.

PREVIOUS UNDERWRITING REPORTS

Sedona Ranch (TDHCA#09264) was submitted during the 2009 HTC cycle; however, it does not appear that the development scored high enough during the competitive round for an underwriting evaluation to be performed.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

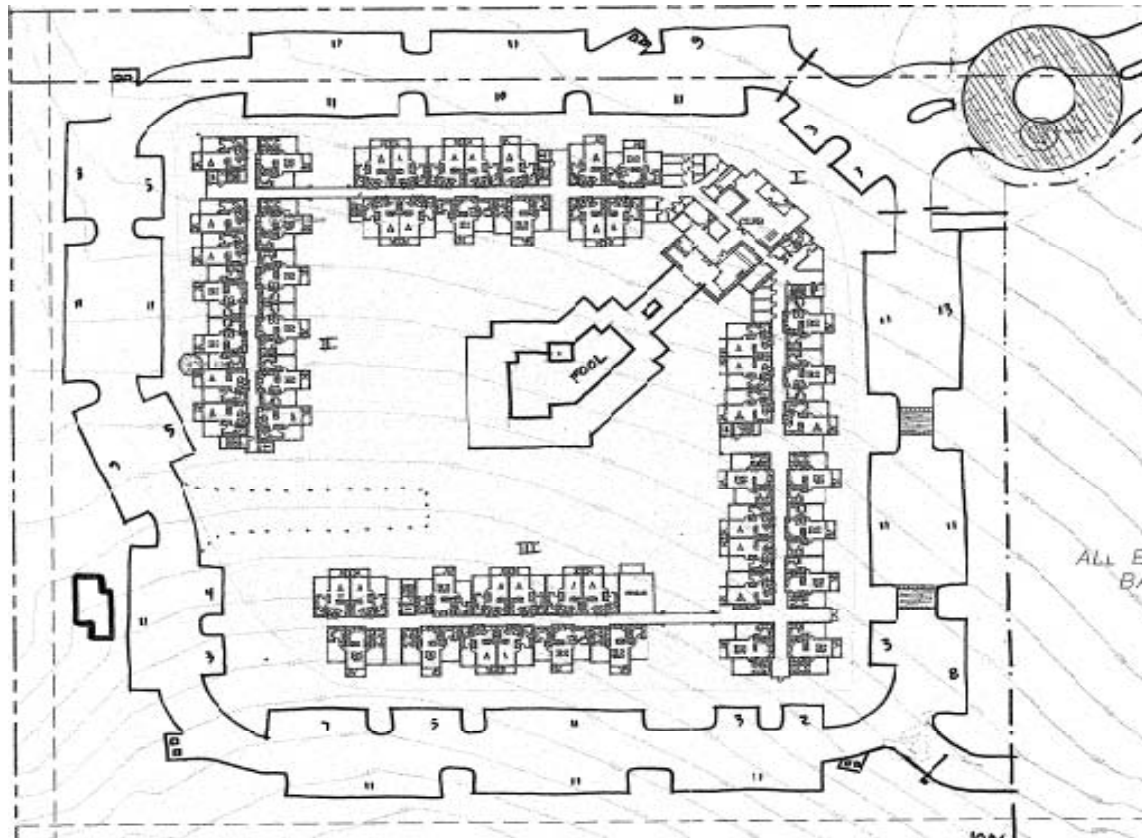
Contact: Chris Applequist Phone: (817) 501-9577 Fax: (210) 530-5060
 Email: chris@versadevco.com

IDENTITIES of INTEREST

- The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments.
- The seller is also regarded as a related party to the General Partner. The acquisition price will be based upon the lesser of the declared price, the appraised value, and the original acquisition and holding cost. This is discussed at greater length in the construction cost section of this report.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III								Total Buildings
Floors/Stories	3	3	3								
Number	1	1	1								3

BR/BA	SF	Units								Total Units	Total SF
1	1	716	51	18	26					95	68,020
2	2	1,001	41	21	15					77	77,077
Units per Building			92	39	41					172	145,097

SITE ISSUES

Total Size: 10.25 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: Med Density MF Needs to be re-zoned? Yes No N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Date: 4/16/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: residential & commercial East: Old Denton Rd, I-35, commercial & vacant
 South: residential West: residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Frost geoSciences Date: 3/31/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "No RECs were identified on the Site; No off-site RECs were identified during the site reconnaissance or regulatory review." (p. 17)
- "De minimis environmental conditions were identified in connection with the Site during the course of this assessment. Those conditions include tires, metal sheeting, construction materials, and promiscuous dumping located throughout the Site. FGS recommends these materials be removed and properly disposed." (p. 17)
- "The project site is located less than 1000 feet from I.H. 35W. Stop signs are located within the residential subdivision immediately south of the project site. The nearest railroad is approximately one to two miles to the southwest. Several airports are located within a 15 mile radius of the project site. Given the proximity of these facilities to the project site FGS recommends that a Noise Study be performed." (p. 6)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- Receipt, review, and acceptance, by Cost Certification, of evidence that the de minimis environmental conditions identified in the ESA have been removed and properly disposed of as recommended.

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 3/24/2010

Contact: Daniel Hollander Phone: (713) 686-9955

Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 57 sq. miles 4 mile equivalent radius

The Primary Market Area is defined by 8 census tracts in Fort Worth along Interstate 35W north of Interstate 820.

Secondary Market Area (SMA):

The Market Analyst defined a Secondary Market Area containing 15 census tracts to the east and the south of the Primary Market Area.

Extended Market Area:

There is an unstabilized 2008 senior development, Heritage Park Vista (#08233), located within the PMA, four miles northeast of the subject. Eighty-five percent of the population of the subject PMA is also targeted by the market area for Heritage Park Vista. (The Market Analyst failed to identify this property, and did not include it in calculating a Gross Capture Rate for the subject.) There are also two proposed 2010 senior developments in the surrounding area: Silver Springs at Chapel Hill (#10089) is located seven miles northwest of the subject, and Willow Bay Apartments (#10062) is located six miles west of the subject. Six percent of the subject PMA population is targeted by the market areas for Chapel Hill and Willow Bay. Given the close proximity of all these senior developments (all within less than a 5 mile radius), the Underwriter has evaluated the supply and demand for an Extended Market Area formed by the combined Primary Market Areas for the four separate properties.

ELIGIBLE HOUSEHOLDS BY INCOME								
Tarrant County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$8,904	\$13,850	---	---	\$14,832	\$23,100	\$17,808	\$27,720
2	\$8,904	\$15,850	---	---	\$14,832	\$26,400	\$17,808	\$31,680
3	\$10,680	\$17,800	---	---	\$17,808	\$29,700	\$21,384	\$35,640
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
08233	Heritage Park Vista	new	senior	135	140
Other Affordable Developments in PMA since 2006					
None					
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		5	Total Units	1,024	

COMPARABLE SUPPLY in SECONDARY MARKET					
10089	Silver Springs at Chapel Hill	new	senior	100	100
10062	Willow Bay Apts	new	senior	124	124

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Market Analyst failed to identify any unstabilized comparable units within the PMA. But Heritage Park Vista (#08233) is a 2008 senior development with 140 total units located 4 miles northeast of the subject.

The Underwriter has also noted two proposed 2010 senior developments in the surrounding area: Silver Springs at Chapel Hill (#10089), with a total of 100 units, is located outside the PMA, but only seven miles northwest of the subject; and Willow Bay Apartments (#10062), with 124 units, is locate outside the PMA, but only six miles west of the subject.

This section intentionally left blank.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
		PMA	Extended Market
Total Households in the Primary Market Area	42,487	42,487	120,480
Target Households in the Primary Market Area	8,489	9,760	35,846
Potential Demand from the Primary Market Area	1,289	2,024	9,936
Potential Demand from Section 8 Vouchers	10	21	--
Potential Demand from the Secondary Market Area	429	682	--
GROSS DEMAND	1,728	2,727	9,936
Subject Affordable Units	172	172	172
Unstabilized Comparable Units	0	135	359
RELEVANT SUPPLY	172	307	531
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	9.95%	11.26%	5.34%

Demand Analysis:

The 2010 Real Estate Analysis Rules state that "the Market Analyst should use demographic data specific to the elderly population for an elderly Development, if available, and should avoid making adjustments from more general demographic data". The market study disregards this guideline. The senior household population is estimated indirectly as the proportion of seniors to adults, and the senior household growth rate is determined based on a general national trend by doubling the overall household growth rate for the PMA.

The underwriting analysis has relied on available demographic data specific to the senior households in the PMA.

The Market Analyst calculates Potential Demand from the PMA for 1,289 units, based on an estimated 8,489 senior households; and demand for 10 units from households with Section 8 Vouchers. The Market Analyst also includes demand for 429 units as the maximum permitted from the Secondary Market (Secondary Market demand is limited to 25% of total demand). These add up to Gross Demand for 1,728 units, and the Market Analyst reports a Gross Capture Rate of 9.95% for the 172 subject units. However, the Market Analyst failed to include the 135 restricted units at Heritage Park Vista in the Relevant Supply. If the units at Heritage Park Vista are included in the Market Analyst's calculations, the result is a Gross Capture Rate greater than 17%, exceeding the 10% maximum rate for senior developments.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas data, the HISTA report provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a greater number of senior households than the Market Analyst's indirect estimate; and the HISTA report also indicates a higher concentration of senior households in the target income range. The Underwriter calculates Potential Demand from the PMA for 2,024 units, based on 9,760 senior households. The Underwriter also calculates demand for 21 units from households with Section 8 vouchers, and demand for 682 units from the Secondary Market Area; this results in Gross Demand for 2,727 units, and a Gross Capture rate of 11.26% for a total relevant Supply of 307 units. This exceeds the 10% maximum Gross Capture Rate.

The Underwriter has also evaluated the overall supply and demand for an Extended Market Area formed by the combined Primary Market Areas for the subject property, Heritage Park Vista, Silver Springs at Chapel Hill, and Willow Bay Apartments. This analysis indicates Gross Demand for 9,936 units from a total of 35,846 senior households, and a Gross Capture Rate of 5.3% for a total Relevant Supply of 531 units.

The Extended Market Area analysis indicates sufficient demand to support the proposed development.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	195	4	0	2%	178	5	4	5%
1 BR/50%	102	39	0	38%	377	43	25	18%
1 BR/60%	648	43	0	7%	254	47	40	34%
2 BR/30%	205	4	0	2%	100	4	3	7%
2 BR/50%	125	39	0	31%	260	35	24	23%
2 BR/60%	807	43	0	5%	201	38	39	38%

Primary Market Occupancy Rates:

"According to the most recent 2010 O'Connor and Associates O'ConnorData - Fort Worth Area Apartment Survey, there were 36 operating apartment projects in this market area containing a total of 9,900 units. The overall occupancy rate for all operating apartment projects in this market area was 83.19%." (p. 34)

"The closest HTC projects to the subject, within the subject's PMA are Iron Wood Ranch, a 280-unit Family project and the Garden Gate Apartments a 240-unit Family project. Both of these projects reported 100% occupancy with waiting lists. The rent comparables reported current occupancies ranging from 80% to 97%, with an average occupancy of 91.4%." (p. 77) The Underwriter notes that the rent comparable listed as 80% occupied is Franklin Park at Hometown, an "independent seniors complex" that offers one meal per day included with the rent, which is more than double the rent at the other comparables. The occupancy reported for the other four properties is 90%, 94%, 96%, and 97%.

Absorption Projections:

"We were unable to locate any Elderly market-rate or HTC developments which have been completed and stabilized with the past 24 months with or near the subject PMA." (p. 78) Data is presented for six market rate properties. The most recent, completed in January of 2010, is reported to have leased-up at 116 units per month. Two properties completed during 2009 report absorption of 28 and 27 units per month. Two properties completed during 2007 report absorption of 32 and 27 units per month. And one completed during 2004 is listed at 15 units per month.

"Considering the strong absorption history of similar properties and the (lack of) available quality affordable Elderly units in this market, we project that the subject property will lease an average of 10 to 20 units per month until achieving stabilized occupancy." (p. 78)

Market Impact:

"Based on the high occupancy levels of the existing properties in the market, along with the low level of recent construction, we project that the subject property will have minimal sustained negative impact upon the existing apartment market. Managers interviewed all indicated a need for Elderly affordable housing. All managers interviewed indicated minimal to no impact from the opening of the most recent HTC properties." (p. 79)

Comments:

The Market Analyst failed to note a competing property in the Primary Market Area; if the units at Heritage Park Vista had been included, the Market Analyst's calculations would indicate a Gross Capture Rate of more than 17%, significantly higher than the 10% limit.

Applying demographic data that more specifically reflects the senior population of the PMA, the Underwriter identifies significantly more demand, but the calculated Gross Capture Rate of 11.3% still exceeds the limit.

The immediate Primary Market Area does not meet the demand guidelines for feasibility. But the subject PMA overlaps with the market area for Heritage Park Vista, which extends to the east, and with the market area for two additional proposed senior developments to the west. The analysis of the Extended Market Area indicates sufficient demand to support the subject property as well as the proposed and unstabilized senior units in the area.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 6/17/2010

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 1, 2010, maintained by the Fort Worth Housing Authority, from the 2009 program gross rent limits. Of note, for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Rent limits increased approximately 2% from 2009 to 2010. If the Underwriter and Applicant utilized 2010 rents, DCR would increase to approximately 1.20 and 1.22, respectively, and the recommendation would not be affected. Tenants will be required to pay electric utility costs only.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines and effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,424 per unit is not within 5% of the Underwriter's estimate of \$4,502, derived from the TDHCA database, and third-party data sources. The Underwriter adjusted utilities and water, sewer, & trash expenses to account for the large amount of community space and amenities that will be provided to the tenants. Moreover, the Applicant's estimate is in line with the TDHCA database and as such is considered reasonable. Of note, the Applicant's estimate of property tax is 6% lower than the Underwriter's estimate of \$28K/unit based on a 10% cap rate and NOI.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.15, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>O'Connor & Associates</u>	Date:	<u>3/27/2010</u>
Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	14 acres	<u>\$1,430,000</u>	As of: <u>3/4/2010</u>
1 acre:		<u>\$102,143</u>	As of: <u>3/4/2010</u>
Pro rated	10.25 acres	<u>\$1,046,964</u>	As of: <u>3/4/2010</u>

ASSESSED VALUE

Land Only:	24.36 acres	<u>\$2,922,720</u>	Tax Year:	<u>2009</u>
1 acre:		<u>\$120,000</u>	Valuation by:	<u>Tarrant CAD</u>
Pro rated	10.25 acres	<u>\$1,230,000</u>	Tax Rate:	<u>2.6048</u>

EVIDENCE of PROPERTY CONTROL

Type: Purchase & Sale Agreement Acreage: 24.356
Contract Expiration: 6/1/2011 Valid Through Board Date? [X] Yes [] No
Acquisition Cost: \$3,000,000 Other: 10.25 acres will be used for the Subject
Seller: Fossil Ridge, Ltd Related to Development Team? [X] Yes [] No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant has provided a contract for the purchase of the subject site for \$3M, which equates to \$123K per acre or \$17K per unit. The property is a 10.25 acre portion of a larger 24.356 acre tract. The current owner of the property, Fossil Ridge, Ltd is the GP of the Subject. The Applicant has included the costs for re-platting and has provided documentation of holding costs, including taxes that support the revised acquisition cost of \$1,347,955. Of note, subsequent to a request from the Underwriter, the Applicant revised their acquisition calculation to accurately pro rate taxes and the costs of re-platting for the Subject 10.25 acres. However, since this calculation does not include any return on equity, the Applicant did not revise their cost schedule to reflect the lower amount.

Also of note, per §1.32(e)(1)(B)(iii) of the 2010 REA rules, "In no instance will the acquisition cost utilized by the Underwriter exceed the lesser of the original acquisition cost evidenced by clause (ii)(I) of this subparagraph plus costs identified in clause (ii)(II)(-b-) of this subparagraph, or the "as-is" value conclusion evidenced by clause (ii)(II)(-a-) of this subparagraph." The submitted appraisal indicates an 'as is' valuation for 14 acres of \$1,430,000. This equates to \$1,046,964 for the Subject 10.25 acres; therefore, the Underwriter has used this value.

If the Applicant's costs are used in the final analysis, the sources and uses of funds will be adjusted by the difference in acquisition costs to ensure that tax credit proceeds are not used to fund a potential excess of profit on the identity of interest transfer to the partnership.

Sitework Cost:

The Applicant's claimed sitework costs of \$8,894 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$281.5K or 3% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, the Applicant included \$261K as "other" direct construction costs consisting of subcontractor & contractor general liability, builder's risk insurance, P&P Bond, and lender cost review. The Underwriter reallocated these costs to the appropriate line items.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,155,911 supports annual tax credits of \$2,007,242. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: East TX HFC Type: Interim Financing

Principal: \$1,400,000 Interest Rate: AFR Fixed Term: TBD months

Comments:

The Applicant has applied for interim financing with requested minimum terms of the later of one year or PIS date and an interest rate at or below AFR. Because this loan has not yet been committed, this report is conditioned on receipt, review, and acceptance, by commitment, of a commitment for this source, with the terms clearly indicated. Of note, interim interest from this source was not used to justify the Applicant's claimed eligible interim interest.

Source: Single Family Investments, Ltd. Type: Interim Financing

Principal: \$420,000 Interest Rate: 8.0% Fixed Term: 12 months

Comments:

Single Family Investments, Ltd has provided a commitment for a construction period loan of \$420K. The interest rate will be fixed at 8.0%. The loan has a term of 12 months.

Source: Dougherty & Company LLC Type: Interim to Permanent Financing

Principal: \$6,100,000 Interest Rate: 6.75% Fixed Amort: 480 months

Comments:

The interest rate is anticipated to be 6.22% plus 0.45% mortgage insurance premium. The lender has identified a debt service payment of \$441,658 based on a loan constant of 7.240295%; this effectively results in an amortized interest rate of 6.75%, inclusive of MIP. This is the rate that is reflected in the analysis.

Source: Hudson Housing Capital Type: Syndication

Proceeds: \$12,608,000 Syndication Rate: 65% Anticipated HTC: \$ 1,940,000

Amount: \$551,277 Type: Deferred Developer Fees

This section intentionally left blank.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$6.1M indicates the need for \$12,702,817 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,954,590 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,007,242
Allocation determined by gap in financing:	\$1,954,590
Allocation requested by the Applicant:	\$1,940,000

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$1,940,000 per year for 10 years results in total equity proceeds of \$12,608,000 at a syndication rate of \$0.65 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$94,817 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within two years of stabilized operation.

Underwriter:	_____	Date:	July 20, 2010
	<i>Diamond Unique Thompson</i>		
Manager of Real Estate Analysis:	_____	Date:	July 20, 2010
	<i>Audrey Martin</i>		
Director of Real Estate Analysis:	_____	Date:	July 20, 2010
	<i>Brent Stewart</i>		

UNIT MIX/RENT SCHEDULE

Sedona Ranch, Fort Worth, 9% HTC #10158/09264

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Fort Worth	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Tarrant	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	95	55.2%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	3	2	77	44.8%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100%	
IREM REGION:	Fort Worth	4										APP % - ACQUISITION:	N/A	
		TOTAL	172	100.0%								APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	5	1	1	716	\$371	\$69	\$302	\$0	\$0.42	\$302	\$1,510	\$1,510	\$302	\$0.42	\$0	\$700	\$398
TC 50%	43	1	1	716	\$618	\$69	\$549	\$0	\$0.77	\$549	\$23,607	\$23,607	\$549	\$0.77	\$0	\$700	\$151
TC 60%	47	1	1	716	\$742	\$69	\$673	\$0	\$0.94	\$673	\$31,631	\$31,631	\$673	\$0.94	\$0	\$700	\$27
TC 30%	4	2	2	1,001	\$445	\$84	\$361	\$0	\$0.36	\$361	\$1,444	\$1,444	\$361	\$0.36	\$0	\$850	\$489
TC 50%	35	2	2	1,001	\$742	\$84	\$658	\$0	\$0.66	\$658	\$23,030	\$23,030	\$658	\$0.66	\$0	\$850	\$192
TC 60%	38	2	2	1,001	\$891	\$84	\$807	\$0	\$0.81	\$807	\$30,666	\$30,666	\$807	\$0.81	\$0	\$850	\$43
TOTAL:	172				145,097						\$111,888	\$111,888					
AVG:					844				\$0	\$0.77	\$651		\$651	\$0.77	\$0	\$767	(\$117)
ANNUAL:											\$1,342,656	\$1,342,656					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Sedona Ranch, Fort Worth, 9% HTC #10158/09264

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$15.00
Other Support Income:		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.92%	\$364	0.43	\$62,574	\$58,980	\$0.41	\$343	4.64%
Management	5.00%	\$369	0.44	63,530	63,530	0.44	369	5.00%
Payroll & Payroll Tax	14.08%	\$1,040	1.23	178,876	172,911	1.19	1,005	13.61%
Repairs & Maintenance	7.58%	\$560	0.66	96,287	95,571	0.66	556	7.52%
Utilities	4.74%	\$350	0.42	60,261	58,320	0.40	339	4.59%
Water, Sewer, & Trash	6.87%	\$507	0.60	87,256	88,272	0.61	513	6.95%
Property Insurance	2.82%	\$209	0.25	35,873	40,627	0.28	236	3.20%
Property Tax 2.6048	9.87%	\$729	0.86	125,447	118,500	0.82	689	9.33%
Reserve for Replacements	3.38%	\$250	0.30	43,000	43,000	0.30	250	3.38%
TDHCA Compliance Fees	0.54%	\$40	0.05	6,880	6,880	0.05	40	0.54%
Other: Supportive Services	1.13%	\$84	0.10	14,407	14,407	0.10	84	1.13%
TOTAL EXPENSES	60.95%	\$4,502	\$5.34	\$774,391	\$760,998	\$5.24	\$4,424	59.89%
NET OPERATING INC	39.05%	\$2,885	\$3.42	\$496,204	\$509,598	\$3.51	\$2,963	40.11%

DEBT SERVICE

Dougherty & Company LLC	\$441,658	\$441,658
Second Lien	\$0	
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	441,658	441,658
NET CASH FLOW	\$54,546	\$67,940
AGGREGATE DEBT COVERAGE RATIO	1.12	1.15
RECOMMENDED DEBT COVERAGE RATIO		1.15

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		5.67%	\$6,087	\$7.22	\$1,046,964	\$1,503,424	\$10.36	\$8,741	7.81%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.28%	\$8,894	\$10.54	1,529,703	1,529,703	10.54	8,894	7.94%
Direct Construction		48.23%	\$51,820	\$61.43	8,913,094	9,194,641	63.37	53,457	47.74%
Contingency	6.45%	3.64%	\$3,915	\$4.64	673,437	673,437	4.64	3,915	3.50%
Contractor's Fees	13.07%	7.86%	\$8,449	\$10.02	1,453,252	1,453,252	10.02	8,449	7.55%
Indirect Construction		8.21%	\$8,826	\$10.46	1,518,011	1,518,011	10.46	8,826	7.88%
Ineligible Costs		1.85%	\$1,982	\$2.35	340,942	340,942	2.35	1,982	1.77%
Developer's Fees	15.00%	11.88%	\$12,765	\$15.13	2,195,496	2,237,727	15.42	13,010	11.62%
Interim Financing		2.97%	\$3,193	\$3.78	549,140	549,140	3.78	3,193	2.85%
Reserves		1.40%	\$1,506	\$1.79	259,000	259,000	1.79	1,506	1.34%
TOTAL COST		100.00%	\$107,436.27	\$127.36	\$18,479,039	\$19,259,277	\$132.73	\$111,973	100.00%
Construction Cost Recap		68.02%	\$73,078	\$86.63	\$12,569,486	\$12,851,033	\$88.57	\$74,715	66.73%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Dougherty & Company LLC	33.01%	\$35,465	\$42.04	\$6,100,000	\$6,100,000	\$6,100,000	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0	0	0	\$2,237,727
Hudson Housing Capital	68.23%	\$73,302	\$86.89	12,608,000	12,608,000	12,608,000	% of Dev. Fee Deferred
Deferred Developer Fees	2.98%	\$3,205	\$3.80	551,277	551,277	94,817	4%
Additional (Excess) Funds Req'd	-4.22%	(\$4,536)	(\$5.38)	(780,238)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$18,479,039	\$19,259,277	\$18,802,817	\$1,277,264

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Sedona Ranch, Fort Worth, 9% HTC #10158/09264

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$52.41	\$7,604,688
Adjustments				
Exterior Wall Finish	2.40%		\$1.26	\$182,513
Elderly	3.00%		1.57	228,141
9-Fl. Ceilings	3.30%		1.73	250,955
Roofing			0.00	0
Subfloor			1.33	193,463
Floor Cover			2.41	349,684
Breezeways	\$23.05	0	0.00	0
Balconies	\$23.05	9,537	1.51	219,796
Plumbing Fixtures	\$845	308	1.79	260,260
Rough-ins	\$420	344	1.00	144,480
Built-In Appliances	\$1,850	172	2.19	318,200
Exterior Stairs	\$1,900	16	0.21	30,400
Enclosed Corridors	\$42.49	36,270	10.62	1,541,151
Elevators	\$81,175.00	5	2.80	405,875
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	268,429
Parking Garage	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$68.55	6,147	2.90	421,364
Other: fire sprinkler	\$2.25	151,244	2.35	340,299
SUBTOTAL			87.94	12,759,696
Current Cost Multiplier	0.99		(0.88)	(127,597)
Local Multiplier	0.87		(11.43)	(1,658,760)
TOTAL DIRECT CONSTRUCTION COSTS			\$75.63	\$10,973,339
Plans, specs, survy, bld pm	3.90%		(\$2.95)	(\$427,960)
Interim Construction Interest	3.38%		(2.55)	(370,350)
Contractor's OH & Profit	11.50%		(8.70)	(1,261,934)
NET DIRECT CONSTRUCTION COSTS			\$61.43	\$8,913,094

PROPOSED PAYMENT COMPUTATION

Dougherty & Company	\$6,100,000	Amort	480
Int Rate	6.75%	DCR	1.12
Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.12
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.12
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.12
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.12

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Dougherty & Company LLC	\$441,658
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$441,658

Dougherty & Company	\$6,100,000	Amort	480
Int Rate	6.75%	DCR	1.15
Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,342,656	\$1,369,509	\$1,396,899	\$1,424,837	\$1,453,334	\$1,604,598	\$1,771,606	\$1,955,996	\$2,384,349
Secondary Income	30,960	31,579	32,211	32,855	33,512	37,000	40,851	45,103	54,980
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,373,616	1,401,088	1,429,110	1,457,692	1,486,846	1,641,598	1,812,457	2,001,099	2,439,329
Vacancy & Collection Loss	(103,020)	(105,082)	(107,183)	(109,327)	(111,513)	(123,120)	(135,934)	(150,082)	(182,950)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,270,596	\$1,296,007	\$1,321,927	\$1,348,365	\$1,375,333	\$1,518,478	\$1,676,523	\$1,851,017	\$2,256,379
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$58,980	\$60,749	\$62,572	\$64,449	\$66,383	\$76,956	\$89,213	\$103,422	\$138,990
Management	63,530	64800.5388	66,097	67,418	68,767	75,924	83,826	92,551	112,819
Payroll & Payroll Tax	172,911	178,098	183,441	188,945	194,613	225,610	261,543	303,200	407,476
Repairs & Maintenance	95,571	98,438	101,391	104,433	107,566	124,698	144,560	167,584	225,219
Utilities	58,320	60,070	61,872	63,728	65,640	76,094	88,214	102,264	137,435
Water, Sewer & Trash	88,272	90,920	93,648	96,457	99,351	115,175	133,519	154,785	208,019
Insurance	40,627	41,846	43,101	44,394	45,726	53,009	61,452	71,240	95,740
Property Tax	118,500	122,055	125,717	129,488	133,373	154,616	179,242	207,790	279,253
Reserve for Replacements	43,000	44,290	45,619	46,987	48,397	56,105	65,041	75,401	101,332
TDHCA Compliance Fee	6,880	7,086	7,299	7,518	7,744	8,977	10,407	12,064	16,213
Other	14,407	14,839	15,284	15,743	16,215	18,798	21,792	25,263	33,951
TOTAL EXPENSES	\$760,998	\$783,193	\$806,040	\$829,561	\$853,773	\$985,962	\$1,138,809	\$1,315,565	\$1,756,448
NET OPERATING INCOME	\$509,598	\$512,814	\$515,886	\$518,805	\$521,559	\$532,517	\$537,714	\$535,451	\$499,931
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$441,658	\$441,658	\$441,658	\$441,658	\$441,658	\$441,658	\$441,658	\$441,658	\$441,658
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$67,940	\$71,156	\$74,229	\$77,147	\$79,902	\$90,859	\$96,056	\$93,793	\$58,273
DEBT COVERAGE RATIO	1.15	1.16	1.17	1.17	1.18	1.21	1.22	1.21	1.13

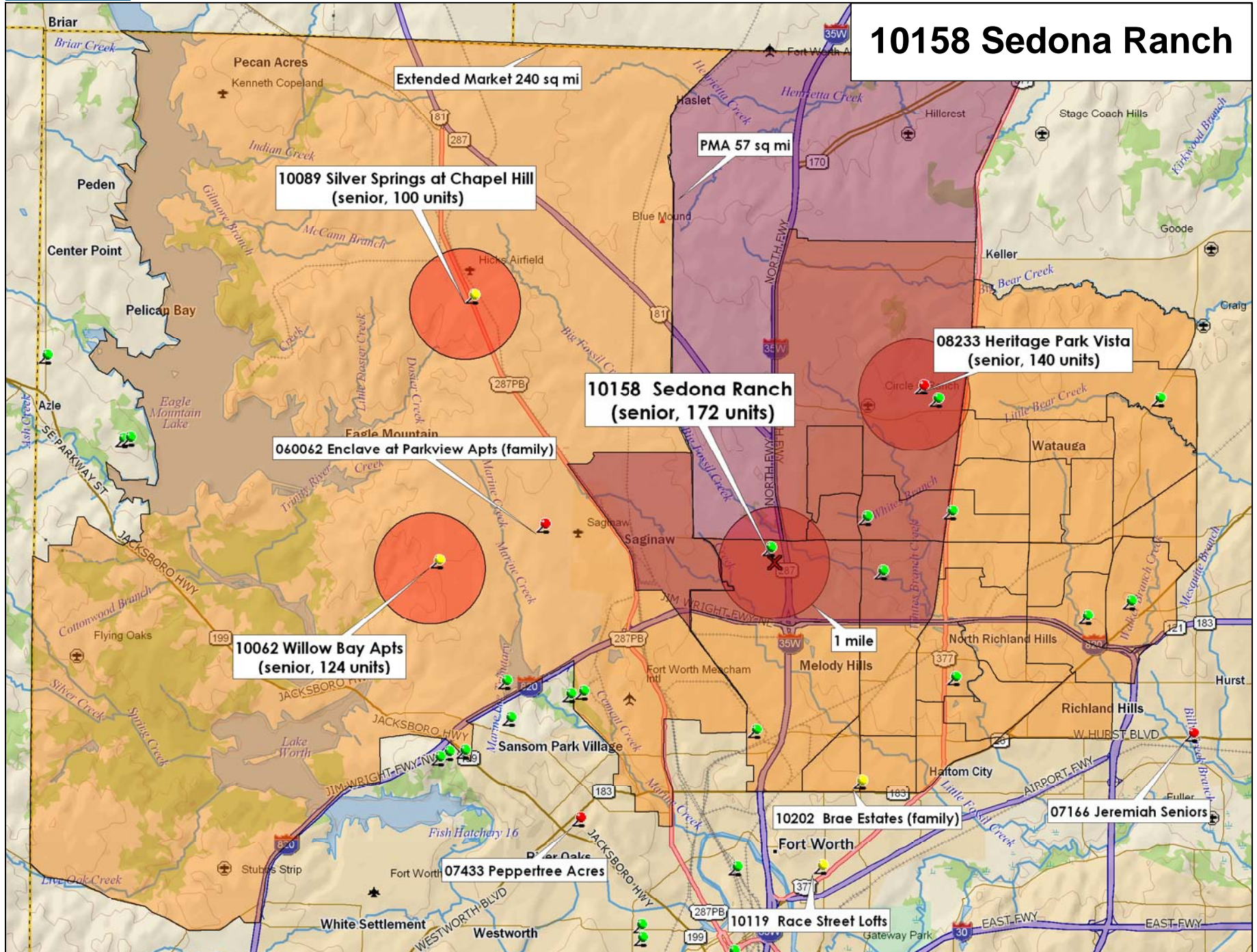
HTC ALLOCATION ANALYSIS -Sedona Ranch, Fort Worth, 9% HTC #10158/09264

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,503,424	\$1,046,964		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,529,703	\$1,529,703	\$1,529,703	\$1,529,703
Construction Hard Costs	\$9,194,641	\$8,913,094	\$9,194,641	\$8,913,094
Contractor Fees	\$1,453,252	\$1,453,252	\$1,453,252	\$1,453,252
Contingencies	\$673,437	\$673,437	\$673,437	\$673,437
Eligible Indirect Fees	\$1,518,011	\$1,518,011	\$1,518,011	\$1,518,011
Eligible Financing Fees	\$549,140	\$549,140	\$549,140	\$549,140
All Ineligible Costs	\$340,942	\$340,942		
Developer Fees				
Developer Fees	\$2,237,727	\$2,195,496	\$2,237,727	\$2,195,496
Development Reserves	\$259,000	\$259,000		
TOTAL DEVELOPMENT COSTS	\$19,259,277	\$18,479,039	\$17,155,911	\$16,832,133

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$17,155,911	\$16,832,133
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$22,302,684	\$21,881,773
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$22,302,684	\$21,881,773
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$2,007,242	\$1,969,360

Syndication Proceeds	0.6499	\$13,045,001	\$12,798,807
Total Tax Credits (Eligible Basis Method)		\$2,007,242	\$1,969,360
Syndication Proceeds		\$13,045,001	\$12,798,807
Requested Tax Credits		\$1,940,000	
Syndication Proceeds		\$12,608,000	
Gap of Syndication Proceeds Needed		\$12,702,817	
Total Tax Credits (Gap Method)		\$1,954,590	
Recommended Tax Credits		1,940,000	
Syndication Proceeds		\$12,608,000	

10158 Sedona Ranch

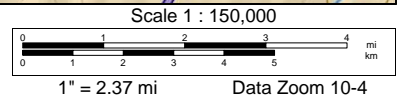


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TN
 MN (4.4°E)
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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Creekside Place, TDHCA Number 10160

BASIC DEVELOPMENT INFORMATION

Site Address: SWC of Turner Dr. & Morrison Dr. Development #: 10160
 City: New Braunfels Region: 9 Population Served: Elderly
 County: Comal Zip Code: 78130 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: VDC New Braunfels Reserve I, LP
 Owner Contact and Phone: Fernando S. Godinez, (210) 978-0500
 Developer: VDC Creekside, LLC
 Housing General Contractor: Galaxy Builders, Ltd
 Architect: Gonzalez Newell, Bender, Inc. Architects
 Market Analyst: O'Connor & Associates
 Syndicator: Hudson Housing Capital, LLC
 Supportive Services: TBD
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	176
	27 0 62 87	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 101 75 0 0 0	Total Development Units:	176
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	2
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,959,715	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Creekside Place, TDHCA Number 10160

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Wentworth, District 25, S

Points: 14 US Representative: Smith, District 21, NC

TX Representative: Miller, District 73, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Creekside Place, TDHCA Number 10160

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **207** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Promontory Pointe, TDHCA Number 10162

BASIC DEVELOPMENT INFORMATION

Site Address: NWC I-35 and Fleischer Dr. Development #: 10162
 City: Austin Region: 7 Population Served: General
 County: Travis Zip Code: 78728 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: VDC Travis Reserve I, LP
 Owner Contact and Phone: Sarah Andre, (512) 698-3369
 Developer: VDC Promontory Pointe, L.L.C.
 Housing General Contractor: Galaxy Builders, Ltd.
 Architect: TBD
 Market Analyst: O'Connor & Associates
 Syndicator: Hudson Housing Capital, LLC
 Supportive Services: TBD
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	200
	10 0 90 100	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 24 104 72 0 0	Total Development Units:	200
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	10
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,875,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Promontory Pointe, TDHCA Number 10162

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Watson, District 14, NC Points: 0 US Representative: McCaul, District 10, NC
TX Representative: Strama, District 50, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

East Wells Branch Neighborhood, Charles Collins Letter Score: 24 S or O: S

Development of the vacant tract will help improve a sewer line in the area, prevent unauthorized use of the vacant tract, and apartments are preferred over industrial.

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0
First Baptist Church Wells Branch, S, Dr. Ed Humphrey, Pastor

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Promontory Pointe, TDHCA Number 10162

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **203** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

La Risa, TDHCA Number 10169

BASIC DEVELOPMENT INFORMATION

Site Address: 800 Babcock Rd. Development #: 10169
 City: San Antonio Region: 9 Population Served: General
 County: Bexar Zip Code: 78201 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: VDC Babcock, LP
 Owner Contact and Phone: Jerry Du Terroill, (210) 822-6333
 Developer: VDC La Risa, LLC
 Housing General Contractor: Galaxy Builders, Ltd
 Architect: Gonzalez Newell, Bender, Inc. Architects
 Market Analyst: O'Conner & Associates
 Syndicator: Hudson Housing Capital, LLC
 Supportive Services: TBD
 Consultant and Contact: S. Anderson Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	237
	12 0 108 117	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 149 88 0 0 0	Total Development Units:	237
Type of Building:		Total Development Cost*:	\$22,302,526
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	30
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,963,404	\$1,963,404			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

La Risa, TDHCA Number 10169

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Van De Putte, District 26, S Points: 14 US Representative: González, District 20, NC
TX Representative: Martinez Fischer, District 116, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Sunshine Estates Neighborhood Association, Randolph Murdock Letter Score: 24 S or O: S

The rehab would be a benefit to the community as a whole as well as the residents of the apartments.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance by commitment of a firm commitment from the City of San Antonio defining the terms of the funds to be provided.
2. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
3. Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
4. Receipt of a firm commitment from the City of San Antonio Housing and Neighborhood Services Agency for funding in the amount of \$3,182,500, or a commitment from a qualifying substitute source in an amount not less than \$3,182,500, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

La Risa, TDHCA Number 10169

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **16**

Total # Monitored: **13**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **225** Meeting a Required Set-Aside Credit Amount*: \$1,963,404

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/19/10 PROGRAM: 9% LIHTC FILE NUMBER: 10169

DEVELOPMENT

La Risa

Location: 800 Babcock Region: 9
 City: San Antonio County: Bexar Zip: 78201 OCT DDA
 Key Attributes: General, Acquisition/Rehab, Multifamily

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,963,404			\$1,954,346		

CONDITIONS

- 1 Receipt, review, and acceptance by commitment of a firm commitment from the City of San Antonio defining the terms of the funds to be provided.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 3 Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	12
50% of AMI	50% of AMI	108
60% of AMI	60% of AMI	117

STRENGTHS/MITIGATING FACTORS

- The Development Team has experience with nine TDHCA funded developments.

WEAKNESSES/RISKS

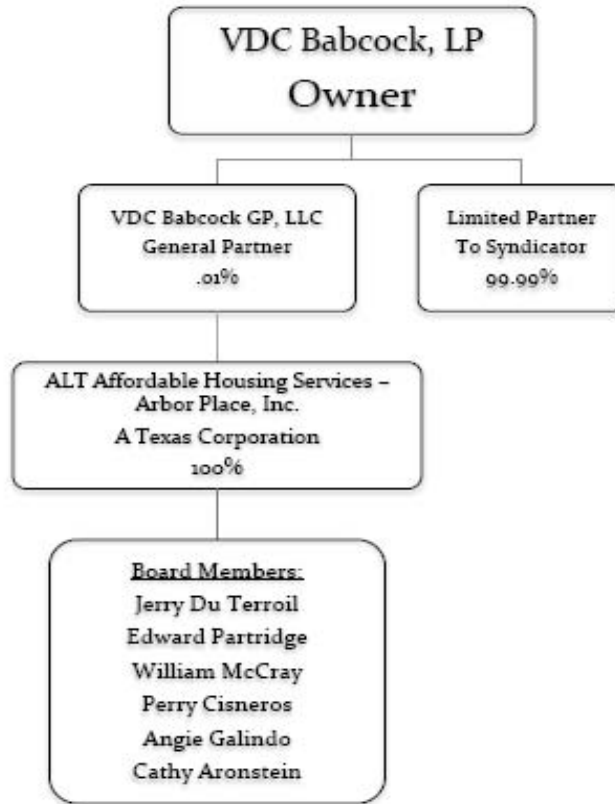
- The Primary Market Area has a high concentration of Affordable Housing, and the PMA does not meet the Gross Capture Rate limit of 10% for urban developments targeting family households.

This section intentionally left blank.

- An Extended Market analysis of supply and demand considering all proposed and unstabilized comparable properties in the area indicates a marginally acceptable Gross Capture Rate of 9.8%.
- Proposed rents are on average 19% below market rents.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Jerry Du Terroil Phone: (210) 822-6333 Fax: (210) 822-6550
 Email: jduterroil@satx.rr.com

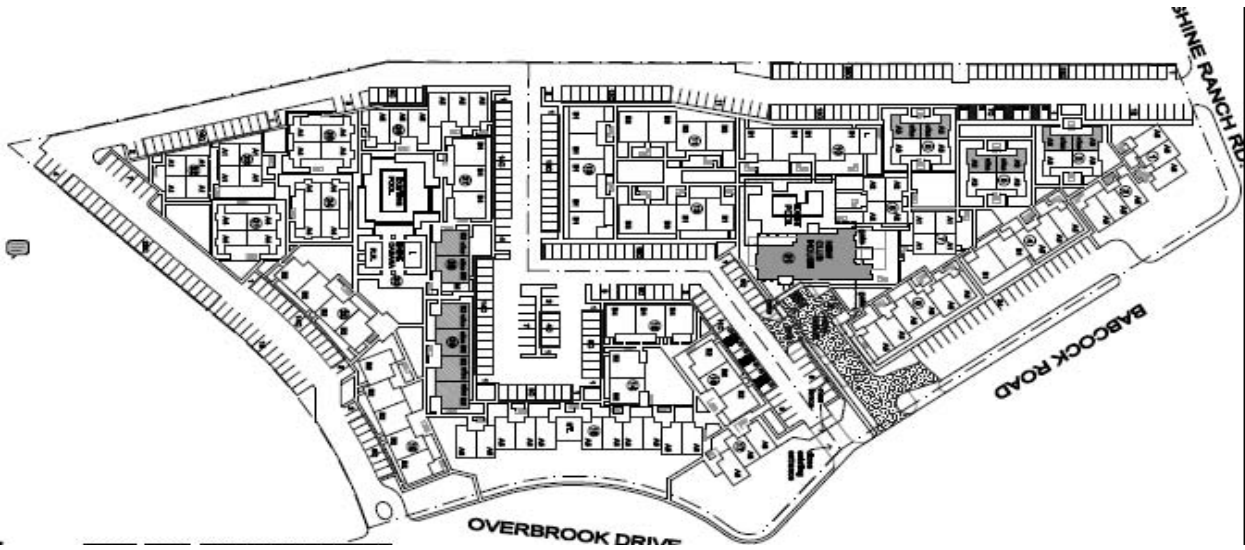
IDENTITIES of INTEREST

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments.
- The seller is regarded as a related party due to this being an identity of interest transaction.

This section intentionally left blank.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E	E2	F	G	H	I	Subtotal Buildings
Floors/Stories	2	2	2	2	2	2	2	2	2	2	
Number	3	1	3	3	2	1	1	1	1	1	17

BR/BA	SF	Units										Subtotal Units	Subtotal SF
1 1	500	8										24	12,000
1 1	513		8									8	4,104
1 1	609			8								24	14,616
1 1	628				8							24	15,072
1 1	673					6	5	12	12	22	6	69	46,437
2 1	903										2	2	1,806
Units per Building		8	8	8	8	6	5	12	12	22	8	151	94,035

Building Type	J	K	L	M1	M2	N	O1	O2	P	Q	Subtotal Buildings
Floors/Stories	2	2	2	2	2	2	2	2	2	2	
Number	1	1	1	1	1	1	1	1	1	1	10

BR/BA	SF	Units										Subtotal Units	Subtotal SF
2 1	903	8	10	4								22	19,866
2 1	910				4	4	6	8	8	10		40	36,400
2 2	927			4							8	12	11,124
Units per Building		8	10	8	4	4	6	8	8	10	8	74	67,390

Building Type	R	CLUB	CABA NA									Total Number of Buildings
Floors/Stories	2	1	1									
Number	2	1	1									31

BR/BA	SF	Units										Total Number of Units	Total SF
2	2	936	6									12	11,232
Units per Building			6	0	0							237	172,657

Comment:

All buildings have a total of two stories; however buildings 1 & 4 (A & D) have 1 story sections. Building 1 (A) has 1 one-story unit and building 4 (D) has 2 one-story units.

Demolition Activities:

Three of the existing buildings (buildings #1, 11, & 16) will be completely demolished in order to construct a new clubhouse which will be visible from Babcock Road. Demolition for unit interiors will include, but no limited to, removal and disposal of all cabinets, countertops, interior doors, interior trims, mini-blinds, hardware, plumbing fixtures, electrical fixtures, flooring, HVAC equipment, and appliances. Drywall replacement will depend on specific unit issues with regard to plumbing and electrical repairs and/or replacement. The PCA report estimates \$261,147 for asbestos abatement as an "immediately necessary repairs and replacements".

Rehabilitation Activities:

The development was built in 1971 currently consists of 254 units, on approximately 9.928 acres, and including thirty-two residential buildings, one clubhouse, and one office. The site acreage will remain the same. Three residential buildings will be demolished in order to construct a new clubhouse. The demolished buildings will include buildings one, eleven, and sixteen. The demolition of these building will result in a total unit count of 237 units. This will consist of one club house and thirty residential buildings. Rehabilitation activities include kitchen upgrades, bathroom upgrades, and energy efficient appliances. Furthermore, the interiors of the units will be modernized to included dishwashers, garbage disposals, and ceiling fans. The community center, pool, and all other common areas will be renovated.

The current unit mix is:

- 32 - Efficiency units
- 132 - One-bedroom / One-bath units
- 64 - Two-bedroom / One-bath units
- 26 - Two-bedroom / Two-bath units

The proposed unit mix is:

- 149- One-bedroom / One-bath units
- 64 - Two-bedroom / One-bath units
- 24 - Two-bedroom / Two-bath units

Tenant Relocation Plan:

The scope of work may require the temporary relocation of some of the residents on a building by building basis. The rehabilitation activities will be performed in phases taking down one building at a time for renovations. Each building consists of approximately 10 units. Residents will be relocated to a comparable unit within the La Risa complex as necessary. If such a unit is unavailable the tenant will be relocated to a comparable unit within the same neighborhood and the development owner will pay all associated relocation costs. The owner has budgeted \$340K for tenant relocation expenses.

SITE ISSUES

Total Size:	<u>9.928</u> acres	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>Zone X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>MF-33</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

This section intentionally left blank.

TDHCA SITE INSPECTION

Inspector: TDHCA Manufactured Housing Staff Date: 4/14/2010
 Overall Assessment:
 Excellent **Acceptable** Questionable Poor Unacceptable
 Surrounding Uses:
 North: Residential East: Residential, Nursing Home, Church
 South: Residential West: Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Targus Associates, LLC Date: 3/24/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Based upon the information obtained, as reflected in this report, this assessment has revealed no evidence of recognized environmental conditions in connection with the subject property." (p. iv)
- "Asbestos containing materials (including damaged, friable materials) were confirmed through testing to be within the apartment units. The property manager was not aware of the existence of an Asbestos Operations and Maintenance program and Targus noted some renovation activities of damaged units appeared to be in progress on the day of the assessment. Texas Department of State Health Services (DSHS) regulations require that an asbestos survey be performed (regardless of the age of the structure) prior to any renovation or demolition activities. Although ACM has been identified as a business environmental risk, we are informed that the client has already evaluated repair and renovation needs with this condition in mind." (p. iv)
- "A limited survey for lead-based paint (LBP) was conducted at the subject property on March 15, 2010 ... This was not a comprehensive survey. Additionally, sufficient apartment units, building exterior and common areas were not sampled to satisfy HUD requirements concerning LBP assessments in residential structures constructed prior to 1979. Based on the results of the survey, LBP does not appear to present a business environmental risk. Targus recommends that tenants continued to be notified that LBP may be present at the subject property in accordance with HUD requirements for pre 1978 housing. Renovation and demolition activities should be conducted in accordance with state and federal regulations and may require that the work be conducted by a licensed LBP abatement contractor depending on the scope of the activity." (pp. 26-27)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 3/26/2010
 Contact: Kenneth Araiza Phone: (713) 686-9955
 Number of Revisions: None Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 11 sq. miles 2 mile equivalent radius
 The Primary Market Area is defined by 12 census tracts in northwest San Antonio, at the interchange of Interstate 10 and Loop 410.

Extended Market Area: 55 sq. miles 4 mile equivalent radius
 The Underwriter also considered an Extended Market Area which roughly extends south from the PMA to US 90, from Loop 410 in the west to Interstate 35 in the east.

ELIGIBLE HOUSEHOLDS BY INCOME								
Bexar County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$11,006	\$12,000	---	---	\$18,377	\$20,000	\$22,046	\$24,000
2	\$11,006	\$13,700	---	---	\$18,377	\$22,900	\$22,046	\$27,480
3	\$13,234	\$15,450	---	---	\$22,046	\$25,750	\$26,469	\$30,900
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10150	Woodlawn Ranch	recon	family	168	252
Other Affordable Developments in PMA since 2006					
None					
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		5	Total Units		748

COMPARABLE SUPPLY in EXTENDED MARKET					
10114	Terrace at Haven for Hope	new	family	92	140
10118	San Juan III	new	family	79	139
08401	Artisan at San Pedro	new	family	164	252
07171	San Juan II	recon	family	75	144
Other Affordable Developments in EXTENDED MARKET since 2006					
10076	Darson Marie Terrace	new	senior	n/a	57
08200	Ingram Square	rehab	family	n/a	120
08418	Mirabella	new	senior	n/a	172
07095	Las Palmas Gardens	rehab	family	n/a	100
07173	West End Baptist Manor	rehab	family	n/a	50
07198	West Durango Plaza	rehab	family	n/a	82
Stabilized Affordable Developments in EXTENDED MARKET (pre-2006)					
Total Properties (pre-2006)		20	Total Units		2,706

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Market Analyst did not identify any unstabilized comparable properties in the PMA that would impact the calculation of supply and demand. The market study points out that Chaminade Apartments received an HTC award in 2009, but is not listed on the Department's inventory.

Chaminade Apartments did return the 2009 HTC award. However, there is a current 2010 application, Woodlawn Ranch (#10150), which is a proposed demolition of the 200 units at Chaminade Apartments and reconstruction of 252 new units. Woodlawn Ranch must therefore be factored into the Relevant Supply in determining the Capture Rate for the subject PMA.

The Underwriter has also noted four comparable developments in the surrounding area that are targeting a significant portion of the same population targeted by the subject and Woodlawn Ranch. The Underwriter has therefore also considered the overall supply and demand for an Extended Market Area formed by the combined Primary Market Areas for the six comparable developments (including the subject).

Since the subject only contains one- and two-bedroom units, only one- and two-bedroom units at the comparable properties are included in the supply.

There are also at least two other comparable properties that were not included. Enclave Gardens is a 2007 tax exempt bond project located just outside the subject PMA to the northeast; based on Department reports Enclave Gardens appears to have achieved stabilized operation. CityView Apartments is a 2008 tax exempt bond project located at the eastern edge of the Extended Market Area; the PMA for CityView extends almost entirely to the east, so there is no overlap with the subject PMA and only minimal overlap with the Extended Market.

OVERALL DEMAND ANALYSIS				
	Market Analyst	Underwriter		
	PMA	PMA	La Risa / Woodlawn Extended Market	Overall Extended Market
Total Households in the Primary Market Area	23,160	23,160	41,907	90,415
Potential Demand from the Primary Market Area	2,249	2,413	3,803	8,319
Potential Demand from Other Sources	0	0	0	0
GROSS DEMAND	2,249	2,413	3,803	8,319
Subject Affordable Units	237	237	237	237
Unstabilized Comparable Units	0	168	168	578
RELEVANT SUPPLY	237	405	405	815
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	10.5%	16.8%	10.7%	9.8%

Demand Analysis:

The Market Analyst identifies Gross Demand for 2,249 units from eligible households in the PMA, and reports a Gross Capture Rate of 10.5%. The Market Analyst acknowledges that this exceeds the maximum Gross Capture Rate of 10%, and incorrectly states that the limit does not apply because the subject is existing housing that is more than 50% occupied.

The exception to the Capture Rate limit only applies to existing Affordable Housing, a defined term in the Real Estate Analysis Rules that refers specifically to developments that have been previously funded through the Department's programs, or has rents restricted by LURA or deed. The subject property does not meet this definition; the subject is currently 70% occupied, and there is no way to know how many current tenants will be income eligible under the proposed HTC restrictions. The subject must therefore be considered unstabilized, and is subject to the Gross Capture Rate limit as a criterion for feasibility.

The Underwriter determined Gross Demand for 2,413 units in the PMA, and a gross Capture Rate of 16.8% for a Relevant Supply of 405 units (237 at the subject and 168 comparable units at Woodlawn Ranch). This Capture Rate significantly exceeds the 10% maximum.

The Primary Market Area designated for Woodlawn Ranch is larger than the subject PMA and actually includes most of the subject PMA; Gross Demand for 3,803 units was calculated for the two combined PMA's, and a Gross Capture Rate of 10.7%, also exceeding the 10% limit.

But there are four additional comparable properties located in the surrounding area, two current 2010 applications, a 2008 tax exempt bond project, and a 2007 HTC development. The six total properties are all located within a three mile radius, and significant portions of the population are included in two or more market areas. The area defined by the six combined PMA's has a population of 90,000 households; Gross Demand for 8,319 units was determined for this area, and a Gross Capture Rate of 9.8% for a total Relevant Supply of 815 units. This result barely satisfies the 10% maximum Gross Capture Rate.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	228	8	0	4%	131	8	2	8%
1 BR/50%	269	67	0	25%	196	67	30	50%
1 BR/60%	348	74	0	21%	177	74	24	55%
2 BR/30%	196	4	0	2%	136	4	6	7%
2 BR/50%	231	41	0	18%	178	41	42	47%
2 BR/60%	265	43	0	16%	174	43	64	61%

Primary Market Occupancy Rates:

The market study reports overall occupancy for the PMA. Quarterly readings have declined consistently from 93% in 1Q08 to 87% in 4Q09. (p. 51)

The market study reports occupancy for four affordable properties in the PMA. Chaminade Apartments (which is proposed to be demolished for the reconstruction of Woodlawn Ranch) is currently 96% occupied; Tigoni Villas and Primrose at Monticello Park, both funded in 2003, report 89% and 91% respectively; and Babcock Villas, a 1997 tax exempt bond project is only 80% occupied. (p. 55)

Absorption Projections:

"We were unable to locate any Family market-rate developments which have been renovated and stabilized within the past 24 months within the subject PMA. The most recent HTC project which came on-line was Tigoni Villas and Primrose at Monticello Park. Tigoni Villas reported a four month absorption period or 31 units per month. Primrose at Monticello Park (Seniors) indicate an 11-month lease up or 20 units per month. Considering the strong absorption history of similar properties and the lack of available quality affordable Family units in this market, we project that the subject property will be leased up at the completion of renovations." (p. 107)

Market Impact:

"As with most rolling rehab projects, pre-leasing will take place during the renovation phase but the owners expect the majority of the tenants in place to income qualify. Based on our analysis of the subject property's primary market area, there is sufficient demand to renovate and successfully absorb the La Risa." (p. 108)

Comments:

The subject is located in an area with a high concentration of existing affordable housing, and a significant quantity of unstabilized, under construction, and proposed affordable units. The immediate Primary Market Area does not meet the Gross Capture Rate guidelines for feasibility. But an evaluation of an Extended Market Area indicates a marginally acceptable level of demand for the subject as well as the additional unstabilized units in the region.

The overconcentration of the area and the declining trend in occupancy are cause for concern. But these are mitigated by the fact that several of the comparable properties report higher than average occupancy, and the subject itself is 70% occupied with a reasonable expectation that most tenants will remain through the rehabilitation.

The market analysis provides sufficient information on which to base a funding recommendation.

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OPERATING PRO FORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 5/27/2010

The Applicant's projected rents collected per unit type were calculated by subtracting tenant-paid utility allowances as of 6/1/2009 as maintained by the San Antonio Housing Authority from the 2009 HTC Gross Program rent limits. Tenants will be required to pay for all electric utilities. Secondary income is estimated at \$15/unit/month for laundry, phone, cable, and late fees collected. Of note, 100 carports will be provided to tenants free of charge. Vacancy and collection losses of -7.5% are assumed. The Applicant's secondary income and vacancy and collection loss assumptions are within current TDHCA guidelines. 2009 HTC Rent Limits were utilized in this analysis per current underwriting guidelines. 2009 HTC rents compared to 2010 HTC rents for the subject will result a potential increase of \$1,757 annually for potential gross rents, however, the 2 BR units at the 60% rent level are limited by market conditions which effectively reduces the potential increase in overall gross rent to \$1,116 annually using the lesser of the market rents or the 2010 HTC rent limits.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 5/27/2010

The Applicant's total annual operating expense projection per unit of \$3,857 is within 5% of the Underwriter's estimate of \$3,835 per unit. The Applicant's projected expense to income ratio is 61.7% which is below the 65% limit for initial feasibility requirements. The Underwriter's expense estimates are derived from historical operating statements, TDHCA, and IREM database figures. The only expense line-item to significantly diverge from database figures is the Applicant's annual property tax estimate of \$129,700 based on an NOI Capitalization Value of \$23,924/unit/year. The Underwriter evaluated the historical operating statements and found that the Underwriter's operating expenses per unit are within \$140 of the historicals as adjusted for current property tax estimated, replacement reserves, TDHCA compliance fees, and supportive services.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are all within 5% of the Underwriter's estimates; therefore, the Applicant's year-one operating pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.19, which within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>O'Connor & Associates</u>	Date:	<u>3/12/2010</u>
Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	<u>9.928 acres</u>	As of:	<u>3/12/2010</u>
Existing Buildings: (as-is)	<u>\$910,000</u>	As of:	<u>3/12/2010</u>
Total Development: (as-is)	<u>\$5,110,000</u>	As of:	<u>3/12/2010</u>
Comments:	<u>\$6,020,000</u>		

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The appraisal report lists the following breakdown of Market Value opinions:

- "as is, as restricted" Market Value of the Fee Simple Estate = \$6,020,000
- "as is, unrestricted" Market Value of the Fee Simple Estate = \$6,160,000.

ASSESSED VALUE

Land Only: 9.928 acres	\$973,040	Tax Year:	2009
Existing Buildings:	\$5,215,130	Valuation by:	Bexar CAD
Total Assessed Value:	\$6,188,170	Tax Rate:	2.560297

EVIDENCE of PROPERTY CONTROL

Type: <u>Exclusive Option Agreement</u>	Acreage: <u>9.928</u>
Contract Expiration: <u>6/1/2011</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Option Price: <u>\$6,363,000</u>	Other: _____
Seller: <u>ALT Affordable Housing Services, Inc.</u>	Related to Development Team? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

TITLE

Comments:

Mechanic's and Materialmen's Lien Affidavit by Hill Horticulture, Inc., against ALT Affordable Housing Services, Inc. - Arbor Place, in the amount of \$5813.12, filed for record on May 1, 2008 and recorded in Volume 13473, Page 2160, Official Public Records of Real Property of Bexar County, Texas.
 Abstract of Judgment by Frank G. Halvorson against ALT Affordable Housing Services, Inc. in the amount of \$150.00, filed for record on may 4, 2006 and recoded Volume 12173, Page 1308, Official Public Records of Real Property of Bexar County, Texas.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant's total claimed acquisition cost is based on an Exclusive Option Agreement with an option price of \$640,914 per acre or \$26,848 per unit. An appraisal was provided which supported the Applicant's total acquisition cost, and an existing building value of \$5,110,000. The Applicant has claimed an eligible existing building acquisition value of \$5,215,130 which is equal to the Bexar CAD existing building value. The Applicant provided sufficient documentation to support an identity of interest acquisition cost of \$6,363,000. The Underwriter pro rated this cost between land and building value pursuant to REA rules, which resulted in a building value of \$5,389,960.

Site Work Cost:

The Applicant's claimed site work costs of \$2,815 per unit are within current Department guidelines, and no further third-party justification is required at this time. The Underwriter evaluated the PCA report's site work costs estimates of \$4,234 per unit which included \$336,300 for demolition costs which is a non-eligible cost for basis purposes; therefore both the Underwriter and Applicant have excluded this item from eligible costs.

Direct Construction Cost:

The Applicant's direct construction cost estimate is within 5% of the Underwriter's cost estimate as derived from the PCA Report. The Underwriter's direct costs are \$106,357 lower than the Applicant's estimate.

Contingency & Fees:

The Applicant's estimate of contingency, contractor fees, and developer fees all fall within REA guidelines based on the Applicant's costs. However, because the Underwriter's direct construction costs are lower than the Applicant's estimate, the Underwriter's maximum eligible contingency and developer fees are \$10,952 and \$17,595 lower, respectively, than the Applicant's estimates.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it proposes to provide an additional 10% of units at 30% of AMFI in excess of those 30% units committed for scoring purposes, and because it is located in a census tract that has a median family income ("MFI") that is higher than the MFI for the county in which the census tract is located.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; however, since this is an acquisition/rehabilitation development the Underwriter's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$20,481,393 supports annual tax credits of \$1,954,346. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds in order to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Dougherty & Company, LLC Type: Interim to Permanent Financing

Principal: \$4,850,000 Interest Rate: 6.5% Fixed Amort: 480 months

Comments:

The interest rate includes a note rate of 5.97% and MIP of 0.45% for a total rate of 6.42%. The lender has identified a debt service payment of \$340,736 based on a loan constant of 7.0254845%; this effectively results in an amortized interest rate of 6.5%, inclusive of MIP. This is the rate that is reflected in the analysis. The term letter will expire on August 1, 2010.

Source: City of San Antonio Type: Interim to Permanent Local Government Loan

Principal: \$3,182,500 Interest Rate: 3.00% Fixed Amort: 480 months

Comments:

The Applicant has submitted an application to the City of San Antonio Housing & Neighborhood Services Department's Rental Rehabilitation Program requesting financing terms for an interim to permanent loan in the amount of \$3,182,500 with an interest rate at or below AFR, assumed by the Applicant to be 3%, with a term of 40 years. The Underwriter has assumed that, as proposed, the loan will amortize over 40 years at 3% interest. As these funds are yet to be awarded, this report is conditioned upon receipt, review, and acceptance by commitment of a firm commitment from the City of San Antonio defining the structure of these funds.

Source: Rivercity Capital Type: Interim Private Loan

Principal: \$500,000 Interest Rate: 7.0% Fixed Amort: 6 months

Source: Hudson Housing Capital, LLC. Type: Syndication

Proceeds: \$13,742,000 Syndication Rate: 70% Anticipated HTC: \$ 1,963,404

Amount: \$645,334 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$4,850,000 and additional permanent funds of \$3,182,500 indicates the need for \$14,270,026 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,038,846 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

<u>Allocation determined by eligible basis:</u>	<u>\$1,954,346</u>
Allocation determined by gap in financing:	\$2,038,846
Allocation requested by the Applicant:	\$1,963,404

The allocation amount determined by eligible basis is recommended. A tax credit allocation of \$1,954,346 per year for 10 years results in total equity proceeds of \$13,678,605 at a syndication rate of \$0.70 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$591,421 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cash flow within 15 years of stabilized operation.

Underwriter:	<u>Colton Sanders</u>	Date:	<u>July 19, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>July 19, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 19, 2010</u>

UNIT MIX/RENT SCHEDULE

La Risa, San Antonio, 9% LIHTC #10169

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	San Antonio	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:		
COUNTY:	Bexar	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:		
SUB-MARKET:		1	149	62.9%								EXPENSE GROWTH:		
PROGRAM REGION:	9	2	88	37.1%								HIGH COST ADJUSTMENT:		
RURAL RENT USED:	No	3										APPLICABLE FRACTION:		
IREM REGION:	San Antonio	4										APP % - ACQUISITION:		
		TOTAL	237	100.0%	MISC							APP % - CONSTRUCTION:		

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS			MARKET RENTS			
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	2	1	1	500	\$321	\$64	\$257	\$0	\$0.51	\$257	\$514	\$514	\$257	\$0.51	\$0	\$575	\$318
TC 50%	11	1	1	500	\$536	\$64	\$472	\$0	\$0.94	\$472	\$5,192	\$5,192	\$472	\$0.94	\$0	\$575	\$103
TC 60%	11	1	1	500	\$643	\$64	\$579	\$0	\$1.16	\$579	\$6,369	\$6,325	\$575	\$1.15	(\$4)	\$575	\$0
TC 30%	1	1	1	513	\$321	\$64	\$257	\$0	\$0.50	\$257	\$257	\$257	\$257	\$0.50	\$0	\$575	\$318
TC 50%	4	1	1	513	\$536	\$64	\$472	\$0	\$0.92	\$472	\$1,888	\$1,888	\$472	\$0.92	\$0	\$575	\$103
TC 60%	3	1	1	513	\$643	\$64	\$579	\$0	\$1.13	\$579	\$1,737	\$1,725	\$575	\$1.12	(\$4)	\$575	\$0
TC 30%	1	1	1	609	\$321	\$64	\$257	\$0	\$0.42	\$257	\$257	\$257	\$257	\$0.42	\$0	\$622	\$365
TC 50%	11	1	1	609	\$536	\$64	\$472	\$0	\$0.78	\$472	\$5,192	\$5,192	\$472	\$0.78	\$0	\$622	\$150
TC 60%	12	1	1	609	\$643	\$64	\$579	\$0	\$0.95	\$579	\$6,948	\$6,948	\$579	\$0.95	\$0	\$622	\$43
TC 30%	1	1	1	628	\$321	\$64	\$257	\$0	\$0.41	\$257	\$257	\$257	\$257	\$0.41	\$0	\$630	\$373
TC 50%	10	1	1	628	\$536	\$64	\$472	\$0	\$0.75	\$472	\$4,720	\$4,720	\$472	\$0.75	\$0	\$630	\$158
TC 60%	13	1	1	628	\$643	\$64	\$579	\$0	\$0.92	\$579	\$7,527	\$7,527	\$579	\$0.92	\$0	\$630	\$51
TC 30%	3	1	1	673	\$321	\$64	\$257	\$0	\$0.38	\$257	\$771	\$771	\$257	\$0.38	\$0	\$648	\$391
TC 50%	31	1	1	673	\$536	\$64	\$472	\$0	\$0.70	\$472	\$14,632	\$14,632	\$472	\$0.70	\$0	\$648	\$176
TC 60%	35	1	1	673	\$643	\$64	\$579	\$0	\$0.86	\$579	\$20,265	\$20,265	\$579	\$0.86	\$0	\$648	\$69
TC 30%	1	2	1	903	\$386	\$88	\$298	\$0	\$0.33	\$298	\$298	\$298	\$298	\$0.33	\$0	\$750	\$452
TC 50%	11	2	1	903	\$643	\$88	\$555	\$0	\$0.61	\$555	\$6,105	\$6,105	\$555	\$0.61	\$0	\$750	\$195
TC 60%	12	2	1	903	\$772	\$88	\$684	\$0	\$0.76	\$684	\$8,208	\$8,208	\$684	\$0.76	\$0	\$750	\$66
TC 30%	1	2	1	910	\$386	\$88	\$298	\$0	\$0.33	\$298	\$298	\$298	\$298	\$0.33	\$0	\$750	\$452
TC 50%	18	2	1	910	\$643	\$88	\$555	\$0	\$0.61	\$555	\$9,990	\$9,990	\$555	\$0.61	\$0	\$750	\$195
TC 60%	21	2	1	910	\$772	\$88	\$684	\$0	\$0.75	\$684	\$14,364	\$14,364	\$684	\$0.75	\$0	\$750	\$66
TC 30%	1	2	2	927	\$386	\$88	\$298	\$0	\$0.32	\$298	\$298	\$298	\$298	\$0.32	\$0	\$775	\$477
TC 50%	6	2	2	927	\$643	\$88	\$555	\$0	\$0.60	\$555	\$3,330	\$3,330	\$555	\$0.60	\$0	\$775	\$220
TC 60%	5	2	2	927	\$772	\$88	\$684	\$0	\$0.74	\$684	\$3,420	\$3,420	\$684	\$0.74	\$0	\$775	\$91
TC 30%	1	2	2	936	\$386	\$88	\$298	\$0	\$0.32	\$298	\$298	\$298	\$298	\$0.32	\$0	\$775	\$477
TC 50%	6	2	2	936	\$643	\$88	\$555	\$0	\$0.59	\$555	\$3,330	\$3,330	\$555	\$0.59	\$0	\$775	\$220
TC 60%	5	2	2	936	\$772	\$88	\$684	\$0	\$0.73	\$684	\$3,420	\$3,420	\$684	\$0.73	\$0	\$775	\$91
TOTAL:	237				172,657						\$129,885	\$129,829					
AVG:					729				\$0	\$0.75	\$548		\$548	\$0.75	(\$0)	\$674	(\$126)
ANNUAL:											\$1,558,620	\$1,557,948					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

La Risa, San Antonio, 9% LIHTC #10169

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$1,557,948	\$1,558,620			
Secondary Income	Per Unit Per Month:	\$15.00		42,660	42,660	\$15.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$1,600,608	\$1,601,280			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(120,046)	(120,096)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0	0			
EFFECTIVE GROSS INCOME				\$1,480,562	\$1,481,184			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.10%	\$318	0.44	\$75,454	\$77,765	\$0.45	\$328	5.25%
Management	5.00%	\$312	0.43	74,028	74,060	0.43	312	5.00%
Payroll & Payroll Tax	14.96%	\$934	1.28	221,473	222,852	1.29	940	15.05%
Repairs & Maintenance	7.62%	\$476	0.65	112,747	117,099	0.68	494	7.91%
Utilities	3.50%	\$219	0.30	51,840	57,420	0.33	242	3.88%
Water, Sewer, & Trash	5.55%	\$347	0.48	82,134	91,704	0.53	387	6.19%
Property Insurance	3.05%	\$191	0.26	45,217	43,164	0.25	182	2.91%
Property Tax 2.560297	9.84%	\$614	0.84	145,630	129,700	0.75	547	8.76%
Reserve for Replacements	4.80%	\$300	0.41	71,100	71,100	0.41	300	4.80%
TDHCA Compliance Fees	0.64%	\$40	0.05	9,480	9,480	0.05	40	0.64%
Other: Supportive Services	1.34%	\$84	0.11	19,852	19,852	0.11	84	1.34%
TOTAL EXPENSES	61.39%	\$3,835	\$5.26	\$908,954	\$914,196	\$5.29	\$3,857	61.72%
NET OPERATING INC	38.61%	\$2,412	\$3.31	\$571,608	\$566,988	\$3.28	\$2,392	38.28%

DEBT SERVICE

Dougherty & Company, LLC	\$340,736	\$340,736
City of San Antonio	\$136,714	\$136,715
Rivercity Capital (Interim)	\$0	\$0
TOTAL DEBT SERVICE	477,450	477,451
NET CASH FLOW	\$94,158	\$89,537
AGGREGATE DEBT COVERAGE RATIO	1.20	1.19
RECOMMENDED DEBT COVERAGE RATIO		1.19

CONSTRUCTION COST

<u>Description</u>	<u>Factor</u>	<u>% of TOTAL</u>	<u>PER UNIT</u>	<u>PER SQ FT</u>	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		28.53%	\$26,848	\$36.85	\$6,363,000	\$6,363,000	\$36.85	\$26,848	28.38%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		2.99%	\$2,815	\$3.86	667,092	667,092	3.86	2,815	2.98%
Direct Construction		37.03%	\$34,842	\$47.83	8,257,583	8,363,940	48.44	35,291	37.31%
Contingency	10.00%	4.00%	\$3,766	\$5.17	892,468	903,419	5.23	3,812	4.03%
Contractor's Fees	12.86%	5.66%	\$5,326	\$7.31	1,262,305	1,262,305	7.31	5,326	5.63%
Indirect Construction		6.70%	\$6,305	\$8.65	1,494,299	1,494,299	8.65	6,305	6.67%
Ineligible Costs		2.53%	\$2,376	\$3.26	563,197	563,197	3.26	2,376	2.51%
Developer's Fees	10.73%	8.91%	\$8,380	\$11.50	1,986,043	1,986,043	11.50	8,380	8.86%
Interim Financing		2.46%	\$2,317	\$3.18	549,239	549,239	3.18	2,317	2.45%
Reserves		1.20%	\$1,128	\$1.55	267,300	267,300	1.55	1,128	1.19%
TOTAL COST		100.00%	\$94,103.48	\$129.17	\$22,302,526	\$22,419,834	\$129.85	\$94,598	100.00%
Construction Cost Recap		49.68%	\$46,749	\$64.17	\$11,079,448	\$11,196,756	\$64.85	\$47,244	49.94%

SOURCES OF FUNDS

						RECOMMENDED	
Dougherty & Company, LLC	21.75%	\$20,464	\$28.09	\$4,850,000	\$4,850,000	\$4,850,000	Developer Fee Available
City of San Antonio	14.27%	\$13,428	\$18.43	3,182,500	3,182,500	3,182,500	\$1,986,043
Hudson Housing Capital	61.62%	\$57,983	\$79.59	13,742,000	13,742,000	13,678,605	% of Dev. Fee Deferred
Deferred Developer Fees	2.89%	\$2,723	\$3.74	645,334	645,334	591,421	30%
Additional (Excess) Funds Req'd	-0.53%	(\$495)	(\$0.68)	(117,309)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$22,302,526	\$22,419,834	\$22,302,526	\$1,370,293

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

La Risa, San Antonio, 9% LIHTC #10169

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$0.00	\$0
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			1.33	230,209
Floor Cover			2.41	416,103
Breezeways	\$23.05	0	0.00	0
Balconies	#DIV/0!	0	#DIV/0!	#DIV/0!
Plumbing Fixtures	\$845	(755)	(3.70)	(637,975)
Rough-Ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	237	2.54	438,450
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Other:			0.00	0
Other:			0.00	0
Carpets	\$9.70	0	0.00	0
Heating/Cooling			1.85	319,415
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.15	172,657	2.15	371,213
SUBTOTAL			#DIV/0!	#DIV/0!
Current Cost Multiplier	0.99		#DIV/0!	#DIV/0!
Local Multiplier	0.90		#DIV/0!	#DIV/0!
TOTAL DIRECT CONSTRUCTION COSTS				
			#DIV/0!	#DIV/0!
Plans, specs, survy, bld pmt	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interest	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
NET DIRECT CONSTRUCTION COSTS			#DIV/0!	#DIV/0!

PROPOSED PAYMENT COMPUTATION

Dougherty & Company, LLC	\$4,850,000	Amort	480
Int Rate	6.50%	DCR	1.68
City of San Antonio	\$3,182,500	Amort	480
Int Rate	3.00%	Subtotal DCR	1.20
Rivercity Capital (Interim)	\$0	Amort	
Int Rate		Aggregate DCR	1.20
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.20
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.20

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Dougherty & Company, LLC	\$340,736
City of San Antonio	136,714
Rivercity Capital (Interim)	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$477,450

Dougherty & Company, LLC	\$4,850,000	Amort	480
Int Rate	6.50%	DCR	1.66
City of San Antonio	\$3,182,500	Amort	480
Int Rate	3.00%	Subtotal DCR	1.19
Rivercity Capital (Interim)	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.19
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.19
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.19

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,558,620	\$1,589,792	\$1,621,588	\$1,654,020	\$1,687,100	\$1,862,695	\$2,056,566	\$2,270,615	\$2,767,867
Secondary Income	42,660	43,513	44,383	45,271	46,177	50,983	56,289	62,148	75,758
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,601,280	1,633,306	1,665,972	1,699,291	1,733,277	1,913,678	2,112,855	2,332,763	2,843,625
Vacancy & Collection Loss	(120,096)	(122,498)	(124,948)	(127,447)	(129,996)	(143,526)	(158,464)	(174,957)	(213,272)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,481,184	\$1,510,808	\$1,541,024	\$1,571,844	\$1,603,281	\$1,770,152	\$1,954,391	\$2,157,805	\$2,630,353
EXPENSES at 3.00%									
General & Administrative	\$77,765	\$80,098	\$82,501	\$84,976	\$87,525	\$101,466	\$117,627	\$136,361	\$183,258
Management	74,060	75,541.2	77,052	78,593	80,165	88,509	97,721	107,891	131,519
Payroll & Payroll Tax	222,852	229,538	236,424	243,517	250,822	290,772	337,084	390,773	525,166
Repairs & Maintenance	117,099	120,612	124,230	127,957	131,796	152,788	177,123	205,334	275,951
Utilities	57,420	59,143	60,917	62,744	64,627	74,920	86,853	100,686	135,314
Water, Sewer & Trash	91,704	94,455	97,289	100,207	103,214	119,653	138,711	160,804	216,106
Insurance	43,164	44,459	45,793	47,166	48,581	56,319	65,289	75,688	101,719
Property Tax	129,700	133,591	137,599	141,727	145,978	169,229	196,183	227,430	305,647
Reserve for Replacements	71,100	73,233	75,430	77,693	80,024	92,769	107,545	124,674	167,552
TDHCA Compliance Fee	9,480	9,764	10,057	10,359	10,670	12,369	14,339	16,623	22,340
Other	29,332	30,212	31,118	32,052	33,013	38,272	44,367	51,434	69,123
TOTAL EXPENSES	\$923,676	\$950,646	\$978,410	\$1,006,992	\$1,036,415	\$1,197,065	\$1,382,841	\$1,597,698	\$2,133,695
NET OPERATING INCOME	\$557,508	\$560,162	\$562,614	\$564,853	\$566,866	\$573,087	\$571,550	\$560,107	\$496,658
DEBT SERVICE									
First Lien Financing	\$340,736	\$340,736	\$340,736	\$340,736	\$340,736	\$340,736	\$340,736	\$340,736	\$340,736
Second Lien	136,714	136,714	136,714	136,714	136,714	136,714	136,714	136,714	136,714
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$80,058	\$82,712	\$85,164	\$87,403	\$89,416	\$95,637	\$94,099	\$82,657	\$19,207
DEBT COVERAGE RATIO	1.17	1.17	1.18	1.18	1.19	1.20	1.20	1.17	1.04

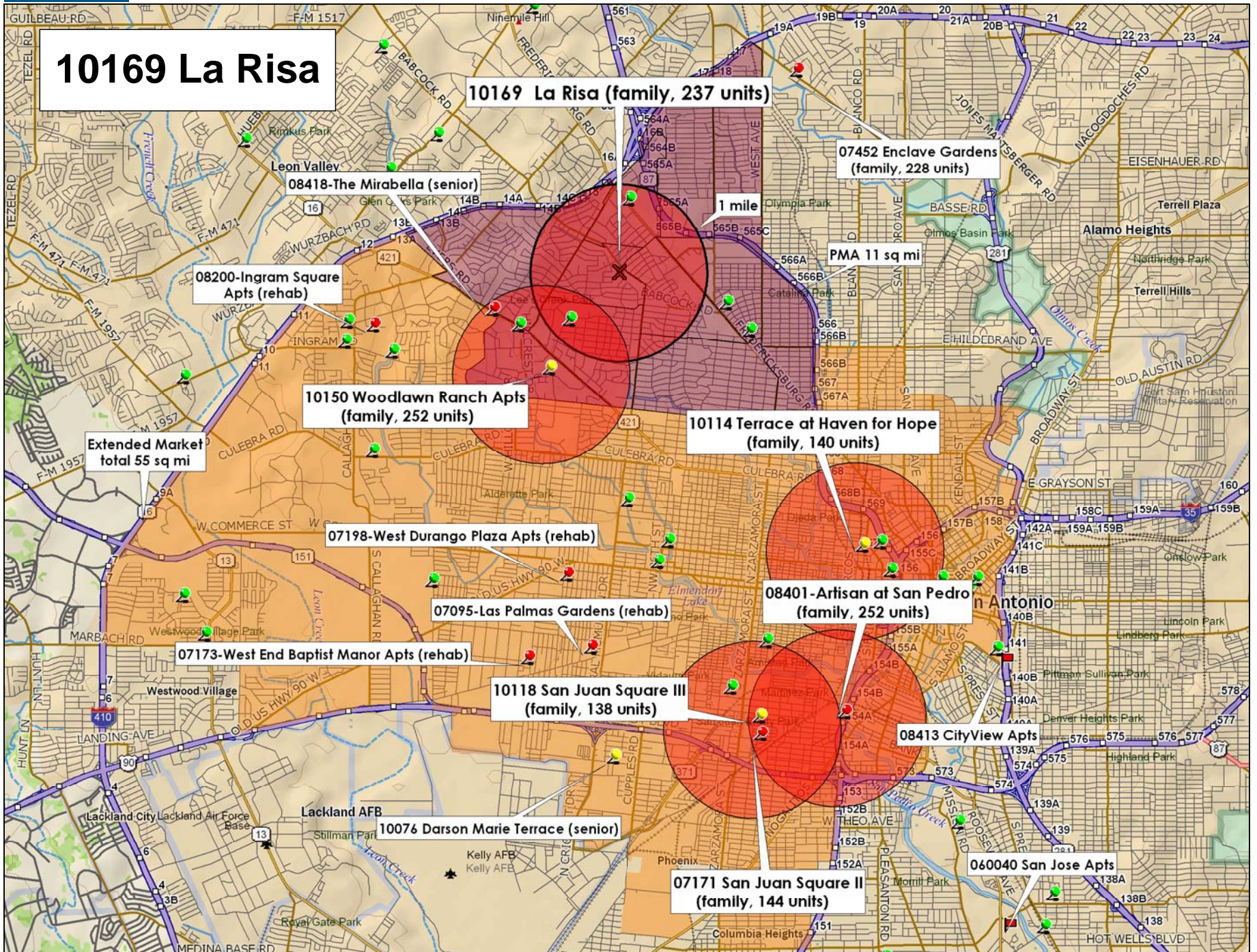
HTC ALLOCATION ANALYSIS -La Risa, San Antonio, 9% LIHTC #10169

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$1,147,870	\$973,040				
Purchase of buildings	\$5,215,130	\$5,389,960	\$5,215,130	\$5,389,960		
Off-Site Improvements						
Sitework	\$667,092	\$667,092			\$667,092	\$667,092
Construction Hard Costs	\$8,363,940	\$8,257,583			\$8,363,940	\$8,257,583
Contractor Fees	\$1,262,305	\$1,262,305			\$1,262,305	\$1,262,305
Contingencies	\$903,419	\$892,468			\$903,103	\$892,468
Eligible Indirect Fees	\$1,494,299	\$1,494,299			\$1,494,299	\$1,494,299
Eligible Financing Fees	\$549,239	\$549,239			\$549,239	\$549,239
All Ineligible Costs	\$563,197	\$563,197				
Developer Fees						
Developer Fees	\$1,986,043	\$1,986,043			\$1,986,043	\$1,968,448
Development Reserves	\$267,300	\$267,300				
TOTAL DEVELOPMENT COSTS	\$22,419,834	\$22,302,526	\$5,215,130	\$5,389,960	\$15,226,021	\$15,091,433

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$5,215,130	\$5,389,960	\$15,226,021	\$15,091,433
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$5,215,130	\$5,389,960	\$19,793,828	\$19,618,863
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$5,215,130	\$5,389,960	\$19,793,828	\$19,618,863
Applicable Percentage			3.50%	3.50%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$182,530	\$188,649	\$1,781,444	\$1,765,698

Syndication Proceeds	0.6999	\$1,277,537	\$1,320,365	\$12,468,453	\$12,358,240
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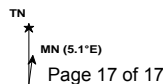
Total Tax Credits (Eligible Basis Method)	\$1,963,974	\$1,954,346
Syndication Proceeds	\$13,745,990	\$13,678,605
Requested Tax Credits	\$1,963,404	
Syndication Proceeds	\$13,742,000	
Gap of Syndication Proceeds Needed	\$14,387,334	\$14,270,026
Total Tax Credits (Gap Method)	\$2,055,607	\$2,038,846
Recommended Tax Credits		1,954,346
Syndication Proceeds		\$13,678,605



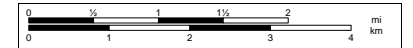
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Scale 1 : 93,750



1" = 1.48 mi

Data Zoom 11-1



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

HomeTowne at Garland, TDHCA Number 10171

BASIC DEVELOPMENT INFORMATION

Site Address: 1520 Castle Dr. Development #: 10171
 City: Garland Region: 3 Population Served: Elderly
 County: Dallas Zip Code: 75040 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: HomeTowne at Garland, LP
 Owner Contact and Phone: Carla Simmons, (817) 742-1851
 Developer: Developing Hope
 Housing General Contractor: Integrated Construction and Development, LP
 Architect: Architettura, Inc.
 Market Analyst: O'Conner & Associates
 Syndicator: JER Hudson Housing Capital
 Supportive Services: Garland Housing Finance Corp
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	144	
	8	0	65	71	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	57	87	0	0	0	
Type of Building:						Total Development Units:	144
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$17,396,917
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	16
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,434,894	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

HomeTowne at Garland, TDHCA Number 10171

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, S Points: 7 US Representative: Johnson, District 3, NC
TX Representative: Driver, District 113, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Ronald E. Jones, Mayor of Garland Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Bittercreek Meadows HOA, Kathryn Grigsby Letter Score: 24 S or O: S

The development will be an asset to our community because it will provide a quality senior development that will serve Garlands aging population while economically benefiting our immediate area and community as a whole and replace what is now an empty field that attracts litter, crime and noisy dirt bike/ATV riders.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance by Commitment, of a firm commitment from the Garland Housing Finance Corporation for the anticipated \$860,000 loan with the terms of the funds clearly stated.
2. Receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
3. Receipt, review, and acceptance, by Commitment, of evidence that the abatement liens listed in Schedule C of the title commitment have been released.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

HomeTowne at Garland, TDHCA Number 10171

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **13**

Total # Monitored: **12**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **216** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/19/10 PROGRAM: 9% HTC FILE NUMBER: 10171

DEVELOPMENT

HomeTowne at Garland

Location: 1520 Castle Drive Region: 3
 City: Garland County: Dallas Zip: 75040 OCT DDA
 Key Attributes: Elderly, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,434,894			\$1,434,894		

CONDITIONS

- 1 Receipt, review, and acceptance by Commitment, of a firm commitment from the Garland Housing Finance Corporation for the anticipated \$860,000 loan with the terms of the funds clearly stated.
- 2 Receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
- 3 Receipt, review, and acceptance, by Commitment, of evidence that the abatement liens listed in Schedule C of the title commitment have been released.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	65
60% of AMI	60% of AMI	71

STRENGTHS/MITIGATING FACTORS

- Proposed rents are on average 33% lower than market rents.
- Occupancy for the existing senior development in the PMA is reported at 96%.

WEAKNESSES/RISKS

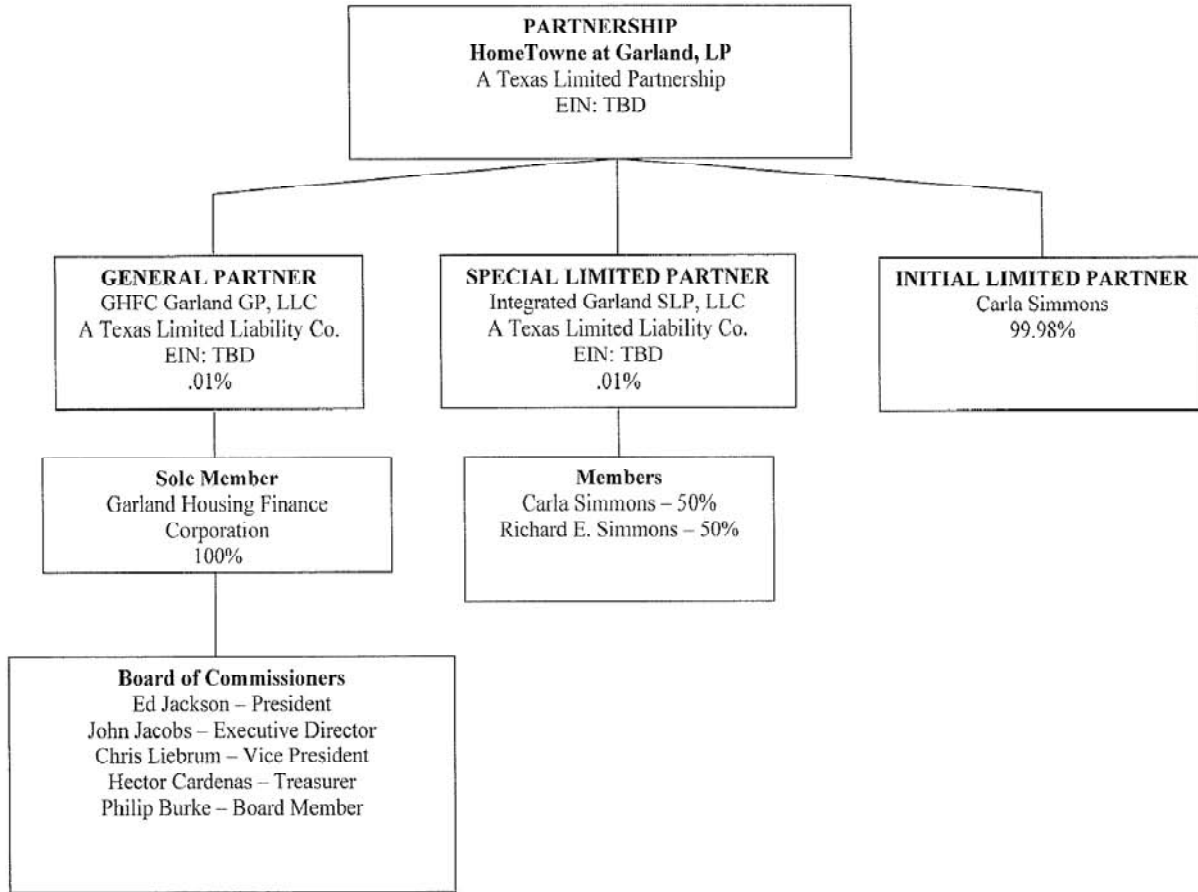
- Average occupancy within the PMA is 88.6%.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

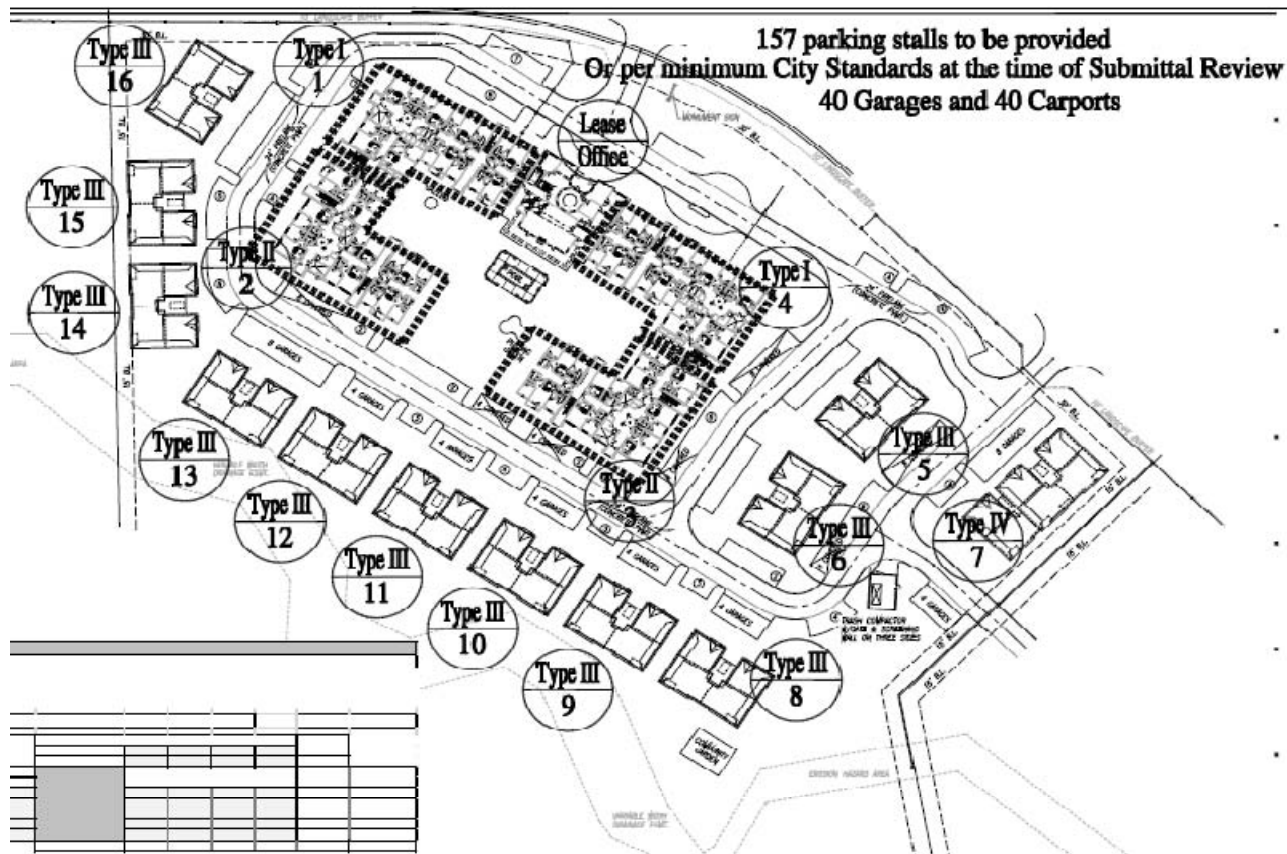
Contact: Carla Simmons Phone: (817) 742-1851 Fax: (817) 742-1852
Email: csimmons@integratedreg.com

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.
- The owner of the land is also regarded as a related party.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III	IV								Total Buildings
Floors/Stories	3	3	1	1								
Number	2	2	11	1								16

BR/BA	SF	Units								Total Units	Total SF	
1	1	780	9	8	2	1					57	44,460
2	2	1,028	15	15	2	5					87	89,436
Units per Building			24	23	4	6					144	133,896

SITE ISSUES

Total Size: 12.863 acres Scattered site? Yes No
 Flood Zone: X and AE Within 100-yr floodplain? Yes No
 Zoning: PD Needs to be re-zoned? Yes No N/A

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/22/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Vacant land and commercial beyond East: Residential
 South: Vacant land and residential beyond West: Vacant land

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 3/31/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- The assessment revealed no Recognized Environmental Conditions in connection with the property.

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 2/4/2010

Contact: Robert Coe Phone: (713) 375-4279

Number of Revisions: _____ Date of Last Applicant Revision: _____

Primary Market Area (PMA): 28 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 19 census tracts in northeast Dallas County.

Secondary Market Area (SMA): 52 sq. miles 4 mile equivalent radius

Evergreen at Richardson (#10136) is a proposed senior development located less than 6 miles north of the subject. The Primary Market Area defined for Evergreen at Richardson includes three census tracts that are common to the subject PMA.

ELIGIBLE HOUSEHOLDS BY INCOME								
Dallas County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,120	\$14,200	---	---	\$15,192	\$23,650	\$18,240	\$28,380
2	\$9,120	\$16,250	---	---	\$15,192	\$27,050	\$18,240	\$32,460
3	\$10,944	\$18,250	---	---	\$18,240	\$30,400	\$21,888	\$36,480
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
None					
Other Affordable Developments in PMA since 2006					
10221	Residences at Rowlett Creek	new	family	n/a	160
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		2	Total Units	388	

COMPARABLE SUPPLY in SECONDARY MARKET					
10136	Evergreen at Richardson	new	senior	170	170

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no unstabilized or proposed comparable units located within the Primary Market Area. There are, however, several proposed senior developments in the surrounding area. Evergreen at Richardson (#10136) is located less than 6 miles north of the subject. The Primary Market Area defined for Evergreen at Richardson includes three census tracts that are common to the subject PMA; these 3 tracts contain 22% of the overall population of the subject PMA, and 23% of the senior population. The underwriting analysis therefore includes the 170 units at Evergreen at Richardson in the calculation of the Gross Capture Rate for the subject.

Creekside Village (#10009) is a proposed senior development located 3 miles southeast of the subject, and Evergreen at Wylie (#10137) is a proposed senior development located 6 miles to the north. The PMA's defined for Creekside and Wylie are adjacent to, but not coincident with the subject PMA. Since the market analyses for these applications are not directly targeting the same population as the subject, they have not been included in the underwriting analysis.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	33,899	33,899
Senior Households in the Primary Market Area	8,712	10,490
Potential Demand from the Primary Market Area	2,173	3,488
Potential Demand from Other Sources	0	0
GROSS DEMAND	2,173	3,488
Subject Affordable Units	144	144
Unstabilized Comparable Units	0	170
RELEVANT SUPPLY	144	314
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	6.6%	9.0%

Demand Analysis:

The 2010 Real Estate Analysis Rules state that "the Market Analyst should use demographic data specific to the elderly population for an elderly Development, if available, and should avoid making adjustments from more general demographic data." The market study disregards this guideline. The senior household population is estimated indirectly as the proportion of seniors to adults, and the senior household growth rate is determined based on a general national trend by doubling the overall household growth rate for the PMA. The underwriting analysis has relied on available demographic data specific to the senior households in the PMA.

The Market Analyst identifies Gross Demand for 2,173 units from an estimated total of 8,712 senior households in the PMA; and a Gross Capture Rate of 6.6% for the 144 subject units. The Underwriter identifies Gross Demand for 3,488 units from a total of 10,490 senior households in the PMA; and a Gross Capture Rate of 9.0% for a total Relevant Supply of 314 units (the 144 subject units and 170 at Evergreen at Richardson).

The maximum Gross Capture Rate for developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development, as well as the comparable development targeting the same population.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	224	3	0	1%	385	3	5	2%
1 BR/50%	361	26	0	7%	717	26	38	9%
1 BR/60%	885	28	0	3%	376	28	42	19%
2 BR/30%	339	5	0	1%	211	5	4	4%
2 BR/50%	221	39	0	18%	456	39	39	17%
2 BR/60%	995	43	0	4%	338	43	42	25%

Primary Market Occupancy Rates:

The market study presents quarterly occupancy data for the PMA. Overall occupancy is shown as being 88.63% in 4Q09, reflecting a slow but steady decline from 93% in 1H08. (p. 35) "The occupancies of the rent comparables included in this study range from 85% to 100%; with an average of 91 %. These occupancies are very favorable in the present economy. The average occupancy for apartments in the subject's primary market area was reported at 88.19% in the most recent O'Connor Data (March 2010) apartment market data program for the subject's primary market area ... there is one existing Seniors HTC project (Primrose Park Place) within the subject's primary market area. Primrose Park Place is reportedly 96% occupied with a waiting list. There are no Family HTC projects in the PMA. Other affordable housing complexes within the Garland Rowlett submarket include Bradford Place [60% occupied, 73% pre-leased, and under renovation], Legacy Pointe (100% occupied), Meadows (80% occupied), Centerville Pointe (94% occupied), and River Glen [96% occupied]." (p. 38)

Absorption Projections:

"The most recent HTC project which came on-line was Primrose Park Place ... in November 2006 ... achieving 90% in November 2007, which equates to an average absorption of 17 units per month. Considering the strong absorption history of similar properties and the lack of available quality affordable Seniors units in this market, we project that the subject property will lease an average of 10 to 20 units per month until achieving stabilized occupancy." (p. 82)

Market Impact:

"Based on the high occupancy levels of the existing properties in the market, along with the low level of recent construction, we project that the subject property will have minimal sustained negative impact upon the existing apartment market. Managers interviewed all indicated a need for seniors affordable housing (and) minimal to no impact from the opening of the most recent HTC properties." (p. 82)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: One Date of Last Applicant Revision: 5/25/2010

The Applicant's projected rents per unit were calculated by subtracting the tenant-paid utility allowances as of January 1, 2010, maintained by the City of Garland Housing Agency from the 2010 HTC rent limits. In contrast, for consistency with the analyses published earlier this year, the Underwriter's analysis is based on the 2009 HTC rent limits, in accordance with §1.32(d)(1)(iii) of the 2010 REA Rules. Tenants will be required to pay all electric utility expenses.

Schedule C of the title commitment reflects seven abatement liens from the City of Garland. At the time of this report, the liens had not been released; therefore, receipt, review, and acceptance, by Commitment, of evidence that the liens listed in Schedule C of the title commitment have been released is a condition of this report.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: Two Date of Last Applicant Revision: 7/2/2010

Acquisition Value:

The land transfer will be structured as a 55-year term ground lease with the Garland Housing Finance Corporation, an instrumentality of the City of Garland and the sole member of the general partner. The Contract for Lease identifies a one time upfront payment in the amount of \$223,363. The Applicant did not provide an appraisal or documentation for the original acquisition cost of the land but submitted a Statement of Net Assets for the Garland Housing Finance Corporation as of September 30, 2009 reflecting an asset value of \$333,560 for the land. However, this asset value is for 19.209 acres, out of which 12.863 acres will be used for the development. The lease payment in the Contract for Lease is consistent with the prorated asset value for the acreage to be used for the development. Of note, the recommended credit amount would remain unchanged even if the acquisition cost claimed by the Applicant were removed from the development costs.

Site Work Cost:

The Applicant's claimed site work costs of \$8,742 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$605K or 7% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Ineligible Costs:

The Underwriter's analysis reflects an adjustment for the difference between the Applicant's estimate and the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate for the costs of carports and garages.

Contingency & Fees:

The Applicant's contractor fees, contingency, and developer fee are all within the Department's guidelines.

Conclusion:

The Applicant's total development cost estimate is within 5% of the Underwriter's estimate. Therefore, the Applicant's cost schedule will be used to determine the Development's need for permanent funds and to calculate eligible basis. An eligible basis of \$15,943,270 supports annual tax credits in the amount of \$1,434,894. This figure will be compared to the Applicant's request and the credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: Three Date of Last Applicant Revision: 7/2/2010

Source: Comunidad Corporation Type: Interim Financing

Principal: \$345,000 Interest Rate: 2.0% Fixed Term: 24 months

Source: Garland Housing Finance Corporation Type: Interim Financing

Principal: \$860,000 Interest Rate: AFR Fixed Term: 24 months

Comments:

The Applicant will submit an application for HOME funds from the Garland Housing Finance Corporation with a 24-month term at the Applicable Federal Rate. Receipt, review, and acceptance by Commitment, of a firm commitment from the Garland Housing Finance Corporation for the anticipated \$860,000 loan with the terms of the funds clearly stated is a condition of this report. Of note, the Underwriter did not include the interest for this loan when determining the eligible interest expense but this did not affect the credit recommendation.

Source: Sterling Bank, N.A. Type: Interim Financing

Principal: \$11,405,115 Interest Rate: 6.0% Fixed Term: 30 months

Comments:

Priced at a variable rate of Prime floating plus 1.00% subject to a minimum all-in rate of 6.00%.

Source: Sterling Bank, N.A. Type: Permanent Financing

Principal: \$5,127,090 Interest Rate: 7.5% Fixed Amort: 360 months
Term: 15 years

Comments:

Permanent loan interest rate to be locked at no later than construction loan closing. As of May 24, 2010, 7.50% assumed underwriting interest rate.

Source: Hudson Housing Capital Type: Syndication

Proceeds: \$11,478,004 Syndication Rate: 80% Anticipated HTC: \$ 1,434,894

Comments:

The equity proceeds identified above are based on the syndication proposal provided and are \$1,146 greater than the amount identified by the Applicant, \$11,476,858. The difference appears to be due to the ownership percentage attributed to the limited partner. The syndication proposal indicates a 99.99% limited partnership interest will be acquired; however, the Applicant is attributing a 99.98% ownership interest to the limited partner.

Amount: \$792,968 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$5,127,090 indicates the need for \$12,269,827 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,533,882 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,434,894
Allocation determined by gap in financing:	\$1,533,882
Allocation requested by the Applicant:	\$1,434,894

The allocation amount determined by the Applicant's request / eligible basis is recommended. A tax credit allocation of \$1,434,894 per year for 10 years results in total equity proceeds of \$11,478,004 at a syndication rate of \$0.80 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$791,823 in additional permanent funds. Deferred developer fee in this amount appears to be repayable from development cash flow within 10 years of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Rosalio Banuelos</i>		July 19, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		July 19, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		July 19, 2010

UNIT MIX/RENT SCHEDULE

HomeTowne at Garland, Garland, 9% HTC #10171

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Garland	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Dallas	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	57	39.6%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	3	2	87	60.4%								HIGH COST ADJUSTMENT:	100%	
RURAL RENT USED:		3										APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	144	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS			
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	0	Market Rent	TDHCA Savings to Market	
TC 30%		3	1	1	780	\$380	\$133	\$247	\$4	\$0.32	\$251	\$753	\$741	\$247	\$0.32	\$0		\$805	\$558	
TC 50%		26	1	1	780	\$633	\$133	\$500	\$8	\$0.65	\$508	\$13,208	\$13,000	\$500	\$0.64	\$0		\$805	\$305	
TC 60%		28	1	1	780	\$760	\$133	\$627	\$9	\$0.82	\$636	\$17,808	\$17,556	\$627	\$0.80	\$0		\$805	\$178	
TC 30%		5	2	2	1,028	\$456	\$170	\$286	\$5	\$0.28	\$291	\$1,455	\$1,430	\$286	\$0.28	\$0		\$985	\$699	
TC 50%		39	2	2	1,028	\$760	\$170	\$590	\$8	\$0.58	\$598	\$23,322	\$23,010	\$590	\$0.57	\$0		\$985	\$395	
TC 60%		43	2	2	1,028	\$912	\$170	\$742	\$10	\$0.73	\$752	\$32,336	\$31,906	\$742	\$0.72	\$0		\$985	\$243	
TOTAL:		144				133,896						\$88,882	\$87,643							
AVG:						930				\$9	\$0.65	\$617			\$609	\$0.65	\$0	\$0	\$914	(\$305)
ANNUAL:												\$1,066,584	\$1,051,716							

PROFORMA ANALYSIS & DEVELOPMENT COSTS

HomeTowne at Garland, Garland, 9% HTC #10171

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$1,051,716	\$1,066,584			
Secondary Income	Per Unit Per Month:	\$13.75		23,760	0	\$0.00	Per Unit Per Month	
Other Support Income: Garages and Carports				0	23,760	\$13.75	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$1,075,476	\$1,090,344			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(80,661)	(81,780)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				

EFFECTIVE GROSS INCOME

EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.27%	\$364	0.39	\$52,388	\$50,000	\$0.37	\$347	4.96%
Management	5.00%	\$345	0.37	49,741	50,428	0.38	350	5.00%
Payroll & Payroll Tax	15.05%	\$1,040	1.12	149,757	157,025	1.17	1,090	15.57%
Repairs & Maintenance	8.36%	\$577	0.62	83,121	73,000	0.55	507	7.24%
Utilities	3.34%	\$231	0.25	33,264	24,760	0.18	172	2.45%
Water, Sewer, & Trash	5.20%	\$359	0.39	51,696	57,700	0.43	401	5.72%
Property Insurance	4.06%	\$281	0.30	40,400	40,400	0.30	281	4.01%
Property Tax Exempt	0.00%	\$0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements	3.62%	\$250	0.27	36,000	36,000	0.27	250	3.57%
TDHCA Compliance Fees	0.58%	\$40	0.04	5,760	5,760	0.04	40	0.57%
Other: Cable & Supportive Svcs.	0.57%	\$40	0.04	5,700	5,700	0.04	40	0.57%
TOTAL EXPENSES	51.05%	\$3,527	\$3.79	\$507,826	\$500,773	\$3.74	\$3,478	49.65%
NET OPERATING INC	48.95%	\$3,382	\$3.64	\$486,989	\$507,791	\$3.79	\$3,526	50.35%

DEBT SERVICE

Sterling Bank, N.A.	\$430,192	\$430,192
Additional Financing	\$0	
TOTAL DEBT SERVICE	430,192	430,192
NET CASH FLOW	\$56,797	\$77,599
AGGREGATE DEBT COVERAGE RATIO	1.13	1.18
RECOMMENDED DEBT COVERAGE RATIO		1.18

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		1.34%	\$1,551	\$1.67	\$223,363	\$223,363	\$1.67	\$1,551	1.28%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		7.55%	\$8,742	\$9.40	1,258,800	1,258,800	9.40	8,742	7.24%
Direct Construction		52.32%	\$60,617	\$65.19	8,728,893	9,333,527	69.71	64,816	53.65%
Contingency	5.30%	3.17%	\$3,678	\$3.96	529,616	529,616	3.96	3,678	3.04%
Contractor's Fees	14.00%	8.83%	\$10,225	\$11.00	1,472,423	1,482,927	11.08	10,298	8.52%
Indirect Construction		5.11%	\$5,923	\$6.37	852,900	852,900	6.37	5,923	4.90%
Ineligible Costs		5.03%	\$5,829	\$6.27	839,362	855,284	6.39	5,939	4.92%
Developer's Fees	15.00%	11.92%	\$13,810	\$14.85	1,988,570	2,071,000	15.47	14,382	11.90%
Interim Financing		2.48%	\$2,878	\$3.10	414,500	414,500	3.10	2,878	2.38%
Reserves		2.25%	\$2,604	\$2.80	375,000	375,000	2.80	2,604	2.16%
TOTAL COST		100.00%	\$115,857.13	\$124.60	\$16,683,427	\$17,396,917	\$129.93	\$120,812	100.00%
Construction Cost Recap		71.87%	\$83,262	\$89.55	\$11,989,732	\$12,604,870	\$94.14	\$87,534	72.45%

SOURCES OF FUNDS

						RECOMMENDED	
Sterling Bank, N.A.	30.73%	\$35,605	\$38.29	\$5,127,090	\$5,127,090	\$5,127,090	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	\$2,071,000
HTC Syndication Proceeds	68.80%	\$79,708	\$85.72	11,478,004	11,476,858	11,478,004	% of Dev. Fee Deferred
Deferred Developer Fees	4.75%	\$5,507	\$5.92	792,968	792,968	791,823	38%
Additional (Excess) Funds Req'd	-4.28%	(\$4,963)	(\$5.34)	(714,635)	1	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$16,683,427	\$17,396,917	\$17,396,917	\$1,740,695

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

HomeTowne at Garland, Garland, 9% HTC #10171

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence and Townhouse Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$58.10	\$7,779,669
Adjustments				
Exterior Wall Finish	6.03%		\$3.50	\$468,896
Elderly	3.00%		1.74	233,390
9-Ft. Ceilings	3.75%		2.18	291,738
Roofing			0.00	0
Subfloor			0.72	96,950
Floor Cover			2.64	354,112
Breezeways	\$21.91		0.00	0
Balconies	\$22.10	3,600	0.59	79,568
Plumbing Fixtures	\$823	173	1.06	142,445
Rough-ins	\$425	244	0.77	103,580
Built-In Appliances	\$2,056	144	2.21	296,100
Exterior Stairs	\$1,900	18	0.26	34,200
Enclosed Corridors	\$48.18	23,634	8.50	1,138,741
Other: Elevators	\$81,175	2	1.21	162,350
Other:			0.00	0
Carports	\$9.70	8,000	0.58	77,600
Heating/Cooling			1.85	248,105
Garages	\$17.40	8,000	1.04	139,168
Comm &/or Aux Bldgs	\$72.33	3,899	2.11	281,970
Other: fire sprinkler	\$2.25	161,429	2.71	363,214
SUBTOTAL			91.80	12,291,797
Current Cost Multiplier	0.99		(0.92)	(122,918)
Local Multiplier	0.90		(9.18)	(1,229,180)
TOTAL DIRECT CONSTRUCTION COSTS			\$81.70	\$10,939,700
Plans, specs, survy, bld prn	3.90%		(\$3.19)	(\$426,648)
Interim Construction Interes	3.38%		(2.76)	(369,215)
Contractor's OH & Profit	11.50%		(9.40)	(1,258,065)
NET DIRECT CONSTRUCTION COSTS			\$66.36	\$8,885,771

PROPOSED PAYMENT COMPUTATION

Sterling Bank, N.A.	\$5,127,090	Amort	360
Int Rate	7.50%	DCR	1.13

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.13

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.13

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.13

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.13

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Sterling Bank, N.A.	\$430,192
Additional Financing	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$430,192

Sterling Bank, N.A.	\$5,127,090	Amort	360
Int Rate	7.50%	DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.18

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,066,584	\$1,087,916	\$1,109,674	\$1,131,867	\$1,154,505	\$1,274,667	\$1,407,335	\$1,553,811	\$1,894,088
Secondary Income	0	0	0	0	0	0	0	0	0
Other Support Income: Garages	23,760	24,235	24,720	25,214	25,719	28,395	31,351	34,614	42,194
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,090,344	1,112,151	1,134,394	1,157,082	1,180,223	1,303,062	1,438,686	1,588,425	1,936,282
Vacancy & Collection Loss	(81,780)	(83,411)	(85,080)	(86,781)	(88,517)	(97,730)	(107,901)	(119,132)	(145,221)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,008,564	\$1,028,740	\$1,049,314	\$1,070,301	\$1,091,707	\$1,205,332	\$1,330,784	\$1,469,293	\$1,791,060
EXPENSES at 3.00%									
General & Administrative	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$65,239	\$75,629	\$87,675	\$117,828
Management	50,428	51437.1924	52,466	53,515	54,586	60,267	66,539	73,465	89,553
Payroll & Payroll Tax	157,025	161,736	166,588	171,585	176,733	204,882	237,514	275,344	370,039
Repairs & Maintenance	73,000	75,190	77,446	79,769	82,162	95,248	110,419	128,006	172,029
Utilities	24,760	25,503	26,268	27,056	27,868	32,306	37,452	43,417	58,349
Water, Sewer & Trash	57,700	59,431	61,214	63,050	64,942	75,285	87,276	101,177	135,974
Insurance	40,400	41,612	42,860	44,146	45,471	52,713	61,109	70,842	95,205
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	36,000	37,080	38,192	39,338	40,518	46,972	54,453	63,126	84,836
TDHCA Compliance Fee	5,760	5,933	6,111	6,294	6,483	7,515	8,713	10,100	13,574
Other	5,700	5,871	6,047	6,229	6,415	7,437	8,622	9,995	13,432
TOTAL EXPENSES	\$500,773	\$515,292	\$530,237	\$545,619	\$561,453	\$647,865	\$747,726	\$863,147	\$1,150,820
NET OPERATING INCOME	\$507,791	\$513,447	\$519,078	\$524,681	\$530,254	\$557,468	\$583,058	\$606,146	\$640,240
DEBT SERVICE									
First Lien Financing	\$430,192	\$430,192	\$430,192	\$430,192	\$430,192	\$430,192	\$430,192	\$430,192	\$430,192
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$77,599	\$83,255	\$88,885	\$94,489	\$100,062	\$127,275	\$152,866	\$175,954	\$210,048
DEBT COVERAGE RATIO	1.18	1.19	1.21	1.22	1.23	1.30	1.36	1.41	1.49

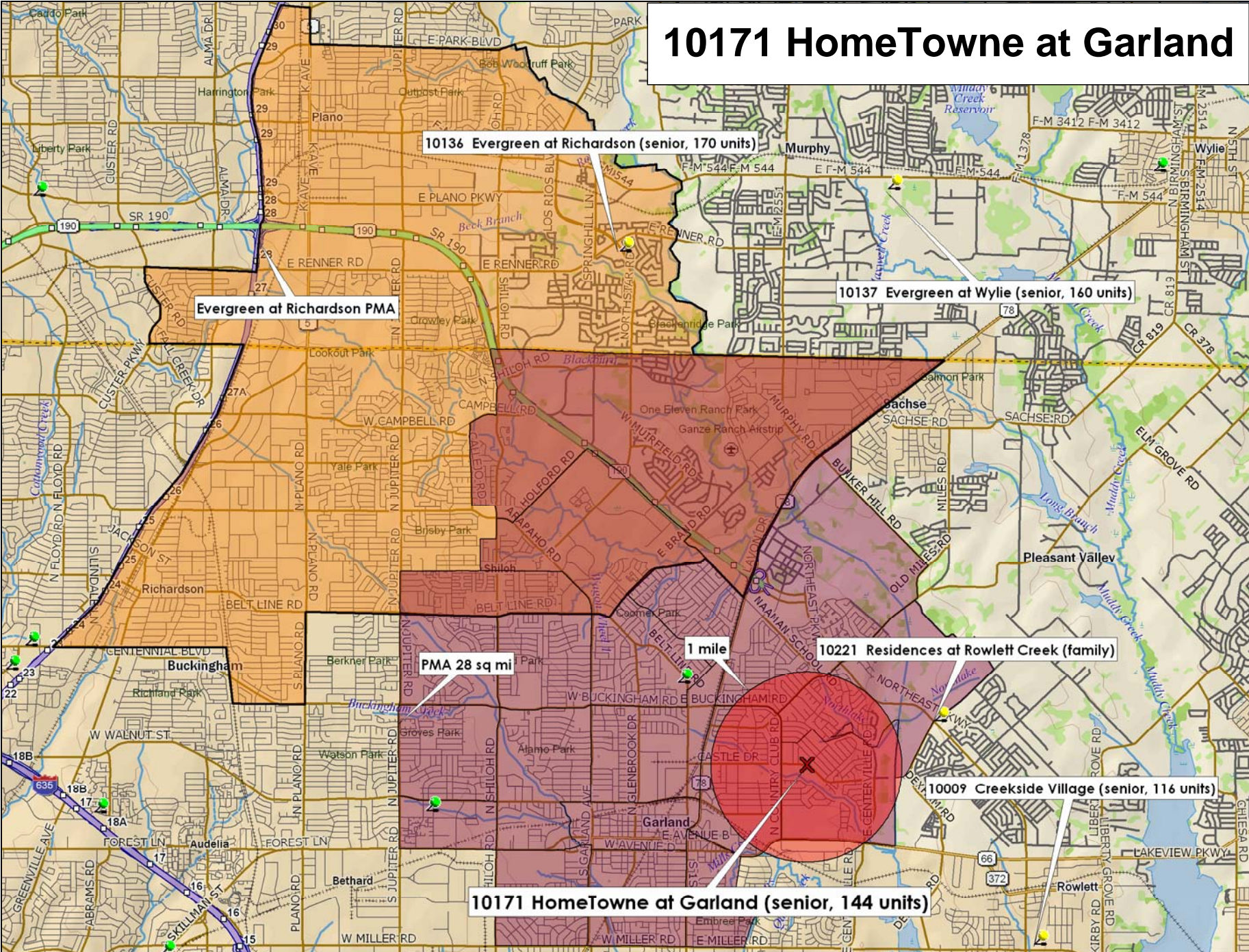
HTC ALLOCATION ANALYSIS -HomeTowne at Garland, Garland, 9% HTC #10171

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$223,363	\$223,363		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,258,800	\$1,258,800	\$1,258,800	\$1,258,800
Construction Hard Costs	\$9,333,527	\$8,728,893	\$9,333,527	\$8,728,893
Contractor Fees	\$1,482,927	\$1,472,423	\$1,482,927	\$1,472,423
Contingencies	\$529,616	\$529,616	\$529,616	\$529,616
Eligible Indirect Fees	\$852,900	\$852,900	\$852,900	\$852,900
Eligible Financing Fees	\$414,500	\$414,500	\$414,500	\$414,500
All Ineligible Costs	\$855,284	\$839,362		
Developer Fees				
Developer Fees	\$2,071,000	\$1,988,570	\$2,071,000	\$1,988,570
Development Reserves	\$375,000	\$375,000		
TOTAL DEVELOPMENT COSTS	\$17,396,917	\$16,683,427	\$15,943,270	\$15,245,702

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$15,943,270	\$15,245,702
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$15,943,270	\$15,245,702
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$15,943,270	\$15,245,702
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,434,894	\$1,372,113

Syndication Proceeds	0.7999	\$11,478,006	\$10,975,808
Total Tax Credits (Eligible Basis Method)		\$1,434,894	\$1,372,113
Syndication Proceeds		\$11,478,006	\$10,975,808
Requested Tax Credits		\$1,434,894	
Syndication Proceeds		\$11,478,004	
Gap of Syndication Proceeds Needed		\$12,269,827	
Total Tax Credits (Gap Method)		\$1,533,882	
Recommended Tax Credits		1,434,894	
Syndication Proceeds		\$11,478,004	

10171 HomeTowne at Garland





MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Canyon Square Village, TDHCA Number 10176

BASIC DEVELOPMENT INFORMATION

Site Address: 8622 & 8624 N. Loop Rd. Development #: 10176
 City: El Paso Region: 13 Population Served: General
 County: El Paso Zip Code: 79907 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Canyon Square, Ltd.
 Owner Contact and Phone: Ike J. Monty, (915) 599-1245
 Developer: Investment Builders, Inc.
 Housing General Contractor: Investment Builders, Inc.
 Architect: Dimensions Architects
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Raymond James
 Supportive Services: Texas Rio Grande Legal Aide
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	104	
	6	0	47	51	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	16	44	40	4	0	
Type of Building:						Total Development Units:	104
<input checked="" type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$12,002,725
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	15
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,293,104	\$1,293,104			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Canyon Square Village, TDHCA Number 10176

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Shapleigh, District 29, S Points: 14 US Representative: Reyes, District 16, NC
TX Representative: Chávez, District 76, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, John F. Cook, Mayor of El Paso Resolution of Support from Local Government []
S, Steve Ortega, City Representative-District 7

Individuals and Businesses: In Support: 1 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance by Carryover of a firm commitment from the City of El Paso describing the terms of the proposed funds.
2. Receipt, review, and acceptance by Carryover of a release of lien noted on Schedule C of the title policy described as a "resolution lien" for the payment of \$357.41 to the City of El Paso as filed on 8/11/2009.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that the two septic tanks have been properly decommissioned or removed and disposed of.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that the irrigation water well has been properly plugged and capped.
5. Receipt, review, and acceptance, by Cost Certification, of documentation that stockpile of used tires has been removed and properly recycled or disposed of.
6. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
7. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the tax credit allocation may be warranted.
8. Receipt of a firm commitment from the City of El Paso HOME for funding in the amount of \$613,200, or a commitment from a qualifying substitute source in an amount not less than \$613,200, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Canyon Square Village, TDHCA Number 10176

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **28**

Total # Monitored: **27**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **209** Meeting a Required Set-Aside Credit Amount*: \$1,293,104

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 05/26/10 PROGRAM: 9% HTC FILE NUMBER: 10176

DEVELOPMENT

Canyon Square Village

Location: 8622 & 8624 North Loop Road Region: 13
 City: El Paso County: El Paso Zip: 79907 OCT DDA
 Key Attributes: General, Urban, New Construction (2/4-plexes & Multifamily building types)

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,293,104			\$1,293,104		

CONDITIONS

- 1 Receipt, review, and acceptance by Carryover of a firm commitment from the City of El Paso describing the terms of the proposed funds.
- 2 Receipt, review, and acceptance by Carryover of a release of lien noted on Schedule C of the title policy described as a "resolution lien" for the payment of \$357.41 to the City of El Paso as filed on 8/11/2009.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that the two septic tanks have been properly decommissioned or removed and disposed of.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that the irrigation water well has been properly plugged and capped.
- 5 Receipt, review, and acceptance, by Cost Certification, of documentation that stockpile of used tires has been removed and properly recycled or disposed of.
- 6 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 7 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the tax credit allocation may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	47
60% of AMI	60% of AMI	51

STRENGTHS / MITIGATING FACTORS

- The principal of the Applicant has experience developing 1,976 HTC units.
- Physical occupancy within the PMA is 96% and leased occupancy is 96.3%.
- The market analyst expects the subject to lease to a 92.5% occupancy level within 5-6 months based on historical absorption rates.

WEAKNESSES / RISKS

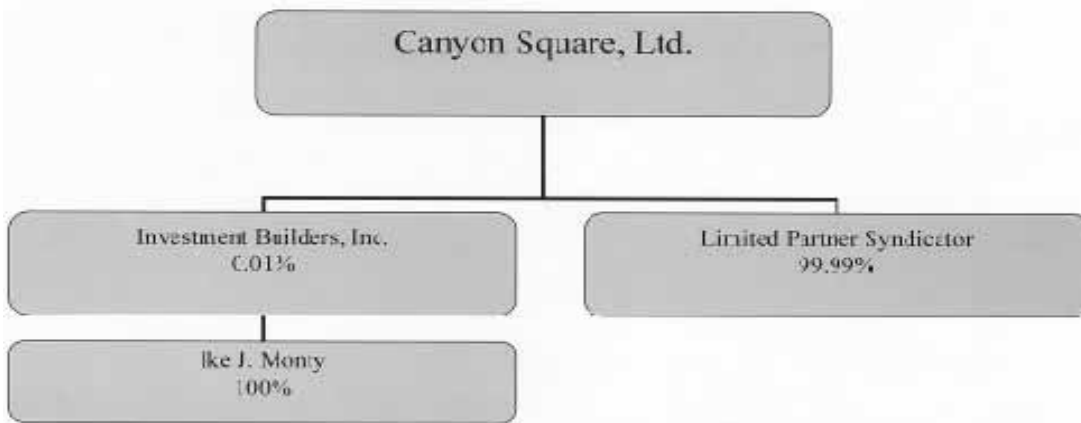
- The gross capture rate based on an extended market area of 8.3% (which considers all PMAs overlapping the subject PMA), is significantly higher than the gross capture rate when only the PMA is considered, 2.7%.

PREVIOUS UNDERWRITING REPORTS

This application was previously underwritten during the 2009 HTC cycle as TDHCA file # 09306. The application did not receive a 2009 HTC allocation due to insufficient funds remaining for this development as a result of HTC program scoring rankings. The Applicant has re-applied for the 2010 9% HTC cycle.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

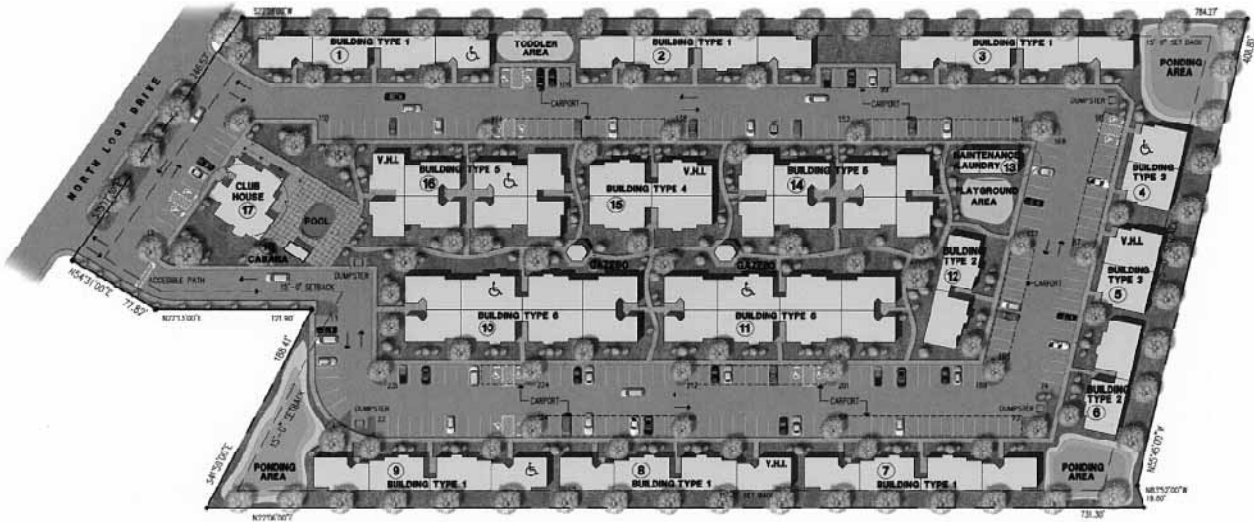
Contact: Ike J. Monty Phone: (915) 599-1245 Fax: (915) 594-0434
 Email: ibihousing@investmentbuildersinc.com

IDENTITIES OF INTEREST

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.
- The seller is regarded as a related-party due to the identities of interest involved in the purchase.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	2/4-Plexes			Multifamily Units							Total Buildings	
	I	II	III	IV	V	VI						
Floors/Stories	1	1	1	2	2	2						
Number	6	2	2	1	2	2						15

BR/BA	SF	Units							Total Units	Total SF
1	700					8			16	11,200
2	950	2				8	8		44	41,800
3	1,050	2	2		8		8		40	42,000
4	1,250			2					4	5,000
Units per Building		4	2	2	8	16	16		104	100,000

SITE ISSUES

Total Size: 7.471 acres Scattered site? Yes No
 Flood Zone: Zone X & X Shaded Within 100-yr floodplain? Yes No
 Zoning: PR-II Needs to be re-zoned? Yes No N/A
 Comments:

In a letter dated 2/23/2010 the City of El Paso verified that the site is zoned appropriately for development of the subject property. There are some existing structures on the site that will be demolished prior to the start of construction. The existing structures consist of houses, animal stall and corral, sheds, and miscellaneous farm-type buildings. The Phase I ESA reports these structures on an a map depicting the current status of the site.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/13/2009
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:
 North: Residential, Interstate 10 about 1 mile East: Residential, retail center & restaurants
 South: Vacant, Residential & Mexico border West: Apartments & Houses

Comments:
 "The sign for the project was across the street, according to the 'X' on the map. The proposed site is approximately 3 blocks from Spanish Creek Apartments which was recently inspected by the Manufactured Housing Staff. Good area, lots of access. Close to 3 large shopping areas, within 1 mile of Interstate 10. Also about 2 miles from Mexico."

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: EFI Global Date: 3/26/2009

Recognized Environmental Concerns (RECs) and Other Concerns:
 This assessment has revealed no evidence of recognized environmental conditions in connection with the Subject Property with the exception of the following:

- Two septic tanks utilized by residences located on the property were identified by the previous property owner. If the septic tanks have not been previously decommissioned, they should be emptied by an authorized waste transportation company and filled according to TCEQ, Chapter 285 - On-Site Sewage facilities, §285.36. Abandoned Tanks, Boreholes, Cesspools, and Seepage Pits or they should be properly removed from the ground and disposed of.
- An irrigation water well was identified near the center of the property. The irrigation water well should be properly plugged and capped before abandonment.
- A stockpile of used automotive tires identified on the ground north of the covered animal stalls should be removed and disposed of properly or recycled by an authorized company.
- A total of 5 permanent building structures were observed at the time of our site visit on March 5, 2009 ... Suspect asbestos containing materials were observed at all five of these building structures. Based on our site observations, it is EFI's opinion that testing for asbestos containing materials (ACM) for all five structures will be required prior to demolition or renovation of the building structures.

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by Cost Certification, of documentation that the two septic tanks have been properly decommissioned or removed and disposed of.
- Receipt, review, and acceptance, by Cost Certification, of documentation that the irrigation water well has been properly plugged and capped.
- Receipt, review, and acceptance, by Cost Certification, of documentation that stockpile of used tires has been removed and properly recycled or disposed of.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.

MARKET ANALYSIS

Provider: Ipser & Associates Date: 3/5/2010
 Contact: Ed Ipser Phone: 817-927-2838
 Number of Revisions: None Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 22.5 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 16 US census tracts in southeast El Paso County. The approximate geographic boundaries are the Mexico border to the southwest; S. Yarbrough Dr., Riverside Dr., Amtrak RR tracks, N. Carolina Dr., FM 76, Hunters Dr., Acapulco Ave., Phoenix Ave., Hawkins Blvd., and Tony Lama St. to the northwest; Interstate 10 to the northeast; and Winn Rd., Apodaca Rd., S. Moon Rd., N. Moon Rd., and Old Hueco Tanks Rd. to the southeast.

Extended Market Area: 296 sq. miles 10 mile equivalent radius

The Market Analyst did not define a Secondary Market Area, but there are a number of proposed, under construction, or unstabilized comparable properties in the area whose primary market areas overlap the subject PMA. The Underwriter has therefore considered the overall demand for the Extended Market Area that includes all the overlapping PMAs. This area consists of a total of 29 census tracts. The southward extension of the market area is bounded by Ranch Rd. 1109, Tornillo Guadalupe Rd., Valle Verde, Highway 20, OT Smith Rd., and Interstate 10 to the south; the Hudspeth County line to the east; and FM 1281 / Horizon Blvd. to the north, from the county line to Interstate 10. The northwest extended area is bound by Ascarate Lake, the Franklin Canal, and Marlow Rd.

ELIGIBLE HOUSEHOLDS BY INCOME								
El Paso County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	\$14,640	\$15,950	\$17,589	\$19,140
2	\$10,560	\$10,950	---	---	\$14,640	\$18,250	\$17,589	\$21,900
3	\$10,560	\$12,350	---	---	\$17,554	\$20,500	\$21,086	\$24,600
4	\$12,206	\$13,700	---	---	\$20,297	\$22,800	\$24,377	\$27,360
5	\$12,206	\$14,800	---	---	\$20,297	\$24,600	\$24,377	\$29,520
6	---	---	---	---	\$22,663	\$26,450	\$27,189	\$31,740

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	None				
Other Affordable Developments in PRIMARY MARKET AREA since 2006					
07235	Woodchase Senior Community	new	senior	n/a	128
060080	Spanish Creek Townhomes	new	family	n/a	136
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		11	Total Units	917	

AFFORDABLE HOUSING INVENTORY in EXTENDED MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10022	Presidio Dolores	new	family	36	36
10025	Presidio Palms II	new	family	80	80
09131	Presidio Palms	new	family	80	80
08301	Ysleta del Sur Pueblo	new	family	60	60
08163	San Elizario Palms	new	family	80	80
08183	Desert Villas	new	family	94	94
Other Affordable Developments in Surrounding Area since 2006					
08160	Tres Palmas	new	family	n/a	172
07108	Paseo Palms	new	family	n/a	180
07432	Sierra Vista Apts	rehab	family	n/a	106
07428	El Nido Apts	rehab	family	n/a	104
060032	Mission Palms	new	family	n/a	76
Stabilized Affordable Developments in Surrounding Area (pre-2006)					
Total Properties (pre-2006)		19	Total Units		1002

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are two relatively recent developments located within one mile of the subject. Woodchase Senior Community is a 2007 development; Woodchase targets seniors, and therefore does not impact the demand calculation for the subject, which targets family households. Spanish Creek Townhomes (#060080) is a new construction 136-unit family development; Spanish Creek has achieved stabilized occupancy and therefore does not impact the demand calculations for the subject. There are no other proposed, under construction, or unstabilized comparable properties located within the Primary Market Area as defined by the Market Analyst.

However, the Underwriter has identified six such developments, located outside the subject PMA, whose primary market areas overlap the subject market area. They are therefore targeting some of the same population as the subject. These six developments contain a total of 430 units.

Several other recent developments were noted in the surrounding area. Tres Palmas (#08160) and Paseo Palms (#07108) are new construction family developments that would be considered comparable to the subject. They have not been included in the demand analysis because the primary market areas for these developments are north of Interstate 10 and do not intersect with the subject PMA. Sierra Vista (#07432) and El Nido (#07428) are rehabilitation projects of fully occupied developments; and Mission Palms (#060032) is a 2006 development that has achieved stabilized occupancy.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	Underwriter
	Primary Market Area		Extended Market
Total Households in the Primary Market Area	23,941	25,267	50,434
Potential Demand from the Primary Market Area	2,978	3,907	6,413
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	2,978	3,907	6,413
Subject Affordable Units	104	104	104
Unstabilized Comparable Units	0	0	430
RELEVANT SUPPLY	104	104	534
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	3.5%	2.7%	8.3%

Demand Analysis:

The Market Analyst determined Gross Demand for 2,978 units in the Primary Market Area, resulting in a Gross Capture Rate of 3.5% for the 104 proposed units.

The Market Analyst's calculations are based on demographics derived from US census data and other sources. The underwriting analysis is based on Ribbon Demographics HISTA data, which provides a detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates that 46% of renter households are income-eligible, as compared to 36% determined by the Market Analyst. The Underwriter calculates Gross Demand for 3,907 units in the PMA, resulting in a Gross Capture Rate of 2.7%.

There are six proposed or unstabilized comparable developments with primary market areas that overlap the subject PMA. This Extended Market Area contains approximately double the number of households as the subject PMA (50K as compared to 25K). The Underwriter has determined Gross Demand for 6,413 units in the Extended Market Area; the Relevant Supply is 534 units (the 104 subject units and 430 comparable units); this results in a Gross Capture Rate of 8.3%.

The maximum Gross Capture Rate for an urban development targeting family households is 10%. The underwriting analysis indicates sufficient demand to support the proposed development.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/50%	96	8	0	8%	111	8	0	7%
1 BR/60%	94	8	0	9%	103	8	0	8%
2 BR/30%	183	3	0	2%	85	3	0	4%
2 BR/50%	278	20	0	7%	213	20	0	9%
2 BR/60%	232	21	0	9%	169	21	0	12%
3 BR/30%	206	3	0	2%	116	3	0	3%
3 BR/50%	254	17	0	7%	186	17	0	9%
3 BR/60%	304	20	0	7%	208	20	0	10%
4 BR/50%	5	2	0	41%	106	2	0	2%
4 BR/60%	8	2	0	26%	119	2	0	2%

Primary Market Occupancy Rates:

"Occupancy of the 14 properties surveyed is high, with a physical occupancy of 96.0%, and leased occupancy rate of 96.3%. There were 4 locations which reported 100% occupancy, and another 6 that had an occupancy rate of 95% or greater." (p. 2-18)

Absorption Projections:

The Market Analyst reports absorption rates for three developments in recent years were 34, 15, and 7 units per month, averaging 19 units per month.

"Average absorption for the subject is estimated at 18 to 20 units per month, and it is expected that a 5 to 6 month lease-up period will be required to achieve 92.5% occupancy of the 104 units. Most of the tenants could be expected to relocate from higher cost and/or older multi-family complexes." (p. 2-20)

Market Impact:

"Census data from 2000 show that approximately 64.1% of renters in the market area were paying 30% or more of income for rent in 2000 ... with 54.6% of those paying 35% or more. HTC rental apartments provide affordable housing that can ease this rent burden. Existing HTC housing in the market area has been readily absorbed with a need for continued development, redevelopment, and in-fill). The nearby Spanish Creek filled 136 units to 90% occupancy in about 9 months, between February 2008 and November 2008, and has maintained a very long waiting list over the last year." (p. 3-6)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PRO FORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 4/16/2010

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of 9/1/2009 as maintained by the City of El Paso Housing Authority, and adjusted according to building types for Apartment or 2/4-Plex, from the 2009 Program Gross HTC rent limits. Tenants will be required to general electricity, cooling electric, and natural gas utility costs. The development will pay for water, sewer, and trash expenses. The Applicant's secondary income and vacancy and collection loss assumptions are within current TDHCA underwriting guidelines. Carports and garages are being provided to tenants at no charge; therefore, the cost to construct these amenities is included in eligible basis. The Applicant The Applicant's effective gross income is within 5% of the Underwriter's projections. 2009 HTC Rent Limits were utilized in this analysis because the 2010 HTC Rent Limits have not been released as of the effective date of this report.

Expense: Number of Revisions: 3 Date of Last Applicant Revision: 5/20/2010

The Applicant's total annual operating expense projection per unit of \$3,495 per unit is within 5% of the Underwriter's expense per unit projection of \$3,489 per unit as estimated from TDHCA and IREM database figures. Management fee of 4% is lower than the typical 5% fee based on NOI, property taxes are estimated approximately \$9500 less than the Underwriter's estimated, and reserves for replacement is considered to be a high estimate at \$358/unit annually.

The Applicant reports that the City of El Paso does not give a full or partial property tax exemption for the subject, but that a portion of the property taxes have been waived resulting in an effective tax rate estimated at 1.95 with a 9% capitalization rate. Supporting documentation from the appraisal district was not provided; therefore, the Underwriter used the full effective tax rate of 2.5863 and an capitalization rate of 9% for an estimated annual property tax expense of \$57,158 as compared to the Applicant's estimate of \$47,719 in annual property taxes. The Applicant reports that a 4% management fee was agreed for their last HTC development (#08183 - Desert Villas) and that a similar agreement will be reached with the related-party property management company. Reserves for replacements of \$358 per unit per year are required by Davis Penn. This requirement is based on 0.6% of the direct construction cost. The Underwriter's analysis reflects a replacement reserve expense of \$37,276 consistent with the lender's requirement.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are all within 5% of the Underwriter's estimates; therefore, the Applicant's year-1 operating pro forma will be used to determine the development's debt capacity. The Applicant's estimated debt service is within 1% (or \$1,886 less than) of the Underwriter's calculation. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.18, which within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year pro forma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>Zacour & Associates, Inc.</u>	Date:	<u>3/30/2010</u>
Number of Revisions:	<u>1</u>	Date of Last Applicant Revision:	<u>4/8/2010</u>
Land Only:	<u>7.471</u> acres	<u>\$908,000</u>	As of: <u>3/18/2010</u>
Existing Buildings: (as-is)	<u>\$0</u>		As of: <u>3/18/2010</u>
Total Development: (as-is)	<u>\$908,000</u>		As of: <u>3/18/2010</u>

Comments:

Appraisal provider used the Sales Comparison Approach to reach the appraised value.

ASSESSED VALUE

Land Only: 7.395 acres	<u>\$156,002</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>\$52,924</u>	Valuation by:	<u>El Paso CAD</u>
Total Assessed Value:	<u>\$208,926</u>	Tax Rate:	<u>2.586333</u>

Comments:

The Underwriter reviewed the El Paso CAD information and found that the sum of each tax record for the development site is approximately 7.4 acres. The application reports 7.471 acres and the Applicant reports that the El Paso CAD acreage reported is not 100% accurate. The Boundary Survey within the Application reports 7.4710 acres for the development site which the Underwriter has assumed to be the most accurate evidence of the total site acreage.

EVIDENCE of PROPERTY CONTROL

Type: Assignment & Assumption of Commercial Contract-Improved Property Acreage: 7.471

Contract Expiration: 8/1/2010 Valid Through Board Date? Yes No

Acquisition Cost: \$888,000 Other: _____

Seller: Lower Valley Development, LLC Related to Development Team? Yes No

Comments:

Within the last 36 months Richard L. Ratliff & Hermina G. Ratliff sold the site to Lower Valley Development, LLC on 5/1/2007. Then, Lower Valley Development, LLC sold the site to Investment Builders, Inc., who will transfer all rights to Canyon Square, Ltd. The Applicant reports that no relationship exists between Mr. & Mrs. Ratliff and any members of the development team. However, Mr. Al Loya, a member of Lower Valley Development, LLC, is a Principal of Dimensions Architects, Inc. which is the architect for this proposed development. Then on 2/16/2009 the property was assigned and assumed from Investment Builders, Inc. to Canyon Square Ltd. See the "Acquisition Value" section below for further discussion.

TITLE

Comments:

Within Schedule C of the title commitment a "resolution lien" is described to secure payment of \$357.41 from Lower Valley Development, LLC to the City of El Paso as filed on 8/11/2009. A release of lien was not provided during the underwriting process and the award will be conditioned upon receipt, review, and acceptance of documentation satisfying the release of said lien against the subject property.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant's claimed identity of interest site cost of \$118,860 per acre or \$8,538 per unit is not fully documented. The Applicant has provided a breakdown of the holding costs, but did not provide any documentation to support the holding costs. The Applicant used a 15% rate of return, however the rate of return is limited to 10% on identity of interest transactions. The Applicant also included undocumented holding costs from property taxes, interest expenses, physical improvements/- maintenance, rezoning, access improvements, insurance, and closing costs.

The Underwriter limited the acquisition cost to the total of the original purchase price (\$472.7K) plus a 10% rate of return over 3 years (\$141.8K) plus \$12,682 in property taxes for a total documented acquisition cost of \$627,192. The Applicant reports that the Related-Party Seller is unable to provide some of the documentation to support the holding costs over the previous 36 months. Therefore, the Underwriter has limited the Acquisition Value to the aforementioned \$627,192. The award recommendation is not materially affected by the difference in eligible acquisition costs used in this analysis. However, upon cost certification the Applicant may need to further support and document their reported acquisition value.

Site Work Cost:

The Applicant's claimed site work costs of \$8,752 per unit are within current Department guidelines, and no further third-party justification is required at this time.

Direct Construction Cost:

The Applicant's direct construction cost estimate is 4% or approximately \$259K higher than the Underwriter's *Marshall & Swift Residential Cost Handbook* derived estimate based on average quality multifamily and average quality 2/4-plex construction costs depending on building type. The Underwriter and Applicant included the cost to construct carports and garages within the eligible basis calculation as the development is not expected to collect secondary income for either of these amenities

30% Increase to Eligible Basis:

The development qualifies for a 30% increase in eligible basis because it is proposed to be located within one-quarter mile of existing major bus transfer centers and/or regional or local commuter rail transportation stations and it is located in a census tract that has a median family income ("MFI") that is higher than the MFI for the county in which the census tract is located.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$11,052,173 supports annual tax credits of \$1,293,104. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation. The Underwriter adjusted the Recommended Financing Section to calculate the recommended financing structure based on the Underwriter's limited acquisition cost as described above.

While the Applicant's cost schedule is used, it is reduced for analysis purposes by the disallowed land acquisition cost (\$266k). This reduces the underwritten sources to \$12,002,725 by the same amount.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 4/16/2010

Source: First National Bank Type: Interim Financing

Principal: \$4,650,000 Interest Rate: 6.5% Fixed Term: 24 months

Comments:

The variable interest rate is based on the Prime Rate, as published in the Wall Street Journal, plus 200 bps with a floor rate of 6.5%.

Source: Davis Penn Mortgage Co. - HUD 221(d)(4) Type: Interim & Permanent Financing

Interim Loan: \$2,547,600 Interest Rate: 6.2% Fixed Amort: 24 months

Permanent: \$2,547,600 Interest Rate: 6.2% Fixed Amort: 480 months

Comments:

5.75% fixed rate plus 0.45% Mortgage Insurance Premium.

Source: City of El Paso Type: Local Government Loan or Grant

Principal: \$613,200 Conditions: Receipt of LIHTC allocation

Comments:

The terms of these funds are "to be determined" upon an LIHTC allocation. However, it is confirmed that these funds will be used during the interim construction period and repaid from permanent debt if decided that this contribution will not be a grant from the City. The award will be conditioned upon receipt, review, and acceptance by carryover of a firm commitment from the City of El Paso describing the terms of the proposed funds.

Source: Hunt Development Group Type: Private Party - Interim Loan

Principal: \$250,000 Conditions: Receipt of LIHTC allocation

Comments:

These funds will be used during interim construction with a term of 12 months and an available 12 month extension if needed. Interest will accrue at the LIBOR rate (currently 0.45%) plus 500 bps for an underwritten interest rate of 5.45%. These funds are to be repaid from permanent funding sources upon completion of construction.

Source: Raymond James Tax Credit Fund Type: Syndication

Proceeds: \$9,309,417 Syndication Rate: 72% Anticipated HTC: \$ 1,293,104

Amount: \$406,516 Type: Deferred Developer Fees

Comments:

Applicant describes the deferred developer fee to be repaid from cash flow with interest accruing at AFR over the projected 15 year repayment period.

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,547,600 indicates the need for \$9,715,933 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,349,570 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis: \$1,293,104

Allocation determined by gap in financing: \$1,349,570

Allocation requested by the Applicant: \$1,293,104

The allocation amount requested by the Applicant and confirmed by the eligible basis calculation of the Applicant's eligible development costs is recommended. A tax credit allocation of \$1,293,104 per year for 10 years results in total equity proceeds of \$9,310,417 at a syndication rate of \$0.72 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$145,708 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cash flow within ten years of stabilized operations.

Underwriter: Colton Sanders Date: May 26, 2010

Manager of Real Estate Analysis: Audrey Martin Date: May 26, 2010

Director of Real Estate Analysis: Brent Stewart Date: May 26, 2010

UNIT MIX/RENT SCHEDULE

Canyon Square Village, El Paso, 9% HTC #10176

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	El Paso	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	El Paso	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	16	15.4%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	13	2	44	42.3%								HIGH COST ADJUSTMENT:		
RURAL RENT USED:	No	3	40	38.5%								APPLICABLE FRACTION:	100.00%	
IREM REGION:	El Paso	4	4	3.8%								APP % - ACQUISITION:		
		TOTAL	104	100.0%	MISC							APP % - CONSTRUCTION:		

UNIT MIX / MONTHLY RENT SCHEDULE																		
UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market	
TC 50%	8	1	1	700	\$427	\$67	\$360	\$0	\$0.51	\$360	\$2,880	\$2,880	\$360	\$0.51	\$0	\$685	\$325	
TC 60%	8	1	1	700	\$513	\$67	\$446	\$0	\$0.64	\$446	\$3,568	\$3,568	\$446	\$0.64	\$0	\$686	\$240	
TC 30%	3	2	2	950	\$308	\$83	\$225	(\$1)	\$0.24	\$224	\$672	\$675	\$225	\$0.24	\$0	\$810	\$585	
TC 50%	20	2	2	950	\$512	\$83	\$429	\$0	\$0.45	\$429	\$8,580	\$8,580	\$429	\$0.45	\$0	\$810	\$381	
TC 60%	12	2	2	950	\$615	\$97	\$518	\$0	\$0.55	\$518	\$6,216	\$6,216	\$518	\$0.55	\$0	\$810	\$292	
TC 60%	9	2	2	950	\$615	\$83	\$532	\$0	\$0.56	\$532	\$4,788	\$4,788	\$532	\$0.56	\$0	\$810	\$278	
TC 30%	3	3	2	1,050	\$356	\$98	\$258	(\$1)	\$0.24	\$257	\$771	\$774	\$258	\$0.25	\$0	\$900	\$642	
TC 50%	17	3	2	1,050	\$592	\$98	\$494	\$0	\$0.47	\$494	\$8,398	\$8,398	\$494	\$0.47	\$0	\$900	\$406	
TC 60%	4	3	2	1,050	\$711	\$98	\$613	\$0	\$0.58	\$613	\$2,452	\$2,452	\$613	\$0.58	\$0	\$900	\$287	
TC 60%	16	3	2	1,050	\$711	\$121	\$590	\$0	\$0.56	\$590	\$9,440	\$9,440	\$590	\$0.56	\$0	\$900	\$310	
TC 50%	2	4	2	1,250	\$661	\$142	\$519	\$0	\$0.42	\$519	\$1,038	\$1,038	\$519	\$0.42	\$0	\$965	\$446	
TC 60%	2	4	2	1,250	\$793	\$142	\$651	\$0	\$0.52	\$651	\$1,302	\$1,302	\$651	\$0.52	\$0	\$965	\$314	
TOTAL:	104			100,000							\$50,105	\$50,111						
AVG:				962					(\$0)	\$0.50	\$482		\$482	\$0.50	\$0	\$831	(\$350)	
ANNUAL:											\$601,260	\$601,332						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Canyon Square Village, El Paso, 9% HTC #10176

INCOME				Totals		Totals						
				Totals	Totals							
Total Net Rentable Sq Ft:												
POTENTIAL GROSS RENT				\$601,332	\$601,260							
Secondary Income	Per Unit Per Month:	\$8.00		9,984	9,984	\$8.00	Per Unit Per Month					
POTENTIAL GROSS INCOME				\$611,316	\$611,244							
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(45,849)	(45,840)	-7.50%	of Potential Gross Income					
Employee or Other Non-Rental Units or Concessions				0	0							
EFFECTIVE GROSS INCOME				\$565,467	\$565,404							
EXPENSES												
General & Administrative	% OF EGI	PER UNIT	PER SQ FT	\$28,053	\$33,471	\$0.33	\$322	5.92%				
Management	4.96%	\$270	0.28	22,619	22,900	0.23	220	4.05%				
Payroll & Payroll Tax	4.00%	\$217	0.23	93,890	102,960	1.03	990	18.21%				
Repairs & Maintenance	16.60%	\$903	0.94	32,308	33,280	0.33	320	5.89%				
Utilities	5.17%	\$281	0.29	29,244	28,600	0.29	275	5.06%				
Water, Sewer, & Trash	5.17%	\$281	0.29	35,092	32,968	0.33	317	5.83%				
Property Insurance	6.21%	\$337	0.35	20,000	15,600	0.16	150	2.76%				
Property Tax	3.54%	\$192	0.20	57,158	47,719	0.48	459	8.44%				
Reserve for Replacements	2.586333	\$550	0.57	35,722	37,232	0.37	358	6.59%				
TDHCA Compliance Fees	6.32%	\$343	0.36	4,160	4,160	0.04	40	0.74%				
Other: Texas Margin Tax	0.74%	\$40	0.04	4,606	4,606	0.05	44	0.81%				
TOTAL EXPENSES	64.17%	\$3,489	\$3.63	\$362,851	\$363,496	\$3.63	\$3,495	64.29%				
NET OPERATING INC	35.83%	\$1,948	\$2.03	\$202,616	\$201,908	\$2.02	\$1,941	35.71%				
DEBT SERVICE												
HUD D-4 (Davis Penn Mortgage Co.)				\$172,488	\$174,374							
First National Bank (Interim Only)				\$0	\$0							
Additional Financing				\$0	\$0	\$37,276.07						
Additional Financing				0	0							
Deferred Developer Fees				0	0							
TOTAL DEBT SERVICE				172,488	174,374							
NET CASH FLOW				\$30,128	\$27,534							
AGGREGATE DEBT COVERAGE RATIO				1.17	1.16							
RECOMMENDED DEBT COVERAGE RATIO					1.17							
CONSTRUCTION COST												
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	Totals	Totals	PER SQ FT	PER UNIT	% of TOTAL			
Acquisition Cost (site or bldg)		5.37%	\$6,031	\$6.27	\$627,192	\$888,000	\$8.88	\$8,538	7.24%			
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%			
Sitework		7.79%	\$8,752	\$9.10	910,180	910,180	9.10	8,752	7.42%			
Direct Construction		50.95%	\$57,247	\$59.54	5,953,687	6,212,678	62.13	59,737	50.66%			
Contingency	5.00%	2.94%	\$3,300	\$3.43	343,193	356,143	3.56	3,424	2.90%			
Contractor's Fees	14.00%	8.22%	\$9,240	\$9.61	960,941	997,199	9.97	9,588	8.13%			
Indirect Construction		3.49%	\$3,924	\$4.08	408,140	408,140	4.08	3,924	3.33%			
Ineligible Costs		1.97%	\$2,209	\$2.30	229,760	229,760	2.30	2,209	1.87%			
Developer's Fees	15.00%	11.98%	\$13,464	\$14.00	1,400,216	1,409,200	14.09	13,550	11.49%			
Interim Financing		6.49%	\$7,295	\$7.59	758,633	758,633	7.59	7,295	6.19%			
Reserves		0.80%	\$900	\$0.94	93,600	93,600	0.94	900	0.76%			
TOTAL COST		100.00%	\$112,360.99	\$116.86	\$11,685,543	\$12,263,533	\$122.64	\$117,919	100.00%			
Construction Cost Recap		69.90%	\$78,538	\$81.68	\$8,168,002	\$8,476,200	\$84.76	\$81,502	69.12%			
SOURCES OF FUNDS												
HUD D-4 (Davis Penn Mortgage Co.)	21.80%	\$24,496	\$25.48	\$2,547,600	\$2,547,600	\$2,547,600	Developer Fee Available					
First National Bank (Interim Only)	0.00%	\$0	\$0.00	0	0	0	\$1,409,200					
Raymond James (HTC Syndicator)	79.67%	\$89,514	\$93.09	9,309,417	9,309,417	9,309,417	% of Dev. Fee Deferred					
Deferred Developer Fees	3.48%	\$3,909	\$4.07	406,516	406,516	145,708	10%					
Additional (Excess) Funds Req'd	-4.95%	(\$5,558)	(\$5.78)	(577,990)	0	0	15-Yr Cumulative Cash Flow					
TOTAL SOURCES				\$11,685,543	\$12,263,533	\$12,002,725	\$382,282					

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Canyon Square Village, El Paso, 9% HTC #10176

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

(Town Home & Multi-family Costs depending on building type)

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$58.93	\$5,893,100
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			0.15	15,000
Floor Cover			7.58	758,015
Breezeways	\$29.81	7,054	2.10	210,244
Balconies	\$21.54	8,157	1.76	175,677
Plumbing Fixtures - MF	\$845	224	1.89	189,280
Rough-ins - MF	\$420	72	0.30	30,240
Built-In Appliances - MF	\$1,850	72	1.33	133,200
Plumbing Fixtures - TH	\$1,015	60	0.61	60,900
Rough-ins - TH	\$445	0	0.00	0
Built-in Appliances - TH	\$2,525	32	0.81	80,800
Exterior Stairs	\$1,900	18	0.34	34,200
Enclosed Corridors	\$49.01	0	0.00	0
Carpools	\$10.80	20,800	2.25	224,640
Heating/Cooling			1.85	185,000
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$73.29	3,350	2.46	245,513
Other: fire sprinkler	\$2.15	0	0.00	0
SUBTOTAL			82.36	8,235,809
Current Cost Multiplier	0.99		(0.82)	(82,358)
Local Multiplier	0.90		(8.24)	(823,581)
TOTAL DIRECT CONSTRUCTION COSTS			\$73.30	\$7,329,870
Plans, specs, survy, bid prm	3.90%		(\$2.86)	(\$285,865)
Interim Construction Interest	3.38%		(2.47)	(247,383)
Contractor's OH & Profit	11.50%		(8.43)	(842,935)
NET DIRECT CONSTRUCTION COSTS			\$59.54	\$5,953,687

PROPOSED PAYMENT COMPUTATION

HUD D-4 (Davis Penn)	\$2,547,600	Amort	480
Int Rate	6.20%	DCR	1.17

First National Bank (I)	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17

Deferred Developer F	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

HUD D-4 (Davis Penn Mortgage Co.)	\$172,488
First National Bank (Interim Only)	0
Deferred Developer Fees	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$172,488

HUD D-4 (Davis Penn)	\$2,547,600	Amort	480
Int Rate	6.20%	DCR	1.17

First National Bank (I)	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17

Deferred Developer F	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

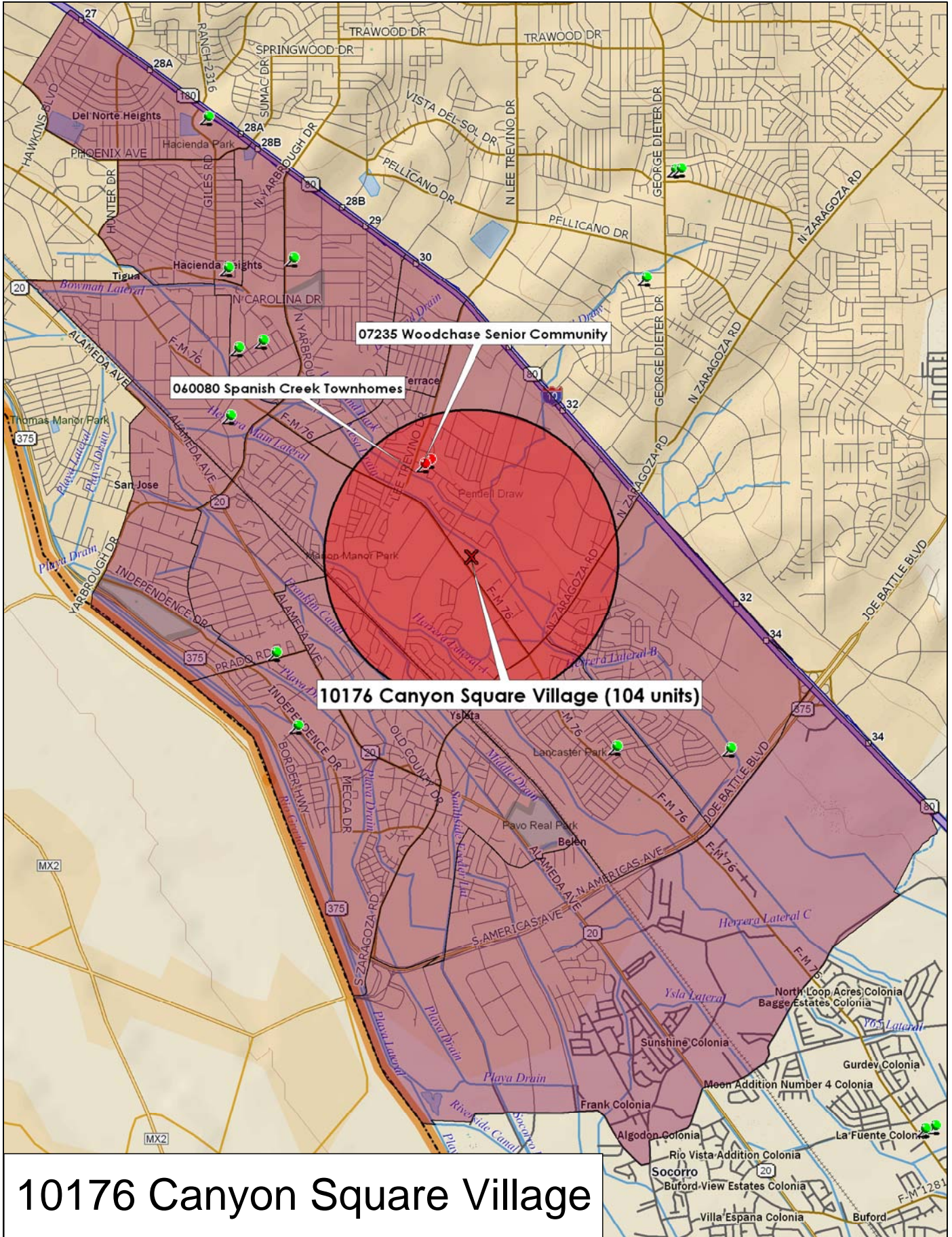
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$601,260	\$613,285	\$625,551	\$638,062	\$650,823	\$718,561	\$793,350	\$875,922	\$1,067,744
Secondary Income	9,984	10,184	10,387	10,595	10,807	11,932	13,174	14,545	17,730
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	611,244	623,469	635,938	648,657	661,630	730,493	806,523	890,467	1,085,474
Vacancy & Collection Loss	(45,840)	(46,760)	(47,695)	(48,649)	(49,622)	(54,787)	(60,489)	(66,785)	(81,411)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$565,404	\$576,709	\$588,243	\$600,008	\$612,008	\$675,706	\$746,034	\$823,682	\$1,004,064
EXPENSES at 3.00%									
General & Administrative	\$33,471	\$34,475	\$35,509	\$36,575	\$37,672	\$43,672	\$50,628	\$58,692	\$78,877
Management	22,900	23,358	23,825	24,302	24,788	27,367	30,216	33,361	40,667
Payroll & Payroll Tax	102,960	106,049	109,230	112,507	115,882	134,339	155,736	180,541	242,632
Repairs & Maintenance	33,280	34,278	35,307	36,366	37,457	43,423	50,339	58,357	78,427
Utilities	28,600	29,458	30,342	31,252	32,190	37,317	43,260	50,150	67,398
Water, Sewer & Trash	32,968	33,957	34,976	36,025	37,106	43,016	49,867	57,810	77,691
Insurance	15,600	16,068	16,550	17,047	17,558	20,354	23,596	27,355	36,762
Property Tax	47,719	49,151	50,625	52,144	53,708	62,262	72,179	83,676	112,453
Reserve for Replacements	37,232	38,349	39,499	40,684	41,905	48,579	56,317	65,287	87,740
TDHCA Compliance Fee	4,160	4,285	4,413	4,546	4,682	5,428	6,292	7,295	9,803
Other	8,766	9,029	9,300	9,579	9,866	11,438	13,259	15,371	20,658
TOTAL EXPENSES	\$367,656	\$378,457	\$389,577	\$401,026	\$412,813	\$477,196	\$551,690	\$637,893	\$853,107
NET OPERATING INCOME	\$197,748	\$198,252	\$198,666	\$198,982	\$199,194	\$198,510	\$194,344	\$185,790	\$150,957
DEBT SERVICE									
First Lien Financing	\$172,488	\$172,488	\$172,488	\$172,488	\$172,488	\$172,488	\$172,488	\$172,488	\$172,488
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$25,260	\$25,764	\$26,178	\$26,494	\$26,706	\$26,022	\$21,855	\$13,301	(\$21,531)
DEBT COVERAGE RATIO	1.15	1.15	1.15	1.15	1.15	1.15	1.13	1.08	0.88

HTC ALLOCATION ANALYSIS -Canyon Square Village, El Paso, 9% HTC #10176

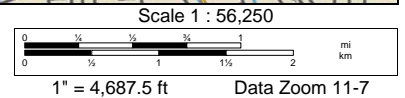
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$888,000	\$627,192		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$910,180	\$910,180	\$910,180	\$910,180
Construction Hard Costs	\$6,212,678	\$5,953,687	\$6,212,678	\$5,953,687
Contractor Fees	\$997,199	\$960,941	\$997,199	\$960,941
Contingencies	\$356,143	\$343,193	\$356,143	\$343,193
Eligible Indirect Fees	\$408,140	\$408,140	\$408,140	\$408,140
Eligible Financing Fees	\$758,633	\$758,633	\$758,633	\$758,633
All Ineligible Costs	\$229,760	\$229,760		
Developer Fees				
Developer Fees	\$1,409,200	\$1,400,216	\$1,409,200	\$1,400,216
Development Reserves	\$93,600	\$93,600		
TOTAL DEVELOPMENT COSTS	\$12,263,533	\$11,685,543	\$11,052,173	\$10,734,991

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$11,052,173	\$10,734,991
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$14,367,825	\$13,955,488
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$14,367,825	\$13,955,488
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,293,104	\$1,255,994

Syndication Proceeds	0.7199	\$9,309,419	\$9,042,251
Total Tax Credits (Eligible Basis Method)		\$1,293,104	\$1,255,994
Syndication Proceeds		\$9,309,419	\$9,042,251
Requested Tax Credits		\$1,293,104	
Syndication Proceeds		\$9,309,417	
Gap of Syndication Proceeds Needed		\$9,715,933	
Total Tax Credits (Gap Method)		\$1,349,570	
Recommended Tax Credits		\$1,293,104	
Syndication Proceeds		\$9,309,417	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Fayridge, TDHCA Number 10178

BASIC DEVELOPMENT INFORMATION

Site Address: NEC of Beltway 8 and Fayridge Dr. Development #: 10178
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77048 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Cypress Creek Fayridge LP
 Owner Contact and Phone: Stuart B. Shaw, (512) 220-8000
 Developer: SSFP CCFD XVII, LLC
 Housing General Contractor: Bonner Carrington Construction, LLC
 Architect: Kelly Grossman Architects LLC dba Chiles Architect
 Market Analyst: O'Connor & Associates
 Syndicator: Apollo Equity Partners
 Supportive Services: TBD
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	148	
	8	0	66	74	Market Rate Units:	3	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	24	64	56	8	0	
Type of Building:						Total Development Units:	151
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$20,847,648
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	8
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$2,000,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Fayridge, TDHCA Number 10178

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC Points: 0 US Representative: Green, District 9, NC
TX Representative: Coleman, District 147, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 23

Quantifiable Community Participation Input:

Minnetex Civic Club, Inc., Mark McMillen Letter Score: 24 S or O: S

The housing would be an asset to our neighborhood.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain.
2. Receipt, review, and acceptance, by the 10% Test, of documentation that a subsurface investigation was conducted to evaluate if soil and/or groundwater have been affected by potential releases from the historical oil/gas exploration and production activity, and evidence that any subsequent recommendations have been implemented.
3. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
5. Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.
6. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
7. Receipt of a firm commitment from the City of Houston Housing and Community Development Department for funding in the amount of \$1,300,000, or a commitment from a qualifying substitute source in an amount not less than \$1,300,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Fayridge, TDHCA Number 10178

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **10**

Total # Monitored: **8**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$2,000,000

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/25/10 PROGRAM: HTC 9% FILE NUMBER: 10178

DEVELOPMENT

Cypress Creek at Fayridge

Location: Northeast of intersection of Beltway 8 & Fayridge Dr. Region: 6
 City: Houston County: Harris Zip: 77048 OCT DDA
 Key Attributes: General, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$2,000,000			\$2,000,000		

CONDITIONS

- 1 Receipt, review, and acceptance, by cost certification, of an as-built survey verifying no buildings or improvements are located in the 100-year floodplain; or, if buildings or improvements are found to be in the floodplain, receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain.
- 2 Receipt, review, and acceptance, by the 10% Test, of documentation that a subsurface investigation was conducted to evaluate if soil and/or groundwater have been affected by potential releases from the historical oil/gas exploration and production activity, and evidence that any subsequent recommendations have been implemented.
- 3 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.
- 6 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	66
60% of AMI	60% of AMI	74

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

- The principals of the Applicant have experience developing and owning over 1,700 Housing Tax Credit units.
- The non-conventional sources of local financing for this development could be safely replaced by deferral of developer & contractor fees if needed.
- Average occupancy at five out of six HTC properties in the area is 94%.
- A property similar to the subject, developed by the Applicant, located within six miles, was completely absorbed within five months.
- Proposed rents for the tax credit units are on average 35% lower than the achievable market rents for those units.
- Market units are being offered at 23% below the market analyst's achievable market rents. The discount to market may aid in the absorption of these units, and if necessary, rents could be increased to the achievable market rents.

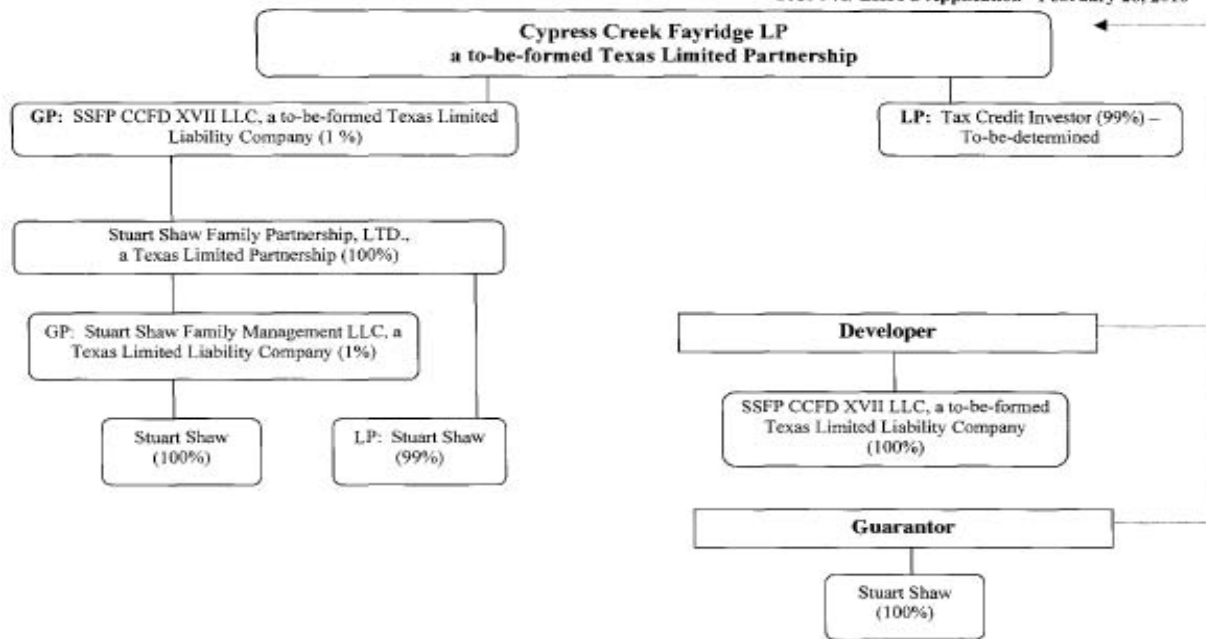
- Overall occupancy in the PMA for 2009 ranged between 84-86%

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



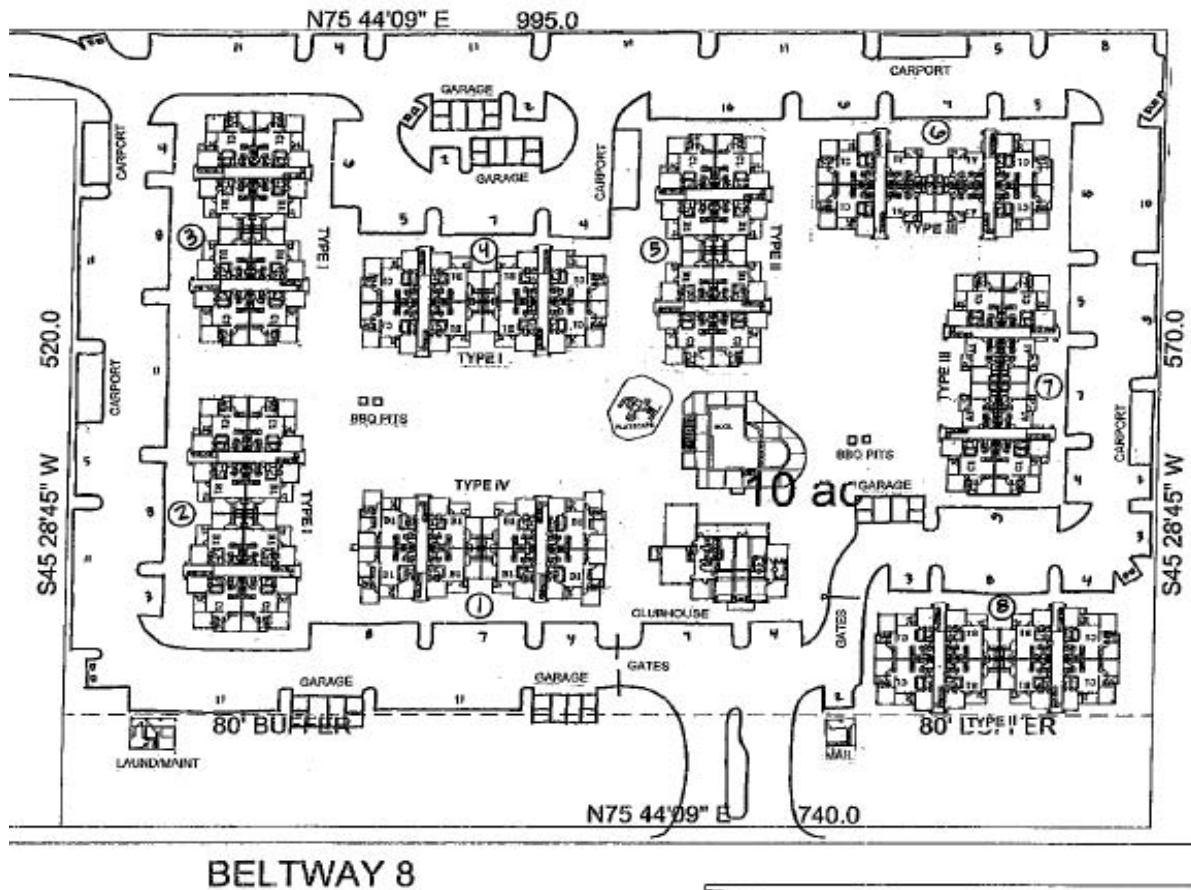
CONTACT

Contact: Stuart Shaw Phone: (512) 220-8000 Fax: (512) 329-9002
 Email: stuart@bonnercarrington.com

IDENTITIES of INTEREST

- The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments.
- The seller is also regarded as a related party to the General Partner. The acquisition price will be based upon the lesser of the declared price, the appraised value, and the original acquisition and holding cost. This is discussed at greater length in the construction cost section of this report.

PROPOSED SITE
SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III	IV															
Floors/Stories	3	2	3	3															Total Buildings
Number	3	2	2	1															8

BR/BA	SF	Units								Total Units	Total SF
1	700			12						24	16,800
2	1,000	12	8		12					64	64,000
3	1,200	8	8	8						56	67,200
4	1,325				8					8	10,600
Units per Building		20	16	20	20					152	158,600

SITE ISSUES

Total Size: 10 acres Scattered site? Yes No
 Flood Zone: Zones AE & X Within 100-yr floodplain? Yes No
 Zoning: N/A Needs to be re-zoned? Yes No N/A

Comments:

According to the 2010 QAP §20.6(a) "Any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the one-hundred (100) year floodplain.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/18/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Residential & vacant East: Mykawa Rd, residential & commercial
 South: Beltway 8 & vacant West: Fayridge Dr & vacant

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Terracon Consultants, Inc. Date: 3/25/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "Based on the scope of services, limitations, and findings of this assessment, potential releases from the historical on-site/adjacent oil/gas exploration and production (E&P) activities represent an REC to the site. Terracon recommends that a subsurface investigation be conducted to evaluate if soil and/or groundwater have been affected by potential releases from the REC." (p. iii)
- "Beltway 8 runs east and west adjacent south of the site. In accordance with U.S. Department of Housing and Urban Development guidelines and based on the proximity of a major roadway to the site, Terracon recommends that a noise study be conducted." (p. ii)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by the 10% Test, of documentation that a subsurface investigation was conducted to evaluate if soil and/or groundwater have been affected by potential releases from the historical oil/gas exploration and production activity, and evidence that any subsequent recommendations have been implemented.
- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: O'Connor & Associates Date: 3/24/2010
 Contact: Robert Coe Phone: (713) 375-4279
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 68 sq. miles 5 mile equivalent radius
 The Primary Market Area is defined by 10 census tracts in south Houston, along Beltway 8 between I45 and HWY 288.

ELIGIBLE HOUSEHOLDS BY INCOME								
Harris County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$12,274	\$13,400	---	---	\$20,503	\$22,350	\$24,583	\$26,820
2	\$12,274	\$15,300	---	---	\$20,503	\$25,500	\$24,583	\$30,600
3	\$14,777	\$17,250	---	---	\$24,583	\$28,700	\$29,520	\$34,440
4	\$17,074	\$19,150	---	---	\$28,423	\$31,900	\$34,114	\$38,280
5	\$17,074	\$20,700	---	---	\$28,423	\$34,450	\$34,114	\$41,340
6	---	---	---	---	\$31,714	\$37,000	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA							
File #	Development			Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments							
None							
Other Affordable Developments in PMA since 2006							
None							
Stabilized Affordable Developments in PMA (pre-2006)							
Total Properties (pre-2006)				5	Total Units	1,218	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no proposed, under construction, or unstabilized comparable units in the PMA that will impact the demand for the subject.

There are several comparable projects in the surrounding area. South Acres Ranch I & II are located four miles northwest of the subject; they consist of 129 single-family four-bedroom units. The Primary Market Area defined for the South Acres Ranch properties is adjacent to the subject PMA, but does not target the same population. Regency Park is a 2007 tax exempt bond development located seven miles east of the subject; it is located one mile beyond the subject PMA, and it is currently 95% occupied, so it has not been considered in determining a capture rate for the subject.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	38,358	38,358
Potential Demand from the Primary Market Area	6,443	3,600
Potential Demand from Other Sources	110	0
GROSS DEMAND	6,553	3,600
Subject Affordable Units	148	148
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	148	148
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.3%	4.1%

Demand Analysis:

The Market Analyst reports Potential Demand for 6,443 units from income-eligible renter households in the PMA. This seems overstated. Based on the demographic data provided for household income for all households, the Market Analyst's conclusion implies that 64% of households are renters, which is inconsistent with the data. The Market Analyst also includes Potential Demand for 110 units from households with Section 8 Vouchers. Overall the Market Analyst reports Gross Demand for 6,553 units, and a Gross Capture Rate of 2.3% for the subject 148 units.

The Market Analyst's calculations are based on demographic data from Claritas. The underwriting analysis is based on Ribbon Demographics HISTA data. While this is also sourced from Claritas, the HISTA data provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, HISTA indicates that 37% of renter households are income-eligible. The Underwriter calculates Gross Demand for 3,600 units, resulting in a Gross Capture Rate of 4.1%.

Demand from households with Section 8 Vouchers was not considered because sufficient demand was identified without it.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	125	2	0	2%	66	2	0	3%
1 BR/50%	213	10	0	5%	162	10	0	6%
1 BR/60%	318	12	0	4%	179	12	0	7%
2 BR/30%	88	3	0	3%	54	3	0	6%
2 BR/50%	238	28	0	12%	174	28	0	16%
2 BR/60%	319	31	0	10%	222	31	0	14%
3 BR/30%	30	3	0	10%	26	3	0	12%
3 BR/50%	101	24	0	24%	83	24	0	29%
3 BR/60%	162	27	0	17%	109	27	0	25%
4 BR/50%	41	4	0	10%	40	4	0	10%
4 BR/60%	32	4	0	13%	28	4	0	14%

Primary Market Occupancy Rates:

The market study reports there are 12,736 units in the zip codes containing the PMA. Overall occupancy by quarter for 2009 ranged between 84-86%; this is down from 2008 readings between 89-91%. The market study also identifies six HTC properties either in the PMA or just outside. All were built between 2000 and 2005. One property is reported to be 81% occupied; the remaining five properties report occupancies between 90-99% and averaging 94.4%.

Absorption Projections:

"We were unable to locate any Family HTC development which has been completed within the past 48 months within the subject PMA ... three market-rate Family properties have been completed within the past three years located within the zip codes containing the subject PMA ... Carrington Park @ Gulf Pointe ... attained stabilized occupancy in June 2008, which equates to an average absorption of approximately 63 units per month. Cobblestone Park II ... attained stabilized occupancy in September 2009, which equates to an average absorption of approximately 61 units per month. Landmark @ City Park was completed in April 2009... which equates to an average absorption of approximately 33 units per month." (p. 35)

Additionally, Cypress Creek at Reed Road (#07291), a similar property developed by the Applicant, is located six miles northwest of the subject. Data reported to the Department indicates that Cypress Creek at Reed Road began leasing in September 2009 and was 100% occupied in February 2010.

Market Impact:

"Due to the overall lack of recently-constructed Family affordable housing projects in the subject's primary market area, and based on the performance of the current low income housing projects, it appears as though there is pent-up demand in the subject's primary market area." (p. 41)

Comments:

Overall occupancy in the market area is low, but occupancy of comparable affordable properties is above average; new market rate properties have been readily absorbed; a property similar to the subject, developed by the Applicant, located within six miles, was completely absorbed within five months; and the Gross Capture Rate as determined by the Underwriter is well below the maximum. This suggests that a new affordable property will perform well in this market. Overall, the market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 2 Date of Last Applicant Revision: 6/24/2010

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 1, 2010, maintained by the Houston Housing Authority, from the 2009 program gross rent limits. Of note, although 2010 rent limits have been released, for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Tenants will be required to pay electric utility costs only. Tenants will be required to pay electric & natural gas utility costs.

For the market rate units, the Applicant chose not to use the rents quoted by the Market Analyst as achievable but rather utilized rents that are \$235 to \$315 less for the market units. Further, the Applicant's market rents for the two and three-bedroom units are \$57 and \$37 higher, respectively, than the 60% rents for the same unit types. If the Applicant were able to collect the estimated market rents for these units as indicated by the Market Analyst, an additional \$1,106 in rental income could be achieved per month. This would increase the Applicant's DCR to 1.19, and would not change the recommendation. The Underwriter used the Market Analysts achievable market rents for the market units.

The Applicant's vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines, as is secondary income, which includes fees for carports, garages, and storage spaces. Additionally, despite the Applicant's use of lower Market rate rents effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,509 per unit is within 5% of the Underwriter's estimate of \$4,676, derived from the TDHCA database, and third-party data sources. The Applicant's estimate of general & administrative is 23% higher than the Underwriter's estimate; however, there is potential for savings in other areas such as repairs and maintenance (discussed in more detail below), that should allow the development to adjust expense costs as necessary, while maintaining an acceptable level of feasibility. The Applicant's estimate of payroll & payroll tax is also 22% higher than the Underwriter's estimate; however, the Applicant has provided a preliminary staffing plan for the 152-unit development, indicating a full time staff consisting of a manager & assistant, maintenance supervisor, porter & leasing staff. Furthermore, the Applicant's estimate is in line with the IREM database and as such is considered reasonable.

Repairs and maintenance is 47% lower than the Underwriter's current estimate; however, increases in repairs and maintenance expenses for Houston area developments affected by inclement weather (i.e. Hurricane Ike) in the past two years, may account for inflated database figures. It is reasonable to assume that a new construction development like the Subject, would operate more efficiently, thus reducing repairs and maintenance expenses.

Also of note, the Applicant's estimate of property tax is 9% lower than the Underwriter's estimate; however, the Underwriter's estimate of \$35K/unit is based on a 10% cap rate and substantiated by NOI. Finally, the Applicant's estimate of TDHCA compliance fees is slightly overstated.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.16, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: O'Connor & Associates Date: 2/16/2010
Number of Revisions: None Date of Last Applicant Revision: N/A
Land Only: 10 acres \$1,310,000 As of: 2/16/2010
Comments:

The Applicant ordered and included a land appraisal with the application due to a related party interest in the transfer of ownership. (This is discussed further under "Acquisition Value" below.) However, because the acquisition cost claimed in the application is not greater than the original acquisition cost, the appraisal was not required under Department guidelines.

ASSESSED VALUE

Land Only: 39.7 acres \$1,730,560 Tax Year: 2010
1 acre: \$43,560 Valuation by: Harris CAD
Total Pro rata: 10.0 acres \$435,600 Tax Rate: 2.5237

EVIDENCE of PROPERTY CONTROL

Type: Purchase and Sale Agreement Acreage: 10
Contract Expiration: 12/31/2010 Valid Through Board Date? Yes No
Acquisition Cost: \$1,698,840 Other: \$3.00 per square foot
Seller: Stuart Shaw Family Partnership, Ltd Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 2 Date of Last Applicant Revision: 6/24/2010

Acquisition Value:

The Applicant provided a Purchase and Sale Agreement in which Stuart Shaw Family Partnership will purchase a larger 13 acre tract from a third party seller, Richard Gasaway & Marcella Bernhardt for a cost of \$3 per gross square foot or \$130,680 per acre (\$1,698,840 total). The original purchase contract, dated 1/8/10, between Stuart Shaw Family Partnership and Cypress Creek Fayridge LP reflect that the entire 13 acres will be transferred. However, an amendment to the contract, dated 2/13/10, revises the land purchase area to 10 acres. Subsequently, the 10 acre Subject site will be sold to the Applicant, Cypress Creek Fayridge LP, at an equivalent cost of \$130,680 per acre or \$1,306,800 total.

Accordingly, the Underwriter has calculated a land acquisition cost for the subject 10 acres by multiplying the original contract price for the 13 acres of \$130,680 per acre times the subject 10 acres to achieve a prorated land value of \$1,306,800.

Additionally, the Applicant has included \$107,500 in closing costs & \$239,580 for a detention pond tie-in, to bring the total acquisition price to \$1,698,840. Similar to the site acreage being acquired, the tie-in rights to the detention pond are first being purchased by the Stuart Shaw Family Partnership for \$239,580, and then being purchased by the Applicant for the same price.

Sitework Cost:

The Applicant claimed sitework costs over the Department's maximum guideline of \$9,000 per unit largely due to on-site paving, utility extension across the site, extensive landscaping & flood plain mitigation. The Applicant provided sufficient third party certification through a detailed certified cost estimate by an engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac, to preliminarily opine that all of the total \$2,740,042 will be considered eligible. The CPA has indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

Direct Construction Cost:

The Applicant's revised direct construction cost estimate is \$295K or 4% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate. Of note, garages, storage and carports are being provided for a fee, and as a result the both the Applicant and Underwriter have excluded the cost of these amenities from eligible basis.

Ineligible Costs:

Of note, the Underwriter's ineligible cost is adjusted for carports, garages, and storage. Specifically, the Underwriter determined carports, storage, and garages to be \$91,568 based on Marshall & Swift; however, the Applicant has included \$120K for these costs.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are both nominally over 14% & 15% of the Applicant's adjusted eligible basis by \$1; therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,759,052 supports annual tax credits of \$2,020,165. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 5/3/2010

Source: Brock Investment Group, Inc. Type: Interim Financing

Principal: \$450,000 Interest Rate: 7.0% Fixed Term: 15 months

Comments:

Brock Investment Group has provided a commitment for a construction period loan of \$450K. The interest rate will be the greater of prime + 2.0% or 7.0%. The loan has a term of the lesser of 15 months or completion of construction.

Source: City of Houston Type: Interim to Permanent Financing
 Principal: \$1,300,000 Interest Rate: 1.0% Fixed Amort: 360 months
 Term: 30 years

Comments:

The Applicant has indicated an intent to apply for City of Houston HOME funds. The intent to apply indicates a request for the \$1.3M loan amortized over 30 years at a 1% interest rate. Should the City funds ultimately, not be received, there appears to be sufficient developer and contractor fee to fill the gap from available cash flow. Nevertheless, any funding recommendation will be conditioned upon receipt, review and acceptance, by Commitment, of a firm commitment from the City of Houston clearly stating the terms of the HOME funds.

Source: Chase Type: Interim to Permanent Financing
 Interim: \$10,750,000 Interest Rate: 3.85% Fixed Term: 24 months
 Permanent: \$4,920,000 Interest Rate: 8.75% Fixed Amort: 360 months

Comments:

The Interim Rate Index is LIBOR + 350 bps with an underwriting rate of 6.5%. The term sheet indicates an alternate rate of Chase Bank Floating Rate plus 1%. The Underwriter assumed a rate equal to LIBOR at the time the underwriting was completed plus 350 bps. The Permanent Rate Index will be fixed at a spread over the 10 Year Treasury, and was underwritten at 8.75%. The term on the permanent loan will be 18 years.

Source: RBC Capital Markets Type: Syndication
 Proceeds: \$13,598,640 Syndication Rate: 68% Anticipated HTC: \$ 2,000,000
 Amount: \$1,029,010 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$4,920,000 and \$1,300,000 City of Houston funds indicates the need for \$14,627,648 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,151,340 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,020,165
Allocation determined by gap in financing:	\$2,151,340
Allocation requested by the Applicant:	\$2,000,000

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$2M per year for 10 years results in total equity proceeds of \$13,598,640 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$1,029,008 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

Underwriter:	<u>Diamond Unique Thompson</u>	Date:	<u>June 25, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>June 25, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 25, 2010</u>

UNIT MIX/RENT SCHEDULE

Cypress Creek at Fayridge, Houston, HTC 9% #10178

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:			HOME				DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	24	15.8%	LH	\$558	\$598	\$717	\$829	\$925	8	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	64	42.1%	HH	\$640	\$714	\$866	\$1,044	\$1,145	22	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	56	36.8%								APPLICABLE FRACTION:	97.23%	
IREM REGION:	Houston	4	8	5.3%								APP % - ACQUISITION:	N/A	
		TOTAL	152	100.0%								APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS		
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HOME	Market Rent	TDHCA Savings to Market	
TC 30%	LH	2	1	1	700	\$358	\$53	\$305	\$0	\$0.44	\$305	\$610	\$610	\$305	\$0.44	\$0	\$598	\$885	\$580	
TC 50%	HH	10	1	1	700	\$598	\$53	\$545	\$0	\$0.78	\$545	\$5,450	\$5,450	\$545	\$0.78	\$0	\$714	\$885	\$340	
TC 60%	HH	12	1	1	700	\$717	\$53	\$664	\$0	\$0.95	\$664	\$7,968	\$7,932	\$661	\$0.94	(\$3)	\$714	\$885	\$224	
TC 30%	LH	3	2	2	1,000	\$431	\$68	\$363	(\$1)	\$0.36	\$362	\$1,086	\$1,089	\$363	\$0.36	\$0	\$717	\$1,085	\$722	
TC 50%		28	2	2	1,000	\$717	\$68	\$649	\$0	\$0.65	\$649	\$18,172	\$18,172	\$649	\$0.65	\$0		\$1,085	\$436	
TC 60%		31	2	2	1,000	\$861	\$68	\$793	\$0	\$0.79	\$793	\$24,583	\$24,583	\$793	\$0.79	\$0		\$1,085	\$292	
MR		2	2	2	1,000		\$68		NA	\$0.85	\$850	\$1,700	\$2,170	\$1,085	\$1.09	NA		\$1,085	\$0	
TC 30%	LH	3	3	2	1,200	\$498	\$82	\$416	(\$1)	\$0.35	\$415	\$1,245	\$1,248	\$416	\$0.35	\$0	\$829	\$1,265	\$849	
TC 50%		24	3	2	1,200	\$829	\$82	\$747	\$0	\$0.62	\$747	\$17,928	\$17,928	\$747	\$0.62	\$0		\$1,265	\$518	
TC 60%		27	3	2	1,200	\$995	\$82	\$913	\$0	\$0.76	\$913	\$24,651	\$24,651	\$913	\$0.76	\$0		\$1,265	\$352	
MR		1	3	2	1,200		\$82		NA	\$0.79	\$950	\$950	\$1,265	\$1,265	\$1.05	NA		\$1,265	\$0	
MR		1	3	2	1,200		\$82		NA	\$0.79	\$950	\$950	\$1,265	\$1,265	\$1.05	NA		\$1,265	\$0	
TC 50%		4	4	2	1,325	\$925	\$104	\$821	\$0	\$0.62	\$821	\$3,284	\$3,284	\$821	\$0.62	\$0		\$1,445	\$624	
TC 60%		4	4	2	1,325	\$1,110	\$104	\$1,006	\$0	\$0.76	\$1,006	\$4,024	\$4,024	\$1,006	\$0.76	\$0		\$1,445	\$439	
TOTAL:		152				158,600						\$112,601	\$113,671							
AVG:						1,043				(\$0)	\$0.71	\$741			\$748	\$0.72	(\$0)	\$142	\$1,139	(\$391)
ANNUAL:												\$1,351,212	\$1,364,052							

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Cypress Creek at Fayridge, Houston, HTC 9% #10178

INCOME				TDHCA		APPLICANT				
Total Net Rentable Sq Ft:										
POTENTIAL GROSS RENT				\$1,364,052	\$1,351,212					
Secondary Income		Per Unit Per Month:	\$20.00	36,480	13,680	\$7.50		Per Unit Per Month		
Other Support Income: Garages, carports & storage					22,800	\$12.50		Per Unit Per Month		
POTENTIAL GROSS INCOME				\$1,400,532	\$1,387,692					
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%	(105,040)	(104,076)	-7.50%		of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions				0						
EFFECTIVE GROSS INCOME				\$1,295,492	\$1,283,616					
EXPENSES										
	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI		
General & Administrative	4.28%	\$365	0.35	\$55,494	\$42,650	\$0.27	\$281	3.32%		
Management	5.00%	\$426	0.41	64,775	64,181	0.40	422	5.00%		
Payroll & Payroll Tax	13.48%	\$1,149	1.10	174,631	213,025	1.34	1,401	16.60%		
Repairs & Maintenance	6.85%	\$584	0.56	88,787	47,220	0.30	311	3.68%		
Utilities	2.56%	\$218	0.21	33,144	43,000	0.27	283	3.35%		
Water, Sewer, & Trash	4.38%	\$373	0.36	56,724	56,200	0.35	370	4.38%		
Property Insurance	4.25%	\$362	0.35	54,995	49,400	0.31	325	3.85%		
Property Tax	2.5237	10.36%	\$883	134,261	121,600	0.77	800	9.47%		
Reserve for Replacements	2.93%	\$250	0.24	38,000	38,000	0.24	250	2.96%		
TDHCA Compliance Fees	0.46%	\$39	0.04	5,920	6,080	0.04	40	0.47%		
Other: Supportive Services	0.31%	\$26	0.03	4,000	4,000	0.03	26	0.31%		
TOTAL EXPENSES	54.86%	\$4,676	\$4.48	\$710,730	\$685,356	\$4.32	\$4,509	53.39%		
NET OPERATING INC	45.14%	\$3,847	\$3.69	\$584,762	\$598,260	\$3.77	\$3,936	46.61%		
DEBT SERVICE										
Chase				\$464,468	\$464,468					
City of Houston				\$50,176	\$50,176					
Additional Financing				\$0						
Additional Financing				0						
Additional Financing				0						
TOTAL DEBT SERVICE				514,644	514,644					
NET CASH FLOW				\$70,118	\$83,616					
AGGREGATE DEBT COVERAGE RATIO				1.14	1.16					
RECOMMENDED DEBT COVERAGE RATIO					1.16					
CONSTRUCTION COST										
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL	
Acquisition Cost (site or bldg)		8.02%	\$10,881	\$10.43	\$1,653,880	\$1,653,880	\$10.43	\$10,881	7.93%	
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%	
Sitework		13.28%	\$18,027	\$17.28	2,740,042	2,740,042	17.28	18,027	13.14%	
Direct Construction		40.59%	\$55,096	\$52.80	8,374,550	8,464,835	53.37	55,690	40.60%	
Contingency	5.04%	2.72%	\$3,686	\$3.53	560,244	560,244	3.53	3,686	2.69%	
Contractor's Fees	14.00%	7.60%	\$10,320	\$9.89	1,568,684	1,568,684	9.89	10,320	7.52%	
Indirect Construction		7.07%	\$9,594	\$9.20	1,458,350	1,458,350	9.20	9,594	7.00%	
Ineligible Costs		3.71%	\$5,038	\$4.83	765,828	794,260	5.01	5,225	3.81%	
Developer's Fees	15.00%	11.16%	\$15,150	\$14.52	2,302,856	2,316,399	14.61	15,239	11.11%	
Interim Financing		3.15%	\$4,280	\$4.10	650,500	650,500	4.10	4,280	3.12%	
Reserves		2.70%	\$3,660	\$3.51	556,340	640,454	4.04	4,214	3.07%	
TOTAL COST		100.00%	\$135,732.06	\$130.08	\$20,631,273	\$20,847,648	\$131.45	\$137,156	100.00%	
Construction Cost Recap		64.19%	\$87,128	\$83.50	\$13,243,520	\$13,333,805	\$84.07	\$87,722	63.96%	
SOURCES OF FUNDS						RECOMMENDED				
Chase		23.85%	\$32,368	\$31.02	\$4,920,000	\$4,920,000	\$4,920,000		Developer Fee Available	
City of Houston		6.30%	\$8,553	\$8.20	1,300,000	1,300,000	1,300,000		\$2,316,398	
RBC Capital Markets		65.91%	\$89,465	\$85.74	13,598,640	13,598,640	13,598,640		% of Dev. Fee Deferred	
Deferred Developer Fees		4.99%	\$6,770	\$6.49	1,029,010	1,029,010	1,029,008		44%	
Additional (Excess) Funds Req'd		-1.05%	(\$1,424)	(\$1.36)	(216,377)	(2)	0		15-Yr Cumulative Cash Flow	
TOTAL SOURCES					\$20,631,273	\$20,847,648	\$20,847,648		\$1,815,352	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Cypress Creek at Fayridge, Houston, HTC 9% #10178

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.05	\$8,571,779
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.62	257,153
Roofing			0.00	0
Subfloor			1.26	199,548
Floor Cover			2.41	382,226
Breezeways	\$23.05	12,552	1.82	289,271
Balconies	\$22.75	9,792	1.40	222,735
Plumbing Fixtures	\$845	384	2.05	324,480
Rough-ins	\$420	304	0.81	127,680
Built-In Appliances	\$1,850	152	1.77	281,200
Exterior Stairs	\$1,900	56	0.67	106,400
Enclosed Corridors	\$44.13	0	0.00	0
Carports (30)	\$9.70	6,000	0.37	58,200
Heating/Cooling			1.85	293,410
Garages (10)	\$17.80	4,000	0.45	71,200
Comm & Aux Bldgs	\$68.16	6,432	2.76	438,379
Other: fire sprinkler	\$2.25	158,600	2.25	356,850
SUBTOTAL			75.54	11,980,511
Current Cost Multiplier	0.99		(0.76)	(119,805)
Local Multiplier	0.88		(9.06)	(1,437,661)
TOTAL DIRECT CONSTRUCTION COSTS			\$65.72	\$10,423,045
Plans, specs, survy, bld prmts	3.90%		(\$2.56)	(\$406,499)
Interim Construction Interest	3.38%		(2.22)	(351,778)
Contractor's OH & Profit	11.50%		(7.56)	(1,198,650)
NET DIRECT CONSTRUCTION COSTS			\$53.38	\$8,466,118

PROPOSED PAYMENT COMPUTATION

Chase	\$4,920,000	Amort	360
Int Rate	8.75%	DCR	1.26

City of Houston	\$1,300,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.14

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.14

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Chase	\$464,468
City of Houston	50,176
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$514,644

Chase	\$4,920,000	Amort	360
Int Rate	8.75%	DCR	1.29

City of Houston	\$1,300,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.16

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.16

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

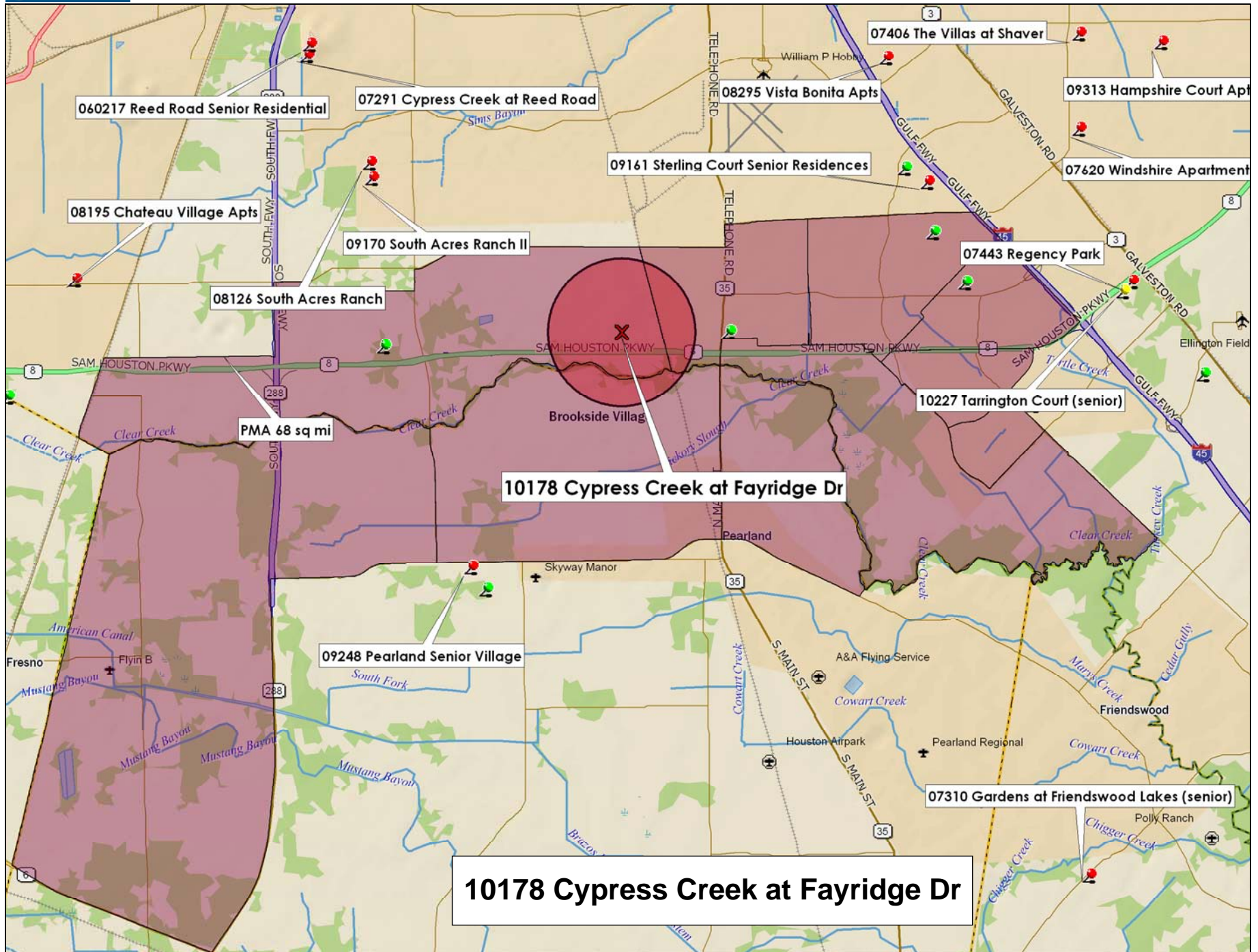
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,351,212	\$1,378,236	\$1,405,801	\$1,433,917	\$1,462,595	\$1,614,823	\$1,782,896	\$1,968,461	\$2,399,543
Secondary Income	13,680	13,954	14,233	14,517	14,808	16,349	18,050	19,929	24,294
Other Support Income: Garages, c	22,800	23,256	23,721	24,196	24,679	27,248	30,084	33,215	40,489
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,387,692	1,415,446	1,443,755	1,472,630	1,502,082	1,658,420	1,831,030	2,021,605	2,464,325
Vacancy & Collection Loss	(104,076)	(106,158)	(108,282)	(110,447)	(112,656)	(124,382)	(137,327)	(151,620)	(184,824)
Employee or Other Non-Rental Ur	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,283,616	\$1,309,287	\$1,335,473	\$1,362,183	\$1,389,426	\$1,534,039	\$1,693,703	\$1,869,985	\$2,279,501
EXPENSES at 3.00%									
General & Administrative	\$42,650	\$43,930	\$45,247	\$46,605	\$48,003	\$55,649	\$64,512	\$74,787	\$100,508
Management	64,181	65,464.3293	66,774	68,109	69,471	76,702	84,685	93,499	113,975
Payroll & Payroll Tax	213,025	219,416	225,998	232,778	239,762	277,949	322,219	373,541	502,007
Repairs & Maintenance	47,220	48,637	50,096	51,599	53,147	61,611	71,424	82,801	111,277
Utilities	43,000	44,290	45,619	46,987	48,397	56,105	65,041	75,401	101,332
Water, Sewer & Trash	56,200	57,886	59,623	61,411	63,254	73,328	85,008	98,547	132,439
Insurance	49,400	50,882	52,408	53,981	55,600	64,456	74,722	86,623	116,414
Property Tax	121,600	125,248	129,005	132,876	136,862	158,660	183,931	213,226	286,558
Reserve for Replacements	38,000	39,140	40,314	41,524	42,769	49,581	57,478	66,633	89,549
TDHCA Compliance Fee	6,080	6,262	6,450	6,644	6,843	7,933	9,197	10,661	14,328
Other	4,000	4,120	4,244	4,371	4,502	5,219	6,050	7,014	9,426
TOTAL EXPENSES	\$685,356	\$705,275	\$725,778	\$746,884	\$768,609	\$887,194	\$1,024,268	\$1,182,733	\$1,577,815
NET OPERATING INCOME	\$598,260	\$604,013	\$609,695	\$615,299	\$620,817	\$646,844	\$669,435	\$687,252	\$701,686
DEBT SERVICE									
First Lien Financing	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468	\$464,468
Second Lien	50,176	50,176	50,176	50,176	50,176	50,176	50,176	50,176	50,176
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$83,617	\$89,369	\$95,051	\$100,655	\$106,173	\$132,201	\$154,791	\$172,608	\$187,043
DEBT COVERAGE RATIO	1.16	1.17	1.18	1.20	1.21	1.26	1.30	1.34	1.36

HTC ALLOCATION ANALYSIS -Cypress Creek at Fayridge, Houston, HTC 9% #10178

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,653,880	\$1,653,880		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$2,740,042	\$2,740,042	\$2,740,042	\$2,740,042
Construction Hard Costs	\$8,464,835	\$8,374,550	\$8,464,835	\$8,374,550
Contractor Fees	\$1,568,684	\$1,556,043	\$1,568,683	\$1,556,043
Contingencies	\$560,244	\$560,244	\$560,244	\$560,244
Eligible Indirect Fees	\$1,458,350	\$1,458,350	\$1,458,350	\$1,458,350
Eligible Financing Fees	\$650,500	\$650,500	\$650,500	\$650,500
All Ineligible Costs	\$794,260	\$765,828		
Developer Fees			\$2,316,398	\$2,300,959
Developer Fees	\$2,316,399	\$2,302,856		
Development Reserves	\$640,454	\$556,340		
TOTAL DEVELOPMENT COSTS	\$20,847,648	\$20,618,632	\$17,759,052	\$17,640,689

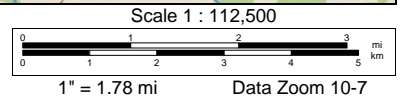
Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$17,759,052	\$17,640,689
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$23,086,767	\$22,932,896
Applicable Fraction		97%	97%
TOTAL QUALIFIED BASIS		\$22,446,277	\$22,296,674
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$2,020,165	\$2,006,701

Syndication Proceeds	0.6799	\$13,735,748	\$13,644,200
Total Tax Credits (Eligible Basis Method)		\$2,020,165	\$2,006,701
Syndication Proceeds		\$13,735,748	\$13,644,200
Requested Tax Credits		\$2,000,000	
Syndication Proceeds		\$13,598,640	
Gap of Syndication Proceeds Needed		\$14,627,648	
Total Tax Credits (Gap Method)		\$2,151,340	
Recommended Tax Credits		2,000,000	
Syndication Proceeds		\$13,598,640	



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TN
 MN (3.3°E)
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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Four Seasons Farm, TDHCA Number 10183

BASIC DEVELOPMENT INFORMATION

Site Address: 0.1 Miles East of Intersection of FM 150 and Lehman Rd. Development #: 10183
 City: Kyle Region: 7 Population Served: General
 County: Hays Zip Code: 78640 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Cypress Creek Four Seasons Farm, LP
 Owner Contact and Phone: Stuart B. Shaw, (512) 220-8000
 Developer: SSFP CCFS XVI LLC
 Housing General Contractor: Bonner Carrington Construction, LLC
 Architect: Kelly Grossman Architects LLC dba Chiles Architect
 Market Analyst: O'Conner & Associates
 Syndicator: Apollo Equity Partners
 Supportive Services: TBD
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	148
	8 0 66 74	Market Rate Units:	1
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	2
	0 24 64 56 8 0	Total Development Units:	151
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	8
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Four Seasons Farm, TDHCA Number 10183

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Wentworth, District 25, S

Points: 14 US Representative: Doggett, District 25, NC

TX Representative: Rose, District 45, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Four Seasons Farm, TDHCA Number 10183

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **203** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended due to \$2 million cap violation.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Veterans Memorial, TDHCA Number 10184

BASIC DEVELOPMENT INFORMATION

Site Address: Approx. 8500 Block of Veterans Memorial Dr. Development #: 10184
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77088 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Cypress Creek VM, LP
 Owner Contact and Phone: Stuart B. Shaw, (512) 220-8000
 Developer: SSFP CCVM XV, LLC
 Housing General Contractor: Bonner Carrington Construction, LLC
 Architect: Kelly Grossman Architects LLC dba Chiles Architect
 Market Analyst: O'Connor & Associates
 Syndicator: Apollo Equity Partners
 Supportive Services: TBD
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	148	
	8	0	66	74	Market Rate Units:	4	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	24	64	56	8	0	
Type of Building:						Total Development Units:	152
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	8
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Veterans Memorial, TDHCA Number 10184

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, S

Points: 14 US Representative: Jackson Lee, District 18, NC

TX Representative: Turner, District 139, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

O, David B. Turkel, Director, Harris County

Individuals and Businesses: In Support: 0

In Opposition: 1

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Cypress Creek at Veterans Memorial, TDHCA Number 10184

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **10**

Total # Monitored: **8**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **208** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended due to \$2 million cap violation.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Mariposa at Calder Drive, TDHCA Number 10186

BASIC DEVELOPMENT INFORMATION

Site Address: N. side of FM 517 approx. 1/5 mi W. of FM 646 Development #: 10186
 City: League City Region: 6 Population Served: Elderly
 County: Galveston Zip Code: 77539 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Mariposa Calder Drive, LP
 Owner Contact and Phone: Stuart B. Shaw, (512) 220-8000
 Developer: SSFP MCD XVIII, LLC
 Housing General Contractor: Bonner Carrington Construction, LLC
 Architect: Kelly Grossman Architects LLC dba Chiles Architect
 Market Analyst: O'Connor & Associates
 Syndicator: Apollo Equity Partners
 Supportive Services: TBD
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	172
	9 0 77 86	Market Rate Units:	4
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 102 74 0 0 0	Total Development Units:	176
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	4
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Mariposa at Calder Drive, TDHCA Number 10186

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Jackson, District 11, NC Points: 0 US Representative: Paul, District 14, S
TX Representative: Taylor, District 24, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 61

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 4
League City Texas, O, Tony Allender, AICP, Director of Land Management

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Mariposa at Calder Drive, TDHCA Number 10186

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **193** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended due to \$2 million cap violation.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Pinnacle at North Chase, TDHCA Number 10198

BASIC DEVELOPMENT INFORMATION

Site Address: E. side of N. Broadway, S. of Loop 323 Development #: 10198
 City: Tyler Region: 4 Population Served: General
 County: Smith Zip Code: 75702 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Pinnacle at North Chase, LLC
 Owner Contact and Phone: Lisa Stephens, (305) 854-7100
 Developer: PHG Lone Star, LLC
 Housing General Contractor: TBD
 Architect: Paul Miller/Miller Slayton Architects
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Wells Fargo Bank, N.A.
 Supportive Services: TBD
 Consultant and Contact: S2A Development Consulting, LLC, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	120	
	6	0	54	59	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	32	64	20	4	0	
Type of Building:						Total Development Units:	120
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$14,752,511
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	6
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,473,851	\$1,473,851			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Pinnacle at North Chase, TDHCA Number 10198

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, NC Points: 0 US Representative: Gohmert, District 1, NC
TX Representative: Berman, District 6, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

S, Joel Baker, County Judge

S, JoAnn Hampton, Commissioner, Precinct 4

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

North Chase Neighborhood Organization, Ed Thompson Letter Score: 24 S or O: S

The North Chase Neighborhood Organization feels Pinnacle at North Chase will be a catalyst towards fulfilling the need for affordable housing in Tyler. We strongly support TDHCA tax credit application #10198.

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0
Waits Law Firm, S, Valita F. Waits, Attorney at Law
Texas College, S, Dwight J. Fennell, President
Boys & Girls Club, S, Ron Vickery, Chief Professional Officer

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Pinnacle at North Chase, TDHCA Number 10198

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **0**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **216** Meeting a Required Set-Aside Credit Amount*: \$1,473,851

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/21/10 PROGRAM: HTC 9% FILE NUMBER: 10198

DEVELOPMENT

Pinnacle at North Chase

Location: East of North Broadway, South of Loop 323 Region: 4
 City: Tyler County: Smith Zip: 75702 OCT DDA
 Key Attributes: General, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,473,851			\$1,473,851		

CONDITIONS

1 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	6
50% of AMI	50% of AMI	54
60% of AMI	60% of AMI	59

STRENGTHS/MITIGATING FACTORS

- Affordable projects average 94% occupancy and all but one of these projects is 95% occupied or higher.
- Gross capture rate is 3.2%.
- Unit capture rate for each unit type is 12% or less.
- Visibility is good due to frontage on Broadway.

WEAKNESSES/RISKS

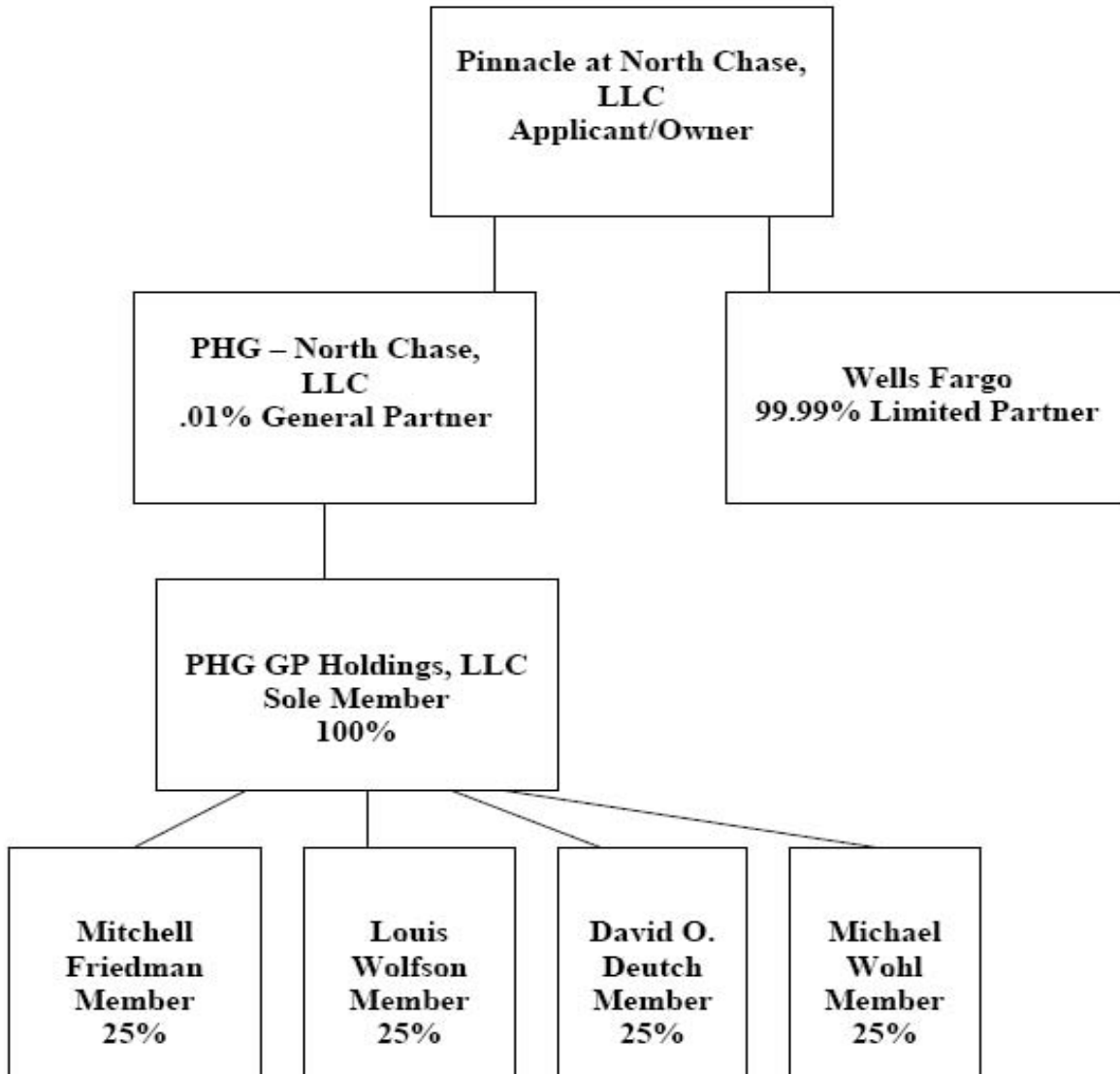
- Site's location at the undeveloped, north end of Broadway may limit traffic to the development.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

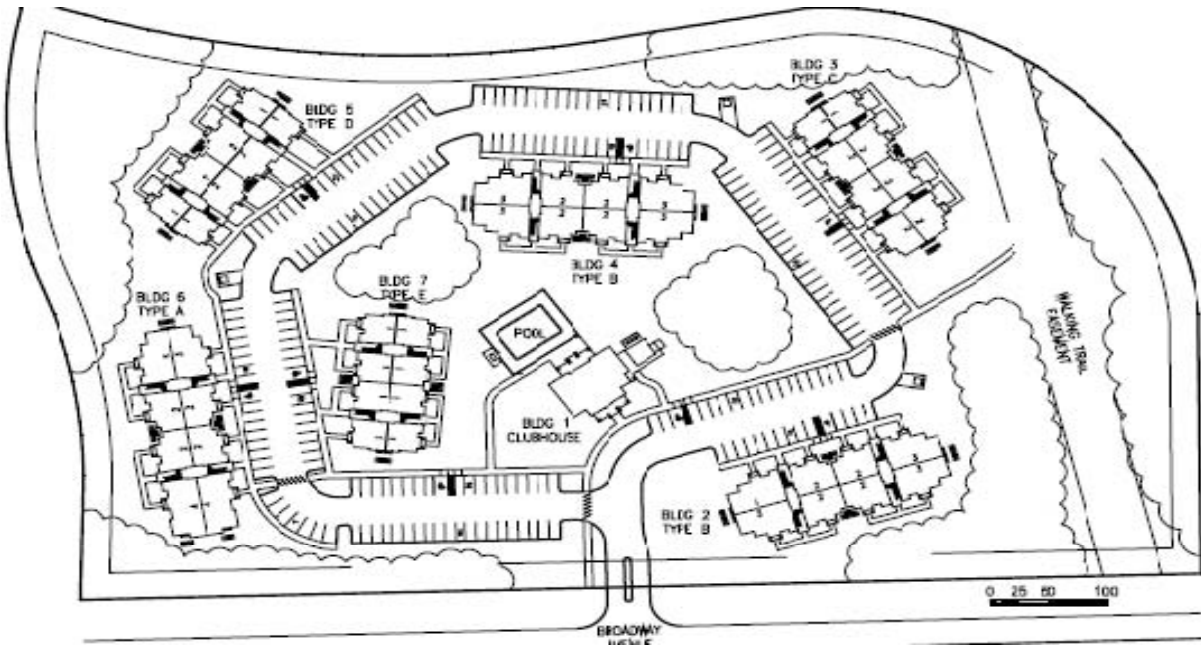
Contact: Lisa Stephens Phone: (305) 854-7100 Fax: (305) 859-9858
Email: lisa@pinnaclehousing.com

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. This is a common relationship for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E							Total Buildings
Floors/Stories	3	3	3	3	3							
Number	1	2	1	1	1							6

BR/BA	SF	Units										Total Units	Total SF	
1	1	764			4	8	8						20	15,280
1	1	775					12						12	9,300
2	2	1,023	12	12	16	12							64	65,472
3	2	1,231	4	8									20	24,620
4	3	1,483	4										4	5,932
Units per Building			20	20	20	20	20						120	120,604

SITE ISSUES

Total Size: 11.568 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: R-MF Needs to be re-zoned? Yes No N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/9/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Loop 323 & undeveloped land East: undeveloped land
 South: undeveloped land West: North Broadway Ave & undeveloped land

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 3/24/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 2)

MARKET ANALYSIS

Provider: Apartment MarketData Date: 3/5/2010

Contact: Darrell Jack Phone: (210) 530-0040

Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 123 sq. miles 6 mile equivalent radius

The Primary Market Area is defined by 22 census tracts encompassing the City of Tyler and extending west to Lake Palestine.

ELIGIBLE HOUSEHOLDS BY INCOME								
Smith County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,663	\$11,600	---	---	\$17,760	\$19,350	\$21,291	\$23,220
2	\$10,663	\$13,300	---	---	\$17,760	\$22,100	\$21,291	\$26,520
3	\$12,789	\$14,950	---	---	\$21,326	\$24,900	\$25,611	\$29,880
4	---	---	---	---	\$24,617	\$27,650	\$29,554	\$33,180
5	---	---	---	---	\$24,617	\$29,850	\$29,554	\$35,820
6	---	---	---	---	---	---	\$32,949	\$38,460

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
07086	Moore Grocery Lofts	reuse	family	88	88
Other Affordable Developments in PMA since 2006					
10274	Grand Manor Apts	rehab	family	n/a	120
10026	Silverleaf at Chandler	new	senior	n/a	44
08262	Lake View Apt Homes	new	senior	n/a	140
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		8	Total Units		1,106

Proposed, Under Construction, and Unstabilized Comparable Supply:

Moore Grocery Lofts (#07086) is the only unstabilized development in the PMA targeting family households.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	36,383	15,299
Potential Demand from the Primary Market Area	6,509	6,403
Potential Demand from Other Sources	0	0
GROSS DEMAND	6,509	6,403
Subject Affordable Units	120	119
Unstabilized Comparable Units	88	88
RELEVANT SUPPLY	208	207
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	3.2%	3.2%

Demand Analysis:

The Market Analyst identified Gross Demand for 6,509 family units in the PMA based on all income-eligible households. This results in a Gross Capture Rate of 3.2% for the total Relevant Supply of 208 units (120 at the subject and 88 at Moore grocery Lofts).

The underwriting analysis limits the demand to households of six or less, and excludes the employee-occupied unit at the subject; this results in Gross Demand for 6,403 units, and a Gross Capture Rate of 3.2% for the total Relevant Supply of 207 units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	487	3	7	2%	208	3	0	1%
1 BR/50%	675	17	0	3%	352	17	0	5%
1 BR/60%	159	12	15	17%	290	12	0	4%
2 BR/30%	201	3	2	2%	166	3	0	2%
2 BR/50%	307	35	0	11%	304	35	0	12%
2 BR/60%	367	26	50	21%	322	25	0	8%
3 BR/50%	146	2	0	1%	124	2	0	2%
3 BR/60%	194	18	12	15%	180	18	0	10%
4 BR/60%	115	4	0	3%	93	4	0	4%

Primary Market Occupancy Rates:

The Market Analyst reports overall occupancy in the PMA at 91.8% for a total of 8,948 units.

Absorption Projections:

"There has been one affordable project completed in recent years from which to obtain new absorption data. Moore Grocery Lofts, consisting of 88 LIHTC family units, opened in 2009 and is already 95.5% occupied." (p. 54)

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Newer affordable family units have been easily absorbed. Today, Affordable projects average 94% occupancy and all but one of these projects is 95% occupied or higher." (p. 58)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of July 1, 2009, maintained by the Tyler Housing Authority, from the 2009 program gross rent limits. Of note, for consistency with the analyses published earlier this year, the Underwriter has continued to utilize the 2009 program, in accordance with §1.32(d)(1)(iii) of the 2010 REA rules. Rent limits increased approximately 2% from 2009 to 2010. If the Underwriter and Applicant utilized 2010 rents, DCR would increase to approximately 1.23 and 1.26, respectively, and the recommendation would not be affected. Tenants will be required to pay electric utility costs only.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines and effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,725 per unit is within 5% of the Underwriter's estimate of \$3,781, derived from the TDHCA database, and third-party data sources. Of note, the Applicant's estimate of property tax is 13% higher than the Underwriter's estimate; however, the Underwriter's estimate of \$23K/unit is based on a 10% cap rate and substantiated by the Underwriter's NOI. Also of note, the Applicant's TDHCA compliance fees appear to be slightly overstated.

Conclusion:

The Applicant's effective gross income, operating expenses, and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.20, which is within the Department's DCR guideline of 1.15 to 1.35.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION**ASSESSED VALUE**

Land Only:	100 acres	<u>\$330,300</u>	Tax Year:	<u>2010</u>
1 acre:		<u>\$3,300</u>	Valuation by:	<u>Smith CAD</u>
Total Prorata:	11.568 acres	<u>\$38,177</u>	Tax Rate:	<u>2.00489</u>

EVIDENCE of PROPERTY CONTROL

Type:	<u>Purchase & Sale Agreement</u>	Acreage:	<u>11.568</u>
Contract Expiration:	<u>8/31/2010</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>\$450,000</u>	Other:	<u></u>
Seller:	<u>North Chase Development LLC</u>	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$38,900 per acre or \$3,750 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Off-Site Cost:

The Applicant claimed off-site costs of \$811,382 for extension of storm and wastewater sewer lines and provided sufficient third party certification through an engineer to justify these costs.

Sitework Cost:

The Applicant's claimed sitework costs of \$7,329 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$360K or 5% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Reserves:

The Syndicator is requiring the project to capitalize the following reserve accounts: rent-up reserve of \$244,207, reserve for replacements of \$30,000, and an operating reserve of \$223,493. The Underwriter has used these reserve requirements in lieu the typical TDHCA reserve calculation.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible OCT with less than 40% HTC units per households in the tract and it proposes to provide an additional 10% of units at 30% of AMFI in excess of those 30% units committed for scoring purposes.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$12,597,017 supports annual tax credits of \$1,473,851. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Adam Rubin Type: Interim Financing

Principal: \$300,000 Interest Rate: TBD Fixed Term: 12 months

Comments:

The Applicant will receive a bridge loan in the amount of \$300K, with terms TBD; funds are contingent upon award of tax credits.

Source: City of Tyler Type: In Kind Contribution

Principal: \$811,382 Interest Rate: N/A Fixed Amort: N/A months

Comments:

The City of Tyler has agreed to provide an in-kind donation in the amount of \$811,382 for off site construction.

Source: Wells Fargo Type: Interim to Permanent Financing

Interim: \$7,070,053 Interest Rate: 6.00% Fixed Term: 24 months

Permanent: \$2,836,875 Interest Rate: 7.50% Fixed Amort: 360 months

Comments:

The interim interest index will be floating, based on LIBOR + 500 bps, with a 6% floor. The permanent interest rate is based on the 10 Year US Treasury Rate plus 400 basis points with a floor of 7.5%. The term will be 18 years.

Source: Wells Fargo Type: Syndication

Proceeds: \$11,052,777 Syndication Rate: 75% Anticipated HTC: \$ 1,473,851

Amount: \$51,477 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$2,836,875 and \$811,382 in-kind City contribution indicates the need for \$11,104,254 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,480,715 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,473,851
Allocation determined by gap in financing:	\$1,480,715
Allocation requested by the Applicant:	\$1,473,851

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$1,473,851 per year for 10 years results in total equity proceeds of \$11,052,777 at a syndication rate of \$0.75 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$51,477 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within two years of stabilized operation.

Underwriter:	_____	Date:	_____
	<i>Diamond Unique Thompson</i>		June 21, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 21, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 21, 2010

UNIT MIX/RENT SCHEDULE

Pinnacle at North Chase, Tyler, HTC 9% #10198

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Tyler	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Smith	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	32	26.7%	N/A							EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	4	2	64	53.3%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	20	16.7%								APPLICABLE FRACTION:	100%	
IREM REGION:	NA	4	4	3.3%								APP % - ACQUISITION:	N/A	
		TOTAL	120	100.0%								APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS	
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	3	1	1	764	\$311	\$101	\$210	\$0	\$0.27	\$210	\$630	\$630	\$210	\$0.27	\$0	\$780	\$570
TC 50%	17	1	1	764	\$518	\$101	\$417	\$0	\$0.55	\$417	\$7,089	\$7,089	\$417	\$0.55	\$0	\$780	\$363
TC 60%	12	1	1	775	\$621	\$101	\$520	\$0	\$0.67	\$520	\$6,240	\$6,240	\$520	\$0.67	\$0	\$785	\$265
TC 30%	3	2	2	1,023	\$373	\$135	\$238	\$0	\$0.23	\$238	\$714	\$714	\$238	\$0.23	\$0	\$910	\$672
TC 50%	35	2	2	1,023	\$622	\$135	\$487	\$0	\$0.48	\$487	\$17,045	\$17,045	\$487	\$0.48	\$0	\$910	\$423
TC 60%	25	2	2	1,023	\$747	\$135	\$612	\$0	\$0.60	\$612	\$15,300	\$15,300	\$612	\$0.60	\$0	\$910	\$298
EO	1	2	2	1,023		\$135			\$0.00	\$0	\$0	\$0	\$910	\$0.89	NA	\$910	\$0
TC 50%	2	3	2	1,231	\$718	\$170	\$548	\$0	\$0.45	\$548	\$1,096	\$1,096	\$548	\$0.45	\$0	\$1,005	\$457
TC 60%	18	3	2	1,231	\$862	\$170	\$692	\$0	\$0.56	\$692	\$12,456	\$12,456	\$692	\$0.56	\$0	\$1,005	\$313
TC 60%	4	4	3	1,483	\$961	\$203	\$758	\$0	\$0.51	\$758	\$3,032	\$3,032	\$758	\$0.51	\$0	\$1,345	\$587
TOTAL:	120			120,604							\$63,602	\$63,602					
AVG:				1,005				\$0	\$0.53	\$530			\$530	\$0.53	\$0	\$906	(\$376)
ANNUAL:											\$763,224	\$763,224					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Pinnacle at North Chase, Tyler, HTC 9% #10198

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT		
POTENTIAL GROSS RENT				\$763,224	\$763,224		
Secondary Income	Per Unit Per Month:	\$20.00		28,800	28,800	\$20.00	Per Unit Per Month
Other Support Income:						\$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME				\$792,024	\$792,024		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(59,402)	(59,400)	-7.50%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions				0			
EFFECTIVE GROSS INCOME				\$732,622	\$732,624		

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.60%	\$342	0.34	\$41,027	\$35,800	\$0.30	\$298	4.89%
Management	5.00%	\$305	0.30	36,631	36,631	0.30	305	5.00%
Payroll & Payroll Tax	15.13%	\$924	0.92	110,875	104,125	0.86	868	14.21%
Repairs & Maintenance	9.94%	\$607	0.60	72,850	72,950	0.60	608	9.96%
Utilities	3.62%	\$221	0.22	26,546	25,300	0.21	211	3.45%
Water, Sewer, & Trash	6.64%	\$406	0.40	48,676	45,600	0.38	380	6.22%
Property Insurance	3.69%	\$225	0.22	27,033	29,280	0.24	244	4.00%
Property Tax 2.00489	7.55%	\$461	0.46	55,335	62,500	0.52	521	8.53%
Reserve for Replacements	4.09%	\$250	0.25	30,000	30,000	0.25	250	4.09%
TDHCA Compliance Fees	0.65%	\$40	0.04	4,760	4,800	0.04	40	0.66%
Other:	0.00%	\$0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES	61.93%	\$3,781	\$3.76	\$453,733	\$446,986	\$3.71	\$3,725	61.01%
NET OPERATING INC	38.07%	\$2,324	\$2.31	\$278,889	\$285,638	\$2.37	\$2,380	38.99%

DEBT SERVICE

Wells Fargo	\$238,030	\$238,030
City of Tyler - In Kind Contribution	\$0	
Additional Financing	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	238,030	238,030
NET CASH FLOW	\$40,859	\$47,608
AGGREGATE DEBT COVERAGE RATIO	1.17	1.20
RECOMMENDED DEBT COVERAGE RATIO		1.20

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		3.14%	\$3,750	\$3.73	\$450,000	\$450,000	\$3.73	\$3,750	3.05%
Off-Sites		5.65%	\$6,762	\$6.73	811,382	811,382	6.73	6,762	5.50%
Sitework		6.13%	\$7,329	\$7.29	879,497	879,497	7.29	7,329	5.96%
Direct Construction		46.32%	\$55,410	\$55.13	6,649,161	7,009,170	58.12	58,410	47.51%
Contingency	7.00%	3.67%	\$4,392	\$4.37	527,006	551,733	4.57	4,598	3.74%
Contractor's Fees	13.69%	7.68%	\$9,189	\$9.14	1,102,678	1,102,678	9.14	9,189	7.47%
Indirect Construction		6.21%	\$7,424	\$7.39	890,933	890,933	7.39	7,424	6.04%
Ineligible Costs		2.76%	\$3,303	\$3.29	396,412	396,412	3.29	3,303	2.69%
Developer's Fees	15.00%	11.08%	\$13,259	\$13.19	1,591,092	1,605,000	13.31	13,375	10.88%
Interim Financing		3.89%	\$4,650	\$4.63	558,006	558,006	4.63	4,650	3.78%
Reserves		3.47%	\$4,148	\$4.13	497,700	497,700	4.13	4,148	3.37%
TOTAL COST		100.00%	\$119,615.56	\$119.02	\$14,353,868	\$14,752,511	\$122.32	\$122,938	100.00%
Construction Cost Recap		63.80%	\$76,320	\$75.94	\$9,158,343	\$9,543,078	\$79.13	\$79,526	64.69%

SOURCES OF FUNDS

						RECOMMENDED	
Wells Fargo	19.76%	\$23,641	\$23.52	\$2,836,875	\$2,836,875	\$2,836,875	Developer Fee Available
City of Tyler - In Kind Contribution	5.65%	\$6,762	\$6.73	811,382	811,382	811,382	\$1,605,000
Wells Fargo	77.00%	\$92,106	\$91.65	11,052,777	11,052,777	11,052,777	% of Dev. Fee Deferred
Deferred Developer Fees	0.36%	\$429	\$0.43	51,477	51,477	51,477	3%
Additional (Excess) Funds Req'd	-2.78%	(\$3,322)	(\$3.31)	(398,643)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$14,353,868	\$14,752,511	\$14,752,511	\$833,460

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Pinnacle at North Chase, Tyler, HTC 9% #10198

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$53.80	\$6,488,326
Adjustments				
Exterior Wall Finish	2.80%		\$1.51	\$181,673
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.35%		1.80	217,359
Roofing			0.00	0
Subfloor			1.33	160,805
Floor Cover			6.46	779,102
Breezeways	\$23.05	8,280	1.58	190,826
Balconies	\$22.81	4,118	0.78	93,925
Plumbing Fixtures	\$845	276	1.93	233,220
Rough-ins	\$420	120	0.42	50,400
Built-In Appliances	\$1,850	120	1.84	222,000
Exterior Stairs	\$1,900	48	0.76	91,200
Enclosed Corridors	\$43.88		0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	223,117
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$75.35	2,734	1.71	205,999
Other: fire sprinkler	\$2.25	120,604	2.25	271,359
SUBTOTAL			78.02	9,409,313
Current Cost Multiplier	0.99		(0.78)	(94,093)
Local Multiplier	0.88		(9.36)	(1,129,118)
TOTAL DIRECT CONSTRUCTION COSTS			\$67.88	\$8,186,102
Plans, specs, survy, bld prm	3.90%		(\$2.65)	(\$319,258)
Interim Construction Interest	3.38%		(2.29)	(276,281)
Contractor's OH & Profit	11.50%		(7.81)	(941,402)
NET DIRECT CONSTRUCTION COSTS			\$55.13	\$6,649,161

PROPOSED PAYMENT COMPUTATION

Wells Fargo	\$2,836,875	Amort	360
Int Rate	7.50%	DCR	1.17

City of Tyler - In Kind Contribution	\$811,382	Amort	
Int Rate		Subtotal DCR	1.17

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.17

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.17

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.17

RECOMMENDED FINANCING STRUCTURE APPLICANT'S

NOI:

Wells Fargo	\$238,030
City of Tyler - In Kind Contribution	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$238,030

Wells Fargo	\$2,836,875	Amort	360
Int Rate	7.50%	DCR	1.20

City of Tyler - In Kind Contribution	\$811,382	Amort	0
Int Rate	0.00%	Subtotal DCR	1.20

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.20

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

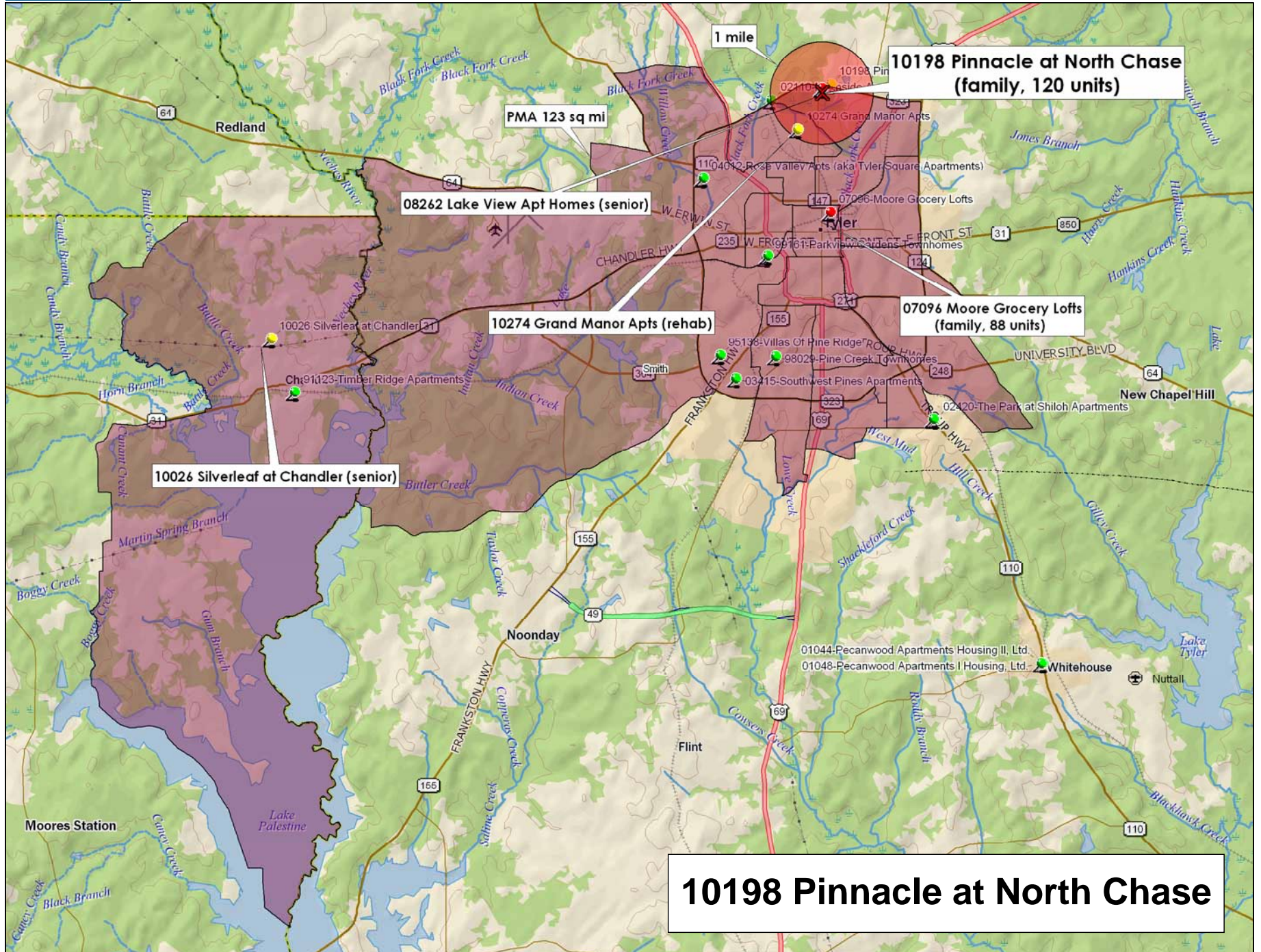
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$763,224	\$778,488	\$794,058	\$809,939	\$826,138	\$912,123	\$1,007,058	\$1,111,873	\$1,355,367
Secondary Income	28,800	29,376	29,964	30,563	31,174	34,419	38,001	41,956	51,144
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	792,024	807,864	824,022	840,502	857,312	946,542	1,045,059	1,153,829	1,406,512
Vacancy & Collection Loss	(59,400)	(60,590)	(61,802)	(63,038)	(64,298)	(70,991)	(78,379)	(86,537)	(105,488)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$732,624	\$747,275	\$762,220	\$777,465	\$793,014	\$875,551	\$966,679	\$1,067,292	\$1,301,023
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$35,800	\$36,874	\$37,980	\$39,120	\$40,293	\$46,711	\$54,151	\$62,776	\$84,365
Management	36,631	37,363,5282	38,111	38,873	39,650	43,777	48,334	53,364	65,051
Payroll & Payroll Tax	104,125	107,249	110,466	113,780	117,194	135,860	157,498	182,584	245,377
Repairs & Maintenance	72,950	75,139	77,393	79,714	82,106	95,183	110,343	127,918	171,911
Utilities	25,300	26,059	26,841	27,646	28,475	33,011	38,269	44,364	59,621
Water, Sewer & Trash	45,600	46,968	48,377	49,828	51,323	59,498	68,974	79,960	107,459
Insurance	29,280	30,158	31,063	31,995	32,955	38,204	44,289	51,343	69,000
Property Tax	62,500	64,375	66,306	68,295	70,344	81,548	94,537	109,594	147,285
Reserve for Replacements	30,000	30,900	31,827	32,782	33,765	39,143	45,378	52,605	70,697
TDHCA Compliance Fee	4,800	4,944	5,092	5,245	5,402	6,263	7,260	8,417	11,312
Other	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	\$446,986	\$460,029	\$473,456	\$487,279	\$501,509	\$579,198	\$669,032	\$772,924	\$1,032,079
NET OPERATING INCOME	\$285,638	\$287,245	\$288,764	\$290,186	\$291,505	\$296,354	\$297,647	\$294,368	\$268,944
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$238,030	\$238,030	\$238,030	\$238,030	\$238,030	\$238,030	\$238,030	\$238,030	\$238,030
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$47,608	\$49,215	\$50,734	\$52,155	\$53,475	\$58,324	\$59,617	\$56,338	\$30,914
DEBT COVERAGE RATIO	1.20	1.21	1.21	1.22	1.22	1.25	1.25	1.24	1.13

HTC ALLOCATION ANALYSIS -Pinnacle at North Chase, Tyler, HTC 9% #10198

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$450,000	\$450,000		
Purchase of buildings				
Off-Site Improvements	\$811,382	\$811,382		
Sitework	\$879,497	\$879,497	\$879,497	\$879,497
Construction Hard Costs	\$7,009,170	\$6,649,161	\$7,009,170	\$6,649,161
Contractor Fees	\$1,102,678	\$1,102,678	\$1,102,678	\$1,102,678
Contingencies	\$551,733	\$527,006	\$551,733	\$527,006
Eligible Indirect Fees	\$890,933	\$890,933	\$890,933	\$890,933
Eligible Financing Fees	\$558,006	\$558,006	\$558,006	\$558,006
All Ineligible Costs	\$396,412	\$396,412		
Developer Fees				
Developer Fees	\$1,605,000	\$1,591,092	\$1,605,000	\$1,591,092
Development Reserves	\$497,700	\$497,700		
TOTAL DEVELOPMENT COSTS	\$14,752,511	\$14,353,868	\$12,597,017	\$12,198,374

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$12,597,017	\$12,198,374
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$16,376,122	\$15,857,886
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$16,376,122	\$15,857,886
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,473,851	\$1,427,210

Syndication Proceeds	0.7499	\$11,052,777	\$10,703,002
Total Tax Credits (Eligible Basis Method)		\$1,473,851	\$1,427,210
Syndication Proceeds		\$11,052,777	\$10,703,002
Requested Tax Credits		\$1,473,851	
Syndication Proceeds		\$11,052,777	
Gap of Syndication Proceeds Needed		\$11,104,254	
Total Tax Credits (Gap Method)		\$1,480,715	
Recommended Tax Credits		1,473,851	
Syndication Proceeds		\$11,052,777	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Hillside West Seniors, TDHCA Number 10200

BASIC DEVELOPMENT INFORMATION

Site Address: Near 32 Pinnacle Park Blvd. Development #: 10200
 City: Dallas Region: 3 Population Served: Elderly
 County: Dallas Zip Code: 75211 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Hillside West Seniors, LP
 Owner Contact and Phone: Brandon Bolin, (214) 994-8331
 Developer: GFD Opportunity II, LLC
 Housing General Contractor: K W A Construction, LP
 Architect: RPGA Design Group, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Boston Capital
 Supportive Services: TBD
 Consultant and Contact: Anderson Capital, LLC, Terri L. Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	130	
	7	0	65	58	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	58	72	0	0	0	
Type of Building:						Total Development Units:	130
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,632,728	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Hillside West Seniors, TDHCA Number 10200

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, NC

Points: 0 US Representative: Sessions, District 32, NC

TX Representative: Alonzo, District 104, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Rafael Anchia, State Representative-District 103

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Urban Campus Property Owners Association, Inc., Rick Williamson

Letter Score: 24 S or O: S

The Urban Campus Property Owners Association supports the application of the Hillside West Seniors development for competitive tax credits from the TDHCA. These credits will help to finance the proposed Hillside West Seniors multifamily project which will be a great addition to our Association and to the community as a whole. Quality housing for active seniors is greatly lacking in the area and we believe that this project will help solve that problem.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Hillside West Seniors, TDHCA Number 10200

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **2**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **216** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Brae Estates, TDHCA Number 10202

BASIC DEVELOPMENT INFORMATION

Site Address: 3715 NE 28th St. and 3650 Kimbo Rd. Development #: 10202
 City: Fort Worth Region: 3 Population Served: General
 County: Tarrant Zip Code: 76111-5136 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Bonnie Brae, LP
 Owner Contact and Phone: Kim McCaslin Schliker, (817) 477-0797
 Developer: Bonnie Brae Development, LLC
 Housing General Contractor: Twin Cities Equipment Co., Inc.
 Architect: Architetura, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Hudson Housing Capital, LLC
 Supportive Services: TBD
 Consultant and Contact: Anderson Capital, LLC, Terri L. Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	68	
	7	0	61	0	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	10	42	16	0	
Type of Building:						Total Development Units:	68
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence					Number of Residential Buildings:	68
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,292,507	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Brae Estates, TDHCA Number 10202

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nelson, District 12, NC Points: 0 US Representative: Granger, District 12, NC
TX Representative: Burnam, District 90, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government
S, Charlie Geren, State Representative

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Bonnie Brae Neighborhood Association, Robert Chesser Letter Score: 24 S or O: S
Best use for the property in our area. Best housing for area in terms of affordability. Economic development.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Brae Estates, TDHCA Number 10202

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **212** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Riverplace Apts, TDHCA Number 10211

BASIC DEVELOPMENT INFORMATION

Site Address: 1304 West Ave. A Development #: 10211
 City: Hooks Region: 4 Population Served: General
 County: Bowie Zip Code: 75561 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: HVM Hooks, Ltd.
 Owner Contact and Phone: Dennis Hoover, (512) 756-6809
 Developer: Dennis Hoover
 Housing General Contractor: F & H Construction Co, LLC
 Architect: Architetura, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Michel and Associates
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	28	
	2	0	11	15	Market Rate Units:	12	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	24	4	0	0	
Type of Building:						Total Development Units:	40
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	11
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	3

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$245,813	\$245,813			
HOME Activity Fund Amount:	\$1,313,082	\$1,313,082	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Riverplace Apts, TDHCA Number 10211

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Eltife, District 1, S Points: 14 US Representative: Hall, District 4, NC
TX Representative: Frost, District 1, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$1,235,082 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1,235,082, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$78,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$78,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Riverplace Apts, TDHCA Number 10211

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **184** Meeting a Required Set-Aside Credit Amount*: \$245,813

Recommendation: Competitive in USDA Allocation

HOME Activity Funds:

Loan Amount: \$1,313,082

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Longbridge Apts, TDHCA Number 10212

BASIC DEVELOPMENT INFORMATION

Site Address: 921 N. Tyus St. Development #: 10212
 City: Groesbeck Region: 8 Population Served: General
 County: Limestone Zip Code: 76642 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: HVM Groesbeck Longbridge, Ltd.
 Owner Contact and Phone: Dennis Hoover, (512) 756-6809
 Developer: Dennis Hoover
 Housing General Contractor: F & H Construction Co, LLC -Ben Farmer
 Architect: Architetura, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Michel and Associates
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	28
	2	0	12	14	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	6	16	6	0	0

Type of Building:

<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Total Development Units:	28
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	13
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	5
		HOME Low Total Units:	2

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$206,362	\$206,362			
HOME Activity Fund Amount:	\$567,779	\$567,779	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Longbridge Apts, TDHCA Number 10212

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, S

Points: 7

US Representative: Edwards, District 17, NC

TX Representative: Cook, District 8, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Jackie Levingston, Mayor City of Groesbeck

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Longbridge Tenants Assoc., Stephanie Owen

Letter Score: 24 S or O: S

We support this tax credit application due to several of the upgrades are for a more energy efficient complex.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$567,769 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$567,769 as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of approval from the USDA-RD for the USDA 515 Transfer Loan of \$436,643, or a commitment from a qualifying substitute source in an amount not less than \$436,643, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Longbridge Apts, TDHCA Number 10212

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **64**

Total # Monitored: **63**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **206** Meeting a Required Set-Aside Credit Amount*: \$206,362

Recommendation: Competitive in USDA Allocation

HOME Activity Funds:

Loan Amount: \$567,779

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Heritage Square Apts, TDHCA Number 10213

BASIC DEVELOPMENT INFORMATION

Site Address: 7626 Hwy 60 South Development #: 10213
 City: Wallis Region: 6 Population Served: General
 County: Austin Zip Code: 77485 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: HVM Wallis, Ltd.
 Owner Contact and Phone: Dennis Hoover, (512) 756-6809
 Developer: Dennis Hoover
 Housing General Contractor: F & H Construction Co, LLC
 Architect: Architetura, Inc.
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Michel and Associates
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	24
	1	0	16	7	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	8	12	4	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	24
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	4
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	5
		HOME Low Total Units:	2

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$206,231	\$206,231			
HOME Activity Fund Amount:	\$626,111	\$626,111	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Heritage Square Apts, TDHCA Number 10213

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Hegar, District 18, S Points: 14 US Representative: McCaul, District 10, NC
TX Representative: Kolkhorst, District 13, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Tony I, Salazar, Jr., Mayor City of Wallis Resolution of Support from Local Government [checked]
S, Charles Hinze Jr., City Administrator

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$581,261 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$581,261, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$44,850 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$44,850, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Heritage Square Apts, TDHCA Number 10213

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **64**

Total # Monitored: **63**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **196** Meeting a Required Set-Aside Credit Amount*: \$206,231

Recommendation: Competitive in USDA Allocation

HOME Activity Funds: Loan Amount: \$626,111

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Casa Ricardo, TDHCA Number 10220

BASIC DEVELOPMENT INFORMATION

Site Address: 200 W. Yoakum Ave. Development #: 10220
 City: Kingsville Region: 10 Population Served: Elderly
 County: Kleberg Zip Code: 78363 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Casa Ricardo, Ltd.
 Owner Contact and Phone: Socorro "Cory" Hinosoja, (361) 592-6783
 Developer: Leslie Holleman & Associates, Inc.
 Housing General Contractor: Brownstone Construction, Ltd
 Architect: Brownstone Architects & Planners, Inc.
 Market Analyst: The Gerald A. Teel Company
 Syndicator: Hudson Housing Capital
 Supportive Services: Better Texans, Inc
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	60	
	3	0	27	30	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	57	3	0	0	0	
Type of Building:						Total Development Units:	60
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$6,664,931
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	2
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	19

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$650,580	\$650,580			
HOME Activity Fund Amount:	\$2,000,000	\$2,000,000	30	30	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Casa Ricardo, TDHCA Number 10220

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S Points: 14 US Representative: Ortiz, District 27, NC
TX Representative: Ybarra, District 43, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 2 In Opposition: 0

Quantifiable Community Participation Input:

Kingsville Resident Association, Reina Sustaita Letter Score: 24 S or O: S

The proposed development will replace the old units with new affordable units. The proposed development will provide additional tenant services and amenities that are not currently provided to the existing tenants.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance of documentation by cost certification verifying no buildings and/or improvements to include drives are located in the 100-year floodplain; that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMRF") indicating that the development is no longer within the 100 year floodplain.
2. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
3. Receipt, review, and acceptance, by cost certification, of documentation that all noise assessment recommendations were implemented.
4. Receipt, review, and acceptance, by cost certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
5. Receipt, review, and acceptance, by cost certification, of an executed Project-based Section 8 Rental Assistance contract for at least 36 Unites of the development.
6. Receipt, review, and acceptance, by cost certification, of an attorney's opinion affirming that the Kingsville Public Facility, Inc. cash flow loan can be repaid at or by maturity and can be considered valid debt.
7. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
8. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$2,000,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$2,000,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Casa Ricardo, TDHCA Number 10220

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **16**

Total # Monitored: **13**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **218** Meeting a Required Set-Aside Credit Amount*: \$650,580

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when Rural tax credits are collapsed.

HOME Activity Funds:

Loan Amount: \$2,000,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/11/10 PROGRAM: HTC 9% / HOME FILE NUMBER: 10220

DEVELOPMENT

Casa Ricardo

Location: 200 W. Yoakum Avenue Region: 10
 City: Kingsville County: Kleberg Zip: 78363 OCT DDA
 Key Attributes: Elderly, Reconstruction, Rural

ALLOCATION

	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
TDHCA Program							
HOME Activity Funds	\$2,000,000	0.00%	30/30	\$2,000,000	0.00%	30/30	1st
Housing Tax Credit (Annual)	\$650,580			\$650,580			

CONDITIONS

- 1 Receipt, review, and acceptance of documentation by cost certification verifying no buildings and/or improvements to include drives are located in the 100-year floodplain; that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.
- 2 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 3 Receipt, review, and acceptance, by cost certification, of documentation that all noise assessment recommendations were implemented.
- 4 Receipt, review, and acceptance, by cost certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 5 Receipt, review, and acceptance, by cost certification, of an executed Project-based Section 8 Rental Assistance contract for at least 36 units of the development.
- 6 Receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the Kingsville Public Facility, Inc. cash flow loan can be repaid at or by maturity and can be considered valid debt.
- 7 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

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SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	27
60% of AMI	60% of AMI	30

STRENGTHS

- The principal of the Developer has participated in the development of 568 Housing Tax Credit units.
- There are no unstabilized comparables in the PMA.
- The Gross Capture Rate for the 24 HTC units is 4.5% and the Gross Capture Rate for the 36 voucher-supported units is 4.6%.
- Proposed rents are on average 40% lower than market rents.

WEAKNESSES

- The development has an expense to income ratio over 65%, but this is mitigated by the ongoing Project-based Section 8 Rental Assistance subsidy.

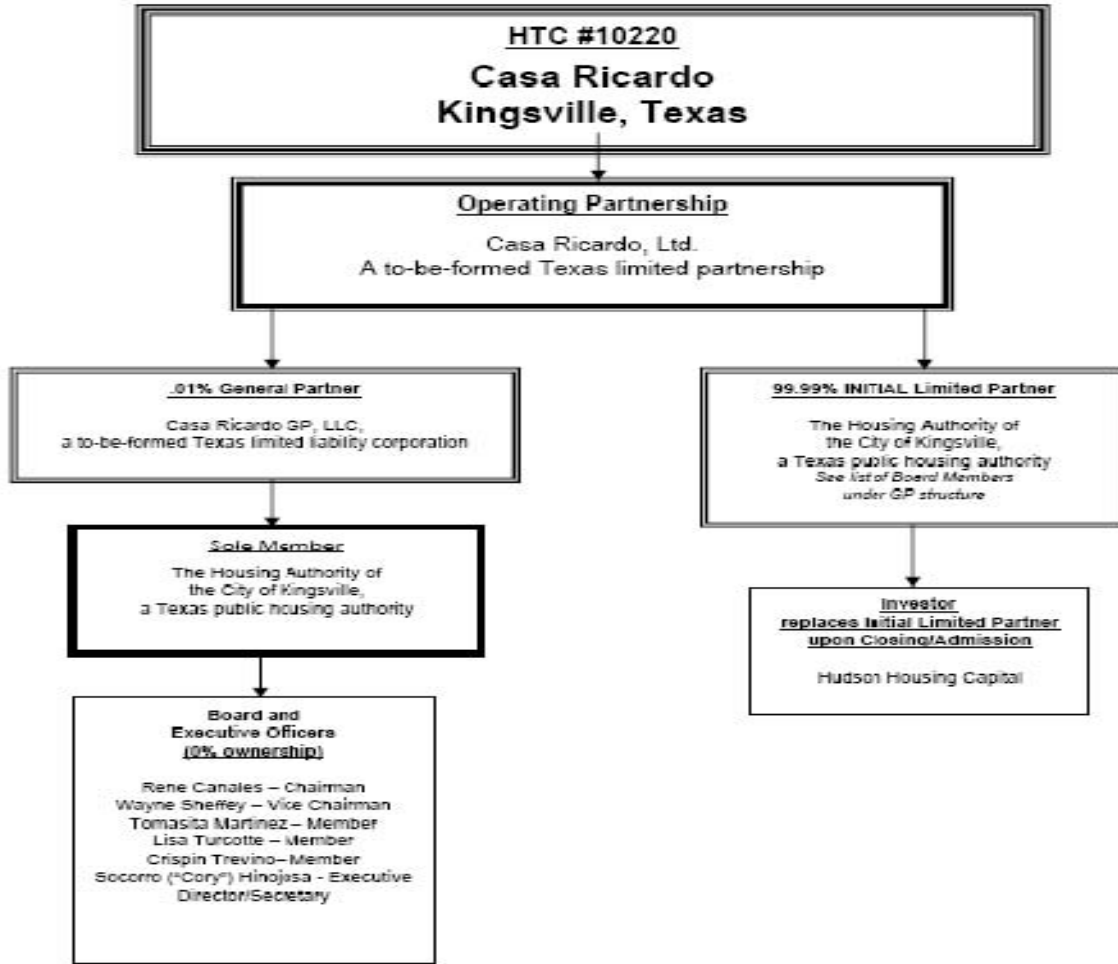
PREVIOUS UNDERWRITING REPORTS

No previous reports.

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DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Socorro ("Cory") Hinojosa Phone: (361) 592-6783 Fax: (361) 595-1997
 Email: chinojosa@khatx.com

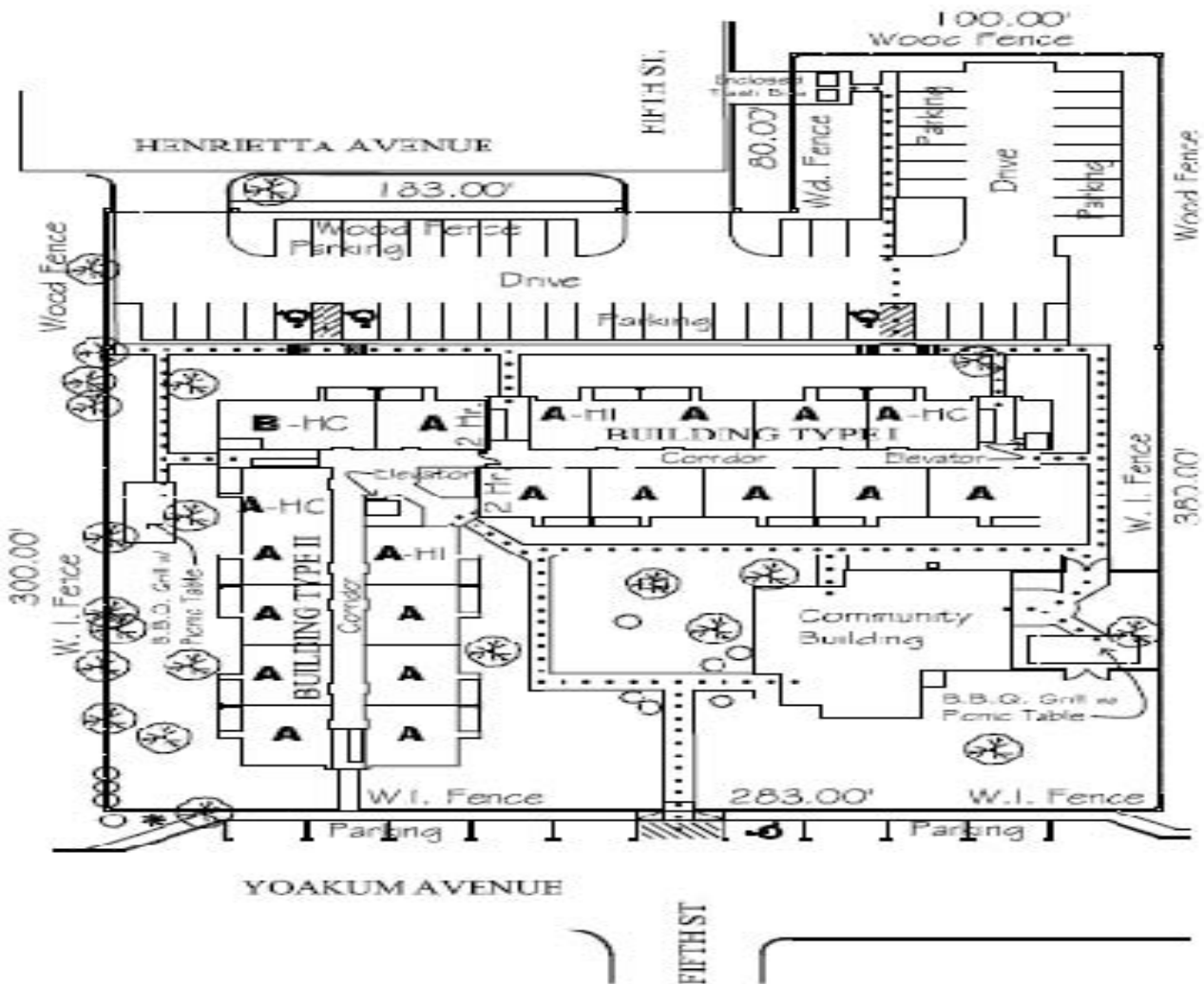
IDENTITIES of INTEREST

- The owner of the property, the Housing Authority of the City of Kingsville is related to the Applicant; however, the Applicant will be leasing the property under a 50-year ground lease for a nominal sum of ten (\$10) dollars per year.

This section intentionally left blank.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E	F	G	H	I	J	Total Buildings
Floors/Stories	3	3									
Number	1	1									2

BR/BA	SF	Units										Total Units	Total SF
1	1	750	27	30								57	42,750
2	1	980		3								3	2,940
Units per Building			27	33								60	45,690

Comment:

The subject development will consist of one building that is separated in two based upon firewalls.

Property Condition Assessment:

A Property Condition Assessment (PCA) report was submitted with the application which indicates that the current apartment units on the subject property can be rehabilitated at a cost of approximately \$3.02M (sitework, direct construction, contractor fees, and contingency), compared to \$4.06M for the construction on new units as is proposed. The PCA report indicates that every major component of the development will require replacement during the 37 year study period.

Relocation Plan for Displaced Tenants During Demolition & Reconstruction

The Kingsville Housing Authority (KHA) and the Applicant will coordinate the relocation of tenants of the existing to-be-demolished units. Vouchers will be used for the relocations and the Applicant will pay moving expenses. The Housing Authority will make other public housing units in Kingsville available, or to the extent necessary, will coordinate relocations with other Housing Authorities in the nearby cities of Corpus Christi, Robstown and Alice. Residents will be reimbursed for actual and reasonable expenses and will be given a choice for the Housing Authority to move them with their staff or a moving contractor.

SITE ISSUES

Total Size: 2.13 acres Scattered site? Yes No
Flood Zone: A4, B Within 100-yr floodplain? Yes No
Zoning: C-2 Needs to be re-zoned? Yes No N/A

Comments:

The subject property is currently zoned C-2 which allows multifamily dwellings as a permitted use. According to the ESA provider, the subject site lies within Zones A4 and B, which are areas determined to be within the 100 and 500-year floodplains. According to the 2010 QAP §50.6(a) "Any Development proposing New Construction or Reconstruction and located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements.

Any funding recommendation will be subject to the following condition:

Receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain.

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/14/2010
Overall Assessment:
[] Excellent [x] Acceptable [] Questionable [] Poor [] Unacceptable
Surrounding Uses:
North: Commercial / Main Thoroughfare / Residential East: Library / Bank / Gas Station
South: Church West: Community Center / Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Astex Environmental Services, Inc. Date: 2/10/2010
Recognized Environmental Concerns (RECs) and Other Concerns:
o This assessment has revealed no recognized environmental conditions with the property.

- Thermal System Insulation, 12" floor tile and associated mastic adhesive, HVAC pipe mastic (black), insulation or coatings on bottoms of all sinks, and window calk around all porch windows have been identified as asbestos-containing materials.
- "The subject site does lie within 3000 feet of an active rail line. The rail line is the Union Pacific railroad with tracks located approximately 145 feet east of the subject property (photo #19). The calculated noise level from the railroad is 67.3722 DNL." HUD guidelines define noise levels "Exceeding 65 Ldn but not exceeding 75 Ldn (as Normally Unacceptable (Appropriate sound attenuation measures must be provided)". (p. 28)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by cost certification, of documentation that all noise assessment recommendations were implemented.
- Receipt, review, and acceptance, by cost certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.

MARKET ANALYSIS

Provider: Gerald A. Teel Co. Date: 2/16/2010
 Contact: Tim Treadway Phone: (713) 467-5858
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 1,093 sq. miles 19 mile equivalent radius
 The Primary Market Area is defined as all of Kleberg County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Kleberg County Income Limits								
HH size	PBV / 30%		PBV / 50%		50% of AMI		PBV / 60%	
	min	max	min	max	min	max	min	max
1	\$0	\$9,600	\$0	\$15,950	\$10,248	\$15,950	\$0	\$19,140
2	\$0	\$10,950	\$0	\$18,250	\$10,248	\$18,250	\$0	\$21,900
3	---	---	---	---	\$12,288	\$20,500	\$0	\$24,600
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	none				
Other Affordable Developments in PMA since 2006					
09245	Heights at Corral	recon	family	n/a	80
07199	Kingsville LULAC Manor	rehab	family	n/a	88
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		2	Total Units	248	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no unstabilized comparable units that impact the demand for the subject.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
	Total Units	HTC Units	PBV Units
Total Households in the Primary Market Area	10,728	10,654	
Target Households in the Primary Market Area	2,685	3,934	
Potential Demand from the Primary Market Area	1,435	684	788
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	1,435	684	788
Subject Affordable Units	60	24	36
Unstabilized Comparable Units	0	0	0
RELEVANT SUPPLY	60	24	36
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	4.2%	3.5%	4.6%

Demand Analysis:

The subject property will include 60 total units. Project-based vouchers will provide rental assistance for 36 units, which will have maximum income restrictions at 30%, 50%, and 60% of AMI. The remaining 24 units will be subject to Housing Tax Credit restrictions at 50% of AMI.

The Market Analyst calculates demand for all 60 units based on the HTC restrictions, without considering the project-based vouchers; the Analyst incorrectly determines household income-eligibility based on tenant-paid rents (net of an assumed utility allowance); and the Analyst only considers households aged 62 and above (whereas households aged 55 and above are eligible). Under these criteria, the Market Analyst determines Gross Demand for 1,435 units, indicating a Gross Capture Rate of 4.2% for the 60 subject units.

The underwriting analysis considers demand separately for the HTC-only units, for which tenant-eligibility is subject to a minimum income, and the units supported by the project-based vouchers, for which there is no minimum income. Based on the HTC restrictions at 50% of AMI, the Underwriter determines Gross Demand for 684 units, indicating a Gross Capture Rate of 3.5% for the 24 HTC units.

Gross Demand for the voucher-supported units is assumed to consist of all senior households below the maximum income for a 3-person household at 60% of AMI, excluding all households that were counted as eligible for the 24 HTC units. Gross Demand for 788 units indicates a Gross Capture Rate of 4.6% for the 36 proposed voucher-supported units.

The maximum Gross Capture Rate for a senior development is 10%; the subject is therefore considered feasible in terms of market demand.

Moreover, the subject application is for replacement of existing affordable housing that is more than 50% occupied; therefore, the gross capture rate limit is not a criteria for feasibility.

This section intentionally left blank.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR / PBV / 30%	142	3	0	2%	402	3	0	1%
1 BR / PBV / 50%	390	25	0	6%	244	23	0	9%
1 BR / HTC / 50%					662	3	0	0.5%
1 BR / PBV / 60%	320	29	0	9%	789	28	0	4%
2 BR / HTC / 50%	161	2	0	1%	254	1	0	0.4%
2 BR / PBV / 60%	176	1	0	1%	438	2	0	0.5%

The Market Analyst's calculations are based on HTC limits at 30%, 50%, and 60%, and do not take into account the project-based vouchers.

Primary Market Occupancy Rates:

"All HTC communities interviewed for the purposes of this report are at high occupancy levels and it was reiterated by managers that there were currently long waiting lists for the HTC properties." (p. 94)

Absorption Projections:

"The subject property is for reconstruction of an older Senior Public Housing Project. It is replacing units on a 1 to 1 basis, and this is the same for the tenants, which will be offered the new housing on a 1 to 1 basis. Thus in effect, the subject units are already absorbed" (p. 69)

Market Impact:

"The subject property will have minimal affect on the market, and will open up the market to a greater pool of possible senior renters. There is no similar product in this market. The existing Casa Ricardo is the only senior property in Kingsville according to the Kingsville Housing Authority. It is the product that the subject will be replacing. As this is replacement product, the effect on the market will be negligible, other than to improve the existing conditions of those that will reside at the property." (p. 94)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 0 Date of Last Applicant Revision: N/A

Projected rents collected per unit were calculated by using the Project-based Section 8 rental assistance rates for 36 of the units, Low HOME rental rates on 19 of the units and Housing Tax Credit rents less tenant-paid utility allowances on 5 units. Tenant-paid utility allowances are based on a schedule dated 1/1/2010, maintained by the Housing Authority of the City of Kingsville. The Section 8 vouchers are to come from the Housing Authority's pool of vouchers. Under HUD rules, Housing Authorities are allowed to assign 20% of their assigned voucher pool as Project-Based vouchers. The Housing Authority has provided a commitment for the subject vouchers, but they have not executed a contract with the Applicant yet. Tenants will be required to pay electrical costs. The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

Expense: Number of Revisions: 0 Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,596 per unit is within 5% of the Underwriter's estimate of \$3,638, derived from the TDHCA database, and third-party data sources. The Underwriter used an estimate of \$55,380 for Payroll and Payroll Taxes based upon a staffing plan provided by the proposed property management company. The property management company manages several other properties in the subject market and is familiar with staffing requirement in that market. Additionally, while the Applicant's estimate of utilities is 29% lower than the Underwriter's estimate, the Applicant's total utilities and water, sewer, trash estimate is 10% lower than the Underwriter's and is therefore considered reasonable.

Conclusion:

The Applicant's effective gross income, operating expenses and net operating income are all within 5% of the Underwriter's estimates; therefore, the Applicant's year one proforma will be used to determine the development's debt capacity. The proforma and estimated debt service as proposed by the Applicant result in a debt coverage ratio (DCR) of 1.35 which is within the Department's acceptable range of 1.15 to 1.35.

It should be noted however that both the Applicant's and the Underwriter's expense to income ratios are above the Department's maximum 65%; however, the 2010 Real Estate Analysis Rules §1.32(i)(6)(B)(i) provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "the Development will receive Project-based Section 8 Rental Assistance for at least 50% of the units and a firm commitment with terms including contract rent and number of units is submitted at application." The Applicant provided a commitment for Project-Based Section 8 Rental Assistance on 36 of the 60 total units, and as such the subject development meets this feasibility exception. The Applicant does not have an executed contract for the 36 units at the time of this application; however, the Housing Authority of Kingsville has provided a letter of commitment to provide a 15-year contract to the Applicant for the 36 units from it pool of existing Housing Choice Vouchers upon the approval of the Housing Tax Credits by the Department. As stated above, under HUD rules, Housing Authorities are allowed to assign 20% of their assigned voucher pool as Project-based vouchers.

Accordingly, receipt, review, and acceptance, by cost certification, of an executed Project-based Section 8 Rental Assistance contract be provided for at least 36 units of the development is a condition of this report.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expenses and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	1.949	acres	<u>\$72,300</u>	Tax Year:	<u>2009</u>
Existing Buildings:			<u>\$0</u>	Valuation by:	<u>Kleberg CAD</u>
1 acre:			<u>37,096</u>		
Total Prorata:	2.13	acres	<u>\$79,014</u>		
Total Assessed Value:			<u>\$79,014</u>	Tax Rate:	<u>2.85631</u>

Comment:

Although there are currently improvements on the subject property, the County Appraisal District does not indicate a value for any improvements.

EVIDENCE of PROPERTY CONTROL

Type:	<u>Contract For Lease</u>	Acreage:	<u>2.13</u>
Contract Expiration:	<u>3/1/2011</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>N/A</u>	Other:	<u>This will be a 50-year ground lease.</u>
Lessor:	<u>Housing Authority of Kingsville</u>	Related to Development Team?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

<i>COST SCHEDULE</i>	Number of Revisions:	<u>0</u>	Date of Last Applicant Revision:	<u>N/A</u>
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Acquisition Value:

The Applicant has not claimed any acquisition value for the subject property, as the current owner, the Housing Authority of Kingsville is an affiliate of the Applicant and will be providing a 50-year ground lease at a cost of \$10 per year. The subject site currently has a 60 unit Public Housing Development that will be completely demolished for the construction of 60 new seniors housing units.

Sitework Cost:

The Applicant has estimated total sitework costs of \$14,830 per unit which is not within the Department's normal acceptable guidelines and therefore third party substantiation is required and has been provided; however, \$350,000 of the estimated sitework cost will be for the demolition of the existing development. If the demolition cost is deducted, sitework cost is \$8,997 which is considered to be within the department's acceptable guideline.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$48K or 2% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

A PHA Advisory Fee of \$105K is included in development costs, but has been excluded from eligible basis. The Underwriter considers this developer fee. Total developer fee plus the PHA Advisory fee is less than 15% of total costs less developer fee; because of this, and because the fee has not been included in eligible basis, this fee is in line with the Department guidelines.

Reserves

The syndicator is requiring an operating reserve of \$187,796. Although this is greater than the standard reserve allowed by Department rule, the Underwriter used this reserve figure.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area and the development site is in an eligible QCT with less than 40% HTC units per household in the tract.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$5,560,517 supports annual tax credits of \$650,580. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 3/25/2010

Source: JP Morgan Chase Bank Type: Interim Financing

Principal: \$2,700,000 Interest Rate: 3.85% Fixed Term: 24 months

Comments:

The lender's rate is the one-month LIBOR plus 3.5%, adjusted monthly on a 360 day basis or an alternate rate of CB Floating (prime rate with a floor equal to the one month LIBOR rate on any day + 2.5%) plus 1%. The one-month LIBOR plus 3.5% on the date of the commitment would have been 3.85%. The underwriting rate used by Chase is 6.5%.

Source: TDHCA HOME Loan Type: Interim to Permanent Financing

Principal: \$2,000,000 Interest Rate: 0.0% Fixed Amort: 360 months

Comments:

The Applicant has requested this interim-to-permanent HOME loan that will be in a second lien position during construction when the first lien interim construction loan (JP Morgan Chase) is in place; however, the HOME loan will move to a first lien position when the JP Morgan Chase construction loan is paid off.

Source: Kingsville Public Facility, Inc. Type: Interim to Permanent Financing

Principal: \$200,000 Interest Rate: 5.00% Amort: 360 months

Comments:

This loan is to be repaid as a cashflow loan with payment to be made from available cash flow. The recommended financing structure does not show sufficient cash flow to repay the loan. Accordingly, receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the cash flow loan can be repaid at or by maturity and can be considered valid debt is a condition of this report.

Source: HUD Relocation Vouchers Type: Project-Based Section 8 Vouchers

Principal: \$349,128 Conditions: _____

Comments:

The displaced residents will received these vouchers for approximately 18 months during the demolition of old units and construction of new ones on the property. The value of the relocation assistance is effectively contributed to the property. This will offset a portion of the \$382,728 in budgeted relocation costs.

Source: Hudson Housing Capital Type: Syndication

Proceeds: \$4,033,196 Syndication Rate: 62% Anticipated HTC: \$ 650,580

Amount: \$82,607 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

Based upon an evaluation of information provided by the Applicant's and other third party sources, the Underwriter recommends that a \$2,000,000 HOME loan at an interest rate of 0% with an amortization and term of 30 years be provided for the construction of this elderly development. This loan will be in a second lien position during the interim construction period, but will become a first lien loan in the permanent loan stage when the JP Morgan Chase Bank construction loan is paid off.

The Applicant's total development cost estimate less the permanent loans of \$2,200,000 and relocation vouchers of \$349,128 indicates the need for \$4,115,803 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$663,905 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$650,580
Allocation determined by gap in financing:	\$663,905
Allocation requested by the Applicant:	\$650,580

The allocation amount based on the Applicant's request of the \$650,580 is recommended. A tax credit allocation of \$650,580 per year for 10 years results in total equity proceeds of \$4,033,196 at a syndication rate of \$0.62 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$82,607 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

Underwriter: _____ Date: June 11, 2010

D.P. Burrell

Manager of Real Estate Analysis: _____ Date: June 11, 2010

Audrey Martin

Director of Real Estate Analysis: _____ Date: June 11, 2010

Brent Stewart

UNIT MIX/RENT SCHEDULE

Casa Ricardo, Kingsville, HTC 9% / HOME #10220

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Kingsville	# Beds	# Units	% Total	PROGRAMS:		HOME		PBV			DEVELOPMENT ACTIVITY:	Reconstruction	
COUNTY:	Kleberg	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	57	95.0%	PBV		\$518	\$569			36	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	10	2	3	5.0%	LH	\$398	\$427	\$512	\$592	\$661	19	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	60	100.0%	Misc	#N/A	#N/A	#N/A	#N/A	#N/A		APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE																			
UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	PBV	Market Rent	TDHCA Savings to Market
TC 30%	PBV	3	1	1	750	\$256	\$76	\$180	\$338	\$0.69	\$518	\$1,554	\$1,554	\$518	\$0.69	\$338	\$518	\$755	\$237
TC 50%	PBV	3	1	1	750	\$427	\$76	\$351	\$167	\$0.69	\$518	\$1,554	\$1,554	\$518	\$0.69	\$167	\$518	\$755	\$237
TC 50%		4	1	1	750	\$427	\$76	\$351	\$0	\$0.47	\$351	\$1,404	\$1,404	\$351	\$0.47	\$0		\$755	\$404
TC 50%	LH	19	1	1	750	\$427	\$76	\$351	\$0	\$0.47	\$351	\$6,669	\$6,669	\$351	\$0.47	\$0		\$755	\$404
TC 60%	PBV	28	1	1	750	\$513	\$76	\$437	\$81	\$0.69	\$518	\$14,504	\$14,504	\$518	\$0.69	\$81	\$518	\$755	\$237
TC 50%		1	2	1	980	\$512	\$96	\$416	\$0	\$0.42	\$416	\$416	\$416	\$416	\$0.42	\$0		\$880	\$464
TC 60%	PBV	2	2	1	980	\$615	\$96	\$519	\$50	\$0.58	\$569	\$1,138	\$1,138	\$569	\$0.58	\$50	\$569	\$880	\$311
TOTAL:		60				45,690						\$27,239	\$27,239						
AVG:						762			\$65	\$0.60	\$454			\$454	\$0.60	\$65	\$313	\$761	(\$307)
ANNUAL:												\$326,868	\$326,868						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Casa Ricardo, Kingsville, HTC 9% / HOME #10220

INCOME

				Total Net Rentable Sq Ft:					
				TDHCA	APPLICANT				
POTENTIAL GROSS RENT				\$326,868	\$326,868				
Secondary Income	Per Unit Per Month:	\$5.00		3,600	3,600	\$5.00	Per Unit Per Month		
Other Support Income:						\$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME				\$330,468	\$330,468				
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(24,785)	(24,780)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions				0					
EFFECTIVE GROSS INCOME				\$305,683	\$305,688				

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	6.90%	\$351	0.46	\$21,083	\$23,200	\$0.51	\$387	7.59%
Management	5.00%	\$255	0.33	15,284	15,284	0.33	255	5.00%
Payroll & Payroll Tax	18.12%	\$923	1.21	55,380	55,380	1.21	923	18.12%
Repairs & Maintenance	10.77%	\$548	0.72	32,908	32,160	0.70	536	10.52%
Utilities	4.53%	\$231	0.30	13,860	9,900	0.22	165	3.24%
Water, Sewer, & Trash	6.89%	\$351	0.46	21,050	21,600	0.47	360	7.07%
Property Insurance	11.44%	\$583	0.77	34,980	34,500	0.76	575	11.29%
Property Tax	2.85631 0.00%	\$0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements	4.91%	\$250	0.33	15,000	15,000	0.33	250	4.91%
TDHCA Compliance Fees	0.79%	\$40	0.05	2,400	2,400	0.05	40	0.79%
Other: Supportive Srv/Security	2.06%	\$105	0.14	6,310	6,310	0.14	105	2.06%
TOTAL EXPENSES	71.40%	\$3,638	\$4.78	\$218,255	\$215,734	\$4.72	\$3,596	70.57%
NET OPERATING INC	28.60%	\$1,457	\$1.91	\$87,428	\$89,954	\$1.97	\$1,499	29.43%

DEBT SERVICE

TDHCA HOME Loan	\$66,667	\$66,667
Kingsville Public Facility, Inc.	\$0	
HUD Relocation Vouchers	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	66,667	66,667
NET CASH FLOW	\$20,761	\$23,287
AGGREGATE DEBT COVERAGE RATIO	1.31	1.35
RECOMMENDED DEBT COVERAGE RATIO		1.35

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		0.00%	\$0	\$0.00	\$0	\$0	\$0.00	\$0	0.00%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.22%	\$8,997	\$11.81	539,800	539,800	11.81	8,997	8.10%
Direct Construction		43.00%	\$47,080	\$61.83	2,824,798	2,873,000	62.88	47,883	43.11%
Contingency	5.00%	2.56%	\$2,804	\$3.68	168,230	170,640	3.73	2,844	2.56%
Contractor's Fees	14.00%	7.17%	\$7,851	\$10.31	471,044	477,792	10.46	7,963	7.17%
Indirect Construction		8.59%	\$9,408	\$12.36	564,500	564,500	12.36	9,408	8.47%
Ineligible Costs		13.50%	\$14,777	\$19.41	886,618	886,618	19.41	14,777	13.30%
Developer's Fees	15.00%	10.91%	\$11,945	\$15.69	716,681	725,285	15.87	12,088	10.88%
Interim Financing		3.19%	\$3,492	\$4.59	209,500	209,500	4.59	3,492	3.14%
Reserves		2.86%	\$3,130	\$4.11	187,796	217,796	4.77	3,630	3.27%
TOTAL COST		100.00%	\$109,482.76	\$143.77	\$6,568,966	\$6,664,931	\$145.87	\$111,082	100.00%
Construction Cost Recap		60.95%	\$66,731	\$87.63	\$4,003,871	\$4,061,232	\$88.89	\$67,687	60.93%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
TDHCA HOME Loan	30.45%	\$33,333	\$43.77	\$2,000,000	\$2,000,000	\$2,000,000	Developer Fee Available
Kingsville Public Facility, Inc.	3.04%	\$3,333	\$4.38	200,000	200,000	200,000	\$725,285
HUD Relocation Vouchers	5.31%	\$5,819	\$7.64	349,128	349,128	349,128	
Hudson Housing Capital - HTC Equity	61.40%	\$67,220	\$88.27	4,033,196	4,033,196	4,033,196	% of Dev. Fee Deferred
Deferred Developer Fees	1.26%	\$1,377	\$1.81	82,607	82,607	82,607	11%
Additional (Excess) Funds Req'd	-1.46%	(\$1,599)	(\$2.10)	(95,965)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$6,568,966	\$6,664,931	\$6,664,931	\$249,209

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Casa Ricardo, Kingsville, HTC 9% / HOME #10220

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.08	\$2,516,566
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	3.00%		1.65	75,497
9-Ft. Ceilings	3.00%		1.65	75,497
Roofing			0.00	0
Subfloor			1.33	60,920
Floor Cover			2.18	99,627
Breezeways	\$23.05	0	0.00	0
Balconies	\$23.05	5,280	2.66	121,686
Plumbing Fixtures	\$845	0	0.00	0
Rough-ins	\$420	120	1.10	50,400
Built-In Appliances	\$1,850	60	2.43	111,000
Elevators	\$53,600	2	2.35	107,200
Enclosed Corridors	\$45.16	12000	11.86	541,910
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	84,527
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$71.16	4,125	6.42	293,520
Other: fire sprinkler	\$2.25	45,690	2.25	102,803
SUBTOTAL			92.82	4,241,151
Current Cost Multiplier	0.99		(0.93)	(42,412)
Local Multiplier	0.83		(15.78)	(720,996)
TOTAL DIRECT CONSTRUCTION COSTS			\$76.12	\$3,477,744
Plans, specs, survy, bld prm	3.90%		(\$2.97)	(\$135,632)
Interim Construction Interest	3.38%		(2.57)	(117,374)
Contractor's OH & Profit	11.50%		(8.75)	(399,941)
NET DIRECT CONSTRUCTION COSTS			\$61.83	\$2,824,798

PROPOSED PAYMENT COMPUTATION

TDHCA HOME Loan	\$2,000,000	Amort	360
Int Rate	0.00%	DCR	1.31

Kingsville Public Facility	\$200,000	Amort	0
Int Rate	5.00%	Subtotal DCR	1.31

HUD Relocation Voucher	\$349,128	Amort	
Int Rate		Aggregate DCR	1.31

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.31

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.31

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

TDHCA HOME Loan	\$66,667
Kingsville Public Facility, Inc.	0
HUD Relocation Vouchers	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$66,667

TDHCA HOME Loan	\$2,000,000	Amort	360
Int Rate	0.00%	DCR	1.35

Kingsville Public Facility	\$200,000	Amort	0
Int Rate	5.00%	Subtotal DCR	1.35

HUD Relocation Voucher	\$349,128	Amort	0
Int Rate	0.00%	Aggregate DCR	1.35

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.35

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.35

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$326,868	\$333,405	\$340,073	\$346,875	\$353,812	\$390,638	\$431,295	\$476,185	\$580,467
Secondary Income	3,600	3,672	3,745	3,820	3,897	4,302	4,750	5,245	6,393
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	330,468	337,077	343,819	350,695	357,709	394,940	436,046	481,429	586,860
Vacancy & Collection Loss	(24,780)	(25,281)	(25,786)	(26,302)	(26,828)	(29,620)	(32,703)	(36,107)	(44,014)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$305,688	\$311,797	\$318,032	\$324,393	\$330,881	\$365,319	\$403,342	\$445,322	\$542,845
EXPENSES at 3.00%									
General & Administrative	\$23,200	\$23,896	\$24,613	\$25,351	\$26,112	\$30,271	\$35,092	\$40,681	\$54,672
Management	15,284	15,589.41991	15,901	16,219	16,544	18,265	20,167	22,266	27,142
Payroll & Payroll Tax	55,380	57,041	58,753	60,515	62,331	72,258	83,767	97,109	130,507
Repairs & Maintenance	32,160	33,125	34,119	35,142	36,196	41,962	48,645	56,393	75,787
Utilities	9,900	10,197	10,503	10,818	11,143	12,917	14,975	17,360	23,330
Water, Sewer & Trash	21,600	22,248	22,915	23,603	24,311	28,183	32,672	37,876	50,902
Insurance	34,500	35,535	36,601	37,699	38,830	45,015	52,184	60,496	81,302
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	15,000	15,450	15,914	16,391	16,883	19,572	22,689	26,303	35,348
TDHCA Compliance Fee	2,400	2,472	2,546	2,623	2,701	3,131	3,630	4,208	5,656
Other	8,710	8,971	9,240	9,518	9,803	11,365	13,175	15,273	20,526
TOTAL EXPENSES	\$218,134	\$224,525	\$231,105	\$237,879	\$244,853	\$282,939	\$326,995	\$377,964	\$505,171
NET OPERATING INCOME	\$87,554	\$87,272	\$86,928	\$86,514	\$86,028	\$82,381	\$76,347	\$67,358	\$37,674
DEBT SERVICE									
First Lien Financing	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667	\$66,667
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$20,887	\$20,605	\$20,261	\$19,848	\$19,361	\$15,714	\$9,680	\$691	(\$28,992)
DEBT COVERAGE RATIO	1.31	1.31	1.30	1.30	1.29	1.24	1.15	1.01	0.57

HTC ALLOCATION ANALYSIS -Casa Ricardo, Kingsville, HTC 9% / HOME #10220

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land				
Purchase of buildings				
Off-Site Improvements				
Sitework	\$539,800	\$539,800	\$539,800	\$539,800
Construction Hard Costs	\$2,873,000	\$2,824,798	\$2,873,000	\$2,824,798
Contractor Fees	\$477,792	\$471,044	\$477,792	\$471,044
Contingencies	\$170,640	\$168,230	\$170,640	\$168,230
Eligible Indirect Fees	\$564,500	\$564,500	\$564,500	\$564,500
Eligible Financing Fees	\$209,500	\$209,500	\$209,500	\$209,500
All Ineligible Costs	\$886,618	\$886,618		
Developer Fees			\$725,285	
Developer Fees	\$725,285	\$716,681		\$716,681
Development Reserves	\$217,796	\$187,796		
TOTAL DEVELOPMENT COSTS	\$6,664,931	\$6,568,966	\$5,560,517	\$5,494,552

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$5,560,517	\$5,494,552
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$7,228,672	\$7,142,917
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$7,228,672	\$7,142,917
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$650,580	\$642,863

Syndication Proceeds 0.6199 \$4,033,199 \$3,985,353

Total Tax Credits (Eligible Basis Method) \$650,580 \$642,863

Syndication Proceeds \$4,033,199 \$3,985,353

Requested Tax Credits \$650,580

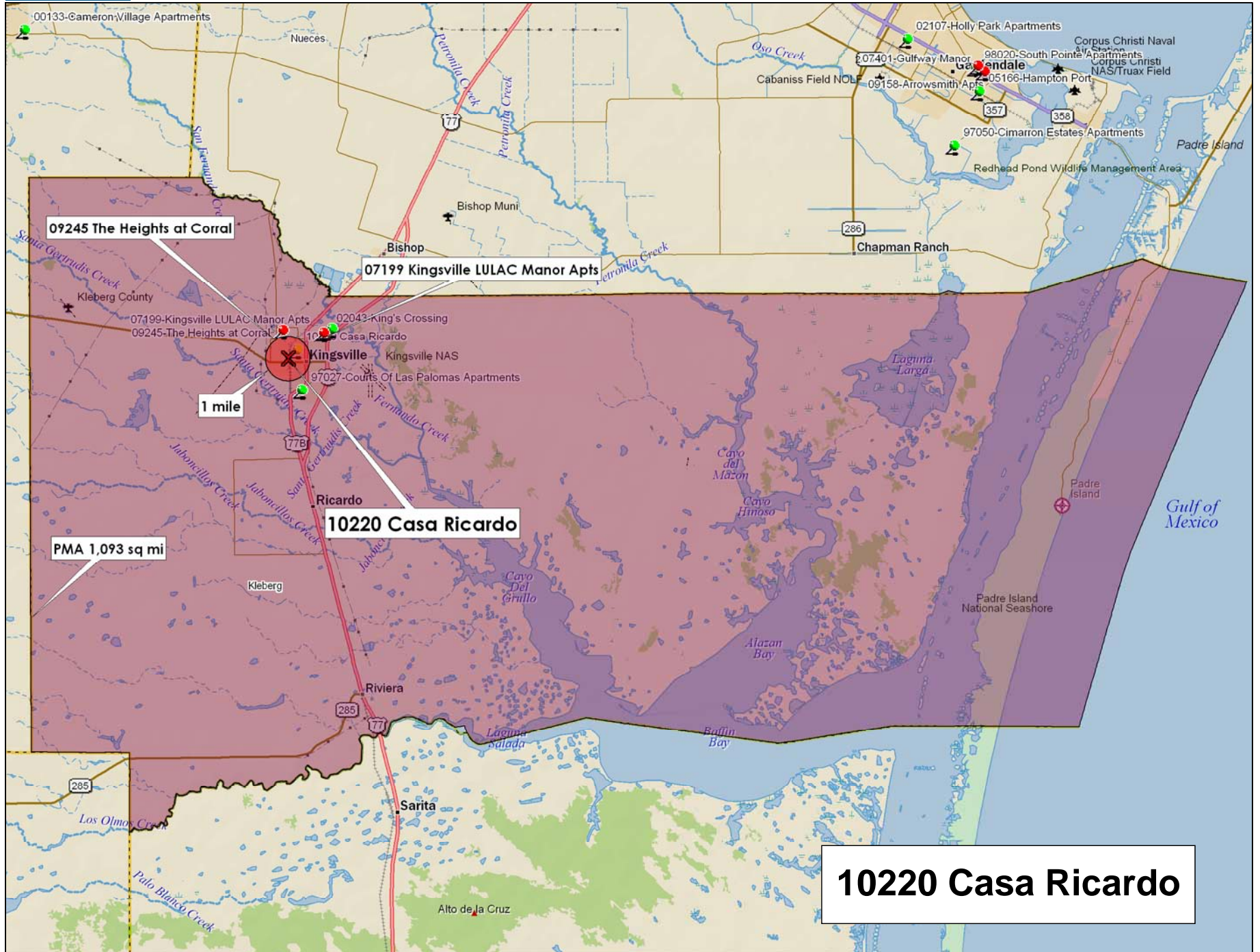
Syndication Proceeds \$4,033,196

Gap of Syndication Proceeds Needed \$4,115,803

Total Tax Credits (Gap Method) \$663,905

Recommended Tax Credits 650,580

Syndication Proceeds \$4,033,196



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Residences at Rowlett Creek, TDHCA Number 10221

BASIC DEVELOPMENT INFORMATION

Site Address: SWC of Firewheel Pkwy. & Castle Dr. Development #: 10221
 City: Garland Region: 3 Population Served: General
 County: Dallas Zip Code: 75040 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Rowlett Creek Housing Partners, Ltd.
 Owner Contact and Phone: Dan Allgeier, (972) 573-3411
 Developer: NuRock Development Group, Inc
 Housing General Contractor: NuRock Construction, LLC
 Architect: Morton Gruber & Associates
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: Boston Capital
 Supportive Services: NuRock Housing Foundation I, Inc
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	160	
	8	0	72	80	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	88	64	8	0	
Type of Building:						Total Development Units:	160
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	33
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Residences at Rowlett Creek, TDHCA Number 10221

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, NC

Points: 0

US Representative: Johnson, District 3, NC

TX Representative: Driver, District 113, NC

Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Douglas Athas, District 1 Representative Garland City Council

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Residences at Rowlett Creek, TDHCA Number 10221

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **194** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Citrus Gardens, TDHCA Number 10222

BASIC DEVELOPMENT INFORMATION

Site Address: 2100 Grapefruit Development #: 10222
 City: Brownsville Region: 11 Population Served: General
 County: Cameron Zip Code: 78521-2915 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: BHA Citrus Gardens, Ltd.
 Owner Contact and Phone: Antonio Juarez, 9565418315
 Developer: Brownstone Affordable Housing, Ltd
 Housing General Contractor: Brownstone Construction, Ltd
 Architect: Brownstone Architects & Planners, Inc
 Market Analyst: The Gerald A. Teel Company, Inc.
 Syndicator: Hudson Housing Capital
 Supportive Services: Brownsville Housing Authority
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	148	
	8	0	66	74	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	18	72	58	0	0	
Type of Building:						Total Development Units:	148
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$18,637,323
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	33
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,807,115	\$1,807,115			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Citrus Gardens, TDHCA Number 10222

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S Points: 7 US Representative: Ortiz, District 27, NC
TX Representative: Oliveira, District 37, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []
S, Jose Flores, President Citrus Gardens Asso.
Brownsville HA

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Citrus Gardens and Annex Resident Assoc., Jose Francisco Flores Letter Score: 24 S or O: S

We support this application...the future of our community because we need new and more low rent homes.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by 10% Test, of evidence of HUD approval of the disposition of the property.
2. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
3. Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
4. Receipt, review and acceptance, by Cost Certification, of an executed HAP contract with rents at or above the levels reflected in this analysis.
5. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Citrus Gardens, TDHCA Number 10222

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **13**

Total # Monitored: **8**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **222** Meeting a Required Set-Aside Credit Amount*: \$1,807,115

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/14/10 PROGRAM: 9% HTC FILE NUMBER: 10222

DEVELOPMENT

Citrus Gardens

Location: 2100 Grapefruit Region: 11

City: Brownsville County: Cameron Zip: 78521 OCT DDA

Key Attributes: General, Urban, Reconstruction, and Townhome

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,807,115			\$1,807,115		

CONDITIONS

- 1 Receipt, review, and acceptance, by 10% Test, of evidence of HUD approval of the disposition of the property.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 3 Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.
- 4 Receipt, review and acceptance, by Cost Certification, of an executed HAP contract with rents at or above the levels reflected in this analysis.
- 5 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	8
50% of AMI	50% of AMI	66
60% of AMI	60% of AMI	74

STRENGTHS/MITIGATING FACTORS

WEAKNESSES/RISKS

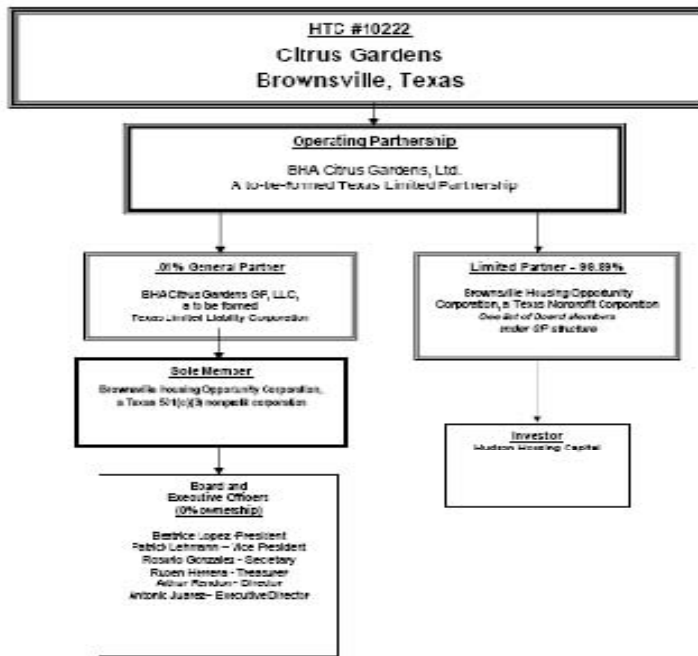
- Overall occupancy in the market area is 94.6%.
- The gross capture rate is 5.1%.
- The Developer has experience developing tax credit properties in Texas with a total 11 developments providing 1,042 units.
- Proposed rents are on average 34% lower than market rents.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Antonio Juarez Phone: (956) 541-8315 Fax: (956) 541-7860
 Email: ajuarez@txbha.com

IDENTITIES of INTEREST

- The Applicant and supportive services provide are related entities. Additionally, the Developer, General Contractor, and architect are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2	3	4	5	6														Total Buildings	
Floors/Stories	1&2	1&2	1&2	1&2	2	1&2															
Number	4	9	5	2	12	1															33

BR/BA	SF	Units										Total Units	Total SF	
1	1	750	2		2								18	13,500
2	1	980		2		2		2					24	23,520
2	2	1,000	2		2	2	2	2					48	48,000
3	2	1,150		2	2	2	2	2					58	66,700
Units per Building			4	4	6	6	4	6					148	151,720

Development Plan:

The existing Citrus Gardens development is a public housing development. The reconstructed development proposed will not contain any public housing units; therefore, once the current residents are relocated, the operating assistance to the development will cease. Upon completion of the reconstructed development, the Brownsville Housing Authority will execute a new HAP contract for project based vouchers to assist 74 of the 148 units.

The proposed reconstruction will involve the demolition and reconstruction of 148 units of affordable multi-family apartments. The development will include the new construction of thirty-three residential buildings plus one clubhouse/community building on approximately 26.26 acres.

Relocation Plan:

All existing tenants will be relocated as part of the reconstruction. In February 2010 the Brownsville Housing Authority began meeting with groups of Citrus Gardens residents and explained initial information on the planned demolition and replacement housing development. No resident will lose their housing assistance. All residents will receive a Housing Choice Voucher that will allow them to rent housing of their choice at another location. The Housing Authority will assist all residents to locate new housing they can move to and will also provide counseling and other services. Residents will be reimbursed for actual and reasonable relocation expenses as supported by receipts, and given a choice for the Housing Authority to move them with their staff or a moving contractor and an allowance. The Applicant has included \$1,241,740 in tenant relocation costs in the development cost schedule. The Brownsville Housing Authority is contributing \$1,133,640 in tenant relocation vouchers, which will offset the portion of relocation costs being that are excluded from eligible basis.

SITE ISSUES

Total Size: 26.26 acres Scattered site? Yes No
 Flood Zone: C Within 100-yr floodplain? Yes No
 Zoning: Apartment "G" Needs to be re-zoned? Yes No N/A

Comments:

The Housing Authority of the City of Brownsville which is the owner of the subject site has entered into 50 year lease with the to-be-formed partnership BHA Citrus Gardens, Ltd. In order to allow the Partnership to develop the subject development.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/9/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Residential and commercial beyond East: Residential and a park beyond
 South: Lincoln Park Girls School and Moody Clinic beyond West: A middle school and residential beyond

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Astex Environmental Services, Inc. Date: 2/1/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- The assessment revealed no on-site or off-site Recognized Environmental Conditions.
- "An investigation of potential asbestos containing building materials within the dwelling units and common use areas was conducted during this assessment and all of black adhesive underneath the newer 12 inch floor tile located in all dwelling units as well as the Community and Office Building ... The 9" green color floor tile and associated black mastic in all dwelling units ... The 12" floor tile, cream color found in the hallway of the Head Start ... The HVAC duct black mastic located in the Office Building, storage room ... (were all) analyzed to contain asbestos." (p. 28)
- "A limited lead based paint survey was conducted for this assessment and at least one hundred ninety-nine (199) XRF readings were taken. All interior and/or exterior painted surfaces were found to be free of lead based paint." (p. 28)
- "Physical sampling for lead in water was not within the Scope of Work for this Assessment however due to the age of construction, early 1960's lead in water is a possibility." (p. 19)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- Receipt, review, and acceptance, by Cost Certification, of documentation that a comprehensive survey was completed to identify the presence of lead in the drinking water as a result of the subject property plumbing, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the elimination of any identified sources of lead.

MARKET ANALYSIS

Provider: Gerald A. Teel Company Date: 2/16/2010
 Contact: Tim Treadway Phone: (713) 467-5858
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 17 sq. miles 2 mile equivalent radius
 The Primary Market Area is defined by 23 census tracts that make up the City of Brownsville.

ELIGIBLE HOUSEHOLDS BY INCOME								
Cameron County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$9,600	---	---	\$0	\$15,950	\$0	\$19,140
2	\$0	\$10,950	---	---	\$0	\$18,250	\$0	\$21,900
3	\$0	\$12,350	---	---	\$0	\$20,500	\$0	\$24,600
4	\$0	\$13,700	---	---	\$0	\$22,800	\$0	\$27,360
5	\$0	\$14,800	---	---	\$0	\$24,600	\$0	\$29,520
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10135	Champion Homes at Canyon Creek	new	family	100	100
09181	Bowie Garden	new	family	86	86
Other Affordable Developments in PMA since 2006					
07402	Rockwell Manor	rehab	family	n/a	126
060024	Cunningham Manor	rehab	family	n/a	104
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		4	Total Units	554	

Proposed, Under Construction, and Unstabilized Comparable Supply:

The Market Analyst acknowledges that Bowie Gardens (#09181), a 2009 HTC project, is located within the PMA, but fails to include Bowie Gardens in the Relevant Supply when calculating the Capture Rate. The Market Analyst incorrectly states that Bowie Gardens does not need to be included because "no units are being added to the market as a result of the subject's construction, the addition of the Bowie Garden project does not appear to impact the subject. Additionally, there is a time difference of roughly a year between the time of these two properties coming on-line, giving the Bowie property ample time to lease up." (p. 97)

The Real Estate Analysis Rules require that a Gross Capture Rate be determined even for Replacement Housing, and that all comparable units that have not achieved stabilized operation at the time of application be included in the relevant Supply. The underwriting analysis includes the units at Bowie Gardens as well as another 2010 application, Champion Homes at Canyon Creek (#10135)

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	22,886	22,767
Potential Demand from the Primary Market Area	4,106	6,604
Potential Demand from Other Sources	0	0
GROSS DEMAND	4,106	6,604
Subject Affordable Units	148	148
Unstabilized Comparable Units	0	186
RELEVANT SUPPLY	148	334
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	3.6%	5.1%

Demand Analysis:

The Market Analyst identifies gross Demand for 4,106 units based on income-eligible households in the PMA; and a Gross Capture Rate of 3.6% for the 148 subject units.

Since half of the units at the subject will be covered by a HAP Rental Assistance contract, the minimum income for potential tenants at the property is essentially zero. Based on this, the Underwriter has identified Gross Demand for 6,604 units; and a Gross Capture Rate of 5.1% for a total Relevant Supply of 334 units.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development. It should also be noted that the subject application proposes the replacement of existing Affordable Housing; as such, the Gross Capture Rate limit is not a criterion for feasibility.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	433	1	0	0%	1,053	1	10	1%
1 BR/50%	220	8	0	4%	1,345	8	16	2%
1 BR/60%	108	9	0	8%	1,456	9	17	2%
2 BR/30%	519	4	0	1%	985	4	3	1%
2 BR/50%	465	34	0	7%	1,483	34	22	4%
2 BR/60%	428	34	0	8%	1,666	34	64	6%
3 BR/30%	197	3	0	2%	1,182	3	2	0%
3 BR/50%	225	24	0	11%	1,851	24	16	2%
3 BR/60%	471	31	0	7%	2,100	31	39	3%

Primary Market Occupancy Rates:

The market study reports 94.6% overall occupancy for a total of 3,832 units in the Brownsville market. (p. 32)

Absorption Projections:

"There are no new properties in Brownsville and the most recent construction is dated with respect to absorption comparables. Stoneleigh leased 162 units in 15 months for a rate of approximately 11 units per month. It opened in January 2007. La Villita Apartments leased 12 units/mo following its expansion in 2005. Considering the relatively good occupancies, absorption is not considered to be an impediment to a successful operation of the proposed subject. The most data suggests absorption of 12 units per month. This would be considered minimal in most markets." (p. 39)

Market Impact:

"The subject property will have minimal affect on the market, and will open up the market to a greater pool of possible renters. There is similar product in this market, but the large number of renters coupled with the low income of the populace tend to support the need for the subject. Although the newer market rents properties have relatively low rents, the subject rents will be below market and allow a segment of the market to experience newer housing. Additionally, it appears that there may be some nominal excess demand, based on occupancy levels reported." (p. 106)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

Upon completion of the reconstructed development, the project owner will execute a new HAP Contract for project based vouchers to assist 74 of the total 148 units. Per the Applicant, these project based vouchers will come from the Brownsville Housing Authority's existing voucher pool. The Applicant's and Underwriter's projected rents for the 74 units with proposed project based vouchers are based on contract rents identified by the Housing Authority, less tenant-paid utility allowances for apartments with five units or more maintained by the Brownsville Housing Authority. A HAP contract by cost certification which specifies the utility allowance amount is a condition of this report.

The Applicant's and Underwriter's projected rents for the 74 HTC-only units were calculated by subtracting the tenant-paid utility allowances for apartments with five units or more maintained by the Brownsville Housing Authority from the 2009 Housing Tax Credit rent limits which apply to HTC applications.

Of note, the Brownsville Housing Authority publishes separate utility allowances for buildings with four or fewer units, and for buildings with five or more units. The subject development has buildings that fall in each category, which would require the use of different utility allowances depending on the number of units in the building. However, the Brownsville Housing Authority has indicated that the allowance for buildings with five or more units will be used for all units covered under the HAP contract. Further, the Applicant has indicated that each building in the development will have at least one HAP unit. If there is at least one HAP unit in each building, the utility allowances stated in the HAP contract must be used for all units in the building. With at least one HAP unit in each building, the entire development will be required to utilize the HAP utility allowances, which the Housing Authority states will be equal to the allowance for buildings with five or more units. As a result, the Underwriter's analysis reflects these allowances for all units. As previously stated, the report is conditioned on receipt of an executed HAP contract by cost certification.

2010 rent limits were released after underwriting for 2010 applications began; therefore, the development was evaluated using 2009 limits. If the Underwriter and Applicant used 2010 rent limits, income would increase by 1.2% and DCR would be 1.20 and 1.24, respectively, and the recommendation would not have been affected. Tenants will be required to pay all electric utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,676 per unit is within 5% of the Underwriter's estimate of \$3,776, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several line item estimates that deviate when compared to the Underwriter's estimates, specifically: general & administrative (20% lower) and utilities (37% lower). The Applicant's property management company UAH Property Management, L.P. stated that general administration costs tend to run lower because we seldom have to advertise due to the high demand for affordable housing in the Brownsville area. They also explained that utilities tend to run lower in the Brownsville area as their water and sewer expense are simply lower than most markets and the longer days tend to reduce the need for night-time common area lighting, and that there is a very limited requirement to heat common areas during the winter months.

Additionally, the Applicant's estimates for payroll & payroll tax and property insurance deviated significantly from the TDHCA database; therefore, the Applicant provided a staffing plan for \$139,398 in payroll expenses which the Underwriter has used. Additionally, the Applicant provided a property insurance quote for the subject property of \$87,000 which the Underwriter has also used.

The annual reserve for replacement expense of \$362 per unit exceeds TDHCA's guideline for new construction of \$250 per unit due to the fact that HUD requires this and bases there number on total construction costs.

Conclusion:

The Applicant's estimate of total expenses and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.20 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	29.1 acres	Tax Exempt	Tax Year:	2010
Existing Buildings:		Tax Exempt	Valuation by:	Cameron CAD
Total Assessed Value:		Tax Exempt	Tax Rate:	N/A

EVIDENCE of PROPERTY CONTROL

Type:	<u>Contract for Lease</u>	Acreage:	<u>26.26</u>
Contract Expiration:	<u>N/A</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>\$0</u>	Other:	<u>Lessor is Brownville Housing Authority who has owned the subject property for over 30 years.</u>
Seller:	<u>Housing Authority City of Brownsville</u>	Related to Development Team?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 6/24/2010

Acquisition Value:

The Brownsville Housing Authority has owned the subject site for over 30 years and will be ground leasing the property back to the partnership. No acquisition cost was included in the Applicant's development cost schedule. The Applicant provided a statement from the Applicant's attorney, verifying that a structure involving \$0 for acquisition cost is acceptable under HUD regulations. The Underwriter has relied on this documentation in determining an acquisition cost of \$0. Additionally, the report is conditioned on receipt, review, and acceptance, by 10% Test, of evidence of HUD approval of the disposition of the property.

Sitework Cost:

The Applicant claimed sitework costs over the Departments maximum guideline of \$9,000 per unit. These costs reflect the proposed demolition of the existing structures, and replacement of all underground utilities. The Applicant provided sufficient third party certification through a detailed certified cost estimate by a licensed engineer to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Thomas Stephen & Company, LLP, to preliminarily opine that \$2,305,384 of the total \$3,055,384 will be considered eligible.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$242K or 3% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract, it is proposed to be located within one-quarter mile of existing major bus transfer centers and/or regional or local commuter rail transportation stations; it is located in a census tract that has a median family income ("MFI") that is higher than the MFI for the county in which the census tract is located; it is proposed to be located in a school attendance zone that has an academic rating of "Exemplary" or "Recognized"; it is proposed in a census tract that has no greater than 10% poverty population; and it is in a Hurricane Ike eligible county.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$15,445,428 and the 9% applicable percentage rate supports annual tax credits of \$1,807,115. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: Davis Penn Mortgage Type: Interim & Permanent Financing

Principal: \$5,021,200 Interest Rate: 5.6% Fixed Amort: 480 months
Term: 40 years

Comments:

The interest rate will be 5.6% during the construction period up to 2 years then converting to a permanent loan at stated interest rate of 5.6% plus a 0.45% mortgage insurance premium. The lender has identified a debt service payment of \$337,480 based on a loan constant of 6.7211%; this effectively results in an amortized interest rate of 6.1413%, inclusive of MIP. This is the rate that is reflected in the analysis.

Source: Brownsville Housing Opportunity Corporation Type: Interim & Permanent Financing

Principal: \$750,000 Interest Rate: AFR Fixed Amort: N/A months
Term: 30 years

Comments:

The loan will accrue interest at the long-term AFR presently at 3.94% to be fixed at the date of closing. The loan shall be repaid from available net cash flow when the primary loan is repaid. Based on the recommended pro forma there will be sufficient cash flow to repay the principal and accrued interest.

Source: Brownsville Housing Authority Type: Relocation Vouchers

Principal: \$1,133,640

Comments:

The Brownsville Housing Authority plans to provide relocation vouchers to existing tenants for an approximate 18 month period during the demolition and reconstruction of the property. The value of the relocation assistance is effectively contributed to the property in the amount of \$1,133,640.

UNIT MIX/RENT SCHEDULE

Citrus Gardens, Brownsville, 9% HTC #10222

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS			
CITY:	Brownsville	# Beds	# Units	% Total	PROGRAMS:			HAP				DEVELOPMENT ACTIVITY:	Reconstruction		
COUNTY:	Cameron				Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%		
SUB-MARKET:		1	18	12.2%	HAP		\$576	\$660	\$816			74	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	11	2	72	48.6%						HIGH COST ADJUSTMENT:	130%		APPLICABLE FRACTION:	100.00%	
RURAL RENT USED:	No	3	58	39.2%						APP % - ACQUISITION:	N/A		APP % - CONSTRUCTION:	9.00%	
IREM REGION:		4													
		TOTAL	148	100.0%	MISC		\$0	\$0	\$0						

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION		PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS					
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	HAP	Market Rent	TDHCA Savings to Market
TC 30%	HAP	1	1	1	750	\$256	\$74	\$182	\$319.53	\$0.67	\$502	\$502	\$502	\$502	\$0.67	\$320	\$576	\$685	\$183
TC 50%	HAP	8	1	1	750	\$427	\$74	\$353	\$148.53	\$0.67	\$502	\$4,016	\$4,020	\$502	\$0.67	\$149	\$576	\$685	\$183
TC 60%		9	1	1	750	\$513	\$74	\$439	(\$0.47)	\$0.59	\$439	\$3,951	\$3,955	\$439	\$0.59	\$0		\$685	\$246
TC 30%	HAP	4	2	1	980	\$308	\$100	\$208	\$351.53	\$0.57	\$560	\$2,240	\$2,242	\$560	\$0.57	\$352	\$660	\$800	\$240
TC 50%	HAP	20	2	1	980	\$512	\$100	\$412	\$147.53	\$0.57	\$560	\$11,200	\$11,209	\$560	\$0.57	\$148	\$660	\$800	\$240
TC 50%	HAP	14	2	2	1,000	\$512	\$100	\$412	\$147.53	\$0.56	\$560	\$7,840	\$7,847	\$560	\$0.56	\$148	\$660	\$830	\$270
TC 60%		34	2	2	1,000	\$615	\$100	\$515	(\$0.47)	\$0.52	\$515	\$17,510	\$17,526	\$515	\$0.52	\$0		\$830	\$315
TC 30%	HAP	3	3	2	1,150	\$356	\$126	\$230	\$459.53	\$0.60	\$690	\$2,070	\$2,071	\$690	\$0.60	\$460	\$816	\$950	\$260
TC 50%	HAP	24	3	2	1,150	\$592	\$126	\$466	\$223.53	\$0.60	\$690	\$16,560	\$16,571	\$690	\$0.60	\$224	\$816	\$950	\$260
TC 60%		31	3	2	1,150	\$711	\$126	\$585	(\$0.47)	\$0.51	\$585	\$18,135	\$18,150	\$585	\$0.51	\$0		\$950	\$365
TOTAL:		148				151,720						\$84,024	\$84,094						
AVG:						1,025			\$98.91	\$0.55	\$568			\$568	\$0.55	\$99	\$353	\$855	(\$286)
ANNUAL:												\$1,008,288	\$1,009,123						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Citrus Gardens, Brownsville, 9% HTC #10222

INCOME

		Total Net Rentable Sq Ft:		TDHCA	APPLICANT		
POTENTIAL GROSS RENT				\$1,009,123	\$1,008,288		
Secondary Income	Per Unit Per Month:	\$10.00		17,760	17,760	\$10.00	Per Unit Per Month
Other Support Income:						\$0.00	Per Unit Per Month
Other Support Income:						\$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME				\$1,026,883	\$1,026,048		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(77,016)	(76,956)	-7.50%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions				0			
EFFECTIVE GROSS INCOME				\$949,867	\$949,092		

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.71%	\$302	0.30	\$44,758	\$35,600	\$0.23	\$241	3.75%
Management	5.00%	\$321	0.31	47,493	47,455	0.31	321	5.00%
Payroll & Payroll Tax	14.68%	\$942	0.92	139,398	139,178	0.92	940	14.66%
Repairs & Maintenance	6.90%	\$443	0.43	65,539	65,928	0.43	445	6.95%
Utilities	3.98%	\$256	0.25	37,849	24,000	0.16	162	2.53%
Water, Sewer, & Trash	6.39%	\$410	0.40	60,703	70,800	0.47	478	7.46%
Property Insurance	9.16%	\$588	0.57	87,000	85,100	0.56	575	8.97%
Property Tax	N/A	\$0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements	5.65%	\$362	0.35	53,646	53,646	0.35	362	5.65%
TDHCA Compliance Fees	0.62%	\$40	0.04	5,920	5,920	0.04	40	0.62%
Other: Supp. Serv. & Security	1.73%	\$111	0.11	16,470	16,470	0.11	111	1.74%
TOTAL EXPENSES	58.83%	\$3,776	\$3.68	\$558,775	\$544,096	\$3.59	\$3,676	57.33%
NET OPERATING INC	41.17%	\$2,643	\$2.58	\$391,091	\$404,996	\$2.67	\$2,736	42.67%

DEBT SERVICE

Davis Penn Mortgage	\$337,482	\$337,480	
Brownsville Housing Opportunity	\$0		
Brownsville Housing Vouchers	\$0		
Additional Financing	0		
Additional Financing	0		
TOTAL DEBT SERVICE	337,482	337,480	\$1,635.26
NET CASH FLOW	\$53,609	\$67,516	
AGGREGATE DEBT COVERAGE RATIO	1.16	1.20	
RECOMMENDED DEBT COVERAGE RATIO		1.20	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		0.00%	\$0	\$0.00	\$0	\$0	\$0.00	\$0	0.00%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		12.59%	\$15,577	\$15.19	2,305,384	2,305,384	15.19	15,577	12.37%
Direct Construction		42.19%	\$52,199	\$50.92	7,725,481	7,967,500	52.51	53,834	42.75%
Contingency	5.12%	2.81%	\$3,471	\$3.39	513,644	513,644	3.39	3,471	2.76%
Contractor's Fees	13.64%	7.86%	\$9,718	\$9.48	1,438,204	1,438,204	9.48	9,718	7.72%
Indirect Construction		4.37%	\$5,406	\$5.27	800,100	800,100	5.27	5,406	4.29%
Ineligible Costs		13.79%	\$17,058	\$16.64	2,524,611	2,524,611	16.64	17,058	13.55%
Developer's Fees	15.00%	10.81%	\$13,367	\$13.04	1,978,318	2,014,621	13.28	13,612	10.81%
Interim Financing		2.22%	\$2,743	\$2.68	405,975	405,975	2.68	2,743	2.18%
Reserves		3.37%	\$4,171	\$4.07	617,284	667,284	4.40	4,509	3.58%
TOTAL COST		100.00%	\$123,709.47	\$120.68	\$18,309,001	\$18,637,323	\$122.84	\$125,928	100.00%
Construction Cost Recap		65.45%	\$80,964	\$78.98	\$11,982,713	\$12,224,732	\$80.57	\$82,600	65.59%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Davis Penn Mortgage	27.42%	\$33,927	\$33.10	\$5,021,200	\$5,021,200	\$5,021,200	Developer Fee Available
Brownsville Housing Opportunity	4.10%	\$5,068	\$4.94	750,000	750,000	750,000	\$2,014,621
Brownsville Housing Vouchers	6.19%	\$7,660	\$7.47	1,133,640	1,133,640	1,133,640	
HTC Syndication Proceeds	61.19%	\$75,696	\$73.84	11,202,993	11,202,993	11,202,993	% of Dev. Fee Deferred
Deferred Developer Fees	2.89%	\$3,578	\$3.49	529,490	529,490	529,490	26%
Additional (Excess) Funds Req'd	-1.79%	(\$2,218)	(\$2.16)	(328,322)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$18,309,001	\$18,637,323	\$18,637,323	\$1,293,210

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Citrus Gardens, Brownsville, 9% HTC #10222

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Townhouse Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$62.11	\$9,423,011
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.00%		1.86	282,690
Roofing			0.00	0
Subfloor			(1.35)	(204,306)
Floor Cover			3.20	485,504
Breezeways	\$23.05	0	0.00	0
Balconies	\$20.78	15,130	2.07	314,401
Plumbing Fixtures	\$1,015	22	0.15	22,330
Rough-ins	\$445	148	0.43	65,860
Built-In Appliances	\$2,525	148	2.46	373,700
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$52.19	0	0.00	0
Wind	\$1.55	151,720	1.55	235,166
Maintenance Building	\$49.89	300	0.10	14,966
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.86	282,199
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$73.33	3,336	1.61	244,616
Other: fire sprinkler	\$2.25	155,056	2.30	348,876
SUBTOTAL			78.36	11,889,013
Current Cost Multiplier	0.99		(0.78)	(118,890)
Local Multiplier	0.81		(14.89)	(2,258,913)
TOTAL DIRECT CONSTRUCTION COSTS			\$62.69	\$9,511,211
Plans, specs, survy, bld prnt	3.90%		(\$2.44)	(\$370,937)
Interim Construction Interest	3.38%		(2.12)	(321,003)
Contractor's OH & Profit	11.50%		(7.21)	(1,093,789)
NET DIRECT CONSTRUCTION COSTS			\$50.92	\$7,725,481

PROPOSED PAYMENT COMPUTATION

Davis Penn Mortg	\$5,021,200	Amort	480
Int Rate	6.14%	DCR	1.16
Brownsville Housi	\$750,000	Amort	0
Int Rate	3.94%	Subtotal DCR	1.16
Brownsville Housi	\$1,133,640	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16
Additional Financi	\$0	Amort	
Int Rate		Subtotal DCR	1.16
Additional Financi	\$0	Amort	
Int Rate		Aggregate DCR	1.16

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Davis Penn Mortgage	\$337,482
Brownsville Housing Opportunity	0
Brownsville Housing Vouchers	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$337,482

Davis Penn Mortg	\$5,021,200	Amort	480
Int Rate	6.14%	DCR	1.20
Brownsville Housi	\$750,000	Amort	0
Int Rate	3.94%	Subtotal DCR	1.20
Brownsville Housi	\$1,133,640	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20
Additional Financi	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.20
Additional Financi	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

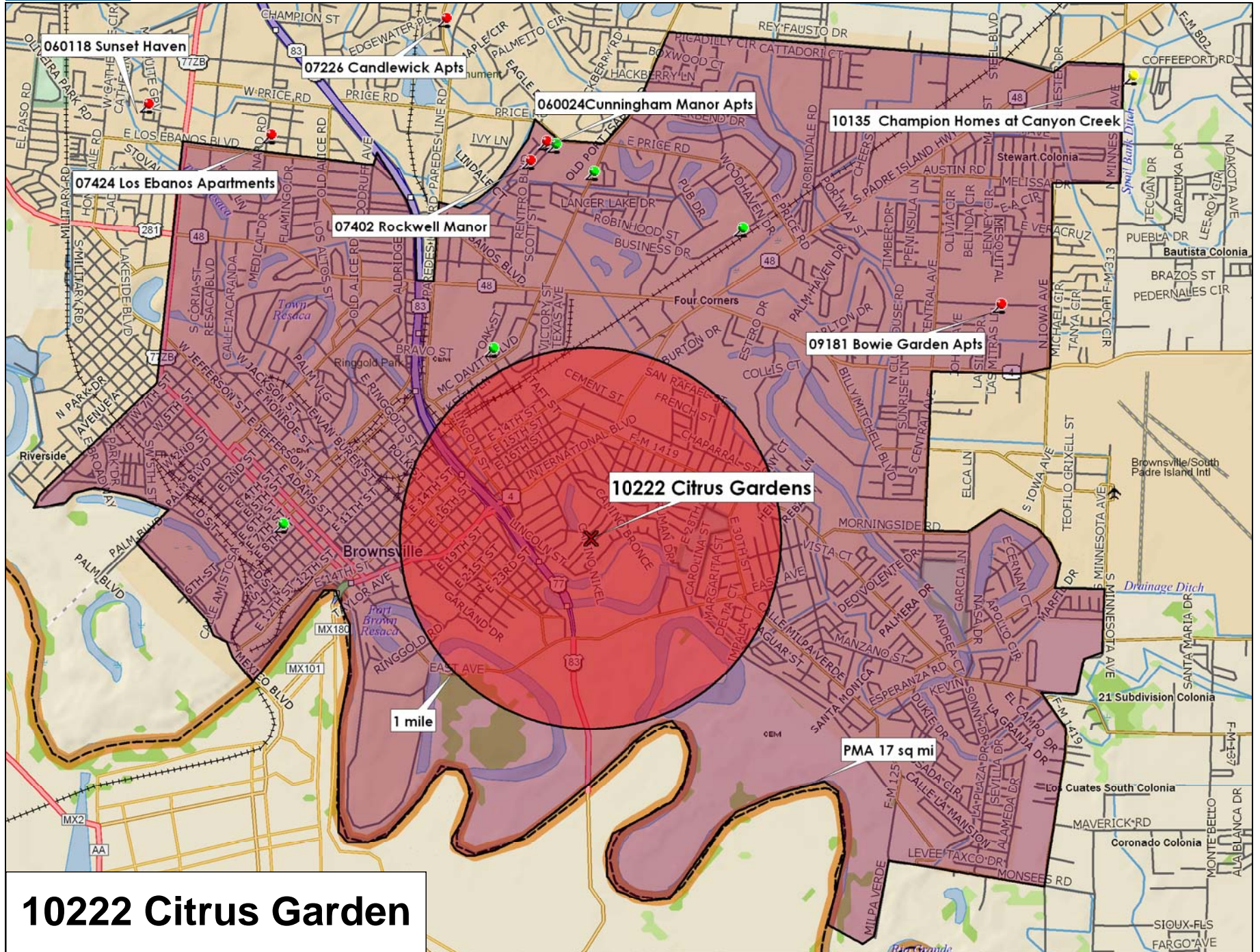
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,008,288	\$1,028,454	\$1,049,023	\$1,070,003	\$1,091,403	\$1,204,997	\$1,330,415	\$1,468,885	\$1,790,563
Secondary Income	17,760	18,115	18,478	18,847	19,224	21,225	23,434	25,873	31,539
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,026,048	1,046,569	1,067,500	1,088,850	1,110,627	1,226,222	1,353,849	1,494,758	1,822,102
Vacancy & Collection Loss	(76,956)	(78,493)	(80,063)	(81,664)	(83,297)	(91,967)	(101,539)	(112,107)	(136,658)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$949,092	\$968,076	\$987,438	\$1,007,187	\$1,027,330	\$1,134,256	\$1,252,310	\$1,382,651	\$1,685,444
EXPENSES at 3.00%									
General & Administrative	\$35,600	\$36,668	\$37,768	\$38,901	\$40,068	\$46,450	\$53,848	\$62,425	\$83,894
Management	47,455	48,403,9368	49,372	50,359	51,367	56,713	62,616	69,133	84,272
Payroll & Payroll Tax	139,178	143,353	147,654	152,083	156,646	181,595	210,519	244,049	327,981
Repairs & Maintenance	65,928	67,906	69,943	72,041	74,203	86,021	99,722	115,605	155,364
Utilities	24,000	24,720	25,462	26,225	27,012	31,315	36,302	42,084	56,558
Water, Sewer & Trash	70,800	72,924	75,112	77,365	79,686	92,378	107,091	124,148	166,845
Insurance	85,100	87,653	90,283	92,991	95,781	111,036	128,721	149,223	200,544
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	53,646	55,255	56,913	58,620	60,379	69,995	81,144	94,068	126,419
TDHCA Compliance Fee	5,920	6,098	6,281	6,469	6,663	7,724	8,955	10,381	13,951
Other	16,470	16,964	17,473	17,997	18,537	21,490	24,912	28,880	38,813
TOTAL EXPENSES	\$544,096	\$559,944	\$576,259	\$593,053	\$610,341	\$704,717	\$813,830	\$939,996	\$1,254,640
NET OPERATING INCOME	\$404,996	\$408,132	\$411,179	\$414,134	\$416,990	\$429,539	\$438,480	\$442,655	\$430,804
DEBT SERVICE									
First Lien Financing	\$337,482	\$337,482	\$337,482	\$337,482	\$337,482	\$337,482	\$337,482	\$337,482	\$337,482
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$67,514	\$70,650	\$73,697	\$76,652	\$79,508	\$92,057	\$100,998	\$105,173	\$93,322
DEBT COVERAGE RATIO	1.20	1.21	1.22	1.23	1.24	1.27	1.30	1.31	1.28

HTC ALLOCATION ANALYSIS -Citrus Gardens, Brownsville, 9% HTC #10222

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land				
Purchase of buildings				
Off-Site Improvements				
Sitework	\$2,305,384	\$2,305,384	\$2,305,384	\$2,305,384
Construction Hard Costs	\$7,967,500	\$7,725,481	\$7,967,500	\$7,725,481
Contractor Fees	\$1,438,204	\$1,438,204	\$1,438,204	\$1,438,204
Contingencies	\$513,644	\$513,644	\$513,644	\$513,644
Eligible Indirect Fees	\$800,100	\$800,100	\$800,100	\$800,100
Eligible Financing Fees	\$405,975	\$405,975	\$405,975	\$405,975
All Ineligible Costs	\$2,524,611	\$2,524,611		
Developer Fees				
Developer Fees	\$2,014,621	\$1,978,318	\$2,014,621	\$1,978,318
Development Reserves	\$667,284	\$617,284		
TOTAL DEVELOPMENT COSTS	\$18,637,323	\$18,309,001	\$15,445,428	\$15,167,106

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$15,445,428	\$15,167,106
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$20,079,056	\$19,717,238
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$20,079,056	\$19,717,238
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,807,115	\$1,774,551

Syndication Proceeds	0.6199	\$11,202,993	\$11,001,119
Total Tax Credits (Eligible Basis Method)		\$1,807,115	\$1,774,551
Syndication Proceeds		\$11,202,993	\$11,001,119
Requested Tax Credits		\$1,807,115	
Syndication Proceeds		\$11,202,993	
Gap of Syndication Proceeds Needed		\$11,732,483	
Total Tax Credits (Gap Method)		\$1,892,525	
Recommended Tax Credits		1,807,115	
Syndication Proceeds		\$11,202,993	



10222 Citrus Garden

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TN
 MN (4.6°E)
 Page 15 of 15

Scale 1 : 43,750
 1" = 3,645.8 ft
 Data Zoom 12-2



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Sunset Terrace Senior Village, TDHCA Number 10223

BASIC DEVELOPMENT INFORMATION

Site Address: 700 W. Egly Development #: 10223
 City: Pharr Region: 11 Population Served: Elderly
 County: Hidalgo Zip Code: 78577 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Sunset Terrace Senior Village, Ltd.
 Owner Contact and Phone: J. Fernando Lopez, (956) 783-1316
 Developer: Leslie Holleman & Associates, Inc (Co-Dev.)
 Housing General Contractor: Brownstone Construction, Ltd.
 Architect: Brownstone Architects & Planners, Inc
 Market Analyst: The Gerald A. Teel Company, Inc.
 Syndicator: Hudson Housing Capital
 Supportive Services: Better Texans, Inc
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	80
	12 0 28 40	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 80 0 0 0 0	Total Development Units:	80
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	1
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	22
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$837,980	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Sunset Terrace Senior Village, TDHCA Number 10223

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Lucio, District 27, S

Points: 7

US Representative: Hinojosa, District 15, NC

TX Representative: Flores, District 36, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Daniel King, Superintendent

Individuals and Businesses: In Support: 2

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Sunset Terrace Senior Village, TDHCA Number 10223

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **193** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

North MacGregor Arms, TDHCA Number 10225

BASIC DEVELOPMENT INFORMATION

Site Address: 3533 N. MacGregor Development #: 10225
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77004 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: NMA Rehab, Ltd.
 Owner Contact and Phone: Janet Miller, (713) 526-8999
 Developer: NMA 2010 Rehab, LLC
 Housing General Contractor: Milan, Inc.
 Architect: Dan Burbine Associates
 Market Analyst: The Gerald A. Teel Company, Inc.
 Syndicator: Evanston Financial
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	64
	4	0	29	31	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	16	24	24	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	64
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	8
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$690,966	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

North MacGregor Arms, TDHCA Number 10225

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, S Points: 7 US Representative: Jackson Lee, District 18, NC
TX Representative: Coleman, District 147, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 1 In Opposition: 0

Quantifiable Community Participation Input:

Macgregor Super Neighborhood Council #83, Tomaro Bell Letter Score: 24 S or O: S

The project will enhance the quality of life of its residents as well as supporting the uplifting of the community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

North MacGregor Arms, TDHCA Number 10225

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **190** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Red Oak Apts, TDHCA Number 10226

BASIC DEVELOPMENT INFORMATION

Site Address: 413 & 507 West Red Oak Rd. Development #: 10226
 City: Red Oak Region: 3 Population Served: General
 County: Ellis Zip Code: 75154 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: HPD Red Oak LP
 Owner Contact and Phone: Paul Patierno, (626) 698-6357
 Developer: Highland Property Development, LLC
 Housing General Contractor: Highland Property Construction, Inc
 Architect: Architettura, Inc.
 Market Analyst: N/A
 Syndicator: Boston Capital
 Supportive Services: Red Oak ISD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	116
	29 0 29 57	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	1
	0 40 76 0 0 0	Total Development Units:	116
Type of Building:		Total Development Cost*:	\$12,093,982
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	19
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	86
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	29
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,029,742	\$1,029,742			
HOME Activity Fund Amount:	\$1,150,000	\$1,150,000	30	18	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Red Oak Apts, TDHCA Number 10226

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22, S Points: 7 US Representative: Barton, District 6, NC
TX Representative: Pitts, District 10, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by cost certification, of final documentation that USDA-RD has approved the transfer price as proposed by the Applicant.
2. Receipt, review and acceptance by carryover of documentation of approval of a parity second lien.
3. Receipt, review, and acceptance, by cost certification, of documentation of USDA approval of a 14% overall increase in rents.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
5. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$850,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$850,000, as required by §50.9(i)(5) of the 2010 QAP.
6. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$300,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$300,000, as required by §50.9(i)(28) of the 2010 QAP.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Red Oak Apts, TDHCA Number 10226

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: 1

Total # Monitored: 1

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **203** Meeting a Required Set-Aside Credit Amount*: \$1,029,742

Recommendation: Competitive in USDA Allocation

HOME Activity Funds:

Loan Amount: \$1,150,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/14/10 PROGRAM: HTC 9%/HOME FILE NUMBER: 10226

DEVELOPMENT

Red Oak Apartments

Location: 413 & 507 West Red Oak Road Region: 3
 City: Red Oak County: Ellis Zip: 75154 OCT DDA
 Key Attributes: General, Acquisition/Rehabilitation, Rural, At-Risk/Preservation, USDA

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
HOME Activity Funds	\$1,150,000	0%	40/40	\$1,150,000	0.00%	30/18	Parity 2nd
Housing Tax Credit (Annual)	\$1,029,742			\$1,029,742			

CONDITIONS

- 1 Receipt, review, and acceptance, by cost certification, of final documentation that USDA-RD has approved the transfer price as proposed by the Applicant.
- 2 Receipt, review and acceptance by carryover of documentation of USDA approval of a parity second lien.
- 3 Receipt, review, and acceptance, by cost certification, of documentation of USDA approval of a 14% overall increase in rents.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	29
50% of AMI	50% of AMI	29
60% of AMI	60% of AMI	57

STRENGTHS/MITIGATING FACTORS

- USDA-RD rental assistance will be available for 41 of the 116 total units.

WEAKNESSES/RISKS

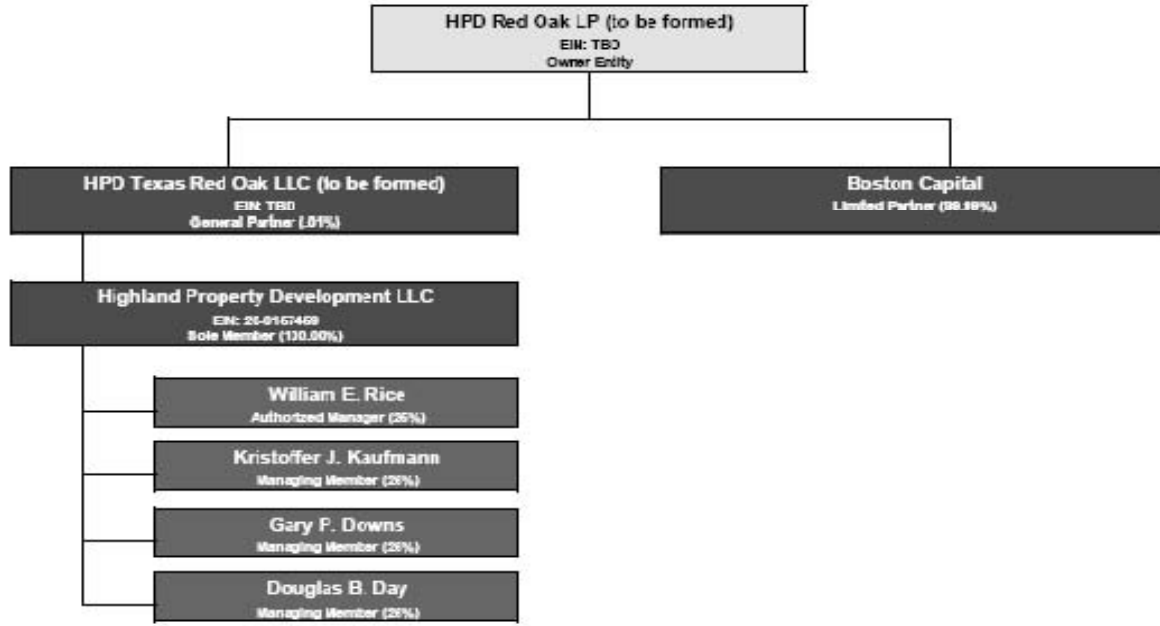
- Proposed rents are on average 2% higher than market rents.
- Applicant's and Underwriter's expense to income ratios are above 65%.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Paul Patierno Phone: (626) 698-6357 Fax: (626) 294-9270
Email: p.patierno@highlandcompanies.com

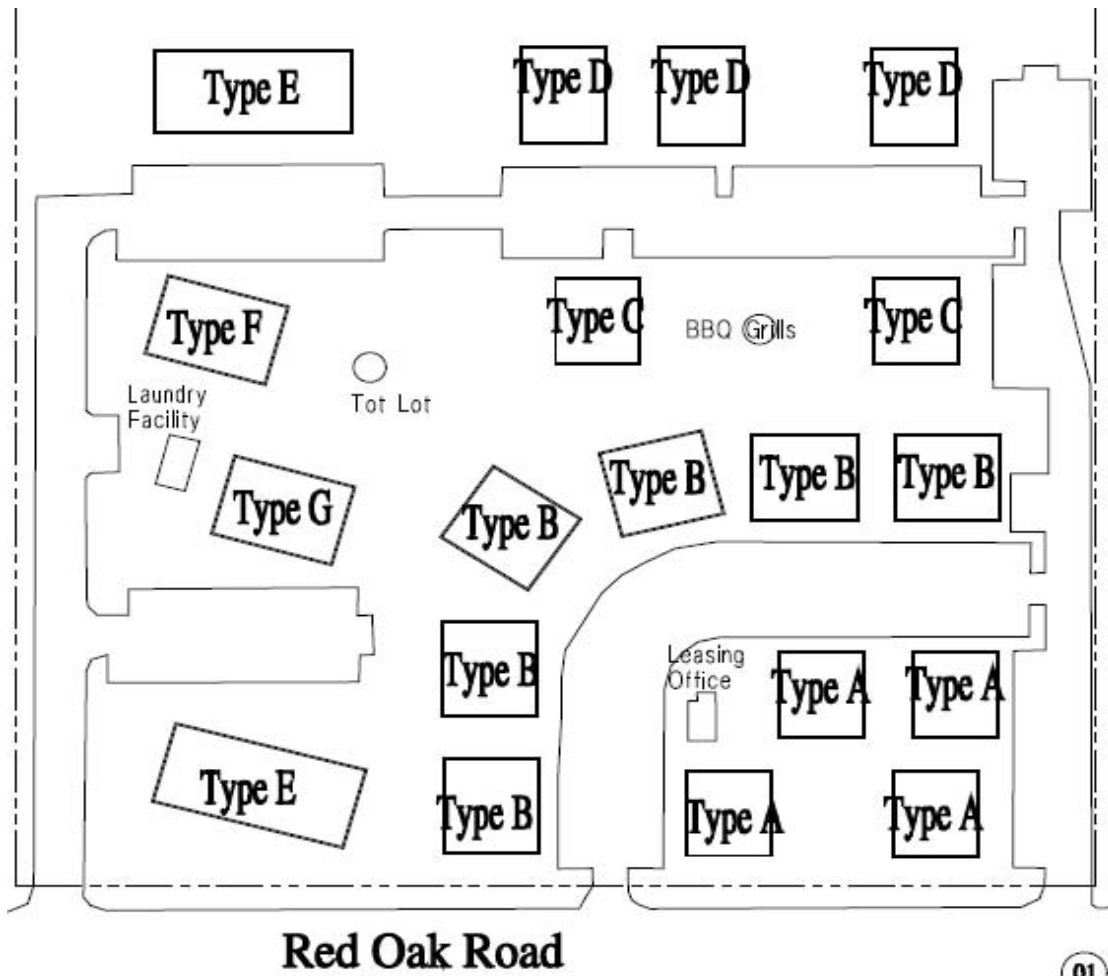
IDENTITIES of INTEREST

- The Applicant, Developer and General Contractor are related entities. These are common relationships for HTC-funded developments.

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PROPOSED SITE

SITE PLAN



Red Oak Road

01

BUILDING CONFIGURATION

Building Type	A	B	C	D	E	F	G					Total Buildings
Floors/Stories												
Number	4	6	2	3	2	1	1					19

BR/BA	SF	Units										Total Units	Total SF
Vermillion Square Phase I													
1	1	642	4									16	10,272
2	1	796		4								24	19,104
2	1	796										0	0
Vermillion Square Phase II													
1	1	638			8							16	10,208
2	1	774				8						24	18,576
Western Oaks													
1	1	638						8				8	5,104
2	1	774					10		8			28	21,672
Units per Building			4	4	8	8	10	8	8			116	84,936

SITE ISSUES

Total Size: 7.07 acres Scattered site? Yes No
 Flood Zone: Zone X Within 100-yr floodplain? Yes No
 Zoning: A-Apartments Needs to be re-zoned? Yes No N/A

TDHCA SITE INSPECTION

Inspector: Alexandra Gamble Date: 4/15/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable
 Surrounding Uses:
 North: Vacant East: N. Hillside St, residential & commercial
 South: Red Oak Rd, residential West: Vacant

HIGHLIGHTS of ENVIRONMENTAL REPORTS

The QAP specifies that "Developments whose funds have been obligated by TRDO-USDA (are) not required to supply (an environmental assessment); however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements."

MARKET ANALYSIS

Provider: Sherrill & Associates, Inc. Date: 2/9/2010
 Contact: Jerry Sherrill Phone: 817-557-1791
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): sq. miles 0 mile equivalent radius

"The subject is located in Red Oak, Ellis County, Texas which is located south of the City of Dallas at the intersection of IH-35E and FM 664. It is approximately 18 miles south of downtown Dallas, 34 miles southeast of downtown Fort Worth, 9 miles northwest of Waxahachie and 2 miles south of the Ellis County & Dallas County border. Ellis County had a population of 111,360 in the year 2000 and it had an estimated population of 148,186 in 2008 which is an increase of 33.19% over year 2000 while population has increased 16.7% statewide." (p. 10)

ELIGIBLE HOUSEHOLDS BY INCOME								
Ellis County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$13,029	\$14,200	---	---	\$21,703	\$23,650	\$26,057	\$28,380
2	\$13,029	\$16,250	---	---	\$21,703	\$27,050	\$26,057	\$32,460
3	\$15,634	\$18,250	---	---	\$26,057	\$30,400	\$31,269	\$36,480
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

Primary Market Occupancy Rates:

"Current vacancies in the area range from 1% to 15%, on properties that are well managed and maintained." (p. 61) The Applicant's rent roll indicates the subject is currently 88% occupied (14 vacancies out of a total of 116 units).

Comments:

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market rents.

Capture rate limits do not apply to existing Affordable Housing that is at least 80% occupied and that provides a leasing preference to existing tenants. The Applicant has provided a rent roll indicating the property is currently 88% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 3 Date of Last Applicant Revision: 7/9/2010

The Applicant's rent projections are based on an anticipated increase to contract rents as described in the existing USDA-RD Rental Assistance agreements. The terms of the Rental Assistance agreement include only 41 of the 116 total units. The proposed contract rents are less than current HOME rent limits as well as the Housing Tax Credit program rent limits for the units restricted to 50% and 60% AMI; however, the proposed contract rents are \$20 to \$105 higher than current approved USDA-RD rents. If the development were able to achieve the maximum HTC program rents, an additional \$166K in income would be available. Conversely if the proposed rent increases are not approved, a loss of \$64K in income (9%) would result. An increase of at least 14% on average is necessary in order to maintain a minimum DCR of 1.15.

The underwriting analysis assumes the development will be restricted to the proposed USDA-RD contract rents, and recommendations of this report are conditioned upon documentation of USDA's approval of the proposed increase.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines, and effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 7/9/2010

The Applicant's total annual operating expense projection at \$4,111 per unit is within 5% of the Underwriter's estimate of \$4,181, derived from actual operating history of the development, the TDHCA database and other third party sources. Of note, the Applicant's general and administrative, utilities, and water, sewer, trash expense estimates are 35%, 26% & 12% lower than the Underwriter's respectively; however, the Underwriter's estimates are based on actual operating expenses for the three projects, and is therefore considered reasonable. Moreover, the Applicant's estimate of payroll is 21% lower than the Underwriter's estimate based on the TDHCA database.

The Underwriter chose to utilize the database figure for payroll since the actual expenses appeared to be extremely low, even for a project that would be sharing staff. Also of note, the Applicant's estimate of repairs and maintenance is 14% higher than the Underwriter's estimate; however, it is consistent with the database and is therefore considered reasonable. The Applicant's property tax estimate is 44% higher than the Underwriter's estimate; however, the Underwriter's estimate is utilizes an 8.5% cap rate and is based on NOI.

Conclusion:

The Applicant's estimate of effective gross income, total expenses and net operating income are within 5%; therefore, the Applicant's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). The proposed permanent financing structure results in an initial year's debt coverage ratio of 1.29 which falls within the Department's guidelines.

The Applicant's expense to income ratio of 68.69% and the Underwriter's ratio of 69.91% are both above the Department's 65% maximum; however the development can be considered acceptable pursuant to Section 1.32(i)(6)(B)(vi) of the 2010 Real Estate Analysis Rules because the units not receiving USDA-RD rental assistance do not propose rents that are less than the proposed USDA-RD rental assistance contract rents. Additionally, the risk associated with having a high expense to income ratio is mitigated because the development will have USDA Rural Development subsidies for 41 of the units.

This section intentionally left blank.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that meets the Department's guidelines. As previously mentioned, the development qualifies for an exception to the expense to income ratio limitation; therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: <u>Sherrill & Associates</u>	Date: <u>2/9/2010</u>
Number of Revisions: <u>None</u>	Date of Last Applicant Revision: <u>N/A</u>
Land Only: <u>7.07 acres</u>	<u>\$141,500</u> As of: <u>2/9/2010</u>
Existing Buildings: (as-is)	<u>\$1,767,500</u> As of: <u>2/9/2010</u>
Total Development: (as-is)	<u>\$1,909,000</u> As of: <u>2/9/2010</u>

ASSESSED VALUE

Land Only: <u>7.07 acres</u>	<u>\$307,970</u>	Tax Year: <u>2009</u>
Existing Buildings:	<u>\$1,416,620</u>	Valuation by: <u>Ellis CAD</u>
Total Assessed Value:	<u>\$1,724,590</u>	Tax Rate: <u>2.598599</u>

EVIDENCE of PROPERTY CONTROL

Type: <u>Purchase Option</u>	Acreage: <u>7.07</u>
Contract Expiration: <u>12/1/2010</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$3,650,000</u>	Other: _____
Seller: <u>Rogers and Rogers Investments, Vermillion Square Apartments, Ltd., and Western Apartments, Ltd.</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 5/24/2010

Acquisition Value:

The Applicant has provided a contract for the purchase of the subject for \$516,266 or \$31K per unit. The Seller is not related to the buyer; however, the transfer must be approved by USDA-RD. History suggests that an acceptable transfer price is approximately the outstanding balance on the USDA 515 loans plus any exit taxes and original equity in the property. However, although the current purchase price exceeds this amount, the Applicant has provided a letter from USDA preliminarily accepting the proposed price. Furthermore, the Applicant asserts that the aforementioned process for determining purchase price is generally applied by USDA for "properties that are still situated in truly rural areas, whose values may be less than the USDA debt. In the case of the Red Oak Properties, I believe these properties were evaluated in more of a real estate perspective due to the City of Red Oak's proximity to Dallas...and also the growth of the City of Red Oak and surrounding corridors..." Receipt, review, and acceptance, by cost certification, of final documentation that USDA-RD has approved the transfer price as proposed by the Applicant is a condition of this report.

The Applicant has estimated eligible building basis of \$3,285,000 or 90% of the total acquisition price. The Underwriter has used a higher building eligible basis pursuant to the methodology for determining land value as outlined in the REA rules.

Sitework Cost:

The Applicant has estimated sitework costs of \$8,322 per unit, is slightly higher than the estimate (\$7,829/unit) in the proposed work write-up/Property Condition Assessment (PCA). This is an unusually high amount for a rehabilitation on a site that has been previously developed; however, although not required, the Applicant provided a third party certification through a detailed certified cost estimate by an architect to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac, to preliminarily opine that all of the total \$965,313 will be considered eligible. The underwriting analysis will reflect the estimate provided in the PCA.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$57K or 1% lower than the estimate provided in the Capital Needs Assessment (CNA). The underwriting analysis will reflect the CNA value.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in an eligible QCT with less than 40% HTC units per households in the tract and it is located in a rural area.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$11,502,666 supports annual tax credits of \$1,030,893. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: TDHCA HOME Type: Permanent Financing

Principal: \$1,150,000 Interest Rate: 0.0% Fixed Amort: 480 months

Comments:

The Applicant has requested this interim-to-permanent HOME loan that will be in a third lien position. The permanent component is requested to have an 40 year term and amortization; however, the Underwriter has recommended an 18 year term and 30 year amortization consistent with the first lien.

Source: USDA - RD Type: Permanent Financing

Principal: \$1,833,897 Interest Rate: 1.0% Fixed Amort: 360 months

Comments:

Interest rate: 9% & 8.5%, subsidized to 1%. The original balance for all three loans totaled \$2,441,150, with a current balance projected by the Applicant of \$1,833,897 (balance as of June 23, 2010 of \$1,859,441).

Source: Boston Capital Finance LLC Type: Interim to Permanent Financing

Interim: \$4,100,000 Interest Rate: 6.75% Fixed Term: 24 months

Permanent: \$1,195,000 Interest Rate: 6.75% Fixed Amort: 360 months

Comments:

Both the interim & permanent rate index is 10 Year Treasury + 345 bps, with a 6.75% floor. The term on the permanent loan will be 18 years from the date of conversion.

Source:	<u>Boston Capital Finance LLC</u>	Type:	<u>Syndication</u>
Proceeds:	<u>\$7,310,437</u>	Syndication Rate:	<u>71%</u>
		Anticipated HTC:	<u>\$ 1,029,742</u>
Amount:	<u>\$604,648</u>	Type:	<u>Deferred Developer Fees</u>

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of \$1,195,000, \$1,833,897 USDA loan and requested \$1,150,000 HOME loan indicates the need for \$1,114,912 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$7,915,085 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,030,893
Allocation determined by gap in financing:	\$1,114,912
Allocation requested by the Applicant:	\$1,029,742

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$1,029,742 per year for 10 years results in total equity proceeds of \$7,310,437 at a syndication rate of \$0.71 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$604,648 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	<u>Diamond Unique Thompson</u>	Date:	<u>July 14, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>July 14, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 14, 2010</u>

UNIT MIX/RENT SCHEDULE

Red Oak Apartments, Red Oak, HTC 9%/HOME #10226

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Red Oak	# Beds	# Units	% Total	PROGRAMS:		USDA		HOME			DEVELOPMENT ACTIVITY:	Acq/Rehab	
COUNTY:	Ellis	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	40	34.5%	USDA - VP1		\$395	\$455				EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	3	2	76	65.5%	USDA - VP2		\$445	\$525				HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:		3			USDA - WO		\$430	\$510				APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4			LH	\$591	\$633	\$760	\$878	\$980	29	APP % - ACQUISITION:	3.50%	
		TOTAL	116	100.0%	HH	\$671	\$744	\$905	\$1,109	\$1,218	86	APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION		PROGRAM RENT LIMITS				APPLICANT RENTS				TDHCA RENTS				OTHER UNIT DESIGNATION	MARKET RENTS				
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	USDA	Market Rent	TDHCA Savings to Market
TC 30%	HH / 60% Income / RA	4	1	1	642	\$380	\$100	\$280	\$185	\$0.72	\$465	\$1,860	\$1,860	\$465	\$0.72	\$185	\$395	\$470	\$5
TC 50%	LH / 50% Income	4	1	1	642	\$633	\$100	\$533	(\$68)	\$0.72	\$465	\$1,860	\$1,860	\$465	\$0.72	(\$68)	\$395	\$470	\$5
TC 60%	HH / 60% Income	8	1	1	642	\$760	\$100	\$660	(\$195)	\$0.72	\$465	\$3,720	\$3,720	\$465	\$0.72	(\$195)	\$395	\$470	\$5
TC 30%	HH / 60% Income / RA	6	2	1	796	\$456	\$149	\$307	\$253	\$0.70	\$560	\$3,360	\$3,360	\$560	\$0.70	\$253	\$455	\$555	(\$5)
TC 50%	LH / 50% Income / RA	3	2	1	796	\$760	\$149	\$611	(\$51)	\$0.70	\$560	\$1,680	\$1,680	\$560	\$0.70	(\$51)	\$455	\$555	(\$5)
TC 50%	LH / 50% Income / RA	3	2	1	796	\$760	\$149	\$611	(\$51)	\$0.70	\$560	\$1,680	\$1,680	\$560	\$0.70	(\$51)	\$455	\$555	(\$5)
TC 60%	HH / 60% Income	12	2	1	796	\$912	\$149	\$763	(\$203)	\$0.70	\$560	\$6,720	\$6,720	\$560	\$0.70	(\$203)	\$455	\$555	(\$5)
TC 30%	HH / 60% Income / RA	4	1	1	638	\$380	\$89	\$291	\$174	\$0.73	\$465	\$1,860	\$1,860	\$465	\$0.73	\$174	\$445	\$460	(\$5)
TC 50%	LH / 50% Income / RA	4	1	1	638	\$633	\$89	\$544	(\$79)	\$0.73	\$465	\$1,860	\$1,860	\$465	\$0.73	(\$79)	\$445	\$460	(\$5)
TC 60%	HH / 60% Income	8	1	1	638	\$760	\$89	\$671	(\$206)	\$0.73	\$465	\$3,720	\$3,720	\$465	\$0.73	(\$206)	\$445	\$460	(\$5)
TC 30%	HH / 60% Income / RA	6	2	1	774	\$456	\$112	\$344	\$216	\$0.72	\$560	\$3,360	\$3,360	\$560	\$0.72	\$216	\$525	\$515	(\$45)
TC 50%	LH / 50% Income / RA	2	2	1	774	\$760	\$112	\$648	(\$88)	\$0.72	\$560	\$1,120	\$1,120	\$560	\$0.72	(\$88)	\$525	\$515	(\$45)
TC 50%	LH / 50% Income	4	2	1	774	\$760	\$112	\$648	(\$88)	\$0.72	\$560	\$2,240	\$2,240	\$560	\$0.72	(\$88)	\$525	\$515	(\$45)
TC 60%	HH / 60% Income	12	2	1	774	\$912	\$112	\$800	(\$240)	\$0.72	\$560	\$6,720	\$6,720	\$560	\$0.72	(\$240)	\$525	\$515	(\$45)
TC 30%	HH / 60% Income / RA	2	1	1	638	\$380	\$82	\$298	\$167	\$0.73	\$465	\$930	\$930	\$465	\$0.73	\$167	\$430	\$510	\$45
TC 50%	LH / 50% Income	2	1	1	638	\$633	\$82	\$551	(\$86)	\$0.73	\$465	\$930	\$930	\$465	\$0.73	(\$86)	\$430	\$510	\$45
TC 60%	HH / 60% Income	4	1	1	638	\$760	\$82	\$678	(\$213)	\$0.73	\$465	\$1,860	\$1,860	\$465	\$0.73	(\$213)	\$430	\$510	\$45
TC 30%	HH / 60% Income / RA	7	2	1	774	\$456	\$107	\$349	\$211	\$0.72	\$560	\$3,920	\$3,920	\$560	\$0.72	\$211	\$510	\$530	(\$30)
TC 50%	LH / 50% Income	7	2	1	774	\$760	\$107	\$653	(\$93)	\$0.72	\$560	\$3,920	\$3,920	\$560	\$0.72	(\$93)	\$510	\$530	(\$30)
TC 60%	HH / 60% Income	13	2	1	774	\$912	\$107	\$805	(\$245)	\$0.72	\$560	\$7,280	\$7,280	\$560	\$0.72	(\$245)	\$510	\$530	(\$30)
EO	EO	1	2	1	774		\$107			\$0.00	\$0	\$0	\$0	\$560	\$0.72	NA		\$530	(\$30)
TOTAL:		116				84,936						\$60,600	\$60,600						
AVG:						732				(\$75)	\$0.71	\$522		\$522	\$0.72	(\$75)	\$467	\$513	\$10
ANNUAL:												\$727,200	\$727,200						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Red Oak Apartments, Red Oak, HTC 9%/HOME #10226

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$727,200	\$727,200			
Secondary Income	Per Unit Per Month:	\$16.66		23,196	23,196	\$16.66	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$750,396	\$750,396			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(56,280)	(56,280)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$694,116	\$694,116			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.80%	\$287	0.39	\$33,307	\$22,200	\$0.26	\$191	3.20%
Management	8.13%	\$487	0.66	56,455	55,680	0.66	480	8.02%
Payroll & Payroll Tax	14.26%	\$853	1.17	98,983	78,500	0.92	677	11.31%
Repairs & Maintenance	8.76%	\$524	0.72	60,784	69,000	0.81	595	9.94%
Utilities	2.55%	\$152	0.21	17,679	13,000	0.15	112	1.87%
Water, Sewer, & Trash	13.16%	\$788	1.08	91,373	80,000	0.94	690	11.53%
Property Insurance	3.26%	\$195	0.27	22,646	28,000	0.33	241	4.03%
Property Tax 2.598599	9.16%	\$548	0.75	63,603	90,000	1.06	776	12.97%
Reserve for Replacements	5.01%	\$300	0.41	34,800	34,800	0.41	300	5.01%
TDHCA Compliance Fees	0.66%	\$40	0.05	4,600	4,640	0.05	40	0.67%
Other: After school tutoring	0.14%	\$9	0.01	1,000	1,000	0.01	9	0.14%
TOTAL EXPENSES	69.91%	\$4,183	\$5.71	\$485,231	\$476,820	\$5.61	\$4,111	68.69%
NET OPERATING INC	30.09%	\$1,801	\$2.46	\$208,885	\$217,296	\$2.56	\$1,873	31.31%

DEBT SERVICE

Boston Capital Finance LLC	\$93,009	\$93,009
USDA - RD	\$46,623	\$46,623
TDHCA HOME	\$28,750	\$28,750
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	168,382	168,382
NET CASH FLOW	\$40,503	\$48,914
AGGREGATE DEBT COVERAGE RATIO	1.24	1.29
RECOMMENDED DEBT COVERAGE RATIO		1.22

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		30.18%	\$31,466	\$42.97	\$3,650,000	\$3,650,000	\$42.97	\$31,466	30.18%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		7.51%	\$7,829	\$10.69	908,197	965,313	11.37	8,322	7.98%
Direct Construction		33.73%	\$35,171	\$48.03	4,079,803	4,022,687	47.36	34,678	33.26%
Contingency	10.00%	4.12%	\$4,300	\$5.87	498,800	498,800	5.87	4,300	4.12%
Contractor's Fees	12.73%	5.77%	\$6,020	\$8.22	698,320	698,320	8.22	6,020	5.77%
Indirect Construction		2.58%	\$2,693	\$3.68	312,410	312,410	3.68	2,693	2.58%
Ineligible Costs		0.80%	\$836	\$1.14	96,946	96,946	1.14	836	0.80%
Developer's Fees	14.91%	12.34%	\$12,870	\$17.58	1,492,909	1,492,909	17.58	12,870	12.34%
Interim Financing		1.41%	\$1,467	\$2.00	170,197	170,197	2.00	1,467	1.41%
Reserves		1.54%	\$1,607	\$2.19	186,400	186,400	2.19	1,607	1.54%
TOTAL COST		100.00%	\$104,258.47	\$142.39	\$12,093,982	\$12,093,982	\$142.39	\$104,258	100.00%
Construction Cost Recap		51.14%	\$53,320	\$72.82	\$6,185,120	\$6,185,120	\$72.82	\$53,320	51.14%

SOURCES OF FUNDS

					RECOMMENDED	
Boston Capital Finance LLC	9.88%	\$10,302	\$14.07	\$1,195,000	\$1,195,000	\$1,195,000
USDA - RD	15.16%	\$15,809	\$21.59	1,833,897	1,833,897	1,833,897
TDHCA HOME	9.51%	\$9,914	\$13.54	1,150,000	1,150,000	1,150,000
Boston Capital Finance LLC	60.45%	\$63,021	\$86.07	7,310,437	7,310,437	7,310,437
Deferred Developer Fees	5.00%	\$5,212	\$7.12	604,648	604,648	604,648
Additional (Excess) Funds Req'd	0.00%	\$0	\$0.00	0	0	0
TOTAL SOURCES				\$12,093,982	\$12,093,982	\$12,093,982
						\$1,113,513

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Red Oak Apartments, Red Oak, HTC 9%/HOME #10226

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			1.33	113,248
Floor Cover			2.41	204,696
Breezeways	\$23.05	0	0.00	0
Balconies	#DIV/0!	0	#DIV/0!	#DIV/0!
Plumbing Fixtures		(590)	0.00	0
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	116	2.53	214,600
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	157,132
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.25	84,936	2.25	191,106
SUBTOTAL			#DIV/0!	#DIV/0!
Current Cost Multiplier	0.99		#DIV/0!	#DIV/0!
Local Multiplier			#DIV/0!	#DIV/0!
TOTAL DIRECT CONSTRUCTION COSTS				
Plans, specs, survy, bld perm	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interest	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
NET DIRECT CONSTRUCTION COSTS				

PROPOSED PAYMENT COMPUTATION

Boston Capital Fin	\$1,195,000	Amort	360
Int Rate	6.75%	DCR	2.25

USDA - RD	\$1,833,897	Amort	600
Int Rate	1.00%	Subtotal DCR	1.50

TDHCA HOME	\$1,150,000	Amort	480
Int Rate	0.00%	Aggregate DCR	1.24

Additional Financ	\$0	Amort	
Int Rate		Subtotal DCR	1.24

Additional Financ	\$0	Amort	
Int Rate		Aggregate DCR	1.24

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Boston Capital Finance LLC	\$93,009
USDA - RD	46,623
TDHCA HOME	38,333
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$177,966

Boston Capital Fin	\$1,195,000	Amort	360
Int Rate	6.75%	DCR	2.34

USDA - RD	\$1,833,897	Amort	600
Int Rate	1.00%	Subtotal DCR	1.56

TDHCA HOME	\$1,150,000	Amort	360
Int Rate	0.00%	Aggregate DCR	1.22

Additional Financ	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.22

Additional Financ	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.22

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

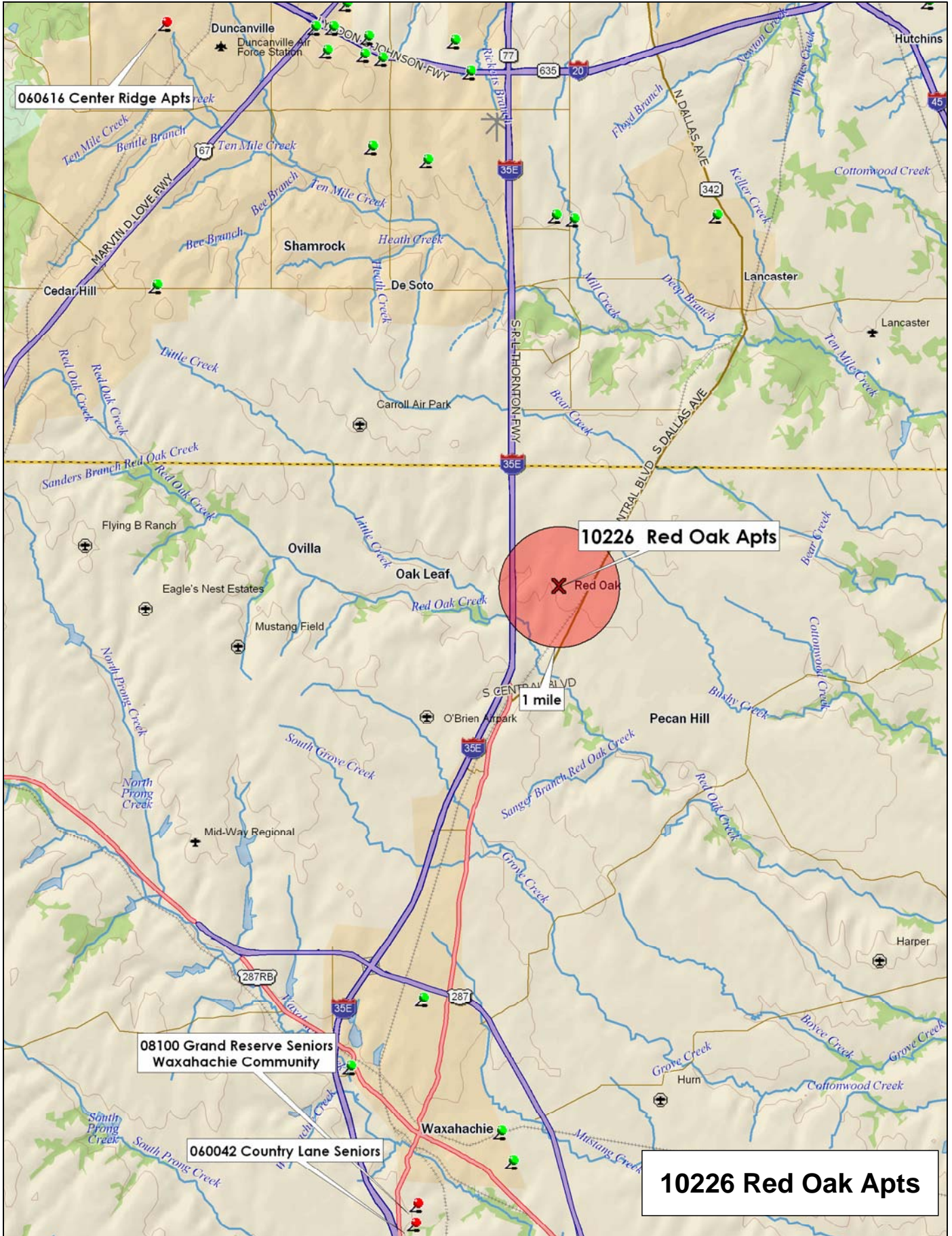
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$727,200	\$741,744	\$756,579	\$771,710	\$787,145	\$869,071	\$959,525	\$1,059,393	\$1,291,394
Secondary Income	23,196	23,660	24,133	24,616	25,108	27,721	30,607	33,792	41,192
Other Support Income: RA > Ne	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	750,396	765,404	780,712	796,326	812,253	896,793	990,132	1,093,185	1,332,587
Vacancy & Collection Loss	(56,280)	(57,405)	(58,553)	(59,724)	(60,919)	(67,259)	(74,260)	(81,989)	(99,944)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$694,116	\$707,999	\$722,159	\$736,602	\$751,334	\$829,533	\$915,872	\$1,011,196	\$1,232,643
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$22,200	\$22,866	\$23,552	\$24,259	\$24,986	\$28,966	\$33,579	\$38,928	\$52,316
Management	55,680	56,793.6245	57,929	59,088	60,270	66,543	73,469	81,115	98,879
Payroll & Payroll Tax	78,500	80,855	83,281	85,779	88,352	102,425	118,738	137,650	184,990
Repairs & Maintenance	69,000	71,070	73,202	75,398	77,660	90,029	104,369	120,992	162,603
Utilities	13,000	13,390	13,792	14,205	14,632	16,962	19,664	22,796	30,635
Water, Sewer & Trash	80,000	82,400	84,872	87,418	90,041	104,382	121,007	140,280	188,525
Insurance	28,000	28,840	29,705	30,596	31,514	36,534	42,353	49,098	65,984
Property Tax	90,000	92,700	95,481	98,345	101,296	117,430	136,133	157,816	212,091
Reserve for Replacements	34,800	35,844	36,919	38,027	39,168	45,406	52,638	61,022	82,008
TDHCA Compliance Fee	4,640	4,779	4,923	5,070	5,222	6,054	7,018	8,136	10,934
Other	1,000	1,030	1,061	1,093	1,126	1,305	1,513	1,754	2,357
TOTAL EXPENSES	\$476,820	\$490,568	\$504,717	\$519,279	\$534,267	\$616,035	\$710,481	\$819,587	\$1,091,323
NET OPERATING INCOME	\$217,296	\$217,431	\$217,442	\$217,323	\$217,067	\$213,498	\$205,391	\$191,610	\$141,320
DEBT SERVICE									
First Lien Financing	\$93,009	\$93,009	\$93,009	\$93,009	\$93,009	\$93,009	\$93,009	\$93,009	\$93,009
Second Lien	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623	46,623
Other Financing	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$39,330	\$39,465	\$39,476	\$39,357	\$39,102	\$35,533	\$27,425	\$13,644	(\$36,646)
DEBT COVERAGE RATIO	1.22	1.22	1.22	1.22	1.22	1.20	1.15	1.08	0.79

HTC ALLOCATION ANALYSIS -Red Oak Apartments, Red Oak, HTC 9%/HOME #10226

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$365,000	\$307,970				
Purchase of buildings	\$3,285,000	\$3,342,030	\$3,285,000	\$3,342,030		
Off-Site Improvements						
Sitework	\$965,313	\$908,197			\$965,313	\$908,197
Construction Hard Costs	\$4,022,687	\$4,079,803			\$4,022,687	\$4,079,803
Contractor Fees	\$698,320	\$698,320			\$698,320	\$698,320
Contingencies	\$498,800	\$498,800			\$498,800	\$498,800
Eligible Indirect Fees	\$312,410	\$312,410			\$312,410	\$312,410
Eligible Financing Fees	\$170,197	\$170,197			\$170,197	\$170,197
All Ineligible Costs	\$96,946	\$96,946				
Developer Fees						
Developer Fees	\$1,492,909	\$1,492,909	\$492,750	\$498,448	\$1,000,159	\$994,461
Development Reserves	\$186,400	\$186,400				
TOTAL DEVELOPMENT COSTS	\$12,093,982	\$12,093,982	\$3,777,750	\$3,840,478	\$7,667,886	\$7,662,188

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$3,777,750	\$3,840,478	\$7,667,886	\$7,662,188
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$3,777,750	\$3,840,478	\$9,968,252	\$9,960,844
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$3,777,750	\$3,840,478	\$9,968,252	\$9,960,844
Applicable Percentage			3.50%	3.50%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$132,221	\$134,417	\$897,143	\$896,476

Syndication Proceeds	0.7099	\$938,677	\$954,263	\$6,369,076	\$6,364,343
Total Tax Credits (Eligible Basis Method)				\$1,029,364	\$1,030,893
Syndication Proceeds				\$7,307,753	\$7,318,606
Requested Tax Credits				\$1,029,742	
Syndication Proceeds				\$7,310,437	
Gap of Syndication Proceeds Needed				\$7,915,085	\$7,915,085
Total Tax Credits (Gap Method)				\$1,114,912	\$1,114,912
Recommended Tax Credits				1,029,742	
Syndication Proceeds				\$7,310,437	





MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tarrington Court Apts, TDHCA Number 10227

BASIC DEVELOPMENT INFORMATION

Site Address: Approx. 1/2 mile NEC of I-45 and S. Sam Houston Pkwy. E. on t Development #: 10227
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77034 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Tarrington Court Apartments, LP
 Owner Contact and Phone: J. Steve Ford, (713) 334-5514
 Developer: Tarrington Court Developers, LLC
 Housing General Contractor: Tarrington Court Contractors, LLC
 Architect: Mucasey & Associates, AIA
 Market Analyst: O'Connor & Associates
 Syndicator: TBD
 Supportive Services: Texas Inter-Faith Housing Corporation
 Consultant and Contact: LBK, Ltd., Lily Kavthekar

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	153
	8	0	69	76	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	89	64	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	153
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	16
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,990,250	\$1,990,250			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tarrington Court Apts, TDHCA Number 10227

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Jackson, District 11, S Points: 7 US Representative: Olson, District 22, NC
TX Representative: Legler, District 144, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
O, Kirk Lewis, Pasadena I.S.D

Individuals and Businesses: In Support: 0 In Opposition: 154

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the Houston Housing Finance Corporation for funding in the amount of \$500,000, or a commitment from a qualifying substitute source in an amount not less than \$500,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Tarrington Court Apts, TDHCA Number 10227

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **207** Meeting a Required Set-Aside Credit Amount*: \$1,990,250

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Wintersprings Apts, TDHCA Number 10228

BASIC DEVELOPMENT INFORMATION

Site Address: Approx. 6000 Block of Atascocita Rd. Development #: 10228
 City: Humble Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77346 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Wintersprings Apartments, L.P.
 Owner Contact and Phone: J. Steve Ford, (713) 334-5514
 Developer: Wintersprings Developers, L.L.C.
 Housing General Contractor: Wintersprings Contractors, L.L.C.
 Architect: Mucasey & Associates, AIA
 Market Analyst: O'Connor & Associates
 Syndicator: N/A
 Supportive Services: Texas Inter-Faith Housing Corp
 Consultant and Contact: Lily Kavthekar, Lily Kavthekar

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	156
	8 0 70 78	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 104 52 0 0 0	Total Development Units:	156
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	21
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,998,701	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Wintersprings Apts, TDHCA Number 10228

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15, NC

Points: 0

US Representative: Poe, District 2, NC

TX Representative: Crabb, District 127, NC

Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Newland Communities, S, Ted Nelson,

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Wintersprings Apts, TDHCA Number 10228

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **173** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended due to \$2 million cap violation.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Hannover Park, TDHCA Number 10229

BASIC DEVELOPMENT INFORMATION

Site Address: Approx. 2828 FM 2920 Development #: 10229
 City: Spring Region: 6 Population Served: Intg
 County: Harris Zip Code: 77388 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Hannover Park Ltd
 Owner Contact and Phone: Paula Burns, (713) 669-4547
 Developer: Burchfield Development Group L.P.
 Housing General Contractor: Watermark Construction, L.L.C.
 Architect: Mucasey and Associates
 Market Analyst: O'Conner & Associates
 Syndicator: Raymond James
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	142	
	8	0	63	71	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	52	36	0	54	0	
Type of Building:						Total Development Units:	142
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence					Number of Residential Buildings:	59
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Hannover Park, TDHCA Number 10229

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Patrick, District 7, O

Points: -7 US Representative: Poe, District 2, O

TX Representative: Riddle, District 150, O

Points: -7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 3

In Opposition: 613

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Hannover Park, TDHCA Number 10229

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **175** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen Residences-3800 Willow, TDHCA Number 10232

BASIC DEVELOPMENT INFORMATION

Site Address: 3800 Willow Development #: 10232
 City: Dallas Region: 3 Population Served: General
 County: Dallas Zip Code: 75226 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: SRO
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: EVERgreen Residential, Ltd
 Owner Contact and Phone: Graham Greene, (214) 954-0430
 Developer: UNDERmain Corporation
 Housing General Contractor: W.B. Kibler Construction Co., Ltd
 Architect: Oglesby Greene, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: N/A
 Supportive Services: First Presbyterian Church -Stewpot
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	100
	100 0	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	100 0 0 0 0 0	Total Development Units:	100
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	1
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,151,210	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen Residences-3800 Willow, TDHCA Number 10232

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, NC

Points: 0 US Representative: Johnson, District 30, NC

TX Representative: Branch, District 108, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 4

In Opposition: 54

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Evergreen Residences-3800 Willow, TDHCA Number 10232

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Kleberg Commons, TDHCA Number 10233

BASIC DEVELOPMENT INFORMATION

Site Address: 12700 Kleberg Rd. Development #: 10233
 City: Dallas Region: 3 Population Served: Elderly
 County: Dallas Zip Code: 75253 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Kleberg Leased Housing, LP
 Owner Contact and Phone: Dale Lancaster, 6017078715
 Developer: Arrington Developers, L.L.C.
 Housing General Contractor: Quad States Construction, L.L.C.
 Architect: Ikemire Architects
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Alliant Capital, LTD
 Supportive Services: TBD
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	200
	30 0 70 100	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 100 100 0 0 0	Total Development Units:	200
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	50
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Kleberg Commons, TDHCA Number 10233

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, S Points: 14 US Representative: Johnson, District 30, NC
TX Representative: Mallory Caraway, District 110, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Kleberg Commons, TDHCA Number 10233

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **203** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Villas of Giddings, TDHCA Number 10235

BASIC DEVELOPMENT INFORMATION

Site Address: 40 lots in the Rolling Oaks subdivision Development #: 10235
 City: Giddings Region: 7 Population Served: General
 County: Lee Zip Code: 78942 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: GS Old Denton Housing, LP
 Owner Contact and Phone: Jeffrey S. Spicer, (214) 346-0707
 Developer: State Street Housing Development, LP
 Housing General Contractor: GS Housing Construction, LP
 Architect: BGO Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: RBC Capital markets
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	36	
	2	0	16	17	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	0	28	8	0	
Type of Building:						Total Development Units:	36
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence					Number of Residential Buildings:	36
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	17
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	5

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$751,056	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Villas of Giddings, TDHCA Number 10235

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, NC

Points: 0

US Representative: McCaul, District 10, NC

TX Representative: Kleinschmidt, District 17, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0

Rotary Club of Giddings, S, Jonathan Noack, Secretary

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Villas of Giddings, TDHCA Number 10235

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **192** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Viking Road Apts, TDHCA Number 10236

BASIC DEVELOPMENT INFORMATION

Site Address: Intersection of Viking Rd. and Ventura Rd. Development #: 10236
 City: Amarillo Region: 1 Population Served: General
 County: Randall Zip Code: 79119 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Amarillo Viking Road Apartments, LP
 Owner Contact and Phone: Justin Zimmerman, (417) 890-3239
 Developer: Zimmerman Properties, L.L.C.
 Housing General Contractor: Zimmerman Properties Construction, L.L.C.
 Architect: Parker & Associates
 Market Analyst: Integra Realty Resources
 Syndicator: Raymond James
 Supportive Services: Texas Inter-Faith Housing Corporation
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	132	
	7	0	59	65	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	24	60	48	0	0	
Type of Building:						Total Development Units:	132
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$13,590,000
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	6
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,417,000	\$1,417,000			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Viking Road Apts, TDHCA Number 10236

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, NC Points: 0 US Representative: Thornberry, District 13, NC
TX Representative: Smithee, District 86, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Debra McCartt, Mayor Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Amarillo Council on Alcoholism and Drug Abuse, The City of Amarillo continues to have a need for new housing for its residents and our organization is in support of new housing of an affordable nature.

Arden Road Christian Church, The City of Amarillo continues to have a need for new housing for its residents and our organization is in support of new housing of an affordable nature.

Second Chance, The City of Amarillo continues to have a need for new housing for its residents and our organization is in support of affordable housing.

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review and acceptance, by Commitment, of a firm commitment from Capital Area Housing Finance Corporation for the anticipated \$680,000 loan with the terms of the funds clearly stated.
2. Receipt, review, and acceptance, by cost certification, of evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.
3. Receipt, review, and acceptance, before %10 Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into development plans.
4. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
5. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.
6. Receipt of a firm commitment of funding from the Capital Area Housing Finance Corporation (CAHFC) in the amount of \$680,000, or a commitment from a qualifying substitute source in an amount not less than \$680,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. Additionally an executed interlocal agreement between the City of Amarillo and CAHFC must be provided authorizing the CAHFC to act on behalf of the City of Amarillo in providing these funds. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Viking Road Apts, TDHCA Number 10236

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **17**

Total # Monitored: **10**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **191** Meeting a Required Set-Aside Credit Amount*: \$1,417,000

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when tax credits are collapsed state-wide.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 05/20/10 PROGRAM: 9% HTC FILE NUMBER: 10236

DEVELOPMENT

Viking Road Apartments

Location: Intersection of Viking Road and Ventura Road Region: 1
 City: Amarillo County: Randall Zip: 79119 OCT DDA
 Key Attributes: General, Urban, New Construction, and Multifamily

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,417,000			\$1,417,000		

CONDITIONS

- 1 Receipt, review and acceptance, by Commitment, of a firm commitment from Capital Area Housing Finance Corporation for the anticipated \$680,000 loan with the terms of the funds clearly stated.
- 2 Receipt, review, and acceptance, by cost certification, of evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.
- 3 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 4 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 5 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	7
50% of AMI	40% of AMI	59
60% of AMI	50% of AMI	65
EO	N/A	1

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STRENGTHS/MITIGATING FACTORS

- The Applicant and Developer have experience developing and managing tax credit developments in Texas (916 units developed).
- Proposed rents are on average 33% lower than market rents.
- Current occupancy for comparable developments within the PMA is 94%.
- The gross capture rate for the extended market, which includes a 2008 HTC development outside the PMA currently in lease-up, is 2.6%.

WEAKNESSES/RISKS

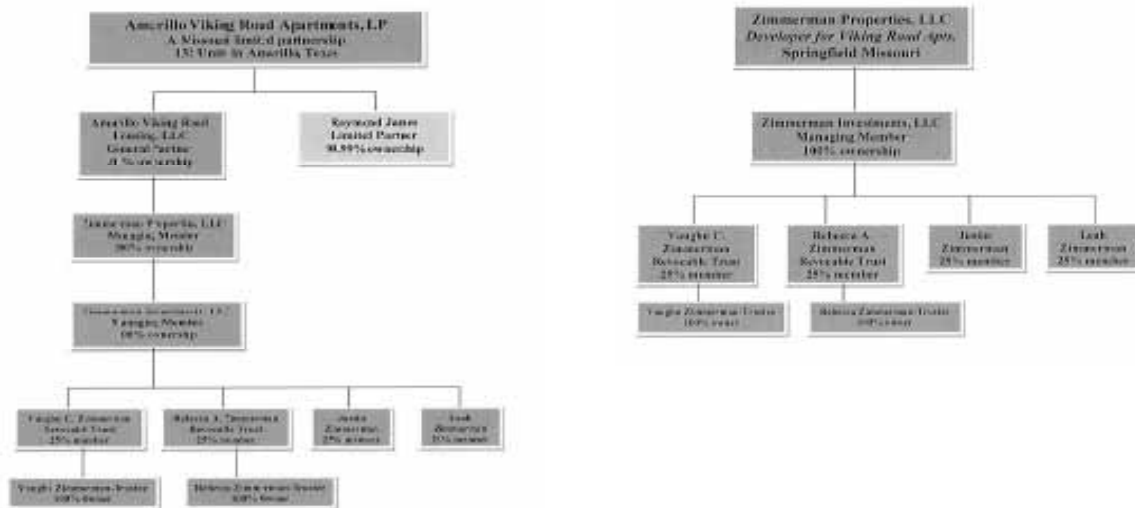
- Overall average occupancy within the PMA is 88%.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Justin Zimmerman Phone: (417) 890-3239 Fax: (417) 883-6343
 Email: jzimmerman@wilhoitproperties.com

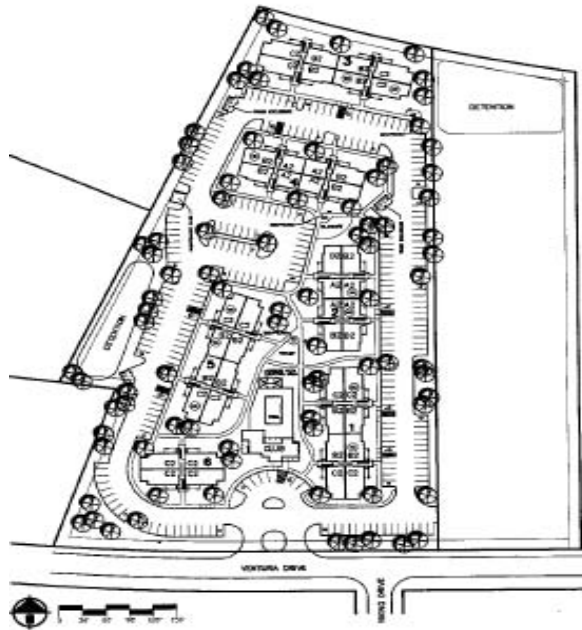
IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.

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PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1,3&5	2&4	6																Total Buildings
Floors/Stories	3	3	3																
Number	3	2	1																6

BR/BA	SF	Units										Total Units	Total SF		
1	1	712		12										24	17,088
2	2	964	12	12										60	57,840
3	2	1,131	12		12									48	54,288
Units per Building			24	24	12									132	129,216

SITE ISSUES

Total Size: 7.00 acres Scattered site? Yes No
 Flood Zone: C Within 100-yr floodplain? Yes No
 Zoning: Light Commercial Needs to be re-zoned? Yes No N/A

Comments:

Zimmerman Properties, LLC is only going to develop 7.0 acres for this property and the remaining 3.0 acres will be left for future development; therefore, the 7.0 acres will equate to a purchase price of \$914,760.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/1/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Church and Retail beyond East: Church and Residential beyond
 South: Restaurants and Vacant Land beyond West: Highway and Residential beyond

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Kaw Valley Engineering Date: 3/22/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 18)
- "Measured radon levels in the vicinity of the project site reached a maximum of 33.1 pCi/L with an average of 5.7 pCi/L in Randall County, Texas. The regional testing was performed in basements or the lowest level of living space, which tend to yield a higher concentration than is observed in slab-on-grade buildings. Site-specific radon testing would need to be performed in any future structure in order to determine the exact radon level that may concentrate within any building. It is our opinion that the use of a visquene vapor barrier beneath concrete slabs and outside of basement walls will preclude any excessive radon migration into any future building" (p. 17)
- "The subject property is near Interstate Highway 27 which may produce loud noise; therefore, it is recommended that a noise study be conducted." (p. 18)

Any funding recommendation will be subject to the following conditions:

- Receipt, review, and acceptance, by cost certification, of evidence that the recommendations of the ESA provider with regard to radon gas have been implemented, and verification that radon levels within the finished development are acceptable.
- Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Integra Realty Resources DFW Date: 3/25/2010

Contact: Amy D.B. White Phone: (972) 960-1222

Number of Revisions: None Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 28 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 26 census tracts comprising the south half of Amarillo.

Extended Market Area: 82 sq. miles 5 mile equivalent radius

The subject property is located at the south end of Amarillo near Interstate 27. Jason Avenue Residential (# 08414) is a 2008 HTC / Tax-Exempt Bond development located at the north end of the city, about 10 miles from the subject, also near Interstate 27; it is currently in lease-up. Jason Avenue is an intergenerational development; the Primary Market Area for the family-targeted units at Jason Avenue consisted of the north half of Amarillo.

Approximately 20% of the target population for the subject property is located within 7 census tracts along Interstate 40 that are common to both market areas. In addition to calculating demand for the subject PMA, the Underwriter has examined whether the combined market areas provide sufficient demand to support both developments.

This section intentionally left blank.

ELIGIBLE HOUSEHOLDS BY INCOME								
Randall County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,663	\$11,600	---	---	\$17,760	\$19,350	\$21,291	\$23,220
2	\$10,663	\$13,300	---	---	\$17,760	\$22,100	\$21,291	\$26,520
3	\$12,789	\$14,950	---	---	\$21,326	\$24,900	\$25,611	\$29,880
4	\$14,777	\$16,600	---	---	\$24,617	\$27,650	\$29,554	\$33,180
5	\$14,777	\$17,950	---	---	\$24,617	\$29,850	\$29,554	\$35,820
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
	none				
Other Affordable Developments in PMA since 2006					
07429	Win-Lin Village Apts	rehab	family	n/a	50
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		3	Total Units	308	

RECENT SUPPLY in the EXTENDED MARKET					
08414	Jason Avenue Residential	new	intergen	140	252
09315	The Canyons Retirement Community	new	senior	n/a	111
07430	Spring Terrace Apts	rehab	family	n/a	50
060074	Amarillo Gardens Apts	rehab	family	n/a	100
Stabilized Affordable Developments in Extended Market (pre-2006)					
Total Properties (pre-2006)		12	Total Units	1,128	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are no comparable developments within the Primary Market Area that will impact the determination of demand for the subject.

Jason Avenue Residential is a 2008 development in the Extended Market Area, and is currently in lease-up. Jason Avenue has a total of 252 units; 96 of the units are designated for seniors; of the 156 family units, 16 are four-bedroom units; the remaining 140 units are considered comparable to the proposed subject.

OVERALL DEMAND ANALYSIS			
	Market Analyst	Underwriter	
	Primary Market	Primary Market	Extended Market Area
Total Households in the Primary Market Area	39,224	40,521	66,174
Potential Demand from the Primary Market Area	3,949	5,596	10,513
Potential Demand from Other Sources	0	0	0
GROSS DEMAND	3,949	5,596	10,513
Subject Affordable Units	131	131	131
Unstabilized Comparable Units	0	0	140
RELEVANT SUPPLY	131	131	271
Relevant Supply / Gross Demand = GROSS CAPTURE RATE	3.3%	2.3%	2.6%

Demand Analysis:

The Market Analyst incorrectly determined income-eligibility based on tenant-paid rents (i.e. net of the utility allowance) rather than the HTC gross rent limit. This would tend to overstate the demand, because it indicates a lower minimum eligible income; however, the Market Analyst applied the income percentage to the general household population, and also applied a general renter percentage adjustment, resulting in lower overall demand than the underwriting analysis.

Based on Gross Demand for 3,949 units the Market Analyst determines a Gross Capture Rate of 3.3% for the 131 restricted units at the subject.

The underwriting analysis is based on a HISTA Data report from Ribbon Demographics, which provides a detailed breakdown of households by income, size, tenure, and age. The HISTA data for the subject PMA indicates a higher concentration of renter households in the target income range. Gross Demand for 5,596 units indicates a Gross Capture Rate of 2.3% for the 131 restricted units at the subject.

As explained above, the Underwriter has also examined the supply and demand for the combined market areas of both the subject and Jason Avenue Residential. This analysis identified Gross Demand for 10,513 units in the Extended Market Area, indicating a Gross Capture Rate of 2.6% for 271 units (131 restricted units at the subject, and 140 comparable units at Jason Avenue).

These results are well below the maximum Gross Capture Rate of 10% for urban developments targeting family households, indicating sufficient demand to support the subject development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	333	1	not reported		178	1	0	1%
1 BR/50%	471	11	not reported		298	11	0	4%
1 BR/60%	582	12	not reported		257	12	0	5%
2 BR/30%	138	3	not reported		130	3	0	2%
2 BR/50%	203	27	not reported		259	27	0	10%
2 BR/60%	250	29	not reported		272	29	0	11%
3 BR/30%	60	3	not reported		45	3	0	7%
3 BR/50%	75	21	not reported		93	21	0	23%
3 BR/60%	95	24	not reported		109	24	0	22%

Primary Market Occupancy Rates:

"The average occupancy level for all rental properties within the PMA is 88% ... The occupancy rate for the existing LIHTC properties within the PMA is 96%." (pp. 41-43)

Absorption Projections:

"Based upon data gathered by Integra Realty Resources DFW ... For each decade examined, average annual absorption in the PMA was 175 units per year, or 15 units per month. Based on our Demand Analysis ... a new project, the size of the subject as proposed with 132 units, is likely to be absorbed within 9 months of opening, equating to an absorption pace of approximately 15.00 units per month." (p. 46)

Market Impact:

"The subject is located in an area with average occupancy levels, below average rents, and no new projects, other than the subject, forecast to come online within the next 24 months ... we conclude there to be sufficient unmet demand to support the development of the subject." (pp. 64-65)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of October 1, 2009, maintained by the Amarillo City Housing Authority from the 2009 HUD rent limits which apply to HTC applications since the 2010 rent limits were not available at the time of the this analysis. Tenants will be required to pay all electric utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,600 per unit is not within 5% of the Underwriter's estimate of \$3,804, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, specifically: general & administrative (47% lower) and property taxes (21% lower). The Applicant explained that the lower G&A estimate is because the accounting budget makes up the bulk of the G&A expense and with the long term relationship with their accounting firm and 60+ developments their accounting costs are below that of most developers. The Applicant explained that property tax estimates are based on actual expenses at existing developments within the Applicant's Texas portfolio. The Applicant's repairs and maintenance estimate is lower than the TDHCA database, but is supported by actual operating expenses at other developments in the Applicant's portfolio, and for that reason the Applicant's estimate has been used by the Underwriter.

Conclusion:

The Applicant's estimate of total expenses and net operating income are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.12 falls below the Department's guidelines; however, DCR under the recommended financing structure falls within the Department's guidelines at 1.17.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow under the recommended structure. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 13.45 acres	<u>\$643,550</u>	Tax Year:	<u>2009</u>
Prorated 7.0 acres:	<u>\$334,933</u>	Valuation by:	<u>Randall CAD</u>
Total Assessed Value:	<u>\$334,933</u>	Tax Rate:	<u>2.15278</u>

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EVIDENCE of PROPERTY CONTROL

Type: Commercial Contract - Unimproved Property Acreage: 10.00
 Contract Expiration: 10/31/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$1,306,800 Other: Zimmerman Properties, LLC is only going to develop 7.0 acres for this property and the remaining 3.0 acres will be left for future development; therefore, the 7.0 acres will equate to a purchase price of \$914,760.
 Seller: Rockrose Development LLC Related to Development Team? Yes No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A
 Acquisition Value:
 The site cost of \$914,760 which is \$130,680 per acre or \$6,930 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.
 Sitework Cost:
 The Applicant's claimed sitework costs of \$9,000 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.
 Direct Construction Cost:
 The Applicant's direct construction cost estimate is \$63K or 1% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.
 Reserves:
 Raymond James the equity provider has required reserves of \$410,402 which is greater than the six months of stabilized operating expenses less management fees and reserve for replacements plus debt service as required by the Department; therefore, the larger reserve figure required by the equity provider of \$410,402 will be used.
 Contingency & Fees:
 The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.
 30% Increase to Eligible Basis
 The development qualifies for a 30% increase in eligible basis because it proposes to provide an additional 10% of units at 30% of AMFI in excess of those 30% units committed for scoring purposes; it is located in a census tract that has a median family income ("MFI") that is higher than the MFI for the county in which the census tract is located; and it is proposed in a census tract that has no greater than 10% poverty population.
 Conclusion:
 The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$12,113,500 and the 9% applicable percentage rate supports annual tax credits of \$1,417,280. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A
 Source: Great Southern Bank Type: Interim Financing
 Principal: \$10,200,000 Interest Rate: 6.0% Fixed Term: 24 months
 Comments:
 Priced at Great Southern Bank Prime rate floating, with a 6.0% floor

Source: Capital Area Housing Finance Corporation Type: Interim Financing
 Principal: \$680,000 Interest Rate: AFR Fixed Term: 12 months
 Comments:

AFR was 4.31% as of the date of underwriting. Also at the time of underwriting there was only an application pending for the funds; therefore, by Commitment a firm commitment from Capital Area Housing Finance Corporation for the anticipated \$680,000 with the terms of the funds clearly stated will be required.

Source: Great Southern Bank Type: Permanent Financing
 Principal: \$3,925,000 Interest Rate: 8.0% Fixed Amort: 360 months
 Comments:

The interest rate will be based on the 15 year FHLB plus 2.78 bps, with an underwriting rate of 8%. As of the date of underwriting the current 15 year FHLB+278 bp rate was 4.819+2.78= 7.6%, which was the rate used in the recommended financing structure. Also the terms of the loan will be based on a 15 year term with a 30 year amortization.

Source: Raymond James Type: Syndication
 Proceeds: \$9,634,636 Syndication Rate: 68% Anticipated HTC: \$ 1,417,000
 Amount: \$30,364 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$3,925,000 indicates the need for \$9,665,000 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,421,466 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,417,280
Allocation determined by gap in financing:	\$1,421,466
Allocation requested by the Applicant:	\$1,417,000

The allocation amount determined by the Applicant's requested amount is recommended. A tax credit allocation of \$1,417,000 per year for 10 years results in total equity proceeds of \$9,634,636 at a syndication rate of \$0.68 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$30,364 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within the first year of stabilized operation.

Underwriter: _____	Date: <u>May 20, 2010</u>
<i>Carl Hoover</i>	
Reviewing Underwriter: _____	Date: <u>May 20, 2010</u>
Manager of Real Estate Analysis: _____	Date: <u>May 20, 2010</u>
<i>Audrey Martin</i>	
Director of Real Estate Analysis: _____	Date: <u>May 20, 2010</u>
<i>Brent Stewart</i>	

UNIT MIX/RENT SCHEDULE

Viking Road Apartments, Amarillo, 9% HTC #10236

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Amarillo	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Randall	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	24	18.2%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	1	2	60	45.5%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:		3	48	36.4%								APPLICABLE FRACTION:	100.00%	
IREM REGION:		4										APP % - ACQUISITION:		
		TOTAL	132	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS			MARKET RENTS			
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	1	1	1	712	\$311	\$66	\$245	\$0	\$0.34	\$245	\$245	\$245	\$245	\$0.34	\$0	\$630	\$385
TC 50%	11	1	1	712	\$518	\$66	\$452	\$0	\$0.63	\$452	\$4,972	\$4,972	\$452	\$0.63	\$0	\$630	\$178
TC 60%	12	1	1	712	\$621	\$66	\$555	(\$5)	\$0.77	\$550	\$6,600	\$6,660	\$555	\$0.78	\$0	\$630	\$75
TC 30%	3	2	2	964	\$373	\$83	\$290	\$0	\$0.30	\$290	\$870	\$870	\$290	\$0.30	\$0	\$770	\$480
TC 50%	27	2	2	964	\$622	\$83	\$539	\$0	\$0.56	\$539	\$14,553	\$14,553	\$539	\$0.56	\$0	\$770	\$231
TC 60%	29	2	2	964	\$747	\$83	\$664	(\$4)	\$0.68	\$660	\$19,140	\$19,256	\$664	\$0.69	\$0	\$770	\$106
EO	1	2	2	964	#N/A	\$83	#N/A	#N/A	\$0.68	\$660	\$660	\$660	\$660	\$0.68	#N/A	\$770	\$110
TC 30%	3	3	2	1,131	\$431	\$100	\$331	\$0	\$0.29	\$331	\$993	\$993	\$331	\$0.29	\$0	\$900	\$569
TC 50%	21	3	2	1,131	\$718	\$100	\$618	\$0	\$0.55	\$618	\$12,978	\$12,978	\$618	\$0.55	\$0	\$900	\$282
TC 60%	24	3	2	1,131	\$862	\$100	\$762	(\$2)	\$0.67	\$760	\$18,240	\$18,288	\$762	\$0.67	\$0	\$900	\$138
TOTAL:	132			129,216							\$79,251	\$79,475					
AVG:				979				#N/A	\$0.61	\$600			\$602	\$0.62	#N/A	\$792	(\$190)
ANNUAL:											\$951,012	\$953,700					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Viking Road Apartments, Amarillo, 9% HTC #10236

INCOME		Total Net Rentable Sq Ft:		TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$953,700	\$951,012			
Secondary Income	Per Unit Per Month:	\$6.00		9,504	9,504	\$6.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$963,204	\$960,516			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(72,240)	(72,036)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$890,964	\$888,480			
EXPENSES				PER SQ FT	PER UNIT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.02%	\$339	0.35	\$44,694	\$23,488	\$0.18	\$178	2.64%
Management	5.00%	\$337	0.34	44,548	44,424	0.34	337	5.00%
Payroll & Payroll Tax	13.80%	\$932	0.95	122,975	120,000	0.93	909	13.51%
Repairs & Maintenance	5.05%	\$341	0.35	45,000	45,000	0.35	341	5.06%
Utilities	3.76%	\$254	0.26	33,476	40,000	0.31	303	4.50%
Water, Sewer, & Trash	4.96%	\$335	0.34	44,196	55,000	0.43	417	6.19%
Property Insurance	3.12%	\$210	0.21	27,771	25,000	0.19	189	2.81%
Property Tax	2.15278	\$623	0.64	82,266	65,000	0.50	492	7.32%
Reserve for Replacements	3.70%	\$250	0.26	33,000	33,000	0.26	250	3.71%
TDHCA Compliance Fees	0.59%	\$40	0.04	5,240	5,280	0.04	40	0.59%
Other: Supp. Serv.	2.13%	\$144	0.15	19,008	19,008	0.15	144	2.14%
TOTAL EXPENSES				\$502,174	\$475,200	\$3.68	\$3,600	53.48%
NET OPERATING INC				\$388,790	\$413,280	\$3.20	\$3,131	46.52%
DEBT SERVICE								
Great Southern Bank				\$345,603	\$345,603			
Second Lien				\$0				
Additional Financing				\$0				
Additional Financing				0				
Additional Financing				0				
TOTAL DEBT SERVICE				345,603	345,603			
NET CASH FLOW				\$43,186	\$67,677			
AGGREGATE DEBT COVERAGE RATIO				1.12	1.20			
RECOMMENDED DEBT COVERAGE RATIO				1.17				

CONSTRUCTION COST				TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL	
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					
Acquisition Cost (site or bldg)		6.77%	\$6,930	\$7.08	\$914,760	\$914,760	\$7.08	\$6,930	6.73%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.80%	\$9,000	\$9.19	1,188,000	1,188,000	9.19	9,000	8.74%
Direct Construction		49.68%	\$50,830	\$51.93	6,709,548	6,772,530	52.41	51,307	49.83%
Contingency	6.65%	3.89%	\$3,977	\$4.06	525,000	525,000	4.06	3,977	3.86%
Contractor's Fees	14.00%	8.19%	\$8,376	\$8.56	1,105,657	1,114,470	8.62	8,443	8.20%
Indirect Construction		1.77%	\$1,811	\$1.85	239,000	239,000	1.85	1,811	1.76%
Ineligible Costs		1.11%	\$1,137	\$1.16	150,060	150,060	1.16	1,137	1.10%
Developer's Fees	15.00%	11.62%	\$11,888	\$12.14	1,569,256	1,580,000	12.23	11,970	11.63%
Interim Financing		5.14%	\$5,261	\$5.37	694,500	694,500	5.37	5,261	5.11%
Reserves		3.04%	\$3,109	\$3.18	410,402	411,680	3.19	3,119	3.03%
TOTAL COST				\$13,506,183	\$13,590,000	\$105.17	\$102,955	100.00%	
Construction Cost Recap				\$9,528,205	\$9,600,000	\$74.29	\$72,727	70.64%	

SOURCES OF FUNDS				TDHCA	APPLICANT	RECOMMENDED	
Great Southern Bank	29.06%	\$29,735	\$30.38	\$3,925,000	\$3,925,000	\$3,925,000	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0		0	\$1,580,000
Additional Financing	0.00%	\$0	\$0.00	0		0	
Additional Financing	0.00%	\$0	\$0.00	0		0	
Additional Financing	0.00%	\$0	\$0.00	0		0	
HTC Syndication Proceeds	71.34%	\$72,990	\$74.56	9,634,636	9,634,636	9,634,636	% of Dev. Fee Deferred
Deferred Developer Fees	0.22%	\$230	\$0.23	30,364	30,364	30,364	2%
Additional (Excess) Funds Req'd	-0.62%	(\$635)	(\$0.65)	(83,817)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$13,506,183	\$13,590,000	\$13,590,000	\$1,137,652

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Viking Road Apartments, Amarillo, 9% HTC #10236

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ.FT	PER SF	AMOUNT
Base Cost			\$54.36	\$7,024,128
Adjustments				
Exterior Wall Finish	0.40%		\$0.22	\$28,097
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			1.33	172,288
Floor Cover			2.41	311,411
Breezeways	\$23.05	10,087	1.80	232,472
Balconies	\$22.10	14,666	2.51	324,160
Plumbing Fixtures	\$845	324	2.12	273,780
Rough-ins	\$420	264	0.86	110,880
Built-In Appliances	\$1,850	132	1.89	244,200
Exterior Stairs	\$1,900	44	0.65	83,600
Enclosed Corridors	\$44.44		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	239,050
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$78.19	2,046	1.24	159,967
Other: fire sprinkler	\$2.25	129,216	2.25	290,736
SUBTOTAL			73.48	9,494,767
Current Cost Multiplier	0.99		(0.73)	(94,948)
Local Multiplier	0.88		(8.82)	(1,139,372)
TOTAL DIRECT CONSTRUCTION COSTS			\$63.93	\$8,260,447
Plans, specs, survy, bld prm	3.90%		(\$2.49)	(\$322,157)
Interim Construction Interest	3.38%		(2.16)	(278,790)
Contractor's OH & Profit	11.50%		(7.35)	(949,951)
NET DIRECT CONSTRUCTION COSTS			\$51.93	\$6,709,548

PROPOSED PAYMENT COMPUTATION

Great Southern Bank	\$3,925,000	Amort	360
Int Rate	8.00%	DCR	1.12
Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.12
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.12
Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.12
Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.12

RECOMMENDED FINANCING STRUCTURE:

Great Southern Bank	\$332,561
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$332,561

Great Southern Bank	\$3,925,000	Amort	360
Int Rate	7.60%	DCR	1.17
Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

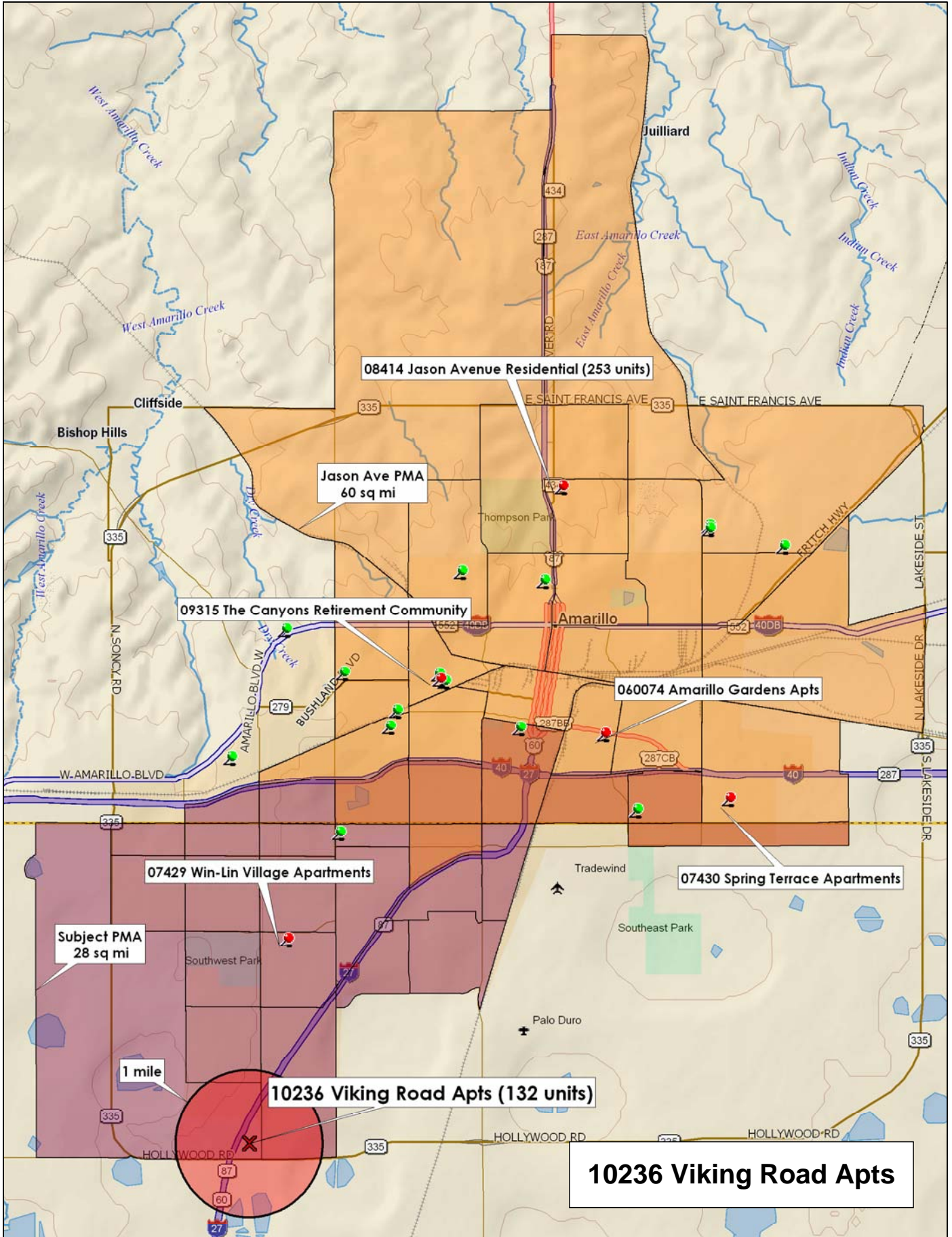
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$953,700	\$972,774	\$992,229	\$1,012,074	\$1,032,316	\$1,139,760	\$1,258,387	\$1,389,361	\$1,693,623
Secondary Income	9,504	9,694	9,888	10,086	10,287	11,358	12,540	13,846	16,878
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	963,204	982,468	1,002,117	1,022,160	1,042,603	1,151,118	1,270,927	1,403,206	1,710,501
Vacancy & Collection Loss	(72,240)	(73,685)	(75,159)	(76,662)	(78,195)	(86,334)	(95,320)	(105,240)	(128,288)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$890,964	\$908,783	\$926,959	\$945,498	\$964,408	\$1,064,784	\$1,175,608	\$1,297,966	\$1,582,213
EXPENSES at 3.00%									
General & Administrative	\$44,694	\$46,035	\$47,416	\$48,838	\$50,304	\$58,316	\$67,604	\$78,371	\$105,324
Management	44,548	45,439	46,348	47,275	48,220	53,239	58,780	64,898	79,111
Payroll & Payroll Tax	122,975	126,665	130,464	134,378	138,410	160,455	186,011	215,638	289,799
Repairs & Maintenance	45,000	46,350	47,741	49,173	50,648	58,715	68,067	78,908	106,045
Utilities	33,476	34,480	35,514	36,580	37,677	43,678	50,635	58,700	78,888
Water, Sewer & Trash	44,196	45,522	46,887	48,294	49,743	57,665	66,850	77,497	104,150
Insurance	27,771	28,604	29,462	30,346	31,256	36,235	42,006	48,696	65,444
Property Tax	82,266	84,734	87,276	89,895	92,591	107,339	124,435	144,255	193,866
Reserve for Replacements	33,000	33,990	35,010	36,060	37,142	43,058	49,915	57,866	77,767
TDHCA Compliance Fee	5,240	5,397	5,559	5,726	5,898	6,837	7,926	9,188	12,348
Other	19,008	19,578	20,166	20,771	21,394	24,801	28,751	33,331	44,794
TOTAL EXPENSES	\$502,174	\$516,794	\$531,843	\$547,335	\$563,282	\$650,337	\$750,981	\$867,348	\$1,157,536
NET OPERATING INCOME	\$388,790	\$391,989	\$395,115	\$398,163	\$401,125	\$414,447	\$424,627	\$430,618	\$424,677
DEBT SERVICE									
First Lien Financing	\$332,561	\$332,561	\$332,561	\$332,561	\$332,561	\$332,561	\$332,561	\$332,561	\$332,561
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$56,228	\$59,428	\$62,554	\$65,601	\$68,564	\$81,886	\$92,066	\$98,056	\$92,116
DEBT COVERAGE RATIO	1.17	1.18	1.19	1.20	1.21	1.25	1.28	1.29	1.28

HTC ALLOCATION ANALYSIS -Viking Road Apartments, Amarillo, 9% HTC #10236

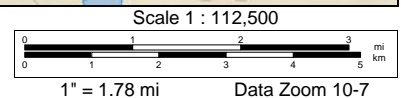
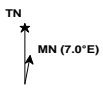
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$914,760	\$914,760		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,188,000	\$1,188,000	\$1,188,000	\$1,188,000
Construction Hard Costs	\$6,772,530	\$6,709,548	\$6,772,530	\$6,709,548
Contractor Fees	\$1,114,470	\$1,105,657	\$1,114,470	\$1,105,657
Contingencies	\$525,000	\$525,000	\$525,000	\$525,000
Eligible Indirect Fees	\$239,000	\$239,000	\$239,000	\$239,000
Eligible Financing Fees	\$694,500	\$694,500	\$694,500	\$694,500
All Ineligible Costs	\$150,060	\$150,060		
Developer Fees				
Developer Fees	\$1,580,000	\$1,569,256	\$1,580,000	\$1,569,256
Development Reserves	\$411,680	\$410,402		
TOTAL DEVELOPMENT COSTS	\$13,590,000	\$13,506,183	\$12,113,500	\$12,030,961

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$12,113,500	\$12,030,961
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$15,747,550	\$15,640,249
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$15,747,550	\$15,640,249
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,417,280	\$1,407,622

Syndication Proceeds	0.6799	\$9,636,536	\$9,570,875
Total Tax Credits (Eligible Basis Method)		\$1,417,280	\$1,407,622
Syndication Proceeds		\$9,636,536	\$9,570,875
Requested Tax Credits		\$1,417,000	
Syndication Proceeds		\$9,634,636	
Gap of Syndication Proceeds Needed		\$9,665,000	
Total Tax Credits (Gap Method)		\$1,421,466	
Recommended Tax Credits		1,417,000	
Syndication Proceeds		\$9,634,636	



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Prince Hall Plaza, TDHCA Number 10238

BASIC DEVELOPMENT INFORMATION

Site Address: 700 Doris St. Development #: 10238
 City: Navasota Region: 8 Population Served: General
 County: Grimes Zip Code: 77868 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Prince Hall Plaza Associates, LP
 Owner Contact and Phone: K.T. (Ike) Akbari, (409) 724-0020
 Developer: Prince Hall Plaza Developers JV
 Housing General Contractor: Icon Builders, L.L.C.
 Architect: Long Architects, Inc.
 Market Analyst: Gerald A. Teel & Company
 Syndicator: N/A
 Supportive Services: Itex Property Management, L.L.C.
 Consultant and Contact: Baristone Developer's, L.L.C.,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	60	
	3	0	27	30	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	12	22	22	4	0	
Type of Building:						Total Development Units:	60
<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$6,590,199
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	30
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$640,710	\$624,203			
HOME Activity Fund Amount:	\$354,594	\$354,594	40	40	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Prince Hall Plaza, TDHCA Number 10238

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ogden, District 5, S Points: 7 US Representative: Edwards, District 17, NC
TX Representative: Kolkhorst, District 13, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
2. Receipt, review, and acceptance, by cost certification, of documentation that all noise assessment recommendations were implemented.
3. Receipt, review, and acceptance, by cost certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
4. Receipt, review, and acceptance, by cost certification, that HUD has approved the Applicant's assumption of the Flexible Subsidy loan, at a rate of 1%, with repayment to be from available cash flow.
5. Receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the HUD Flex Subsidy cash flow loan can be repaid at or by maturity and can be considered valid debt.
Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
6. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$354,594 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$354,594, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program Development Information, Public Input and Board Summary

Prince Hall Plaza, TDHCA Number 10238

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **16**

Total # Monitored: **10**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **219** Meeting a Required Set-Aside Credit Amount*: \$624,203

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds:

Loan Amount: \$354,594

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/21/10 PROGRAM: HTC 9% / HOME FILE NUMBER: 10238

DEVELOPMENT

Prince Hall Plaza

Location: 700 Doris Street Region: 8
 City: Navasota County: Grimes Zip: 77868 OCT DDA
 Key Attributes: General, Acquisition/Rehabilitation, At-Risk, Rural

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
HOME Activity Funds	\$354,594	0.00%	40/40	\$354,594	0.00%	40/40	2nd
Housing Tax Credit (Annual)	\$640,710			\$624,203			

CONDITIONS

- 1 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by cost certification, of documentation that all noise assessment recommendations were implemented.
- 3 Receipt, review, and acceptance, by cost certification, of documentation that a comprehensive survey was completed to identify the presence of asbestos-containing-materials or lead-based paint, and that appropriate abatement procedures, consistent with all relevant regulations, were followed for the demolition and removal of any such materials.
- 4 Receipt, review, and acceptance, by cost certification, that HUD has approved the Applicant's assumption of the Flexible Subsidy loan, at a rate of 1%, with repayment to be from available cash flow.
- 5 Receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the HUD Flex Subsidy cash flow loan can be repaid at or by maturity and can be considered valid debt.
- 6 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	27
60% of AMI	60% of AMI	30

STRENGTHS/MITIGATING FACTORS

- The primary principal of the Applicant has developed approximately 2,300 affordable housing units.
- The two other HTC properties in the market targeting families report 100% occupancy, and other comparable projects have a weighted average occupancy of 97%.
- The subject property has an indicated capture rate of 17.4% at the 60% rent levels, 22.8% at the 50% rent levels and 4.3% at the 30% rent levels.
- The Department's calculation of the Overall Capture Rate for the entire 60 units is 5.5%.
- The subject property is already existing and absorbed in the market.

WEAKNESSES/RISKS

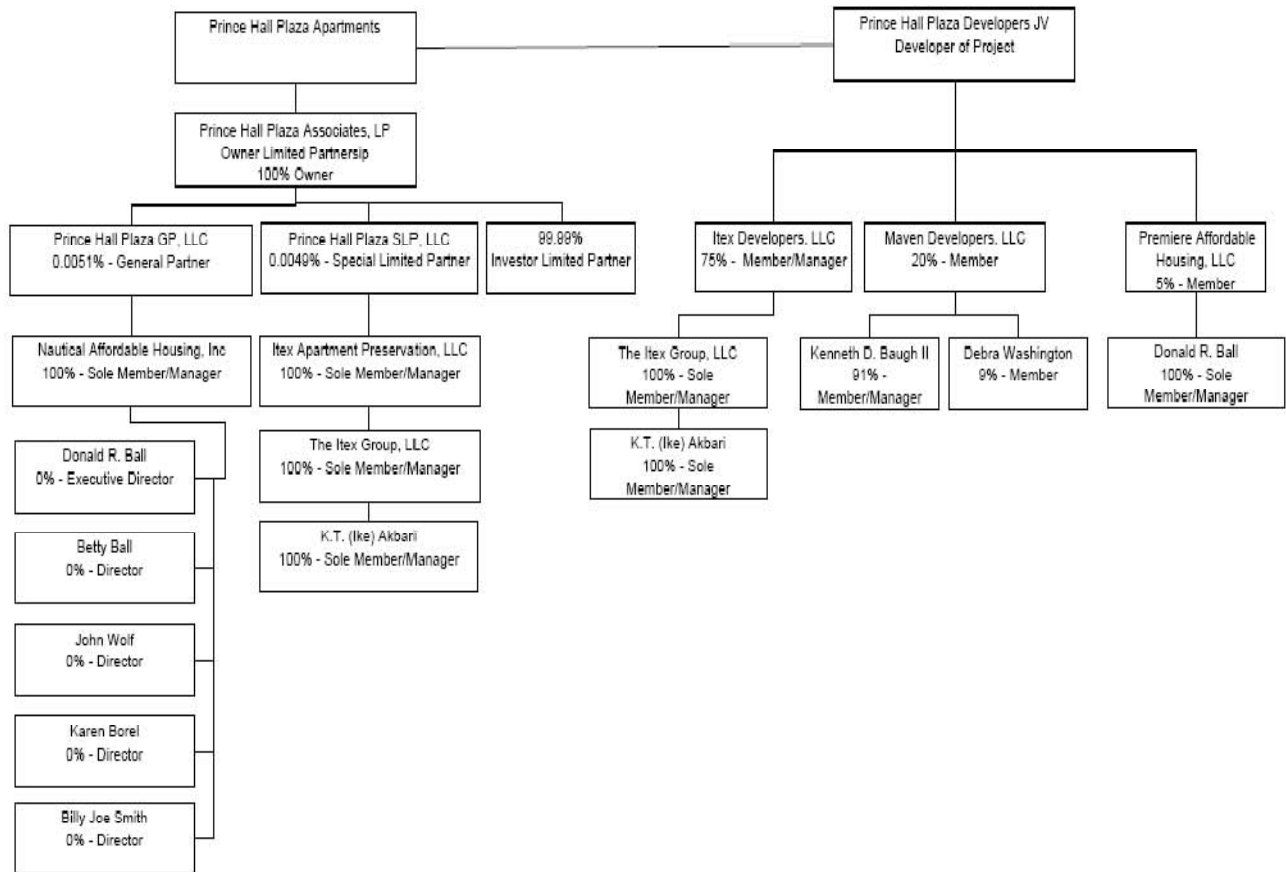
- The Applicant's expense to income ratio of 64.35% is slightly below the Department's maximum guideline, reflecting extensive deep rent targeting, but is still acceptable.
- The development is dependant to a large part on their HUD loan being structured as a cash flow loan.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

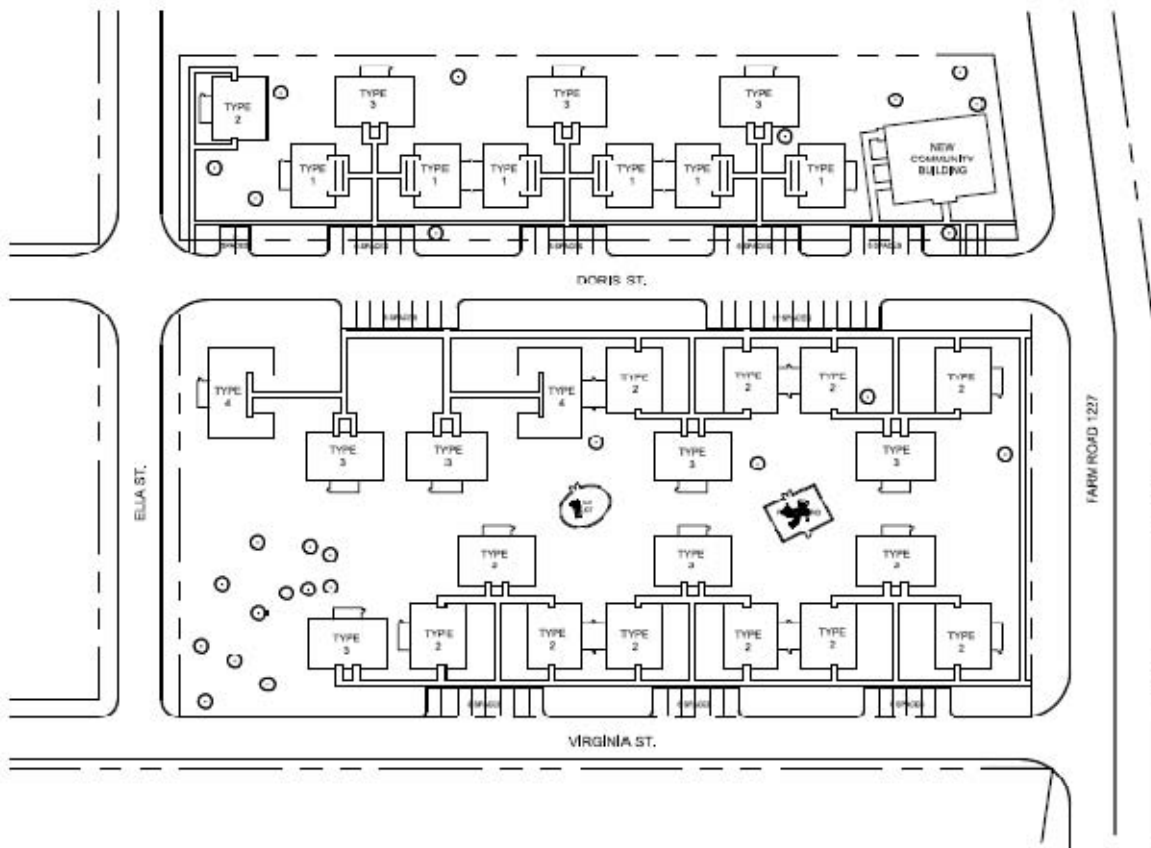
Contact: K.T. Akbari Phone: (409)724-0020 Fax: (409) 721-6603
 Email: ikeakbari@itexmgt.com

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, Property Manager, and Supportive Services Provider are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E	F	G	H	I	J	Total Buildings
Floors/Stories	1	1	1	1							
Number	6	11	11	2							30

BR/BA	SF	Units								Total Units	Total SF
1	1	584	2							12	7,008
2	1	723		2						22	15,906
3	1	800			2					22	17,600
4	1	1,010			2					4	4,040
Units per Building			2	2	2	2				60	44,554

Rehabilitation Summary:

The plan calls for the rehabilitation of each of the 30 one story buildings. The community building will be demolished and rebuilt at the same location. The improvements consist of the replacement of roofs, windows, doors, exterior siding, interior flooring, cabinets, faucets, tub/showers, appliances, HVAC, landscaping, drives and interior and exterior painting. The Applicant provided a Property Condition Assessment (PCA) which confirms the need for the proposed improvements.

Relocation Plan:

Leasing at the development has now been suspended and no new leases are being entered into or executed in preparation for the acquisition and rehabilitation of the subject property. It is anticipated that upon the award of the requested housing tax credits that a number of tenants will be relocated to other units on-site so that a cluster of units will be made available for renovation. Upon the renovation of those units, tenants will then be moved into the newly renovated units. This process will continue until all renovations are completed. It is not anticipated that any tenants will be relocated off site. Relocation costs are to be paid by the Applicant. \$50K is being budgeted for these expenses.

SITE ISSUES

Total Size:	<u>4.77 acres</u>	Scattered site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Flood Zone:	<u>X</u>	Within 100-yr floodplain?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Zoning:	<u>R-3 Multifamily Residential</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/1/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North:	<u>Doris Street / Apartments</u>	East:	<u>FM 1227</u>
South:	<u>Virginia Street</u>	West:	<u>Ella Street</u>

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Medina Consulting Company, Inc. Date: 3/30/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

Based on the results of the assessment, Medina Consulting Company (MCC) determined that no Recognized Environmental Conditions, as defined by ASTM, were identified in connection with the activities of the subject property, and no further assessment is recommended. However MCC did make the following Non-ASTM Phase I ESA recommendations:

"Since an asbestos survey has not been conducted for the buildings located on the Site, MCC recommends a survey for asbestos containing materials (ACMs) be performed on the structures prior to any construction activities and that the future demolition or renovation be performed in accordance with state and local regulations regarding disturbing asbestos containing materials if found to be present.

Since the LBP survey and risk assessment report, which was conducted for the Site in 2004, identified LBP and LBP hazards on and within the structures on the Site, an Operation and Maintenance Plan should be developed to identify how the hazards will be controlled."

For the purposes of compliance with HUD requirements for applications for HUD funding or tax credits, MCC recommends a Noise Survey be performed for the Site."

Comments:

Accordingly, it is a condition of this report that all of the recommendations of the ESA provider be completed and that any results that require further action must be followed by the Applicant in accordance with local, state or federal regulations, as applicable.

MARKET ANALYSIS

Provider: Gerald A. Teel Company, Inc. Date: 3/25/2010
 Contact: Tim Treadway Phone: (713) 467-5858
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 802 sq. miles 16 mile equivalent radius
 The Primary Market Area is defined as being all of Grimes County.

ELIGIBLE HOUSEHOLDS BY INCOME								
Rural Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$10,770	---	---	\$0	\$17,950	\$0	\$21,540
2	\$0	\$12,300	---	---	\$0	\$20,500	\$0	\$24,600
3	\$0	\$13,860	---	---	\$0	\$23,100	\$0	\$27,720
4	---	---	---	---	\$0	\$25,650	\$0	\$30,780
5	---	---	---	---	\$0	\$27,700	\$0	\$33,240
6	---	---	---	---	\$0	\$29,750	\$0	\$35,700

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS				
File #	Development	Population Served	Total Units	Comp Units
Primary Market Area				
none				
Stabilized Affordable Developments in PMA				
Total Properties (pre-2006)		3	Total Units	128

Proposed, Under Construction, and Unstabilized Comparable Supply:
 There are no unstabilized comparable properties located within the PMA.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	8,603	8,636
Potential Demand from the Primary Market Area	360	1,089
Potential Demand from Other Sources	0	0
GROSS DEMAND	360	1,089
Subject Affordable Units	80	60
Unstabilized Comparable Units	0	0
RELEVANT SUPPLY	80	60
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	22.2%	5.5%

Demand Analysis:
 The Market Analyst determined eligible incomes based on a 35% rent to income ratio; and the Market Analyst misstated the number of subject units as 80 rather than 60, resulting in a Gross Capture Rate of 22.2%.

 All of the units at the subject are covered by a HAP contract, so the minimum income is effectively zero. So the underwriting analysis identifies a much larger demand pool of 1,089, indicating a Gross Capture Rate of 5.5% for the 60 units at the subject.

The maximum Gross Capture Rate for rural developments targeting families is 30%; the calculated results indicates sufficient demand to support the subject development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	36	1	0	3%	237	1	0	0%
1 BR/50%	65	5	0	8%	337	2	0	1%
1 BR/60%	55	6	0	11%	382	6	0	2%
2 BR/30%	56	1	0	2%	154	1	0	1%
2 BR/50%	52	10	0	19%	229	21	0	9%
2 BR/60%	51	11	0	22%	267	1	0	0%
3 BR/30%	24	1	0	4%	17	10	0	58%
3 BR/50%	23	10	0	43%	142	11	0	8%
3 BR/60%	20	11	0	55%	164	1	0	1%
4 BR/50%	5	2	0	40%	47	3	0	6%
4 BR/60%	11	2	0	18%	60	2	0	3%

Primary Market Occupancy Rates:

There are "two (family) HTC properties in the vicinity, both within a 3 mile radius of the subject property. Laredo Heights and Navasota Landing are both operating at a current occupancy level of 100%." (p. 28)

Absorption Projections:

The subject is currently 83% occupied, and effectively it is already absorbed into the market. "Due to no new product being constructed in the PMA in the last 10 years, no absorption data can be analyzed, although it is apparent the majority of demand will come from lateral movement in the market." (p. 29)

Market Impact:

As an existing property, the subject is not expected to have a significant impact on the market. "The supply in the subject submarket has been consistent as no new product has been added in the PMA in many years. This trend is likely to continue, and most of the supply will be from older properties being rehabilitated." (p. 29)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 5 Date of Last Applicant Revision: 7/21/2010

The Applicant's projected rents collected per unit were calculated by using Project-based Section 8 subsidy rental rates for all 60 units less tenant-paid utility allowances. The Applicant's projected rents are 3% higher than the currently approved Project-based Section 8 rents. Current rents and utilities were approved by HUD to be effective 3/1/2010 and are scheduled to expire 2/28/2011. The Applicant intends to request the 3% increase for the 2011 year and anticipates that the rents will be approved to be effective 3/1/2011. Currently tenants are required to pay electrical costs; however, in the future the Applicant plans to obtain approval from HUD for tenants to pay electrical and gas expenses (excluding water heaters). Rent limits in Grimes County increased approximately 0.58% in 2010, but because all units are covered by a Section 8 contract, the use of 2010 rent limits by the Underwriter and Applicant would not change the analysis, nor affect the recommended tax credits.

The Applicant's secondary income is in line with current TDHCA underwriting guidelines. The Applicant used a vacancy and collection loss rate of 5.0%.

The Underwriter has not assumed an increase to current HAP rents, but rather has based rents on the most recent HAP Contract rents (effective 3/1/2010), net of utility allowances approved by HUD. The Underwriter's estimate of secondary income is equal to the Applicant's, and the Underwriter has assumed the standard vacancy and collection loss of 7.5%. Based on these assumptions, the Underwriter's pro forma results in a DCR of 1.18, which is within the Department's standard range of 1.15 and 1.35, and an expense to income ratio of 64.85%, which is below the Department's maximum of 65%.

The Underwriter's analysis indicates that a rental increase is not necessary for feasibility under Department guidelines; therefore, evidence of approval of increased rents is not necessary. Any increase to the current rents will improve the development's DCR, and if the proposed rents were to be achieved, the DCR under the recommended financing structure would increase to 1.29.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 6/7/2010

The Applicant's total annual operating expense projection at \$4,119 per unit is not within 5% of the Underwriter's estimate of \$3,907, derived from the TDHCA database and third-party data sources. The Applicant's revised budget however has some line item estimates that deviate significantly when compared to the Underwriter's estimates, specifically: their management fee is 6% of effective gross income rather than the standard 5%; and repairs and maintenance is 13% higher than the Underwriter's average. The Applicant's use of a 6% management fee is due to the fact that this development is both an HTC and Section 8 property, and the Applicant anticipates more paperwork and compliance than is required on a non-Section 8 development. The Underwriter used the standard 5% fee, as a management agreement supporting the Applicant's 6% was not available. Regarding repairs and maintenance, while the Applicant estimated expense deviates from the Underwriter's estimate, the Applicant's estimate is generally in line with the TDHCA database, and as such is considered to be reasonable. It should also be noted that the Applicant and the PCA provider both used a replacement reserve of \$300 per unit per year, which is the Department's normal reserve requirement for rehabilitation developments, accordingly, the Underwriter used \$300 per unit per year for replacement reserves.

Conclusion:

Neither of the Applicant's effective gross income, operating expenses, nor net operating income are within 5% of the Underwriter's estimates; therefore, the Underwriter's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.18, and an expense to income ratio of 64.85%.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expenses and net operating income were utilized resulting in a debt coverage ratio of 1.18, which is within the Department's acceptable range of 1.15 and 1.35, and the expense to income ratio of 64.85% is below the Department's maximum 65% ratio. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	<u>Gerald A. Teel Company, Inc.</u>	Date:	<u>3/10/2010</u>
Number of Revisions:	<u>0</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	<u>4.77 acres</u>	<u>\$75,000</u>	As of: <u>3/10/2010</u>
Existing Buildings: (as-is)	<u>\$640,000</u>		As of: <u>3/10/2010</u>
Total Development: (as-is)	<u>\$715,000</u>		As of: <u>3/10/2010</u>

ASSESSED VALUE

Land Only: 4.77 acres	<u>\$31,800</u>	Tax Year:	<u>2009</u>
Existing Buildings:	<u>\$557,350</u>	Valuation by:	<u>Grimes CAD</u>
Total Assessed Value:	<u>\$589,150</u>	Tax Rate:	<u>2.264952</u>

Comment:

The subject property had a County Assessed Value of \$589,150 and a County Appraised Value of \$2,129,840 for 2009.

EVIDENCE of PROPERTY CONTROL

Type: <u>Purchase and Sale Agreement</u>	Acreage: <u>4.772</u>
Contract Expiration: <u>12/31/2010</u>	Valid Through Board Date? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost: <u>\$1,129,885</u>	Other: _____
Seller: <u>Prince Hall Plaza Charitable Trust</u>	Related to Development Team? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

TITLE

The Title Company is requiring the satisfactory recordable releases of the following:

- a. Deed of Trust dated June 6, 1968 executed by I.H. Clayborn, Bobby G. Webber and J.D. Paley, Trustees of Prince Hall Plaza Charitable Trust to George W. Kesler, Trustee, recorded in Vol. 49, Page 349, Deed of Trust Records of Grimes County, Texas, securing note of even date in the original amount of \$573,600 and other obligations payable to the order of the Prudential Insurance Company of America.
- b. Mechanic's Lien (Claim of Lien) dated October 20, 2003, executed by Maintenance Warehouse/America Corp. in the amount of \$3,352.65 recorded in Vol. 1060, Page 514, Real Property Records of Grimes County, Texas.
- c. UCC Financing Statement filed on November 24, 2003 under Financing Statement File No. 17166, recorded in Vol. 1062, Page 213, Real Property Records of Grimes County, Texas, showing Prince Hall Plaza Charitable Trust as Debtor and the Secretary of Housing and Urban Development as Secured Party.
- d. UCC Financing Statement Amendment filed on October 6, 2008 under Financing Statement File No. 17166, recorded in Volume 1282, Page 668, Real Property Records of Grimes County, Texas, showing Prince Hall Plaza Charitable Trust as Debtor and the Secretary of Housing and Urban Development of Washington, D.C. as Secured Party.
- e. Lien Affidavit - Original Contractor recorded in Vol. 1331, page 304, Real Property Records of Grimes County, Texas, on February 11, 2010 by Pete Jensen, Jr., President of Jensen Commercial, Inc. in the amount of \$56,535.54 against Prince Hall Charitable Trust dba Prince Hall Apartment Complexes.

NOTE: The Title company is concerned that the Deed of Trust was executed in 1968 and no other Deed of Trust was recorded thereafter, yet UCC Statements were filed recently showing a different Secured Party. Issuing title company should make inquiries as to whether other possibly recorded liens are in existence.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: None Date of Last Applicant Revision: N/A

Acquisition Value:

The purchase price of \$1,129,885 is considered reasonable as this is an "arms-length" transaction. The Applicant claimed a building value of \$1,078,885 for the purpose of calculating acquisition basis; however, pursuant to Department guidelines, the Underwriter utilized a lower building value. Of the \$1,129,885 contract sales price, the Underwriter allocated 89.51% (\$1,011,366) to buildings and 10.49% (\$118,519) to land, consistent with the pro rata land value cited in the appraisal submitted by the Applicant.

Sitework Cost:

Since this is a proposed rehabilitation the associated sitework costs are less than the Department's maximum allowable. The Applicant has estimated sitework costs of \$7,000 per unit, which is somewhat high for a rehabilitation, but is consistent with the estimate in the Property Condition Assessment (PCA). According to the PCA, the majority of the required sitework will be for overlay of parking lots (\$120K), the replacement of all underground utilities (\$100K), installation of irrigation system and landscape (\$65K), replacement of overhead electrical lines (\$45K), and replacement of water lines (\$30K).

Direct Construction Cost:

The Applicant's direct construction cost estimate is the same as that provided in the Property Condition Assessment (PCA). The underwriting analysis will also reflect the PCA value.

Ineligible Costs:

Because the Underwriter's acquisition basis is lower than the Applicant's, the eligible developer fee according to the Underwriter's costs is lower than the Applicant's estimate. The Underwriter has moved the difference between the Applicant's eligible developer fee, and the allowable eligible developer fee using the Underwriter's cost into the ineligible cost line item in the Underwriter's cost schedule.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is rural.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. This is an acquisition/rehabilitation development; therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$6,150,214 supports annual tax credits of \$624,203. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 5/12/2010

Source: Davis-Penn Mortgage Type: Interim & Permanent Financing

Interim: \$1,357,300 Interest Rate: 6.25% Term: 24 months

Permanent: \$1,357,300 Interest Rate: 6.776% Fixed Amort: 480 months

Comments: Term: 40 years

The interest rate will be 6.25% during the construction period up to 2 years then converting to a permanent loan at stated interest rate of 6.25% plus a 0.45% mortgage insurance premium. The lender has identified a debt service payment of \$98,579 based on a loan constant of 7.26%; this effectively results in an amortized interest rate of 6.776%, inclusive of MIP. This is the rate that is reflected in the analysis.

Source: TDHCA HOME Type: Interim to Permanent Financing

Permanent: \$354,594 Interest Rate: 0.00% Fixed Amort: 480 months

Comments:

This loan is to be in a third lien position during the construction phase, and in a second lien position during the permanent loan phase.

Source: Wachovia Bank, N.A. Type: Interim Financing

Principal: \$500,000 Interest Rate: LIBOR + 300 bps (Floor of 5%) Term: 12 months

Comments:

Wachovia's loan is to be monthly payments of interest only, with the interest rate to be LIBOR plus 300 basis points, with a floor of 5%. This loan is to be in a second lien position during the construction period. The rate based on the 3 month Libor plus 300 basis points at the time of the commitment would have been 3.25%.

Source: HUD Flex Subsidy Loan Type: Permanent Financing

Principal: \$599,885 Interest Rate: 1.0% Fixed Amort: N/A months

Comments:

The Applicant proposes to assume an existing HUD Flex Subsidy loan at an interest rate of 1%, with payments to be from available cash flow, and a term of at least 40 years; however, to date, the Applicant has not provided documentation that HUD has approved their assumption and deferral of the subject loan. Accordingly, receipt, review, and acceptance, by cost certification, that HUD has approved the Applicant's assumption of the Flexible Subsidy loan, at a rate of 1% with repayment to be from available cash flow is a condition of this report.

Source: Wells Fargo - HTC Equity Type: Syndication

Proceeds: \$4,388,418 Syndication Rate: 68.5% Anticipated HTC: \$ 640,709

Amount: \$6 Type: Deferred Developer Fees

ANALYSIS OF ABILITY TO REPAY CASH FLOW LOANS:

The Underwriter evaluated several scenarios based on a variety of assumptions in order to evaluate the ability for the HUD Flexible Subsidy cash flow loan to be repaid. The Underwriter performed this analysis using both the recommended financing structure, based on the Underwriter's pro forma, and using the Applicant's pro forma.

Recommended Financing Structure (Underwriter's Pro Forma):

The Underwriter's first evaluated whether the loan can be amortized over the Applicant's requested 40 year term for the Flexible Subsidy loan; the Underwriter's pro forma shows insufficient NOI to amortize the loan. Additionally, the Underwriter's pro forma indicates that there is insufficient cash flow to repay the note over the 40 year term. There appears however to be sufficient reversion value based on the Underwriter's year 40 NOI to retire any outstanding debt.

Applicant's Pro Forma:

Option 1, Amortization of Part of HUD Flex Subsidy Loan and Cashflow of a Portion: According to the Applicant's proforma the development could support the amortization of \$210K of the HUD Flex Subsidy Loan and be at a 1.15 DCR, with the balance of approximately \$389K being set to be paid based on cashflow. Under this scenario, there still would not be sufficient cashflow to pay the loan in full at the 40 year maturity; however, there would be sufficient reversion value based on the Applicant's year 40 NOI to retire the outstanding debt.

Option 2, Cashflow Set for the Entire HUD Flex Subsidy Loan: Under this scenario where the entire \$599K is set as a cashflow loan, the Applicant's proforma indicate that there is not sufficient cashflow nor reversion value to pay the loan in full in or by year 40.

Condition:

Because both the Applicant's pro forma and the recommended financing structure show insufficient cash flow to repay the HUD Flexible Subsidy cash flow note, this report is conditioned on receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the cash flow loan can be repaid at or by maturity and can be considered valid debt.

CONCLUSIONS

Recommended Financing Structure:

The Underwriter recommends that a HOME loan in the amount of \$354,594 be provided to the Applicant with an amortization and term of 40 years, and an interest rate of 0.0% per annum. The loan should be in a third lien position during the interim construction phase and in a second lien position in the permanent loan phase.

The Underwriter's total development cost estimate less the permanent loans of \$2,311,779 indicates the need for \$4,278,420 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$624,678 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$624,203
Allocation determined by gap in financing:	\$624,678
Allocation requested by the Applicant:	\$640,710

The allocation amount determined by the Underwriter's calculation of the eligible basis is recommended. A tax credit allocation of \$624,203 per year for 10 years results in total equity proceeds of \$4,275,169 at a syndication rate of \$0.6850 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$3,252 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within one year of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Underwriter:	_____	Date:	_____
	<i>D.P. Burrell</i>		July 21, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		July 21, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		July 21, 2010

UNIT MIX/RENT SCHEDULE

Prince Hall Plaza, Navasota, HTC 9% / HOME #10238

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS			
CITY:	Navasota	# Beds	# Units	% Total	PROGRAMS:		HOME Sec 8				DEVELOPMENT ACTIVITY:	Acq/Rehab			
COUNTY:	Grimes	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%		
SUB-MARKET:		1	12	20.0%	HH	\$511	\$559	\$625	\$769	\$838	6	EXPENSE GROWTH:	3.00%		
PROGRAM REGION:	8	2	22	36.7%	Sec 8	\$0	\$425	\$526	\$581	\$628	54	HIGH COST ADJUSTMENT:	130%		
RURAL RENT USED:	Yes	3	22	36.7%								APPLICABLE FRACTION:	100.00%		
IREM REGION:		4	4	6.7%								APP % - ACQUISITION:	4.00%		
		TOTAL	60	100.0%	Misc	#N/A	#N/A	#N/A	#N/A	#N/A		APP % - CONSTRUCTION:	9.00%		

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION						PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Section 8	Market Rent	TDHCA Savings to Market
TC 30%	Sec 8/LH/30% Income	1	1	1	584	\$288	\$52	\$236	\$203	\$0.75	\$439	\$439	\$425	\$425	\$0.73	\$189	\$425	\$510	\$85
TC 50%	Sec 8/HH/60% Income	2	1	1	584	\$480	\$52	\$428	\$11	\$0.75	\$439	\$878	\$850	\$425	\$0.73	(\$3)	\$425	\$510	\$85
TC 50%	Sec 8	3	1	1	584	\$480	\$52	\$428	\$11	\$0.75	\$439	\$1,317	\$1,275	\$425	\$0.73	(\$3)	\$425	\$510	\$85
TC 60%	Sec 8	6	1	1	584	\$576	\$52	\$524	(\$85)	\$0.75	\$439	\$2,634	\$2,550	\$425	\$0.73	(\$99)	\$425	\$510	\$85
TC 30%	Sec 8/LH/30% Income	1	2	1	723	\$346	\$83	\$263	\$281	\$0.75	\$544	\$544	\$526	\$526	\$0.73	\$263	\$526	\$610	\$84
TC 50%	Sec 8	10	2	1	723	\$577	\$83	\$494	\$50	\$0.75	\$544	\$5,440	\$5,260	\$526	\$0.73	\$32	\$526	\$610	\$84
TC 60%	Sec 8	11	2	1	723	\$693	\$83	\$610	(\$66)	\$0.75	\$544	\$5,984	\$5,786	\$526	\$0.73	(\$84)	\$526	\$610	\$84
TC 30%	Sec 8/HH/60% Income	1	3	1	800	\$400	\$118	\$282	\$320	\$0.75	\$602	\$602	\$581	\$581	\$0.73	\$299	\$581	\$685	\$104
TC 50%	Sec 8	10	3	1	800	\$666	\$118	\$548	\$54	\$0.75	\$602	\$6,020	\$5,810	\$581	\$0.73	\$33	\$581	\$685	\$104
TC 60%	Sec 8	11	3	1	800	\$800	\$118	\$682	(\$80)	\$0.75	\$602	\$6,622	\$6,391	\$581	\$0.73	(\$101)	\$581	\$685	\$104
TC 50%	Sec 8/HH/60% Income	1	4	1	1,010	\$743	\$149	\$594	\$57	\$0.64	\$651	\$651	\$628	\$628	\$0.62	\$34	\$628	\$780	\$152
TC 50%	Sec 8	1	4	1	1,010	\$743	\$149	\$594	\$57	\$0.64	\$651	\$651	\$628	\$628	\$0.62	\$34	\$628	\$780	\$152
TC 60%	Sec 8	2	4	1	1,010	\$892	\$149	\$743	(\$92)	\$0.64	\$651	\$1,302	\$1,256	\$628	\$0.62	(\$115)	\$628	\$780	\$152
TOTAL:		60				44,554						\$33,084	\$31,966						
AVG:						743			(\$5)	\$0.74	\$551			\$533	\$0.72	(\$23)	\$533	\$629	(\$96)
ANNUAL:												\$397,008	\$383,592						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Prince Hall Plaza, Navasota, HTC 9% / HOME #10238

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$383,592	\$397,056			
Secondary Income	Per Unit Per Month:	\$10.00		7,200	7,200	\$10.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$390,792	\$404,256			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(29,309)	(20,208)	-5.00%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$361,483	\$384,048			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.79%	\$349	0.47	\$20,934	\$18,600	\$0.42	\$310	4.84%
Management	5.00%	\$301	0.41	18,074	23,043	0.52	384	6.00%
Payroll & Payroll Tax	11.83%	\$713	0.96	42,770	46,000	1.03	767	11.98%
Repairs & Maintenance	10.01%	\$603	0.81	36,183	40,952	0.92	683	10.66%
Utilities	3.67%	\$221	0.30	13,262	14,200	0.32	237	3.70%
Water, Sewer, & Trash	5.75%	\$347	0.47	20,795	21,400	0.48	357	5.57%
Property Insurance	6.64%	\$400	0.54	24,000	24,000	0.54	400	6.25%
Property Tax	2.264952	\$485	0.65	29,094	29,624	0.66	494	7.71%
Reserve for Replacements	4.98%	\$300	0.40	18,000	18,000	0.40	300	4.69%
TDHCA Compliance Fees	0.66%	\$40	0.05	2,400	2,400	0.05	40	0.62%
Supportive Svr./Cable/Security	2.46%	\$148	0.20	8,900	8,900	0.20	148	2.32%
TOTAL EXPENSES	64.85%	\$3,907	\$5.26	\$234,412	\$247,119	\$5.55	\$4,119	64.35%
NET OPERATING INC	35.15%	\$2,118	\$2.85	\$127,071	\$136,929	\$3.07	\$2,282	35.65%

DEBT SERVICE

Davis-Penn Mortgage	\$98,579	\$98,618
TDHCA HOME Loan	\$8,865	\$8,791
HUD Flex Subsidy Loan	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	107,444	107,409
NET CASH FLOW	\$19,627	\$29,520
AGGREGATE DEBT COVERAGE RATIO	1.18	1.27
RECOMMENDED DEBT COVERAGE RATIO	1.18	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		17.14%	\$18,831	\$25.36	\$1,129,885	\$1,129,885	\$25.36	\$18,831	16.86%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		6.37%	\$7,000	\$9.43	420,000	420,000	9.43	7,000	6.27%
Direct Construction		36.42%	\$40,000	\$53.87	2,400,000	2,400,000	53.87	40,000	35.82%
Contingency	10.00%	4.28%	\$4,700	\$6.33	281,971	281,971	6.33	4,700	4.21%
Contractor's Fees	13.97%	5.98%	\$6,566	\$8.84	393,954	393,954	8.84	6,566	5.88%
Indirect Construction		8.32%	\$9,142	\$12.31	548,500	548,500	12.31	9,142	8.19%
Ineligible Costs		1.97%	\$2,167	\$2.92	129,995	119,921	2.69	1,999	1.79%
Developer's Fees	15.00%	12.17%	\$13,370	\$18.01	802,202	812,276	18.23	13,538	12.12%
Interim Financing		4.43%	\$4,870	\$6.56	292,222	292,222	6.56	4,870	4.36%
Reserves		2.91%	\$3,191	\$4.30	191,470	301,474	6.77	5,025	4.50%
TOTAL COST		100.00%	\$109,836.66	\$147.91	\$6,590,199	\$6,700,203	\$150.38	\$111,670	100.00%
Construction Cost Recap		53.05%	\$58,265	\$78.46	\$3,495,925	\$3,495,925	\$78.46	\$58,265	52.18%

SOURCES OF FUNDS

					RECOMMENDED	
Davis-Penn Mortgage	20.60%	\$22,622	\$30.46	\$1,357,300	\$1,357,300	\$1,357,300
TDHCA HOME Loan	5.38%	\$5,910	\$7.96	354,594	354,594	354,594
HUD Flex Subsidy Loan	9.10%	\$9,998	\$13.46	599,885	599,885	599,885
Wells Fargo - HTC Equity	66.59%	\$73,140	\$98.50	4,388,418	4,388,418	4,275,169
Deferred Developer Fees	0.00%	\$0	\$0.00	6	6	3,252
Additional (Excess) Funds Req'd	-1.67%	(\$1,833)	(\$2.47)	(110,004)	0	0
TOTAL SOURCES				\$6,590,199	\$6,700,203	\$6,590,199

Developer Fee Available \$812,276
% of Dev. Fee Deferred 0%
15-Yr Cumulative Cash Flow \$303,397

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Prince Hall Plaza, Navasota, HTC 9% / HOME #10238

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$50.00	\$2,227,700
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			1.33	59,405
Floor Cover			2.41	107,375
Breezeways	\$23.05	0	0.00	0
Balconies	#DIV/0!	0	#DIV/0!	#DIV/0!
Plumbing Fixtures	\$845	(300)	(5.69)	(253,500)
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	60	2.49	111,000
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$40.08		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	82,425
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.15	44,554	2.15	95,791
SUBTOTAL			#DIV/0!	#DIV/0!
Current Cost Multiplier	0.99		#DIV/0!	#DIV/0!
Local Multiplier	0.90		#DIV/0!	#DIV/0!
TOTAL DIRECT CONSTRUCTION COSTS				
Plans, specs, survy, bid prn	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interes	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
NET DIRECT CONSTRUCTION COSTS				

PROPOSED PAYMENT COMPUTATION

Davis-Penn Mortgage	\$1,357,300	Amort	480
Int Rate	6.78%	DCR	1.29

TDHCA HOME Loan	\$354,594	Amort	480
Int Rate	0.00%	Subtotal DCR	1.18

HUD Flex Subsidy Loan	\$599,885	Amort	0
Int Rate	1.00%	Aggregate DCR	1.18

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.18

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.18

RECOMMENDED FINANCING STRUCTURE:

Davis-Penn Mortgage	\$98,579
TDHCA HOME Loan	8,865
HUD Flex Subsidy Loan	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$107,444

Davis-Penn Mortgage	\$1,357,300	Amort	480
Int Rate	6.78%	DCR	1.29

TDHCA HOME Loan	\$354,594	Amort	480
Int Rate	0.00%	Subtotal DCR	1.18

HUD Flex Subsidy Loan	\$599,885	Amort	0
Int Rate	1.00%	Aggregate DCR	1.18

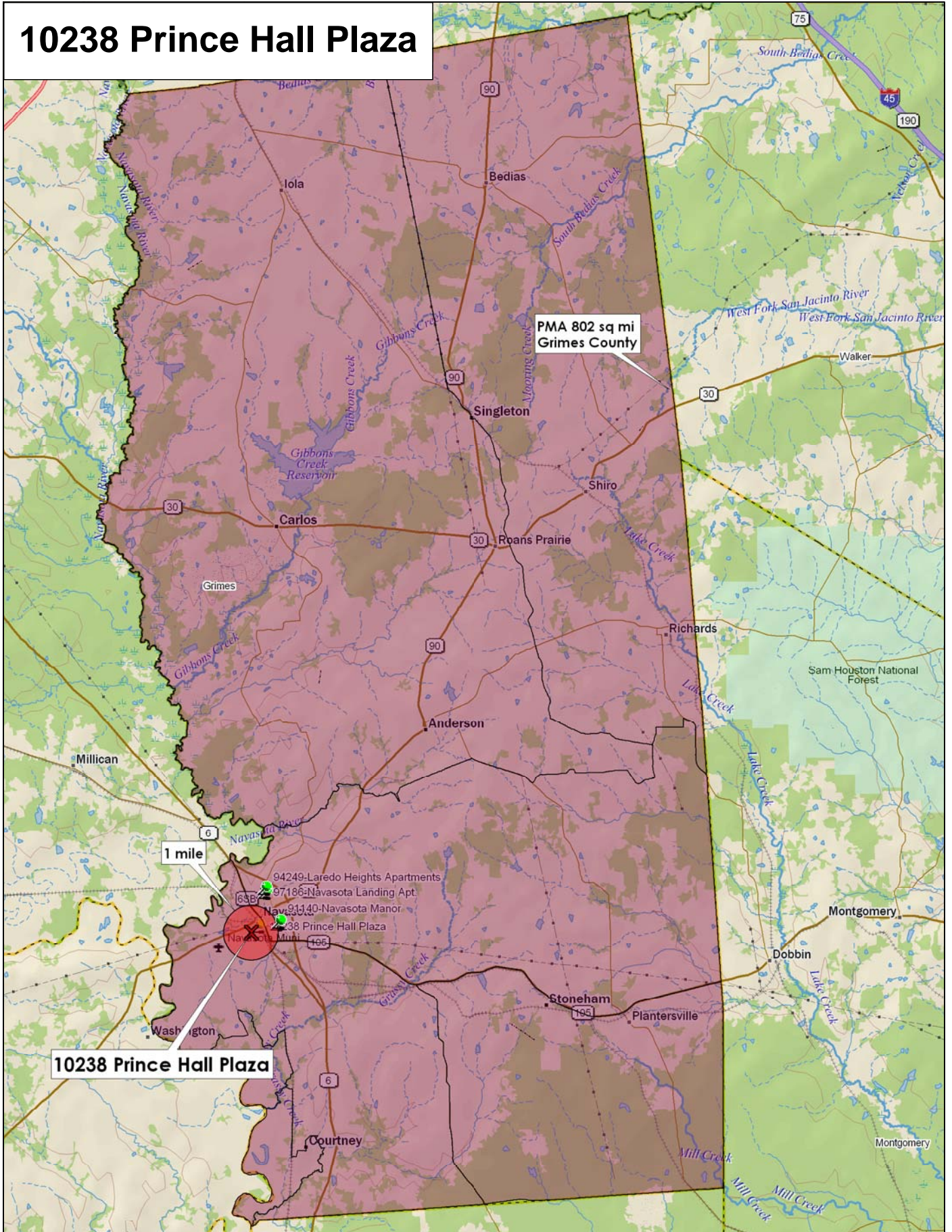
Additional Financing	\$0	Amort	0
Int Rate	1.00%	Subtotal DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.18

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$383,592	\$391,264	\$399,089	\$407,071	\$415,212	\$458,428	\$506,141	\$558,821	\$681,200
Secondary Income	7,200	7,344	7,491	7,641	7,794	8,605	9,500	10,489	12,786
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	390,792	398,608	406,580	414,712	423,006	467,033	515,642	569,310	693,986
Vacancy & Collection Loss	(29,309)	(29,896)	(30,493)	(31,103)	(31,725)	(35,027)	(38,673)	(42,698)	(52,049)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$361,483	\$368,712	\$376,086	\$383,608	\$391,280	\$432,005	\$476,969	\$526,612	\$641,937
EXPENSES at 3.00%									
General & Administrative	\$20,934	\$21,562	\$22,209	\$22,875	\$23,561	\$27,314	\$31,664	\$36,708	\$49,332
Management	18,074	18,436	18,804	19,180	19,564	21,600	23,848	26,331	32,097
Payroll & Payroll Tax	42,770	44,053	45,375	46,736	48,138	55,805	64,694	74,998	100,791
Repairs & Maintenance	36,183	37,269	38,387	39,538	40,725	47,211	54,730	63,448	85,268
Utilities	13,262	13,660	14,069	14,492	14,926	17,304	20,060	23,255	31,252
Water, Sewer & Trash	20,795	21,418	22,061	22,723	23,405	27,132	31,454	36,464	49,004
Insurance	24,000	24,720	25,462	26,225	27,012	31,315	36,302	42,084	56,558
Property Tax	29,094	29,967	30,866	31,792	32,746	37,961	44,008	51,017	68,562
Reserve for Replacements	18,000	18,540	19,096	19,669	20,259	23,486	27,227	31,563	42,418
TDHCA Compliance Fee	2,400	2,472	2,546	2,623	2,701	3,131	3,630	4,208	5,656
Other	8,900	9,167	9,442	9,725	10,017	11,612	13,462	15,606	20,973
TOTAL EXPENSES	\$234,412	\$241,264	\$248,317	\$255,579	\$263,054	\$303,872	\$351,079	\$405,680	\$541,911
NET OPERATING INCOME	\$127,071	\$127,449	\$127,769	\$128,030	\$128,226	\$128,133	\$125,890	\$120,931	\$100,026
DEBT SERVICE									
First Lien Financing	\$98,579	\$98,579	\$98,579	\$98,579	\$98,579	\$98,579	\$98,579	\$98,579	\$98,579
Second Lien	8,865	8,865	8,865	8,865	8,865	8,865	8,865	8,865	8,865
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$19,627	\$20,005	\$20,325	\$20,586	\$20,782	\$20,689	\$18,446	\$13,488	(\$7,418)
DEBT COVERAGE RATIO	1.18	1.19	1.19	1.19	1.19	1.19	1.17	1.13	0.93

10238 Prince Hall Plaza



10238 Prince Hall Plaza

1 mile

PMA 802 sq mi
Grimes County

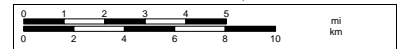
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Scale 1 : 300,000



1" = 4.73 mi

Data Zoom 9-4



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Prince Hall Gardens, TDHCA Number 10239

BASIC DEVELOPMENT INFORMATION

Site Address: 1800 E. Robert Development #: 10239
 City: Fort Worth Region: 3 Population Served: General
 County: Tarrant Zip Code: 76104 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Prince Hall Gardens Associates, LP
 Owner Contact and Phone: K.T. (Ike) Akbari, (409) 724-0020
 Developer: Prince Hall Gardens Developers, JV
 Housing General Contractor: Icon Builders, L.L.C.,
 Architect: Long Architects, Inc.
 Market Analyst: Gerald A. Teel & Company
 Syndicator: N/A
 Supportive Services: Itex Property Management, LLC
 Consultant and Contact: Baristone Developers, L.L.C.,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	100
	5 0 45 50	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 12 44 44 0 0	Total Development Units:	100
Type of Building:		Total Development Cost*:	\$11,002,461
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	24
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,096,944	\$1,064,555			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Prince Hall Gardens, TDHCA Number 10239

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Davis, District 10, S Points: 7 US Representative: Burgess, District 26, NC
TX Representative: Veasey, District 95, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

S, Roy C. Brooks, County Commissioner Precinct 1

S, Stephen E. Ogden, State Senator, District 5

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, prior to start of construction, of evidence that all Phase 1 ESA recommendations have been carried out.
2. Receipt, Review, and acceptance, by Commitment Notice, of a commitment from the City of Fort Worth to provide a HOME loan in the amount of \$555,000, with the terms of financing provided, including the rate, term and amortization period.
3. Receipt, review, and acceptance, by cost certification, of a fully executed Project-Based Section 8 Rental Assistance contract reflecting approval of rents net of utility allowances of at least \$442 for the one bedroom units, \$558 for the two bedrooms, and \$709 for the three bedroom units.
4. Receipt, review, and acceptance, by cost certification, that HUD has approved the Applicant's assumption of the Flexible Subsidy loan, at a rate of 1% and with repayment to be from available cash flow.
5. Receipt, review, and acceptance, by cost certification, of an attorney's opinion affirming that the City of Fort Worth HOME loan and the HUD Fled Subsidy loan can be repaid at or by maturity and can be considered valid debt.
6. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
7. Receipt of a firm commitment from the City of Fort Worth for funding in the amount of \$555,000, or a commitment from a qualifying substitute source in an amount not less than \$555,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Prince Hall Gardens, TDHCA Number 10239

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **15**

Total # Monitored: **9**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: **\$1,064,555**

Recommendation: Competitive in At-Risk Set-Aside

HOME Activity Funds:

Loan Amount: **\$0**

HOME CHDO Operating Expense Grant:

Grant Amount: **\$0**

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/25/10 PROGRAM: HTC 9% FILE NUMBER: 10239

DEVELOPMENT

Prince Hall Gardens

Location: 1800 E. Robert Street Region: 3
 City: Fort Worth County: Tarrant Zip: 76104 OCT DDA
 Key Attributes: General, Acquisition/Rehabilitation, At-Risk, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$1,096,944			\$1,064,555		

CONDITIONS

- 1 Receipt, review, and acceptance, prior to start of construction, of evidence that all Phase I ESA recommendations have been carried out.
- 2 Receipt, review, and acceptance, by Commitment Notice, of a commitment from the City of Fort Worth to provide a HOME loan in the amount of \$555,000, with the terms of financing provided, including the rate, term and amortization period.
- 3 Receipt, review, and acceptance, by cost certification, of a fully executed Project-Based Section 8 Rental Assistance contract reflecting approval of rents net of utility allowances of at least \$442 for the one bedroom units, \$558 for the two bedroom units, and \$709 for the three bedroom units.
- 4 Receipt, review, and acceptance, by cost certification, that HUD has approved the Applicant's assumption of the Flexible Subsidy loan, at a rate of 1%, and with repayment to be from available cash flow.
- 5 Receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that the City of Fort Worth HOME loan and the HUD Flex Subsidy loan can be repaid at or by maturity and can be considered valid debt.
- 6 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	5
50% of AMI	50% of AMI	45
60% of AMI	60% of AMI	50

This section intentionally left blank.

STRENGTHS / MITIGATING FACTORS

- The principal of the special limited partner, and majority-interest Developer has experience developing and managing 2,300 tax credit units in Texas.
- The indicated capture rate at the 60% rent level is 2.1%, at the 50% rent level it is 1.7% and at the 30% rent level it is .01%.
- The subject property is already existing and absorbed in the market.

WEAKNESSES / RISKS

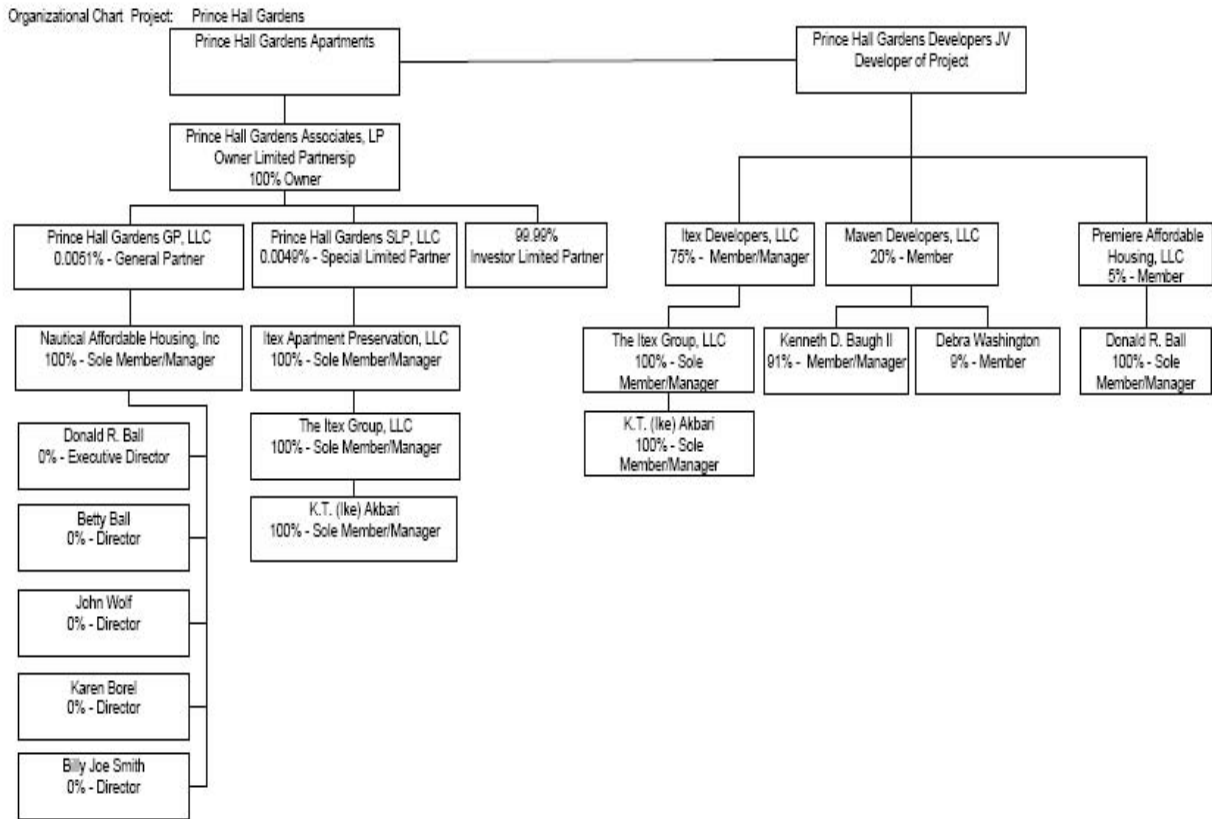
- The Applicant's high expense to income ratio of 64.96% is slightly below the Department's maximum guideline, reflecting extensive deep rent targeting, but is still acceptable.
- Average occupancy within 2 miles of the subject development is 81.1%
- The development is dependant to a large part to two of their loans being structured as cash flow loans.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: K.T. (Ike) Akbari Phone: (409) 724-0020 Fax: (409) 721-6603
 Email: ikeakbari@itexmgt.com

IDENTITIES of INTEREST

- o The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B	C	D	E	F	G	H	I	J	Total Buildings
Floors/Stories	2	2	2								
Number	3	20	1								24

BR/BA	SF	Units									Total Units	Total SF
1	563	4									12	6,756
2	726		2	4							44	31,944
3	876		2	4							44	38,544
Units per Building		4	4	8							100	77,244

Rehabilitation Summary:

The plan calls for the replacement of roofs, windows, doors, exterior siding, stairs, interior flooring, cabinets, appliances, HVAC, landscaping, and interior and exterior painting. The Applicant provided a Property Condition Assessment (PCA) to substantiate the work needed.

Relocation Plan:

Leasing at the development has now been suspended and no new leases are being entered into or executed in preparation for the acquisition and rehabilitation of the subject property. It is anticipated that upon the award of the requested housing tax credits that a number of tenants will be relocated to other units on-site so that a cluster of units will be made available for renovation. Upon the renovation of those units, tenants will then be moved into the newly renovated units. This process will continue until all renovations are completed. It is not anticipated that any tenants will be relocated off site. Relocation costs are to be paid by the Applicant. \$50K is being budgeted for these expenses.

SITE ISSUES

Total Size: 6.002 acres Scattered site? [] Yes [x] No
Flood Zone: X and AE Within 100-yr floodplain? [x] Yes [] No
Zoning: D-Heavy Density Multi-family Needs to be re-zoned? [] Yes [x] No [] N/A

Comments:

The ESA provider, Medina Consulting Company, Inc., stated in its report that the eastern half of the Site is located in Zone AE, which is a special flood hazard area inundated by the 100-year flood according to the FEMA, National Flood Insurance Program Flood Insurance Rate Map, Map Number 48439C0310K for Tarrant County.

However, according to the 2010 QAP §50.6(a) "no buildings or roads that are part of a Development proposing Rehabilitation or Adaptive Reuse, with the exception of Developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the 100 year floodplain unless they already meet the requirements established for New Construction." The subject property currently has HUD financing under a HAP contract, which meets the requirement for HUD financing under the rule.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/20/2010
Overall Assessment: [] Excellent [x] Acceptable [] Questionable [] Poor [] Unacceptable
Surrounding Uses:
North: Apartments / Residential East: Apartments / Residential
South: Cobb Park / Vacant West: Vacant land / Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Medina Consulting Company, Inc. (MCC) Date: 3/29/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- Based on the results of the assessment MCC "determined that no "Recognized Environmental Conditions", as defined by ASTM, were identified in connection with activities of the property. No further assessment is recommended based on the available information as of the date of the report." However, "since no asbestos survey has been conducted for the buildings located at the Site, MCC recommends a survey for asbestos containing materials (ACM's) be performed on the structures prior to any construction activities and that the future demolition or renovation be performed in accordance with state and local regulations regarding disturbing ACM's if found to be present. MCC also recommends a Noise Survey be performed for the Site."

Additionally, the eastern half of the Site is located in Zone AE which is a special flood hazard area inundated by the 100-year flood, according to FEMA National Flood Insurance Program Flood Insurance Map, Map Number 48439C0310K for Tarrant County. Therefore, MCC recommended that "the area of the property located within Zone AE should be determined so the areas within the floodplain will be in compliance with floodplain management requirements."

Accordingly, it is a condition of this report that all of the recommendations of the ESA provider be completed and that any results that require further action must be followed by the Applicant in accordance with local, state or federal regulations, as applicable.

MARKET ANALYSIS

Provider: The Gerald A. Teel Co Date: 3/1/2010
 Contact: Tim Treadway Phone: _____
 Number of Revisions: one Date of Last Applicant Revision: 6/14/2010

Primary Market Area (PMA): 27 sq. miles 3 mile equivalent radius

The Primary Market Area defined in the original market study did not conform to the 2010 real Estate Analysis Rules. The Market Analyst provided a revised market study which identifies a PMA defined by 27 census tracts in central Fort Worth, between I20 and I30, and between I35W and I820.

ELIGIBLE HOUSEHOLDS BY INCOME								
Tarrant County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$0	\$13,850	---	---	\$0	\$23,100	\$0	\$27,720
2	\$0	\$15,850	---	---	\$0	\$26,400	\$0	\$31,680
3	\$0	\$17,800	---	---	\$0	\$29,700	\$0	\$35,640
4	\$0	\$19,800	---	---	\$0	\$33,000	\$0	\$39,600
5	\$0	\$21,400	---	---	\$0	\$35,650	\$0	\$42,780
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
10117	Terrell Homes I	new	family	54	54
07149	Residences at Eastland	new	family	140	146
060415	Village Creek	new	family	252	252
Other Affordable Developments in PMA since 2006					
08298	Residences at Stalcup	rehab	family	n/a	92
07403	Amelia Parc Senior Apts	new	senior	n/a	196
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		4	Total Units	708	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There are two unstabilized family properties, and one proposed family property, with a total of 452 units that must be factored into the Gross Capture rate calculation for the subject PMA.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	30,645	30,645
Target Households in the Primary Market Area	0	0
Potential Demand from the Primary Market Area	7,250	8,547
Potential Demand from Other Sources	0	0
GROSS DEMAND	7,250	8,547
Subject Affordable Units	100	100
Unstabilized Comparable Units	0	446
RELEVANT SUPPLY	100	546
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	1.4%	6.4%

Demand Analysis:

The Market Analyst identifies Gross Demand for 7,250 units from income-eligible households in the PMA, indicating a Gross Capture Rate of 1.4% for the 100 subject units. The Market Analyst did not include any unstabilized comparable units in the supply.

All of the units at the subject are covered by a Section 8 HAP contract, and renewal of this contract is a condition of this report. With 100% rental assistance, the minimum income is effectively zero. So the underwriting analysis includes all eligible households under the maximum income at 60% of AMI. The Underwriter identifies Gross Demand for 8,547 units, and a Gross Capture Rate of 6.4% for a total Relevant Supply of 546 units.

The maximum Gross Capture Rate for an urban development targeting family households is 10%. The analysis indicates sufficient demand to support the subject as well as the additional unstabilized units in the PMA.

PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	1,513	1	0	0%	1,734	1	0	0%
1 BR/50%	522	5	0	1%	2,524	5	0	0%
1 BR/60%	333	6	0	2%	2,820	6	72	3%
2 BR/30%	898	2	0	0%	1,353	2	15	1%
2 BR/50%	387	20	0	5%	2,174	20	0	1%
2 BR/60%	432	22	0	5%	2,420	22	196	9%
3 BR/30%	256	2	0	1%	972	2	2	0%
3 BR/50%	305	20	0	7%	1,516	20	13	2%
3 BR/60%	274	22	0	8%	1,772	22	117	8%

Primary Market Occupancy Rates:

"Demand will not support the addition of new product as is illustrated by the submarket's 83.3% occupancy. The demand through household growth will most likely improve this existing vacancy. Micro Market occupancies were 83.3%. A two mile radius of the subject indicates 81.1% and the rent comparables average 88.6%. In lower income neighborhoods such as this, the weaknesses are often more apparent than in better neighborhoods. The best product for the money will likely maintain the highest occupancies" (p. 34)

The Market Analyst reports on five comparable properties with a wide range of occupancy, from 76% to 97%, and averaging 88.6%.

Absorption Projections:

The Market Analyst reports the changes in average rents and occupancies for the comparable properties over the previous year. "These properties illustrate a monthly average absorption range between -1 and 3 units. Demographics indicate that new household growth will be equal to 273 units per annum over the next five years with approximately 35.5% of those households renting indicating a natural absorption of 97 units per year or approximately 8 units per month." (p. 34)

Market Impact:

"The property has already been accepted, the lowered rents will further appeal to a segment of the population not accustomed to receiving higher quality housing. Plus the units will be offered to the existing tenants on a 1 to 1 basis." (p. 97)

Comments:

Overall occupancy in the PMA is quite low. But the subject's HAP contract provides a significant market advantage. The subject is currently 81% occupied, due to units in need of repair as well as allowed attrition in anticipation of the proposed rehabilitation. The market analysis indicates sufficient demand to support the subject. Plus, as existing Affordable Housing, the project is not subject to the capture rate limit. The analysis provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 5/17/2010

The development currently operates under a HAP contract for all 100 units. The development is currently all-bills-paid; therefore, the HAP contract rents do not include an allowance for utilities. The Applicant intends to change the utility payment structure, and to require tenants to pay all electric and gas utilities. Because the current HAP contract does not estimate a utility allowance, the Applicant has used the utility allowances published by the Fort Worth Housing Authority as of 1/1/10 to estimate net rents.

The Applicant's rents are based on a projected increase to the current HAP Contract rents, net of utility allowances from the Fort Worth Housing Authority. The Applicant's proposed rents represent an increase of 8% on average to the most recent HAP contract rents, which become effective on July 1, 2010, less utility allowances. Of note, the Applicant intends to include 10 HOME units in the development in connection with the HOME loan from the City of Fort Worth.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

The Underwriter has not assumed an increase to current HAP rents, but rather has based rents on the most recent HAP Contract rents (effective 7/1/10), net of utility allowances from the Fort Worth Housing Authority. The Underwriter's estimate of secondary income is equal to the Applicant's, and the Underwriter has assumed the standard vacancy and collection loss of 7.5%. Based on these assumptions, the Underwriter's pro forma results in a DCR of 1.14, which is below the Department's standard minimum DCR of 1.15, and an expense to income ratio of 67.63%, which is above the Department's maximum of 65%. However, because the development has Project-Based Section 8 Rental Assistance for at least 50% of the units, the development is exempt from the both the minimum DCR requirement and the maximum expense to income ratio pursuant to Section 1.32(i)(6)(B)(i) of the 2010 Real Estate Analysis Rules. Additionally, because the development operates under a HAP contract, it is reasonable to assume that the development will have lower vacancy and collection losses than projected, which would increase DCR and decrease the expense to income ratio.

The Underwriter's analysis indicates that a rental increase is not necessary for feasibility under Department guidelines; therefore, evidence of approval of increased rents is not necessary. Any increase to the current rents will improve the development's DCR, and if the proposed rents were to be achieved, DCR under the recommended financing structure would increase to 1.33.

HUD approval of the proposed change in the utility payment structure is needed. Therefore, this report is conditioned on receipt, review, and acceptance of a fully executed Project-Based Section 8 Rental Assistance contract reflecting approval of rents net of utility allowances of at least \$442 for the one bedroom units, \$558 for the two bedroom units, and \$709 for the three bedroom units.

Expenses: Number of Revisions: 0 Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,825 per unit is within 5% of the Underwriter's estimate of \$4,658, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Applicant's revised budget however has several line item estimates that deviate significantly when compared to the Underwriter's estimates, specifically: management fee is 6% of effective gross income rather than the standard 5%; utilities are 58% lower than the Underwriter's average; and property insurance is 25% higher than the Underwriter's estimate. The Applicant's use of a 6% management fee is due to the fact that this development is both an HTC and Section 8 property, and the Applicant anticipates more paperwork and compliance than is required on a non-Section 8 development. The Underwriter used the standard 5% fee, as a management agreement supporting the Applicant's 6% was not available.

Regarding utilities, the Applicant states that their future office and common area utilities will be lower based upon their use of green building and energy efficiency materials that will be installed during renovations. Compared to all data points available to the Underwriter, the Applicant's utility expense estimate appears to be significantly understated. The Applicant stated that the estimated property insurance is based on premiums being paid at other developments in their portfolio. The Underwriter's estimate is based on an insurance quote that was provided for the development; however, the quote does not include business income insurance. Because this coverage will be a part of the policy, it is reasonable to assume that the actual insurance cost will be higher than the estimate used by the Underwriter.

Conclusion:

The Applicant's expenses are within 5% of the Underwriter's estimate, but effective gross income and net operating income are not; therefore, the Underwriter's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.14 and an expense to income ratio of 67.63%.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio of 1.14 and an expense to income ratio of 67.63%. These are acceptable due to the exception to the DCR minimum and expense to income ratio maximum for developments with at least 50% of the units covered under a Project-Based Section 8 Rental Assistance contract, pursuant to Section 1.32(i)(6)(B)(i) of the 2010 REA Rules. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: <u>Gerald A. Teel Company, Inc.</u>	Date: <u>3/4/2010</u>
Number of Revisions: <u>None</u>	Date of Last Applicant Revision: <u>N/A</u>
Land Only: <u>6.002 acres</u>	<u>\$390,000</u> As of: <u>3/4/2010</u>
Existing Buildings: (as-is)	<u>\$670,000</u> As of: <u>3/4/2010</u>
Total Development: (as-is)	<u>\$1,060,000</u> As of: <u>3/4/2010</u>

ASSESSED VALUE

Land Only: <u>6.35 acres</u>	<u>\$276,600</u>	Tax Year: <u>2009</u>
Existing Buildings:	<u>\$2,005,444</u>	Valuation by: <u>Tarrant CAD</u>
Total Assessed Value:	<u>\$2,282,044</u>	Tax Rate: <u>2.826567</u>

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EVIDENCE of PROPERTY CONTROL

Type: Purchase and Sale Agreement Acreage: 6.002
 Contract Expiration: 12/31/2010 Valid Through Board Date? Yes No
 Acquisition Cost: \$1,650,000 Other: _____
 Seller: Prince Hall Garden I Charitable Trust Related to Development Team? Yes No

TITLE

Comments:

The title company, First American Title is requiring that satisfactory recordable releases be provided for the following items:

* The subject property has the following State Tax Liens and Abstracts of Judgment that must be released before the closing on the purchase:

* State Tax Lien filed 3/16/2005 in Clerk's File No. D205073258 of the official records of Tarrant County, Texas in the amount of \$1,216.03.

* State Tax Lien filed 10/17/2007 in Clerk's File No. D207371903 of the Official records of Tarrant County, Texas in the amount of \$797.83.

* Abstract of Judgment in favor of Texas Bank filed 3/27/2003 in Volume 16528, Page 44, of the Official records, of Tarrant County, Texas in the amount of \$26,407.91; together with cost and interest as therein provided under Cause No. 202-011920-2, Tarrant County, Texas.

* Abstract of Judgment in favor of Stellar Acquisition Corporation dba Stellar Kwal Paint against Amerisouth XXXX, Ltd., dba Prince Hall Gardens, filed 1/22/20038 in File No. D208021557, of the Official records, of Tarrant County, Texas in the amount of \$1,812.78; together with cost and interest as therein provided under Cause No. JC07-00331L, Tarrant County, Texas.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: N/A

Acquisition Value:

The purchase price of \$1,650,000 is considered reasonable as this is an "arms-length" transaction. The Applicant claimed a building value of \$1,373,400 for the purpose of calculating acquisition basis; however, pursuant to Department guidelines, the Underwriter utilized a lower building value. Of the \$1,650,000 contract sales price, the Underwriter allocated 63% (\$1,042,925) to buildings and 37% (\$607,075) to land, consistent with the pro rata land value cited in the appraisal submitted by the Applicant.

Sitework Cost:

The Applicant has estimated sitework costs of \$9,000 per unit, which is significant for a rehabilitation development, but has been confirmed by the Property Condition Assessment (PCA) provider. According to the PCA, the majority of the required sitework will be for the replacement of all underground utilities (\$235K), replacement of water lines (\$120K), and overlay of parking lots (\$220K). Total sitework cost of \$9,000 per unit is below the limit for which additional information is required to document the costs.

Direct Construction Cost:

The Applicant's direct construction cost is the same as the estimate provided in the Property Condition Assessment (PCA). The underwriting analysis reflects the PCA value.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by \$11,296 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Contingency & Fees:

The Applicant's developer fee also exceeds 15% of the Applicant's adjusted eligible basis by \$1,604 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount. The overstatement of the developer fee is due to the Applicant's overstatement of interest expense.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because the site is in an eligible QCT with less than 40% HTC units per household in the tract.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$9,939,341 supports annual tax credits of \$1,064,555. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 0 Date of Last Applicant Revision: N/A

Source: Wachovia Bank Type: Interim Financing

Principal: \$4,000,000 Interest Rate: 5.0% Fixed Term: 24 months

Comments:

The interest rate is to be a floating rate of LIBOR plus 300 basis points, with a 5% floor. The interest rate (3 month LIBOR plus 300 bp) if set at the time of commitment would have been 3.25%. Wachovia Bank underwrote the construction loan at 6%.

Source: Wachovia Bank Type: Permanent Financing

Principal: \$2,220,124 Interest Rate: 8.0% Fixed Amort: 360 months

Comments:

This permanent loan is to have an amortization of 30 years with a term of 18 years. The rate will be set as fixed based on the 10-year treasury plus 400 basis points. Wachovia Bank underwrote the permanent loan at 8.0%.

Source: City of Fort Worth Type: Permanent Financing

Principal: \$555,000 Interest Rate: AFR Fixed Amort: N/A months

Comments:

The Applicant has requested that this HOME loan be a cash flow loan at AFR, which is 3.94% as of the date of this report, with a 40 year term; however, to date no commitment to provide funding has been provided by the City of Fort Worth; accordingly, receipt, review, and acceptance, by Commitment Notice, of a commitment from the City of Fort Worth to provide a HOME loan, with the terms of financing provided, including the rate, term and amortization period is a condition of this report.

This section intentionally left blank.

Source: HUD Flex Subsidy Loan Type: Permanent Financing
 Principal: \$483,685 Interest Rate: 1.0% Amort: N/A months
 Comments:

The Applicant proposes to assume an existing HUD Flex Subsidy loan be at an interest rate of 1%, with payments from available cash flow, and a term of at least 20 years; however, to date, the Applicant has not provided documentation that HUD has approved their assumption and deferral of the subject loan. Accordingly, receipt, review, and acceptance, by cost certification, that HUD has approved the Applicant's assumption of the Flexible Subsidy loan, at a rate of 1% with repayment to be from available cash flow is a condition of this report.

Source: Wells Fargo Type: Syndication
 Proceeds: \$7,677,840 Syndication Rate: 70% Anticipated HTC: \$ 1,096,944
 Amount: \$158,245 Type: Deferred Developer Fees

ANALYSIS OF ABILITY TO REPAY CASH FLOW LOANS:

The Underwriter evaluated several scenarios based on a variety of assumptions in order to evaluate the ability for City of Fort Worth HOME and HUD Flexible Subsidy cash flow loans to be repaid. The Underwriter performed this analysis using both the recommended financing structure, based on the Underwriter's pro forma, and using the Applicant's pro forma.

Recommended Financing Structure (Underwriter's Pro Forma):

The Underwriter's first evaluated whether the loans could be amortized over the stated terms (40 years for the HOME loan and 20 years for the Flexible Subsidy loan); the Underwriter's pro forma shows insufficient NOI to amortize the loans. analysis shows that this loan could not be repaid if assumed to be an amortizing loan over 40 years.

The Underwriter also evaluated the structure as proposed. When both loans are assumed to be cash flow loans, the Underwriter's pro forma shows insufficient cash flow to repay the loans over the stated terms. There appears to be sufficient reversion value based on the Underwriter's year 20 NOI to retire any outstanding debt; however, there appears to be insufficient reversion value based on the year 30 and year 40 NOI.

Applicant's Pro Forma:

The Applicant's pro forma indicates that if the loans were assumed to amortize, year one DCR would be acceptable; however, there would be insufficient cash flow to repay deferred developer fee.

When both loans are assumed to be cash flow loans, the Applicant's pro forma shows sufficient cash flow to repay the 2nd lien City of Fort Worth HOME loan, but insufficient cash flow to repay the HUD Flexible Subsidy loan. However, based on the Applicant's pro forma, there appears to be sufficient reversion value based on the year 20, year 30, and year 40 NOI to retire the balance of any outstanding debt at those dates.

Condition:

Because the recommended financing structure shows insufficient cash flow to repay the cash flow notes, this report is conditioned on receipt, review and acceptance, by cost certification, of an attorney's opinion affirming that each of the cash flow loans can be repaid at or by maturity and can be considered valid debt.

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CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loans of \$3,258,809 indicates the need for \$7,743,652 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,106,347 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$1,064,555
Allocation determined by gap in financing:	\$1,106,347
Allocation requested by the Applicant:	\$1,096,944

The allocation amount determined by the Underwriter's calculation of the eligible basis is recommended. A tax credit allocation of \$1,064,555 per year for 10 years results in total equity proceeds of \$7,451,141 at a syndication rate of \$0.70 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$292,512 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

Of note, an analysis of the application information indicates that the Applicant's eligible basis supports credits that are less than the amount requested by the Applicant. The Applicant requested housing tax credits of \$1,096,944; however, the Applicant's eligible basis supports an allocation of \$1,077,857, when adjusted for the overstatement of eligible interim interest and developer fee, and for the use of a larger applicable percentage on the acquisition eligible basis than allowed by REA Rules. Additionally, this amount (\$1,077,857) is based on an acquisition eligible basis that is higher than allowed by the REA Rules; the recommended tax credits, which are based on the Underwriter's cost schedule, reflect an adjustment to acquisition basis to the amount allowed under Department guidelines.

Underwriter:	_____	Date:	_____
	<i>D.P. Burrell</i>		June 25, 2010
Manager of Real Estate Analysis:	_____	Date:	_____
	<i>Audrey Martin</i>		June 25, 2010
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Brent Stewart</i>		June 25, 2010

UNIT MIX/RENT SCHEDULE
Prince Hall Gardens, Fort Worth, HTC 9% #10239

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS			
CITY:	Fort Worth	# Beds	# Units	% Total	PROGRAMS:		Sec 8					DEVELOPMENT ACTIVITY:	Acq/Rehab		
COUNTY:	Tarrant	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%		
SUB-MARKET:		1	12	12.0%	Sec 8		\$442	\$558	\$709		100	EXPENSE GROWTH:	3.00%		
PROGRAM REGION:	3	2	44	44.0%	LH		\$618	\$742	\$858		0	HIGH COST ADJUSTMENT:	130%		
RURAL RENT USED:	No	3	44	44.0%	HH		\$689	\$838	\$1,082		0	APPLICABLE FRACTION:	100.00%		
IREM REGION:	Fort Worth	4			MISC		\$0	\$0	\$0			APP % - ACQUISITION:	3.50%		
		TOTAL	100	100.0%								APP % - CONSTRUCTION:	9.00%		

UNIT MIX / MONTHLY RENT SCHEDULE																				
UNIT DESCRIPTION							PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	Other Designation		# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Sec 8	Market Rent	TDHCA Savings to Market
TC 30%	Sec 8	LH	1	1	1	563	\$371	\$68	\$303	\$181	\$0.86	\$484	\$484	\$442	\$442	\$0.79	\$139	\$442	\$600	\$158
TC 50%	Sec 8	HH	5	1	1	563	\$618	\$68	\$550	(\$66)	\$0.86	\$484	\$2,420	\$2,210	\$442	\$0.79	(\$108)	\$442	\$600	\$158
TC 60%	Sec 8		6	1	1	563	\$742	\$68	\$674	(\$190)	\$0.86	\$484	\$2,904	\$2,652	\$442	\$0.79	(\$232)	\$442	\$600	\$158
TC 30%	Sec 8	LH	2	2	1	726	\$445	\$81	\$364	\$243	\$0.84	\$607	\$1,214	\$1,116	\$558	\$0.77	\$194	\$558	\$665	\$107
TC 50%	Sec 8		20	2	1	726	\$742	\$81	\$661	(\$54)	\$0.84	\$607	\$12,140	\$11,160	\$558	\$0.77	(\$103)	\$558	\$665	\$107
TC 60%	Sec 8		22	2	1	726	\$891	\$81	\$810	(\$203)	\$0.84	\$607	\$13,354	\$12,276	\$558	\$0.77	(\$252)	\$558	\$665	\$107
TC 30%	Sec 8	LH	2	3	1	876	\$515	\$90	\$425	\$334	\$0.87	\$759	\$1,518	\$1,418	\$709	\$0.81	\$284	\$709	\$730	\$21
TC 50%	Sec 8		20	3	1	876	\$858	\$90	\$768	(\$9)	\$0.87	\$759	\$15,180	\$14,180	\$709	\$0.81	(\$59)	\$709	\$730	\$21
TC 60%	Sec 8		22	3	1	876	\$1,029	\$90	\$939	(\$180)	\$0.87	\$759	\$16,698	\$15,598	\$709	\$0.81	(\$230)	\$709	\$730	\$21
TOTAL:			100				77,244						\$65,912	\$61,052						
AVG:							772			(\$98)	\$0.85	\$659			\$611	\$0.79	(\$147)	\$611	\$686	(\$75)
ANNUAL:													\$790,944	\$732,624						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Prince Hall Gardens, Fort Worth, HTC 9% #10239

INCOME

Total Net Rentable Sq Ft:

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$10.00
Other Support Income:		

POTENTIAL GROSS INCOME

Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%
Employee or Other Non-Rental Units or Concessions		

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.89%	\$337	0.44	\$33,712	\$33,200	\$0.43	\$332	4.47%
Management	5.00%	\$344	0.45	34,439	44,563	0.58	446	6.00%
Payroll & Payroll Tax	15.10%	\$1,040	1.35	103,998	107,000	1.39	1,070	14.41%
Repairs & Maintenance	7.80%	\$537	0.70	53,694	64,300	0.83	643	8.66%
Utilities	5.19%	\$357	0.46	35,714	15,000	0.19	150	2.02%
Water, Sewer, & Trash	7.06%	\$487	0.63	48,660	46,600	0.60	466	6.27%
Property Insurance	4.65%	\$320	0.41	32,000	40,000	0.52	400	5.39%
Property Tax 2.826567	11.14%	\$767	0.99	76,730	84,944	1.10	849	11.44%
Reserve for Replacements	4.36%	\$300	0.39	30,000	30,000	0.39	300	4.04%
TDHCA Compliance Fees	0.58%	\$40	0.05	4,000	4,000	0.05	40	0.54%
Supportive Svr/Cable TV/Security	1.87%	\$129	0.17	12,900	12,900	0.17	129	1.74%
TOTAL EXPENSES	67.63%	\$4,658	\$6.03	\$465,846	\$482,507	\$6.25	\$4,825	64.96%
NET OPERATING INC	32.37%	\$2,229	\$2.89	\$222,931	\$260,221	\$3.37	\$2,602	35.04%

DEBT SERVICE

Wachovia Bank	\$195,486	\$194,191	
Second Lien	\$0		
City of Ft. Worth HOME Funds	0		
HUD Flex Subsidy Loan	0		\$38,560
Additional Financing	0		
TOTAL DEBT SERVICE	195,486	194,191	
NET CASH FLOW	\$27,446	\$66,030	
AGGREGATE DEBT COVERAGE RATIO	1.14	1.34	
RECOMMENDED DEBT COVERAGE RATIO	1.14		

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		15.00%	\$16,500	\$21.36	\$1,650,000	\$1,650,000	\$21.36	\$16,500	14.87%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		8.18%	\$9,000	\$11.65	899,999	899,999	11.65	9,000	8.11%
Direct Construction		39.95%	\$43,955	\$56.90	\$4,395,501	4,395,501	56.90	43,955	39.62%
Contingency	10.00%	4.81%	\$5,295	\$6.85	529,497	529,497	6.85	5,295	4.77%
Contractor's Fees	13.97%	6.72%	\$7,398	\$9.58	739,780	739,780	9.58	7,398	6.67%
Indirect Construction		5.49%	\$6,035	\$7.81	603,500	603,500	7.81	6,035	5.44%
Ineligible Costs		1.51%	\$1,660	\$2.15	166,048	166,048	2.15	1,660	1.50%
Developer's Fees	15.00%	11.78%	\$12,964	\$16.78	1,296,436	1,347,611	17.45	13,476	12.15%
Interim Financing		3.92%	\$4,317	\$5.59	431,704	431,704	5.59	4,317	3.89%
Reserves		2.64%	\$2,900	\$3.75	289,996	331,254	4.29	3,313	2.99%
TOTAL COST		100.00%	\$110,024.61	\$142.44	\$11,002,461	\$11,094,894	\$143.63	\$110,949	100.00%
Construction Cost Recap		59.67%	\$65,648	\$84.99	\$6,564,777	\$6,564,777	\$84.99	\$65,648	59.17%

2006 QAP \$49.9(i)(8) points awarded for costs less than \$0.00 per square foot

SOURCES OF FUNDS

					TDHCA	APPLICANT	RECOMMENDED	
Wachovia Bank	20.18%	\$22,201	\$28.74	\$2,220,124	\$2,220,124	\$2,220,124	Developer Fee Available	
City of Ft. Worth HOME Funds	5.04%	\$5,550	\$7.19	555,000	555,000	555,000	\$1,346,007	
HUD Flex Subsidy Loan	4.40%	\$4,837	\$6.26	483,685	483,685	483,685		
HTC Syndication Proceeds	69.78%	\$76,778	\$99.40	7,677,840	7,677,840	7,451,141	% of Dev. Fee Deferred	
Deferred Developer Fees	1.44%	\$1,582	\$2.05	158,245	158,245	292,512	22%	
Additional (Excess) Funds Req'd	-0.84%	(\$924)	(\$1.20)	(92,433)	0	0	15-Yr Cumulative Cash Flow	
TOTAL SOURCES				\$11,002,461	\$11,094,894	\$11,002,461	\$359,759	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Prince Hall Gardens, Fort Worth, HTC 9% #10239

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$50.00	\$3,862,200
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			1.33	102,992
Floor Cover			2.41	186,158
Breezeways	\$23.05	0	0.00	0
Balconies	#DIV/0!	0	#DIV/0!	#DIV/0!
Plumbing Fixtures	\$845	(500)	(5.47)	(422,500)
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	100	2.40	185,000
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$40.08		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	142,901
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.15	77,244	2.15	166,075
SUBTOTAL			#DIV/0!	#DIV/0!
Current Cost Multiplier	0.99		#DIV/0!	#DIV/0!
Local Multiplier	0.90		#DIV/0!	#DIV/0!
TOTAL DIRECT CONSTRUCTION COSTS				
Plans, specs, survy, bid prm	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interest	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
NET DIRECT CONSTRUCTION COSTS			#DIV/0!	#DIV/0!

PROPOSED PAYMENT COMPUTATION

Wachovia Bank	\$2,220,124	Amort	360
Int Rate	8.00%	DCR	1.14
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.14
City of Ft. Worth HOME Funds	\$555,000	Amort	0
Int Rate	3.94%	Aggregate DCR	1.14
HUD Flex Subsidy Loan	\$483,685	Amort	0
Int Rate	1.00%	Subtotal DCR	1.14
Additional Financing	\$0	Amort	0
Int Rate		Aggregate DCR	1.14

RECOMMENDED FINANCING STRUCTURE:

Wachovia Bank	\$195,486
Additional Financing	0
City of Ft. Worth HOME Funds	0
HUD Flex Subsidy Loan	0
Additional Financing	0
TOTAL DEBT SERVICE	\$195,486

Wachovia Bank	\$2,220,124	Amort	360
Int Rate	8.00%	DCR	1.14
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.14
City of Ft. Worth HOME Funds	\$555,000	Amort	0
Int Rate	3.94%	Aggregate DCR	1.14
HUD Flex Subsidy Loan	\$483,685	Amort	0
Int Rate	1.00%	Subtotal DCR	1.14
Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.14

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$732,624	\$747,276	\$762,222	\$777,466	\$793,016	\$875,553	\$966,682	\$1,067,295	\$1,301,026
Secondary Income	12,000	12,240	12,485	12,734	12,989	14,341	15,834	17,482	21,310
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	744,624	759,516	774,707	790,201	806,005	889,895	982,516	1,084,777	1,322,337
Vacancy & Collection Loss	(55,847)	(56,964)	(58,103)	(59,265)	(60,450)	(66,742)	(73,689)	(81,358)	(99,175)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$688,777	\$702,553	\$716,604	\$730,936	\$745,555	\$823,153	\$908,827	\$1,003,418	\$1,223,161
EXPENSES at 3.00%									
General & Administrative	\$33,712	\$34,723	\$35,765	\$36,837	\$37,943	\$43,986	\$50,992	\$59,113	\$79,443
Management	34,439	35,128	35,830	36,547	37,278	41,158	45,441	50,171	61,158
Payroll & Payroll Tax	103,998	107,118	110,331	113,641	117,051	135,694	157,306	182,361	245,078
Repairs & Maintenance	53,694	55,304	56,964	58,673	60,433	70,058	81,216	94,152	126,533
Utilities	35,714	36,785	37,889	39,025	40,196	46,598	54,020	62,624	84,162
Water, Sewer & Trash	48,660	50,120	51,623	53,172	54,767	63,490	73,603	85,326	114,671
Insurance	32,000	32,960	33,949	34,967	36,016	41,753	48,403	56,112	75,410
Property Tax	76,730	79,032	81,403	83,845	86,360	100,115	116,061	134,546	180,819
Reserve for Replacements	30,000	30,900	31,827	32,782	33,765	39,143	45,378	52,605	70,697
TDHCA Compliance Fee	4,000	4,120	4,244	4,371	4,502	5,219	6,050	7,014	9,426
Other	12,900	13,287	13,686	14,096	14,519	16,832	19,512	22,620	30,400
TOTAL EXPENSES	\$465,846	\$479,477	\$493,510	\$507,957	\$522,830	\$604,046	\$697,983	\$806,646	\$1,077,797
NET OPERATING INCOME	\$222,931	\$223,076	\$223,094	\$222,979	\$222,725	\$219,107	\$210,844	\$196,773	\$145,365
DEBT SERVICE									
First Lien Financing	\$195,486	\$195,486	\$195,486	\$195,486	\$195,486	\$195,486	\$195,486	\$195,486	\$195,486
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$27,446	\$27,590	\$27,608	\$27,493	\$27,239	\$23,621	\$15,358	\$1,287	(\$50,121)
DEBT COVERAGE RATIO	1.14	1.14	1.14	1.14	1.14	1.12	1.08	1.01	0.74

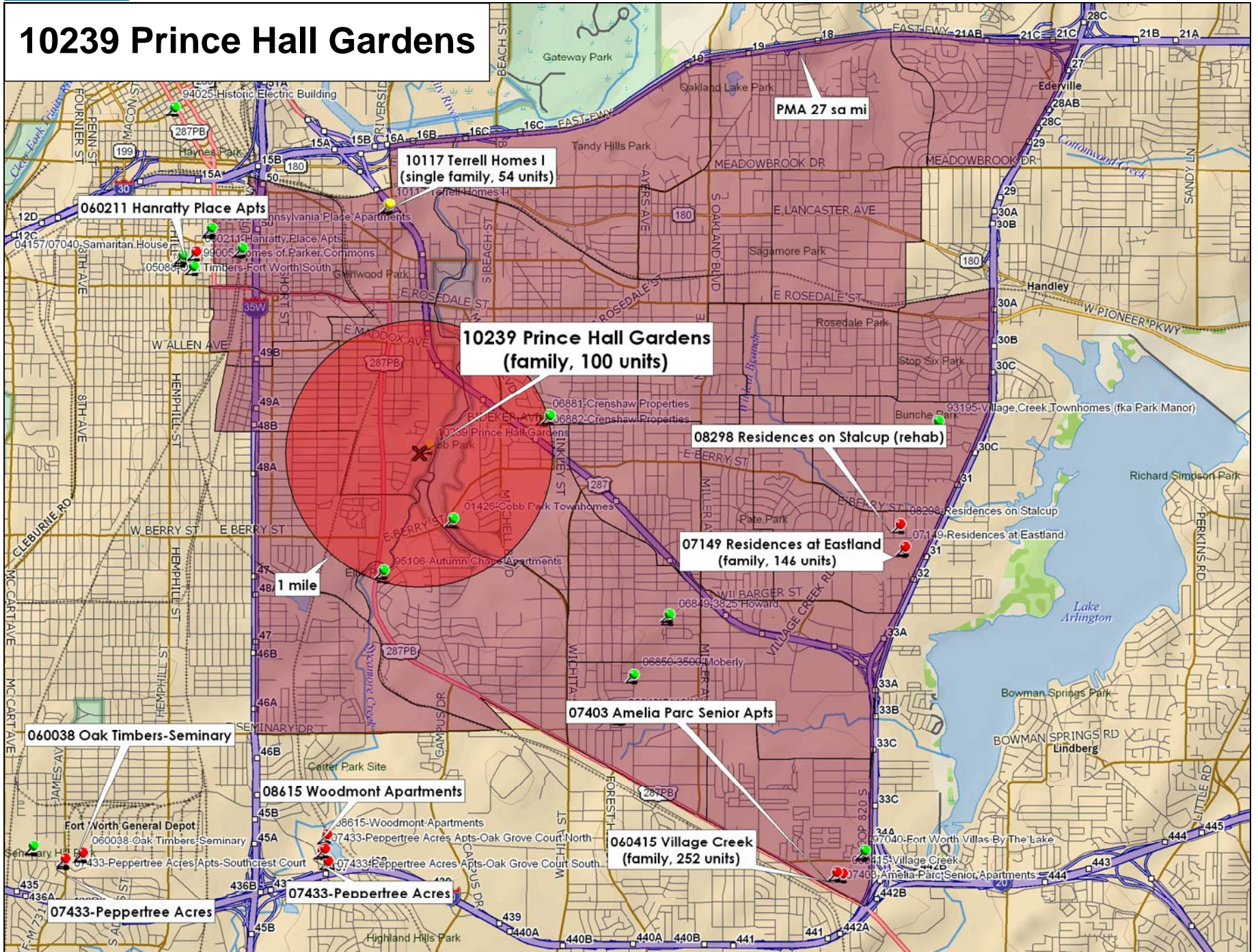
HTC ALLOCATION ANALYSIS -Prince Hall Gardens, Fort Worth, HTC 9% #10239

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$276,600	\$607,075				
Purchase of buildings	\$1,373,400	\$1,042,925	\$1,373,400	\$1,042,925		
Off-Site Improvements						
Sitework	\$899,999	\$899,999			\$899,999	\$899,999
Construction Hard Costs	\$4,395,501	\$4,395,501			\$4,395,501	\$4,395,501
Contractor Fees	\$739,780	\$739,780			\$739,780	\$739,780
Contingencies	\$529,497	\$529,497			\$529,497	\$529,497
Eligible Indirect Fees	\$603,500	\$603,500			\$603,500	\$603,500
Eligible Financing Fees	\$431,704	\$431,704			\$431,704	\$431,704
All Ineligible Costs	\$166,048	\$166,048				
Developer Fees			\$206,010	\$156,439	\$1,139,997	\$1,139,997
Developer Fees	\$1,347,611	\$1,296,436				
Development Reserves	\$331,254	\$289,996				
TOTAL DEVELOPMENT COSTS	\$11,094,894	\$11,002,461	\$1,579,410	\$1,199,363	\$8,739,978	\$8,739,978

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,579,410	\$1,199,363	\$8,739,978	\$8,739,978
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$1,579,410	\$1,199,363	\$11,361,971	\$11,361,971
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$1,579,410	\$1,199,363	\$11,361,971	\$11,361,971
Applicable Percentage			3.50%	3.50%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$55,279	\$41,978	\$1,022,577	\$1,022,577

Syndication Proceeds	0.6999	\$386,917	\$293,815	\$7,157,326	\$7,157,326
Total Tax Credits (Eligible Basis Method)				\$1,077,857	\$1,064,555
Syndication Proceeds				\$7,544,243	\$7,451,141
Requested Tax Credits				\$1,096,944	
Syndication Proceeds				\$7,677,840	
Gap of Syndication Proceeds Needed				\$7,836,085	\$7,743,652
Total Tax Credits (Gap Method)				\$1,119,553	\$1,106,347
Recommended Tax Credits				\$1,064,555	
Syndication Proceeds				\$7,451,141	

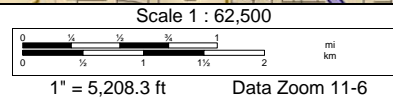
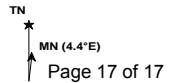
10239 Prince Hall Gardens



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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Timberland Trails Apts, TDHCA Number 10241

BASIC DEVELOPMENT INFORMATION

Site Address: 2205 N. Timberland Dr. Development #: 10241
 City: Lufkin Region: 5 Population Served: General
 County: Angelina Zip Code: 75901 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Timberland Trails I, LP
 Owner Contact and Phone: John D. Mathews, (972) 291-6200
 Developer: Timberland Trails Developers, L.L.C.
 Housing General Contractor: Galaxy Builders, Ltd
 Architect: AG Associates Architects
 Market Analyst: Patrick O'Conner & Associates
 Syndicator: Raymond James Tax Credit funds, Inc.
 Supportive Services: DETCOG
 Consultant and Contact: Mary Henderson Associates,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	80
	4 0 44 32	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 24 28 28 0 0	Total Development Units:	80
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	17
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	12
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	19
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$858,909	\$0			
HOME Activity Fund Amount:	\$2,000,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Timberland Trails Apts, TDHCA Number 10241

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, S

Points: 7

US Representative: Gohmert, District 1, NC

TX Representative: McReynolds, District 12, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6

Buckner Children and Family Service, S, Judy Morgan, administrator

Lufkin Rotary Club, S, Mark Dunn, President

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Timberland Trails Apts, TDHCA Number 10241

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **198** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Green Briar Village Phase II, TDHCA Number 10246

BASIC DEVELOPMENT INFORMATION

Site Address: 901 Airport Dr. Development #: 10246
 City: Wichita Falls Region: 2 Population Served: General
 County: Wichita Zip Code: 76306 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: SWHP Wichita Falls II, LP
 Owner Contact and Phone: Randy Stevenson, (817) 261-5088
 Developer: Rocky Ridge Developer, LP
 Housing General Contractor: TBD
 Architect: Beeler, Guest, Owens Architects, LP
 Market Analyst: Ipser & Associates, Inc.
 Syndicator: N/A
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	36
	2 0 17 17	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 12 16 8 0 0	Total Development Units:	36
Type of Building:		Total Development Cost*:	\$4,088,290
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	3
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input checked="" type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$438,723	\$438,447			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Green Briar Village Phase II, TDHCA Number 10246

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Estes, District 30, NC Points: 0 US Representative: Thornberry, District 13, NC
TX Representative: Farabee, District 69, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

East Lynwood Residents Organization, James Esther Letter Score: 24 S or O: S

- 1. This development will create needed additional affordable housing opportunities for our area. 2. Educational support services provided by the apartment project are available to residents of our neighborhood. 3. The facility will provide our neighborhood the opportunity of additional jobs during the construction phase as well as potential job opportunities after completion of this phase.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
2. Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
3. Receipt, review, and acceptance, by Commitment, of evidence of Department approval of the utility allowances calculated by UA Pro, and reflected in this underwriting report, or alternatively evidence of Department approval of utility allowances for the one bedroom unites between \$39-64, two bedroom units between \$52-87, and three bedrooms between \$66-109.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.
5. Receipt of a firm commitment from the City of Wichita Falls for development based rental subsidy funding in the amount of \$210,900, or a commitment from a qualifying substitute source in an amount not less than \$210,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided and the rental subsidy for each unit. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Green Briar Village Phase II, TDHCA Number 10246

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **202** Meeting a Required Set-Aside Credit Amount*: \$438,447

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when tax credits are collapsed state-wide.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 06/30/10 PROGRAM: HTC 9% FILE NUMBER: 10246

DEVELOPMENT

Green Briar Village Phase II

Location: 901 Airport Drive Region: 2
 City: Wichita Falls County: Wichita Zip: 76306 OCT DDA
 Key Attributes: General, New Construction, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
TDHCA Program						
Housing Tax Credit (Annual)	\$438,723			\$438,447		

CONDITIONS

- 1 Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.
- 2 Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.
- 3 Receipt, review and acceptance, by Commitment, of evidence of Department approval of the utility allowances calculated by UA Pro, and reflected in this underwriting report, or alternatively evidence of Department approval of utility allowances for the one bedroom units between \$39-64, two bedroom units between \$52-87, and three bedrooms between \$66-109.
- 4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	2
50% of AMI	50% of AMI	17
60% of AMI	60% of AMI	17

STRENGTHS/MITIGATING FACTORS

- HTC units in the PMA are 98% occupied.
- The capture rate for the 36 units is 2.6%.
- The Market Analyst forecasts the development should achieve 92.5% occupancy within a 3 month lease-up period.

WEAKNESSES/RISKS

- Deferred developer fee is equal to 94% of cumulative 15-year cash flow.

- The principal of the developer has experience developing 328 units in Wichita Falls, including Green Briar Phase I.

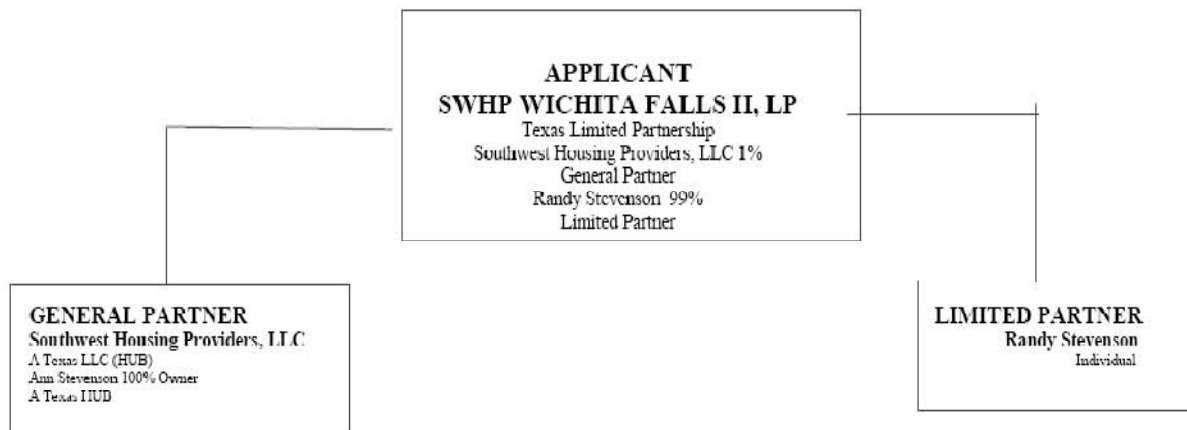
PREVIOUS UNDERWRITING REPORTS

None, however this is a second phase to an original 76 unit development, Green Briar Village Phase I, that was allocated tax credits in 2005 and was completed in 2008. This second phase will share the existing common area built at Green Briar Village Phase I. Green Briar Village Phase II residents will have use of the existing Phase I community room, recreation and fitness room, office, laundry, enclosed sun porch, business center with internet service, pool, and service coordinator.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

**ORGANIZATION CHART
GREEN BRIAR VILLAGE PHASE II
WICHITA FALLS, TX**



CONTACT

Contact: Randy Stevenson Phone: (817) 261-5088 Fax: (817) 261-5095
 Email: Randy@swrealtors.net

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, and property manager are related entities. These are common relationships for HTC-funded developments.
- The seller is also regarded as a related party to the General Partner. The acquisition price will be based upon the lesser of the declared price, the appraised value, and the original acquisition and holding cost. This is discussed at greater length in the construction cost section of this report.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/15/2010
 Overall Assessment:
 Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:
 North: Vacant East: Green Briar Phase I / Vacant Pasture
 South: Vacant Pasture West: Vacant Pasture

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Risk management Specialties Date: 3/24/2010

Recognized Environmental Concerns (RECs) and Other Concerns:

- "After performing this assessment, we conclude that this assessment has revealed no evidence of recognized environmental conditions in connection with the Subject Site that warrant further investigation at this time, other than the recommended completion of a noise study." (p. 13)
- "Based on the proximity of Sheppard Air Force Base, a noise study of the Site is recommended." (p. 12)

Any funding recommendation will be subject to the following conditions:

Receipt, review, and acceptance, before the 10% Test, of documentation that a comprehensive noise assessment has been completed to determine the requirements for the proposed development to satisfy HUD guidelines, and that any subsequent recommendations have been incorporated into the development plans.

Receipt, review, and acceptance, by Cost Certification, of documentation that all noise assessment recommendations were implemented.

MARKET ANALYSIS

Provider: Ipser & Associates, Inc. Date: 3/8/2010
 Contact: Ed Ipser Phone: 817-927-2838
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 71 sq. miles 5 mile equivalent radius
 The Primary Market Area is defined as the City of Wichita Falls.

Secondary Market Area (SMA): sq. miles 0 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Wichita County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$10,183	\$11,100	---	---	\$16,971	\$18,500	---	---
2	\$10,183	\$12,700	---	---	\$16,971	\$21,100	\$24,411	\$25,320
3	---	---	---	---	\$20,331	\$23,750	\$24,411	\$28,500
4	---	---	---	---	\$23,520	\$26,400	\$28,217	\$31,680
5	---	---	---	---	\$23,520	\$28,500	\$28,217	\$34,200
6	---	---	---	---	---	---	---	---

This section intentionally left blank.

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
07114	Washington Village	new	family	96	96
Other Affordable Developments in PMA since 2006					
060005	Green Briar Village	new	family	n/a	76
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		4	Total Units		536

Proposed, Under Construction, and Unstabilized Comparable Supply:

There is one unstabilized comparable development in the PMA. Washington Village is a 2007 HTC project with 96 units.

The subject is a second phase development. The first phase, Green Briar Village Apartments, is a 2005 HTC development with 76 units. Department data indicates the phase I property has been fully occupied since at least December 2008.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	37,752	38,359
Potential Demand from the Primary Market Area	4,939	5,145
Potential Demand from Other Sources	0	0
GROSS DEMAND	4,939	5,145
Subject Affordable Units	36	36
Unstabilized Comparable Units	96	96
RELEVANT SUPPLY	132	132
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	2.7%	2.6%

Demand Analysis:

The Market Analyst identified Gross Demand for 4,939 units in the PMA; and a Gross Capture Rate of 2.7% for a total relevant Supply of 132 units (the 36 subject units and 96 at Washington Village).

The underwriting analysis is based on Ribbon Demographics HISTA data, which provides a more detailed breakdown of households based on income, size, tenure, and age. For the subject market area, the HISTA report indicates a higher concentration of renter households in the target income range. The Underwriter calculates Gross Demand for 5,145 units, resulting in a Gross Capture Rate of 2.6%.

The maximum Gross Capture Rate for urban developments targeting family households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	215	2	4		175	2	4	3%
1 BR/50%	354	10	20		290	10	20	10%
2 BR/50%	411	7	4		276	5	4	3%
2 BR/60%	492	9	36		169	11	36	28%
3 BR/50%	261	2	2		161	2	2	2%
3 BR/60%	211	6	30		185	6	30	19%

Primary Market Occupancy Rates:

The market study reports 97.8% occupancy for 276 HTC units in the PMA, and 90.1% occupancy for 1,404 conventional units. (p. 3-3)

Absorption Projections:

"I&A received absorption data from 3 properties, two of which are HTC properties. Woodview Apartment Homes (HTC) began preleasing in November 2003 before opening on January 8, 2004. By June 14, 2004, the 104-unit HTC project was 90% occupied, which indicated absorption rate ranging from 13 to 18 units per month. Northpark Village Phase I, with 100 units, opened in January 2003 and achieved 100% occupancy in June 2003, suggesting a monthly absorption rate of 20 units. Northpark Village Phase II with 116-units opened in February 2006 and based on its 74.1% physical occupancy rate in March 2007, absorption has been 7 units per month. The newest complex, Washington Village (HTC) began leasing in January 2009 with one building in the complex complete. As the other five buildings were finished, units continued to be filled, reaching 90% occupancy in its 96 units in November 2009. These data yield an absorption rate of about 9 units per month." (p. 2-18)

Market Impact:

"The newest HTC family apartment location in Wichita Falls has 98% occupancy in its 96 units. Overall occupancy in 276 units in 3 HTC complexes, is also 98%. The 2000 Census reports that 57% of 6,296 renters earning under \$20,000 per year have a rent burden of over 35% in Wichita Falls. The subject would provide additional affordable units in a market where there are relatively few options." (p. 3-6)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 2 Date of Last Applicant Revision: 6/15/2010

The Applicant's and Underwriter's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of 9/29/2009, calculated by UA Pro Utility Group (for Green Briar Phase I), from the 2009 program gross rent limits. The UA Pro utility allowances for Green Briar Phase I, which have been approved by the TDHCA Compliance Division, have been used because the unit floor plans for the subject are the same as for Green Briar Phase I. Tenants will be required to pay electric utilities.

The utility allowances for the subject, Green Briar Phase II have not been approved by the TDHCA Compliance Division. Because of this, the Underwriter performed a sensitivity analysis to determine the range of utility allowances in which the development's DCR would fall within a 1.15 to 1.35 and in which the neither the analysis nor recommendation for funding would be materially affected. This range is: \$39-64 for one bedroom units, \$52-87 for two bedroom units, and \$66-109 for three bedroom units. Therefore, this report is conditioned on receipt, by commitment, of evidence of Department approval of utility allowances within this range.

Rent limits increased approximately 1% in 2010. The use of 2010 rent limits by the Underwriter and Applicant would not materially change the analysis, nor affect the recommended tax credits.

The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines.

Expense: Number of Revisions: 0 Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$3,607 per unit is not within 5% of the Underwriter's estimate of \$3,815, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Applicant's revised budget however has one line item estimate that deviate significantly when compared to the database averages, specifically: property Taxes (\$4K lower). The Applicant based their estimate on other properties in their portfolio which are slightly lower than the Underwriter's estimate. Additionally, the Applicant provided a staffing plan to substantiate a payroll expense estimate that is lower than the database average. The Underwriter utilized the estimate supported by the staffing plan.

Conclusion:

The Applicant's effective gross income is within 5% of the Underwriter's estimates; however, expenses and net operating income are not; therefore, the Underwriter's year one pro forma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.18, which is within the Department's DCR guideline of 1.15 to 1.35. Additionally, the Underwriter's expense to income ratio of 61.20% is acceptable and within the Departments guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	5 acres	\$108,900	Tax Year:	2010
Existing Buildings:		\$0	Valuation by:	Wichita CAD
Total Assessed Value:		\$108,900	Tax Rate:	2.286059

EVIDENCE of PROPERTY CONTROL

Type:	Unimproved Property Contract		Acreage:	5
Contract Expiration:	12/31/2010	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Acquisition Cost:	\$92,400	Other:		
Seller:	Southwest Housing Providers, LLC	Related to Development Team?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

<i>COST SCHEDULE</i> Number of Revisions:	0	Date of Last Applicant Revision:	N/A
---	---	----------------------------------	-----

Acquisition Value:

This acquisition is an identity of interest transaction, and accordingly, the Applicant has provided a Settlement Statement from the purchase of the subject 5.0 acre site for \$92,500 by Southwest Housing Providers, LLC on 4/24/2006. Southwest Housing Providers purchased the property in an arms length transaction from Emil F Friberg, Executor of the estate of Anne Edwards Friberg. The sales price of the property by Southwest Housing Providers, LLC to the Applicant is for a slightly lower amount of \$92,400; therefore, the price is considered to be acceptable under the Department's rules.

Sitework Cost:

The Applicant's proposed total site work cost of \$7,889 per unit is within the Department's guidelines, therefore no further third party substantiation is required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$153K or 8% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by \$2,361 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it proposes to provide an additional 10% of units at 30% of AMFI in excess of those 30% units committed for scoring purposes.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$3,747,408 supports annual tax credits of \$438,447. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 0 Date of Last Applicant Revision: N/A
Source: Stearns Bank Type: Interim to Permanent Financing

Interim: \$2,251,313 Interest Rate: WSJ Prime+1 Fixed Term: 18 months
Permanent: \$800,000 Interest Rate: 8.5% Fixed Amort: 360 months

Comments:

The interim construction loan will have an interest rate equal to the Wall Street Journal Prime Rate plus 1.0%, with a floor interest rate of 7.5%. The permanent loan will have a fixed rate of 8.5% with a 30-year amortization and a 15-year term.

Source: Deferred Developer Fees Type: Syndication

Proceeds: \$3,071,061 Syndication Rate: 70% Anticipated HTC: \$ 438,723

Amount: \$217,229 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$800,000 indicates the need for \$3,288,290 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$469,756 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$438,447
Allocation determined by gap in financing:	\$469,756
Allocation requested by the Applicant:	\$438,723

The allocation amount determined by the eligible basis calculation of the Applicant is recommended. A tax credit allocation of \$438,447 per year for 10 years results in total equity proceeds of \$3,069,128 at a syndication rate of \$0.70 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$219,162 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>June 30, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>June 30, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>June 30, 2010</u>

UNIT MIX/RENT SCHEDULE

Green Briar Village Phase II, Wichita Falls, HTC 9% #10246

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Wichita Falls	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Wichita	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	12	33.3%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	2	2	16	44.4%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3	8	22.2%								APPLICABLE FRACTION:	100.00%	
IREM REGION:	NA	4										APP % - ACQUISITION:		
		TOTAL	36	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 30%	2	1	1	750	\$297	\$63	\$234	\$0	\$0.31	\$234	\$468	\$468	\$234	\$0.31	\$0	\$550	\$316
TC 50%	10	1	1	750	\$495	\$63	\$432	\$0	\$0.58	\$432	\$4,320	\$4,320	\$432	\$0.58	\$0	\$550	\$118
TC 50%	5	2	1	950	\$593	\$85	\$508	\$0	\$0.53	\$508	\$2,540	\$2,540	\$508	\$0.53	\$0	\$690	\$182
TC 60%	3	2	1	950	\$712	\$85	\$627	\$0	\$0.66	\$627	\$1,881	\$1,881	\$627	\$0.66	\$0	\$690	\$63
TC 60%	8	2	2	1,000	\$712	\$85	\$627	\$0	\$0.63	\$627	\$5,016	\$5,016	\$627	\$0.63	\$0	\$698	\$71
TC 50%	2	3	2	1,126	\$686	\$107	\$579	\$0	\$0.51	\$579	\$1,158	\$1,158	\$579	\$0.51	\$0	\$790	\$211
TC 60%	6	3	2	1,126	\$823	\$107	\$716	\$0	\$0.64	\$716	\$4,296	\$4,296	\$716	\$0.64	\$0	\$790	\$74
TOTAL:	36			33,608							\$19,679	\$19,679					
AVG:				934				\$0	\$0.59	\$547			\$547	\$0.59	\$0	\$667	(\$121)
ANNUAL:											\$236,148	\$236,148					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Green Briar Village Phase II, Wichita Falls, HTC 9% #10246

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$236,148	\$236,148			
Secondary Income	Per Unit Per Month:	\$15.00		6,480	6,480	\$15.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$242,628	\$242,628			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(18,197)	(18,192)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$224,431	\$224,436			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	6.00%	\$374	0.40	\$13,461	\$11,450	\$0.34	\$318	5.10%
Management	5.00%	\$312	0.33	11,222	11,250	0.33	313	5.01%
Payroll & Payroll Tax	10.25%	\$639	0.68	23,000	23,000	0.68	639	10.25%
Repairs & Maintenance	10.38%	\$647	0.69	23,290	19,900	0.59	553	8.87%
Utilities	3.97%	\$248	0.27	8,916	12,000	0.36	333	5.35%
Water, Sewer, & Trash	6.25%	\$390	0.42	14,024	14,000	0.42	389	6.24%
Property Insurance	4.67%	\$291	0.31	10,482	10,000	0.30	278	4.46%
Property Tax 2.286059	8.87%	\$553	0.59	19,902	15,200	0.45	422	6.77%
Reserve for Replacements	4.01%	\$250	0.27	9,000	9,000	0.27	250	4.01%
TDHCA Compliance Fees	0.64%	\$40	0.04	1,440	1,440	0.04	40	0.64%
Other: Supportive Svr & Security	1.17%	\$73	0.08	2,620	2,620	0.08	73	1.17%
TOTAL EXPENSES	61.20%	\$3,815	\$4.09	\$137,357	\$129,860	\$3.86	\$3,607	57.86%
NET OPERATING INC	38.80%	\$2,419	\$2.59	\$87,074	\$94,576	\$2.81	\$2,627	42.14%

DEBT SERVICE

Stearns Bank	\$73,816	\$74,440
Second Lien	\$0	
Additional Financing	\$0	
TOTAL DEBT SERVICE	73,816	74,440
NET CASH FLOW	\$13,258	\$20,136
AGGREGATE DEBT COVERAGE RATIO	1.18	1.27
RECOMMENDED DEBT COVERAGE RATIO	1.18	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		2.35%	\$2,567	\$2.75	\$92,400	\$92,400	\$2.75	\$2,567	2.26%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		7.23%	\$7,889	\$8.45	284,000	284,000	8.45	7,889	6.95%
Direct Construction		46.49%	\$50,748	\$54.36	1,826,923	1,980,000	58.91	55,000	48.43%
Contingency	5.36%	2.88%	\$3,144	\$3.37	113,200	113,200	3.37	3,144	2.77%
Contractor's Fees	14.00%	7.92%	\$8,649	\$9.26	311,377	316,960	9.43	8,804	7.75%
Indirect Construction		9.44%	\$10,306	\$11.04	371,000	371,000	11.04	10,306	9.07%
Ineligible Costs		5.41%	\$5,902	\$6.32	212,482	212,482	6.32	5,902	5.20%
Developer's Fees	14.52%	11.58%	\$12,639	\$13.54	455,000	455,000	13.54	12,639	11.13%
Interim Financing		5.78%	\$6,312	\$6.76	227,248	227,248	6.76	6,312	5.56%
Reserves		0.92%	\$1,000	\$1.07	36,000	36,000	1.07	1,000	0.88%
TOTAL COST		100.00%	\$109,156.39	\$116.93	\$3,929,630	\$4,088,290	\$121.65	\$113,564	100.00%
Construction Cost Recap		64.52%	\$70,431	\$75.44	\$2,535,500	\$2,694,160	\$80.16	\$74,838	65.90%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
Stearns Bank	20.36%	\$22,222	\$23.80	\$800,000	\$800,000	\$800,000	Developer Fee Available
Second Lien	0.00%	\$0	\$0.00	0	0	0	\$455,000
NEF, Inc. - HTC Equity	78.15%	\$85,307	\$91.38	3,071,061	3,071,061	3,069,128	% of Dev. Fee Deferred
Deferred Developer Fees	5.53%	\$6,034	\$6.46	217,229	217,229	219,162	48%
Additional (Excess) Funds Req'd	-4.04%	(\$4,407)	(\$4.72)	(158,660)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$3,929,630	\$4,088,290	\$4,088,290	\$233,903

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Green Briar Village Phase II, Wichita Falls, HTC 9% #10246

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.35	\$1,860,119
Adjustments				
Exterior Wall Finish	5.20%		\$2.88	\$96,726
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.65%		2.02	67,894
Roofing			0.00	0
Subfloor			(0.16)	(5,377)
Floor Cover			3.10	104,185
Breezeways	\$22.48	2,316	1.55	52,064
Balconies	\$22.48	4,000	2.68	89,920
Plumbing Fixtures	\$845	48	1.21	40,560
Rough-ins	\$420	72	0.90	30,240
Built-In Appliances	\$1,850	36	1.98	66,600
Exterior Stairs	\$1,900	8	0.45	15,200
Enclosed Corridors	\$45.43	0	0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	62,175
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.25	33,608	2.25	75,618
SUBTOTAL			76.05	2,555,923
Current Cost Multiplier	0.99		(0.76)	(25,559)
Local Multiplier	0.89		(8.37)	(281,152)
TOTAL DIRECT CONSTRUCTION COSTS			\$66.92	\$2,249,213
Plans, specs, survy, bid prn	3.90%		(\$2.61)	(\$87,719)
Interim Construction Interest	3.38%		(2.26)	(75,911)
Contractor's OH & Profit	11.50%		(7.70)	(258,659)
NET DIRECT CONSTRUCTION COSTS			\$54.36	\$1,826,923

PROPOSED PAYMENT COMPUTATION

Stearns Bank	\$800,000	Amort	360
Int Rate	8.50%	DCR	1.18

Second Lien	\$0	Amort	
Int Rate		Subtotal DCR	1.18

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.18

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.18

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.18

RECOMMENDED FINANCING STRUCTURE:

Stearns Bank	\$73,816
Second Lien	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$73,816

Stearns Bank	\$800,000	Amort	360
Int Rate	8.50%	DCR	1.18

Second Lien	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.18

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.18

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$236,148	\$240,871	\$245,688	\$250,602	\$255,614	\$282,219	\$311,592	\$344,023	\$419,362
Secondary Income	6,480	6,610	6,742	6,877	7,014	7,744	8,550	9,440	11,507
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	242,628	247,481	252,430	257,479	262,628	289,963	320,142	353,463	430,870
Vacancy & Collection Loss	(18,197)	(18,561)	(18,932)	(19,311)	(19,697)	(21,747)	(24,011)	(26,510)	(32,315)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$224,431	\$228,920	\$233,498	\$238,168	\$242,931	\$268,216	\$296,132	\$326,953	\$398,554
EXPENSES at 3.00%									
General & Administrative	\$13,461	\$13,865	\$14,281	\$14,710	\$15,151	\$17,564	\$20,361	\$23,605	\$31,723
Management	11,222	11,446	11,675	11,908	12,147	13,411	14,807	16,348	19,928
Payroll & Payroll Tax	23,000	23,690	24,401	25,133	25,887	30,010	34,790	40,331	54,201
Repairs & Maintenance	23,290	23,989	24,708	25,450	26,213	30,388	35,228	40,839	54,884
Utilities	8,916	9,183	9,459	9,743	10,035	11,633	13,486	15,634	21,011
Water, Sewer & Trash	14,024	14,445	14,878	15,324	15,784	18,298	21,212	24,591	33,048
Insurance	10,482	10,797	11,120	11,454	11,798	13,677	15,855	18,380	24,702
Property Tax	19,902	20,499	21,114	21,748	22,400	25,968	30,104	34,899	46,901
Reserve for Replacements	9,000	9,270	9,548	9,835	10,130	11,743	13,613	15,782	21,209
TDHCA Compliance Fee	1,440	1,483	1,528	1,574	1,621	1,879	2,178	2,525	3,393
Other	2,620	2,699	2,780	2,863	2,949	3,419	3,963	4,594	6,174
TOTAL EXPENSES	\$137,357	\$141,365	\$145,492	\$149,740	\$154,113	\$177,989	\$205,598	\$237,527	\$317,174
NET OPERATING INCOME	\$87,074	\$87,554	\$88,006	\$88,428	\$88,818	\$90,227	\$90,534	\$89,427	\$81,381
DEBT SERVICE									
First Lien Financing	\$73,816	\$73,816	\$73,816	\$73,816	\$73,816	\$73,816	\$73,816	\$73,816	\$73,816
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$13,258	\$13,738	\$14,190	\$14,612	\$15,003	\$16,411	\$16,719	\$15,611	\$7,565
DEBT COVERAGE RATIO	1.18	1.19	1.19	1.20	1.20	1.22	1.23	1.21	1.10

HTC ALLOCATION ANALYSIS -Green Briar Village Phase II, Wichita Falls, HTC 9% #10246

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$92,400	\$92,400		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$284,000	\$284,000	\$284,000	\$284,000
Construction Hard Costs	\$1,980,000	\$1,826,923	\$1,980,000	\$1,826,923
Contractor Fees	\$316,960	\$295,529	\$316,960	\$295,529
Contingencies	\$113,200	\$113,200	\$113,200	\$113,200
Eligible Indirect Fees	\$371,000	\$371,000	\$371,000	\$371,000
Eligible Financing Fees	\$227,248	\$227,248	\$227,248	\$227,248
All Ineligible Costs	\$212,482	\$212,482		
Developer Fees				
Developer Fees	\$455,000	\$455,000	\$455,000	\$455,000
Development Reserves	\$36,000	\$36,000		
TOTAL DEVELOPMENT COSTS	\$4,088,290	\$3,913,782	\$3,747,408	\$3,572,901

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$3,747,408	\$3,572,901
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$4,871,631	\$4,644,771
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$4,871,631	\$4,644,771
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$438,447	\$418,029

Syndication Proceeds	0.7000	\$3,069,128	\$2,926,206
Total Tax Credits (Eligible Basis Method)		\$438,447	\$418,029
Syndication Proceeds		\$3,069,128	\$2,926,206
Requested Tax Credits		\$438,723	
Syndication Proceeds		\$3,071,061	
Gap of Syndication Proceeds Needed		\$3,288,290	
Total Tax Credits (Gap Method)		\$469,756	



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Willow Meadow Place Apts, TDHCA Number 10250

BASIC DEVELOPMENT INFORMATION

Site Address: 10630 Beechnut Development #: 10250
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77072 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: WM Apartments, Ltd.
 Owner Contact and Phone: M. Dale Dodson, 9729301153
 Developer: King-dalcor Affordable Housing, L.L.C.
 Housing General Contractor: N/A
 Architect: N/A
 Market Analyst: Butler Burgher Group, L.L.C.
 Syndicator: Alliant Capital, LTD
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	328
	17 0 150 161	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 160 148 20 0 0	Total Development Units:	328
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	20
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$2,000,000	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Willow Meadow Place Apts, TDHCA Number 10250

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC

Points: 0

US Representative: Green, District 9, NC

TX Representative: Thibaut, District 133, NC

Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0

International District, S, David Hawes, Executive Director

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Willow Meadow Place Apts, TDHCA Number 10250

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **179** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Brookswood Apts, TDHCA Number 10253

BASIC DEVELOPMENT INFORMATION

Site Address: 444 Jefferson St. Development #: 10253
 City: West Columbia Region: 6 Population Served: Elderly
 County: Brazoria Zip Code: 77486-2779 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: PK Brookswood Apartments LP
 Owner Contact and Phone: Ronald Potterpin, (517) 347-2001
 Developer: Megan & Associates X, L.L.C.
 Housing General Contractor: PK Construction, L.L.C
 Architect: Mucasey & Associates, Architects
 Market Analyst: N/A
 Syndicator: Michel & Associates
 Supportive Services: TBD
 Consultant and Contact: Donald E. Nichols, Donald E. Nichols

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	50	
	3	0	22	25	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	50	0	0	0	0	
Type of Building:						Total Development Units:	50
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$4,651,725
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	10
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	9
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	16

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$321,049	\$321,409			
HOME Activity Fund Amount:	\$1,651,152	\$1,651,152	360	360	3.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Brookswood Apts, TDHCA Number 10253

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Huffman, District 17, NC Points: 0 US Representative: Paul, District 14, S
TX Representative: Bonnen, District 25, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Brooks Manor Residents Council, Brenda Bittner Letter Score: 24 S or O: S

We feel the developer will make improvements to the units and property that will greatly benefit the residents.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. Receipt, review, and acceptance, by commitment, of a CPA letter identifying the amount of sitework costs that may be included in eligible basis.
2. Receipt, review, and acceptance, by carryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loan, and acceptance of the additional HOME loan funds and a parity first lien.
3. Receipt, review, and acceptance, by cost certification, that there is no seller or residual receipt note for the equity or any portion of the equity to be paid to the seller.
4. Receipt, review and acceptance, by carryover, of approval from the USDA National Office of the equity requested in association with the proposed transfer.
5. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the allocation amount may be warranted.
6. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$1,651,152 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1,651,152, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
7. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$93,064 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$93,064, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Brookwood Apts, TDHCA Number 10253

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **6**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **183** Meeting a Required Set-Aside Credit Amount*: \$321,409

Recommendation: Competitive in USDA Allocation

HOME Activity Funds:

Loan Amount: \$1,651,152

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/21/10 PROGRAM: HTC 9% FILE NUMBER: 10253

DEVELOPMENT

Brookwood Apartments

Location: 444 Jefferson Street Region: 6
 City: West Columbia County: Brazoria Zip: 77486 OCT DDA
 Key Attributes: Elderly, Acquisition/Rehabilitation, Rural, At-Risk, USDA

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION			
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term	Lien Position
HOME Activity Funds	\$1,651,152	3.50%	360/380	\$1,651,152	3.50%	360/360	Parity 1st
Housing Tax Credit (Annual)	\$321,049			\$321,049			

CONDITIONS

- 1 Receipt, review, and acceptance, by commitment, of a CPA letter identifying the amount of sitework costs that may be included in eligible basis.
- 2 Receipt, review, and acceptance, by carryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loan, and acceptance of the additional HOME loan funds and a parity first lien.
- 3 Receipt, review, and acceptance, by cost certification, that there is no seller or residual receipt note for the equity or any portion of the equity to be paid to the seller.
- 4 Receipt, review and acceptance, by carryover, of approval from the USDA National Office of the equity requested in association with the proposed transfer.
- 5 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	22
60% of AMI	60% of AMI	25

STRENGTHS/MITIGATING FACTORS

- Property maintains high occupancy (approximately 96%) due to USDA/RD and HUD Section 8 rental assistance subsidies.

WEAKNESSES/RISKS

- Principal has limited LIHTC development experience in Texas.

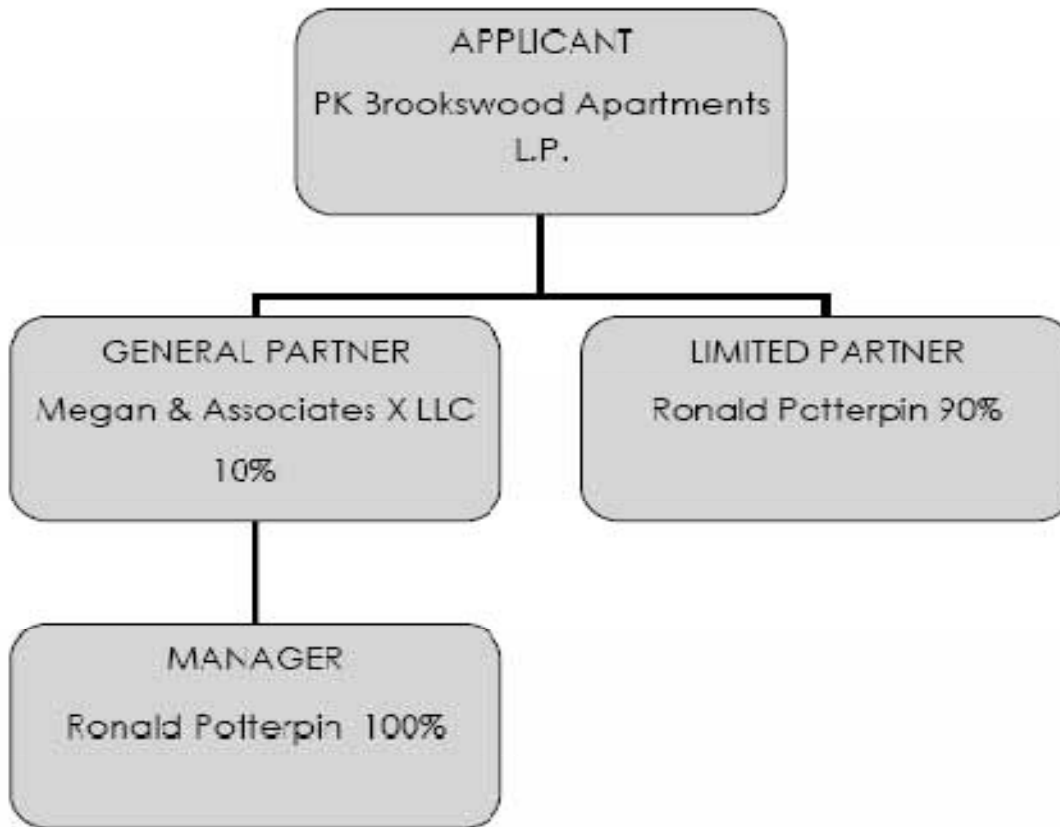
PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE

ORGANIZATION STRUCTURE
BROOKWOOD APARTMENTS



CONTACT

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IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor and property manager are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B																	Total Buildings
Floors/Stories	1	1																	
Number	5	5																	10

BR/BA	SF	Units										Total Units	Total SF		
1	1	605	4	6										50	30,250
Units per Building			4	6										50	30,250

Rehabilitation Summary:

The plan calls for: updates of kitchens and bathrooms consisting of new countertops, appliances, and cabinets, reglazing of tubs and tile, replacement of interior doors and windows, and updates to heating and air conditioning within the units. Additionally, the replacement of roofs, windows, doors, exterior siding, stairs, landscaping, drives, parking, fencing, and interior and exterior painting. The Applicant provided a Capital Needs Assessment (CNA) as an acceptable substitute for the required Property Condition Assessment (PCA) and the CNA confirms these improvements.

Relocation Plan:

The units will be rehabilitated in groups of four. Tenants will be notified of the rehabilitation schedule with sufficient time to prepare for the move. The rehabilitation of each group of units will be completed in one week. Each unit will be emptied of most or all of the tenant's personal items on Monday of the week for the rehab by the Applicant's staff. The work will be performed during the week and on Friday afternoon of that same week the tenant's personal items will be moved back into the unit. The tenant will stay at a local motel (at the expense of the Applicant) during the week that the renovations are being performed in their unit. The Applicant has budgeted \$50K to cover the cost of relocation for the tenants.

SITE ISSUES

Total Size: 5.05 acres Scattered site? Yes No
Flood Zone: X Within 100-yr floodplain? Yes No
Zoning: None Needs to be re-zoned? Yes No N/A

Comments:

According to a letter dated 1/28/10 from the City of West Columbia, the City has no Zoning and Planning Ordinance adopted that would affect the location of the subject property.

TDHCA SITE INSPECTION

Inspector: TDRA Staff Date: 4/19/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Vacant / Single Family / Multifamily East: Residential / Vacant Land
South: Residential / Commercial West: Vacant Land / Residential

HIGHLIGHTS of ENVIRONMENTAL REPORTS

No environmental site assessment was provided. The QAP specifies that "Developments whose funds have been obligated by TRDO-USDA (are) not required to supply (an environmental assessment); however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements."

MARKET ANALYSIS

Provider: The Gill Group Date: 2/8/2010
Contact: Samuel Gill Phone: 573-624-6614
Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): sq. miles 0 mile equivalent radius

"The market area for the subject consists of the Township of West Columbia-Brazoria, Texas. The primary market area has the following boundaries: North - Fort Bend County; East - Brazos River; South - Gulf of Mexico; and West - Matagorda County. The makeup and trends of the economy and growth of the market area appear to be strong. The market area is currently at low unemployment, and the economy seems to be continually strong. Due to the stability of the economy and the maintained unemployment rate, it is the opinion of the appraiser that the market area economic growth trend will be maintained." (p. 50)

This section intentionally left blank.

ELIGIBLE HOUSEHOLDS BY INCOME								
Brazoria County Income Limits								
HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	\$9,624	\$15,000	---	---	\$16,056	\$25,000	\$19,272	\$30,000
2	\$9,624	\$17,100	---	---	\$16,056	\$28,550	\$19,272	\$34,260
3	---	---	---	---	---	---	---	---
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

Primary Market Occupancy Rates:

"There were seven affordable housing properties surveyed in the market area. There were 26 vacant units of the total 410 units surveyed. Therefore, an affordable housing vacancy rate of six percent was determined. There were seven conventional properties surveyed in the market area. Of the 881 units surveyed, 37 were vacant. An overall market vacancy of four percent was determined ... At the time of the site visit, the subject was 96 percent occupied with a waiting list of two applicants" (pp. 50-51)

Comments:

USDA Developments with occupancy greater than 80% are not required to provide a market study. The required appraisal provides similar information regarding the market area and comparable market rents.

Capture rate limits do not apply to existing Affordable Housing that is at least 80% occupied and that provides a leasing preference to existing tenants. The Appraiser indicates that the subject property is currently 96% occupied. Given the current occupancy and the fact that the rehabilitation will not require extended displacement of tenants, market absorption is not a concern.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 3 Date of Last Applicant Revision: 7/20/2010

The development currently receives Project-based Section 8 rental assistance on all the units. At the time of application the Applicant's net rents were anticipated Project-based Section 8 rents that had not been approved by HUD; however, the current owner has since received approval for an increase of the Section 8 Project-based rents that was effective June 1, 2010. The currently approved rents are slightly higher than the Applicant's previously anticipated rental increases at the time of application.

The Underwriter's income estimate is slightly higher than the Applicant's because the Underwriter used the 2010 Project-based Section 8 rents that were not available to the Applicant at the time of application. As stated above, the rent increases were effective 6/1/2010. In addition to the Section 8 rental increase, the 2010 Housing Tax Credit rent limits have been published; however, these new HTC rent limits will have no effect on the recommended tax credits since the Project-based Section 8 rental contract is in place. The appraisal reflects market rents that are substantially below Section 8 contract levels, which suggests that the anticipated rent levels may not be achievable in this market without rental assistance or subsidies.

Of note, the Applicant indicated that all units receive USDA Rental Assistance. However, evidence of USDA-RA was not provided. Therefore, the Underwriter relied on the Section 8 contract to determine the appropriate rents.

The Applicant estimated secondary income of \$9 per unit which is well below the Department's maximum allowable \$20 per unit. Additionally, the Applicant's estimate of vacancy and collection loss is within TDHCA guidelines.

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Expense: Number of Revisions: 1 Date of Last Applicant Revision: 7/20/2010

The Applicant's total annual operating expense projection of \$3,989 per unit is not within 5% of the Underwriter's estimate of \$4,285 derived from the TDHCA database and the property's historical operating statements. The Applicant's estimates of several line items differ significantly from the Underwriter's, specifically, general and administrative (26% lower), management fees (8.8% higher), payroll and payroll taxes (20% lower), and water, sewer & trash (33% lower).

While the Applicant's estimate of G&A is significantly lower than the historical operating expense of the development, it is generally in line with the TDHCA database, and as such is considered to be comparable. The Applicant's use of an 8.8% management fee is due to the fact that this development is an HTC, USDA/RD and Section 8 property, and the Applicant anticipates more paperwork and compliance than is required on a non-USDA/RD, Section 8 development. The Underwriter utilized a 6.4% management fee, consistent with the operating history of the development. The Applicant reported that payroll is also high based upon this being an HTC, USDA/RD and Section 8 property. The Applicant's water, sewer and trash estimate is significantly lower than the database and historical operating expenses of the development. The Underwriter utilized actual expenses from 2009 to estimate water, sewer, and trash. It is reasonable to expect, however, that these expenses may decrease following rehabilitation.

The Applicant has estimated a reserve account expense of \$500 per unit per year. The Underwriter has relied on this estimate, as it is greater than the standard \$300/unit/year required for rehabilitation developments, and greater than the amount necessary to fund the Capital Needs Assessment provider's estimate of capital needs over the next 15 years.

Conclusion:

The Applicant's estimate of effective gross income and net operating income are within 5% of the Underwriter's estimate; however, expenses are not; therefore, the Underwriter's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). The Underwriter's DCR of 1.24 is within the Department's acceptable range of 1.15 and 1.35. Additionally, the Underwriter's expense to income ratio of 58.49% is acceptable and below the Department's normal maximum guideline of 65%.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: <u>Gill Group</u>	Date: <u>2/15/2010</u>
Number of Revisions: <u>0</u>	Date of Last Applicant Revision: <u>N/A</u>
Land Only: 5.05 acres	<u>\$192,000</u> As of: <u>2/15/2010</u>
Existing Buildings: (as-is)	<u>\$1,108,000</u> As of: <u>2/15/2010</u>
Total Development: (as-is)	<u>\$1,300,000</u> As of: <u>2/15/2010</u>

ASSESSED VALUE

Land Only: 5.04 acres	<u>\$62,570</u>	Tax Year: <u>2009</u>
Existing Buildings:	<u>\$1,071,590</u>	Valuation by: <u>Brazoria CAD</u>
Total Assessed Value:	<u>\$1,134,160</u>	Tax Rate: <u>2.738186</u>

EVIDENCE of PROPERTY CONTROL

Type: Option to Purchase Real Property Acreage: 5.0482

Contract Expiration: 5/15/2011 Valid Through Board Date? Yes No

Acquisition Cost: \$1,216,280 Other: _____

Seller: West Columbia Apt. Associates, Ltd. Related to Development Team? Yes No

Comments:

The acquisition cost is equal to \$350,000 plus the outstanding principal balance of the USDA loan. The amount listed above is the Applicant's estimate based on this methodology for determining the acquisition cost. In addition, for the stated acquisition price, the Applicant will acquire the existing reserve accounts, including a Maintenance Reserve Account of not less than \$110,000.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 7/20/2010

Acquisition Value:

The acquisition cost of \$24,326 per unit is assumed to be reasonable since the acquisition is an arm's length transaction. However, in addition to assuming the existing USDA loan that exist on this property, the Applicant is also paying an additional \$350K to the seller that will be in the form of cash to the seller at closing. The Earnest Money Contract does not state that there will be a seller note if tax credits are not awarded for the development. Accordingly, it is a condition of this report that there be no seller or residual receipt note for the equity or any portion of the equity if tax credits are allocated to the Applicant.

Typically with USDA transfers, equity is only allowed to be paid and go back into the property. However, in prior discussions with USDA staff some sales and transfers with this type structure are acceptable, as long as they are approved by the USDA National Office as any equity being requested must be submitted to the National Office for approval. Therefore, any funding recommendation will be conditioned upon receipt, review and acceptance, by carryover, of approval from the USDA National Office of the equity payment requested in association with the proposed transfer.

Additionally, the Applicant attributed the entire \$350K in equity that will be paid to the seller into the acquisition basis. However, this is not an accurate allocation of the funds because the Applicant is acquiring both land and buildings. Therefore, the Underwriter has appropriately allocated a portion of the equity to the land and buildings as reflected by the Applicant.

The Applicant's total acquisition cost includes \$55,029 as the value for the land, \$811,251 for the building basis, \$15,000 in closing costs and \$350,000 as equity to the seller. As a result, the Applicant has calculated a total \$1,161,251 in acquisition basis for purposes of determining the acquisition credits. However, as stated previously including the entire \$350K equity to be paid to the seller at closing, the acquisition basis is not accurate. Therefore, the Underwriter has appropriately distributed the \$350K between land and buildings based on the Applicant's prorata values for each. As a result, the Underwriter's calculated acquisition eligible basis is \$914,280.

Sitework Cost:

The Applicant claimed sitework costs of \$9,518 per unit which is over the Department's maximum guideline of \$9,000 per unit; however, the Applicant provided third party certification through a detailed certified cost estimate by John M. Kelley, a registered architect to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, McCartney & Company, P.C.; however, the CPA did not opine as to the amount of these costs that may be included in eligible basis. Therefore, this report is conditioned on receipt, review, and acceptance, by commitment, of a CPA letter identifying the amount of sitework costs that may be included in eligible basis. The major sitework costs are for concrete for parking, driveways and pedestrian paving \$333K, asphalt for pedestrian paving \$47K and fencing \$45K.

Direct Construction Cost:

The Applicant's direct construction cost is the same as that of the Underwriter's estimate which was derived from the third party Capital Needs Assessment. The underwriting analysis will reflect the CNA value.

Ineligible Costs:

Because the Underwriter's acquisition basis is lower than the Applicant's, the eligible developer fee according to the Underwriter's costs is lower than the Applicant's estimate. The Underwriter has moved the difference between the Applicant's eligible developer fee, and the allowable eligible developer fee using the Underwriter's cost into the ineligible cost line item.

Interim Interest Expense:

The Applicant's interim interest expense is overstated by \$43,234, and accordingly, an adjustment of this amount has been made removing it from eligible basis and moving it into ineligible costs.

Contingency & Fees:

The Applicant's developer fee also exceeds 15% of the Applicant's adjusted eligible basis by \$6,179 and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in a rural area. The Applicant did not include this increase in the application; however, the Department made an adjustment to include the increase in its calculations.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; however, since this is a rehabilitation development the Underwriter's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. A total eligible basis of \$4,053,948 supports total annual tax credits of \$388,095. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 5/27/2010

Source: First Financial Bank Type: Interim Financing

Principal: \$3,169,657 Interest Rate: 6.25% Fixed Term: 18 months

Comments:

The interest rate is to be the WSJ Prime rate plus 3%, floating, the rate as of the date of the commitment would have been 6.25%. The TDHCA underwriting rate is 6.25% which is the current prime rate of 3.25% plus 3.0%.

Source: USDA/RD Type: Permanent Financing

Principal: \$866,280 Interest Rate: 1.00% Fixed Amort: 360 months

Comments: Term: 30 years

The Applicant is proposing to assume the existing USDA/RD loan; however, they are also proposing that the loan be restructured and recasted at new rates and terms. The Department will require a parity first lien on the Department's HOME funds. Accordingly, receipt, review, and approval, by carryover, of USDA/RD approval of the Applicant's assumption and restructure of the existing USDA/RD loan, acceptance of the additional HOME loan funds and parity first lien is a condition of this report.

Source: TDHCA HOME Loan Type: Permanent Financing

Principal: \$1,651,152 Interest Rate: 3.50% Fixed Amort: 360 months

Term: 30 years

This section intentionally left blank.

Source: Michel Associates, Ltd. Type: Syndication
 Proceeds: \$2,024,673 Syndication Rate: 63% Anticipated HTC: \$ 321,409
 Amount: \$109,620 Type: Existing Reserves

Comments:

The existing reserve balances will be transferred to the partnership and be retained for future capital needs. This has been reflected as both a source and a use of funds. The Underwriter has used a slightly higher reserve estimate based on information provided to the Department by the Applicant since the original application was submitted. The Underwriter used a reserve amount of \$110,000 which is consistent with the minimum balance required in the option for purchase.

Amount: \$0 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Underwriter recommends HOME funds of \$1,651,152, at a rate of 3.5% with an amortization and term of 30 years. However, the HOME loan should be in a parity lien position with the USDA loan and its amortization and term should be fully amortized over a term equal to the term of the USDA loan; accordingly, it is a condition of this report that a USDA/RD parity lien agreement be provided for the TDHCA HOME loan by Carryover.

The Underwriter's total development cost estimate less the permanent loans and reserve funds of \$2,627,432 indicates the need for \$2,024,293 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$321,349 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$388,095
Allocation determined by gap in financing:	\$321,349
Allocation requested by the Applicant:	\$321,049

The allocation amount determined by the Applicant's request of \$321,049 is recommended. A tax credit allocation of \$321,049 per year for 10 years results in total equity proceeds of \$2,022,405 at a syndication rate of \$0.63 per tax credit dollar.

The Underwriter's recommended financing structure indicates the need for \$1,887 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 1 years of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Return on Equity:

This is a USDA/RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA/RD will manage this return on equity restriction.

Underwriter:	<u>D.P. Burrell</u>	Date:	<u>July 21, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>July 21, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>July 21, 2010</u>

UNIT MIX/RENT SCHEDULE

Brookwood Apartments, West Columbia, HTC 9% #10253

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	West Columbia	# Beds	# Units	% Total	PROGRAMS:			HOME	Sec 8	USDA		DEVELOPMENT ACTIVITY:	Acq/Rehab	
COUNTY:	Brazoria	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	50	100.0%	LH	\$547	\$610	\$701	\$928	\$1,035	16	EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2			HH	\$547	\$610	\$701	\$967	\$1,038	9	HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3			USDA	#N/A	#N/A	#N/A	#N/A	#N/A	50	APPLICABLE FRACTION:	100.00%	
IREM REGION:		4			Sec 8		\$651				50	APP % - ACQUISITION:	3.50%	
		TOTAL	50	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION					PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS			OTHER UNIT DESIGNATION	MARKET RENTS			
Type	Other Designation	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Sec 8	Market Rent	TDHCA Savings to Market
TC 30%	LH / 30% Income	3	1	1	605	\$401	\$78	\$323	\$312	\$1.05	\$635	\$1,905	\$1,953	\$651	\$1.08	\$328	\$651	\$475	(\$176)
TC 50%	LH / 50% Income	13	1	1	605	\$669	\$78	\$591	\$44	\$1.05	\$635	\$8,255	\$8,463	\$651	\$1.08	\$60	\$651	\$475	(\$176)
TC 50%	HH / 60% Income	9	1	1	605	\$669	\$78	\$591	\$44	\$1.05	\$635	\$5,715	\$5,859	\$651	\$1.08	\$60	\$651	\$475	(\$176)
TC 60%	RA	25	1	1	605	\$803	\$78	\$725	(\$90)	\$1.05	\$635	\$15,875	\$16,275	\$651	\$1.08	(\$74)	\$651	\$475	(\$176)
TOTAL:		50			30,250							\$31,750	\$32,550						
AVG:					605				(\$7)	\$1.05	\$635			\$651	\$1.08	\$9	\$651	\$475	\$176
ANNUAL:												\$381,000	\$390,600						

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Brookwood Apartments, West Columbia, HTC 9% #10253

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$390,600	\$381,000			
Secondary Income	Per Unit Per Month:	\$9.00		5,400	5,400	\$9.00	Per Unit Per Month	
Other Support Income:						\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$396,000	\$386,400			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(29,700)	(28,980)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$366,300	\$357,420			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.57%	\$335	0.55	\$16,736	\$12,350	\$0.41	\$247	3.46%
Management	6.37%	\$466	0.77	23,323	31,500	1.04	630	8.81%
Payroll & Payroll Tax	10.09%	\$739	1.22	36,972	29,500	0.98	590	8.25%
Repairs & Maintenance	8.40%	\$616	1.02	30,776	28,000	0.93	560	7.83%
Utilities	2.68%	\$197	0.32	9,831	9,880	0.33	198	2.76%
Water, Sewer, & Trash	4.17%	\$305	0.50	15,258	10,200	0.34	204	2.85%
Property Insurance	4.00%	\$293	0.48	14,666	15,000	0.50	300	4.20%
Property Tax 2.738186	10.84%	\$794	1.31	39,704	36,000	1.19	720	10.07%
Reserve for Replacements	6.83%	\$500	0.83	25,000	25,000	0.83	500	6.99%
TDHCA Compliance Fees	0.55%	\$40	0.07	2,000	2,000	0.07	40	0.56%
Other:	0.00%	\$0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES	58.49%	\$4,285	\$7.08	\$214,264	\$199,430	\$6.59	\$3,989	55.80%
NET OPERATING INC	41.51%	\$3,041	\$5.03	\$152,036	\$157,990	\$5.22	\$3,160	44.20%

DEBT SERVICE

TDHCA HOME Loan	\$88,973	\$88,973
USDA/RD	\$33,436	\$33,436
Existing Reserves	\$0	
Additional Financing	0	
Additional Financing	0	
TOTAL DEBT SERVICE	122,409	122,409
NET CASH FLOW	\$29,628	\$35,581
AGGREGATE DEBT COVERAGE RATIO	1.24	1.29
RECOMMENDED DEBT COVERAGE RATIO	1.24	

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		26.47%	\$24,626	\$40.70	\$1,231,280	\$1,231,280	\$40.70	\$24,626	26.47%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		10.23%	\$9,518	\$15.73	475,920	475,920	15.73	9,518	10.23%
Direct Construction		27.17%	\$25,278	\$41.78	1,263,913	1,263,913	41.78	25,278	27.17%
Contingency	5.00%	1.87%	\$1,740	\$2.88	86,992	86,992	2.88	1,740	1.87%
Contractor's Fees	14.00%	5.24%	\$4,872	\$8.05	243,577	243,577	8.05	4,872	5.24%
Indirect Construction		5.10%	\$4,748	\$7.85	237,424	237,424	7.85	4,748	5.10%
Ineligible Costs		2.81%	\$2,616	\$4.32	130,777	87,553	2.89	1,751	1.88%
Developer's Fees	15.00%	11.37%	\$10,576	\$17.48	528,776	572,000	18.91	11,440	12.30%
Interim Financing		6.52%	\$6,061	\$10.02	303,066	303,066	10.02	6,061	6.52%
Reserves		3.22%	\$3,000	\$4.96	150,000	150,000	4.96	3,000	3.22%
TOTAL COST		100.00%	\$93,034.49	\$153.78	\$4,651,725	\$4,651,725	\$153.78	\$93,035	100.00%
Construction Cost Recap		44.51%	\$41,408	\$68.44	\$2,070,402	\$2,070,402	\$68.44	\$41,408	44.51%

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
TDHCA HOME Loan	35.50%	\$33,023	\$54.58	\$1,651,152	\$1,651,152	\$1,651,152	Developer Fee Available
USDA/RD	18.62%	\$17,326	\$28.64	866,280	866,280	866,280	\$565,821
Existing Reserves	2.36%	\$2,192	\$3.62	109,620	109,620	110,000	
HTC Syndication Proceeds	43.53%	\$40,493	\$66.93	2,024,673	2,024,673	2,022,405	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	\$0	\$0.00	0	0	1,887	0%
Additional (Excess) Funds Req'd	0.00%	(\$0)	(\$0.00)	(0)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$4,651,725	\$4,651,725	\$4,651,725	\$543,826

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Brookwood Apartments, West Columbia, HTC 9% #10253

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$50.00	\$1,512,500
Adjustments				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			1.33	40,333
Floor Cover			2.41	72,903
Breezeways	\$23.05	0	0.00	0
Balconies	#DIV/0!	0	#DIV/0!	#DIV/0!
Plumbing Fixtures	\$845	(250)	(6.98)	(211,250)
Rough-ins	\$420	0	0.00	0
Built-In Appliances	\$1,850	50	3.06	92,500
Exterior Stairs	\$1,900	0	0.00	0
Enclosed Corridors	\$40.08		0.00	0
Other:			0.00	0
Other:			0.00	0
Carports	\$9.70	0	0.00	0
Heating/Cooling			1.85	55,963
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$0.00	0	0.00	0
Other: fire sprinkler	\$2.15	30,250	2.15	65,038
SUBTOTAL			#DIV/0!	#DIV/0!
Current Cost Multiplier	0.99		#DIV/0!	#DIV/0!
Local Multiplier	0.90		#DIV/0!	#DIV/0!
TOTAL DIRECT CONSTRUCTION COSTS				
Plans, specs, survy, bld perm	3.90%		#DIV/0!	#DIV/0!
Interim Construction Interes	3.38%		#DIV/0!	#DIV/0!
Contractor's OH & Profit	11.50%		#DIV/0!	#DIV/0!
NET DIRECT CONSTRUCTION COSTS				

PROPOSED PAYMENT COMPUTATION

TDHCA HOME Loa	\$1,651,152	Amort	360
Int Rate	3.50%	DCR	1.71

USDA/RD	\$86,280	Amort	360
Int Rate	1.00%	Subtotal DCR	1.24

Existing Reserves	\$109,620	Amort	
Int Rate		Aggregate DCR	1.24

Additional Financi	\$0	Amort	
Int Rate		Subtotal DCR	1.24

Additional Financi	\$0	Amort	
Int Rate		Aggregate DCR	1.24

RECOMMENDED FINANCING STRUCTURE:

TDHCA HOME Loan	\$88,973
USDA/RD	33,436
Existing Reserves	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$122,409

TDHCA HOME Loa	\$1,651,152	Amort	360
Int Rate	3.50%	DCR	1.71

USDA/RD	\$86,280	Amort	360
Int Rate	1.00%	Subtotal DCR	1.24

Existing Reserves	\$109,620	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

Additional Financi	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.24

Additional Financi	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$390,600	\$398,412	\$406,380	\$414,508	\$422,798	\$466,803	\$515,388	\$569,030	\$693,645
Secondary Income	5,400	5,508	5,618	5,731	5,845	6,453	7,125	7,867	9,590
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	396,000	403,920	411,998	420,238	428,643	473,257	522,514	576,897	703,234
Vacancy & Collection Loss	(29,700)	(30,294)	(30,900)	(31,518)	(32,148)	(35,494)	(39,189)	(43,267)	(52,743)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$366,300	\$373,626	\$381,099	\$388,720	\$396,495	\$437,762	\$483,325	\$533,630	\$650,492
EXPENSES at 3.00%									
General & Administrative	\$16,736	\$17,238	\$17,755	\$18,288	\$18,836	\$21,836	\$25,314	\$29,346	\$39,439
Management	23,323	23,789	24,265	24,750	25,245	27,873	30,774	33,977	41,417
Payroll & Payroll Tax	36,972	38,081	39,223	40,400	41,612	48,240	55,923	64,830	87,126
Repairs & Maintenance	30,776	31,699	32,650	33,629	34,638	40,155	46,551	53,965	72,525
Utilities	9,831	10,126	10,430	10,743	11,065	12,827	14,870	17,239	23,167
Water, Sewer & Trash	15,258	15,716	16,187	16,673	17,173	19,908	23,079	26,755	35,956
Insurance	14,666	15,105	15,559	16,025	16,506	19,135	22,183	25,716	34,560
Property Tax	39,704	40,895	42,122	43,385	44,687	51,804	60,055	69,621	93,564
Reserve for Replacements	25,000	25,750	26,523	27,318	28,138	32,619	37,815	43,838	58,914
TDHCA Compliance Fee	2,000	2,060	2,122	2,185	2,251	2,610	3,025	3,507	4,713
Other	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	\$214,264	\$220,458	\$226,834	\$233,397	\$240,151	\$277,008	\$319,589	\$368,793	\$491,383
NET OPERATING INCOME	\$152,036	\$153,168	\$154,264	\$155,324	\$156,344	\$160,755	\$163,736	\$164,837	\$159,109
DEBT SERVICE									
First Lien Financing	\$88,973	\$88,973	\$88,973	\$88,973	\$88,973	\$88,973	\$88,973	\$88,973	\$88,973
Second Lien	33,436	33,436	33,436	33,436	33,436	33,436	33,436	33,436	33,436
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$29,628	\$30,759	\$31,856	\$32,915	\$33,935	\$38,346	\$41,327	\$42,428	\$36,701
DEBT COVERAGE RATIO	1.24	1.25	1.26	1.27	1.28	1.31	1.34	1.35	1.30

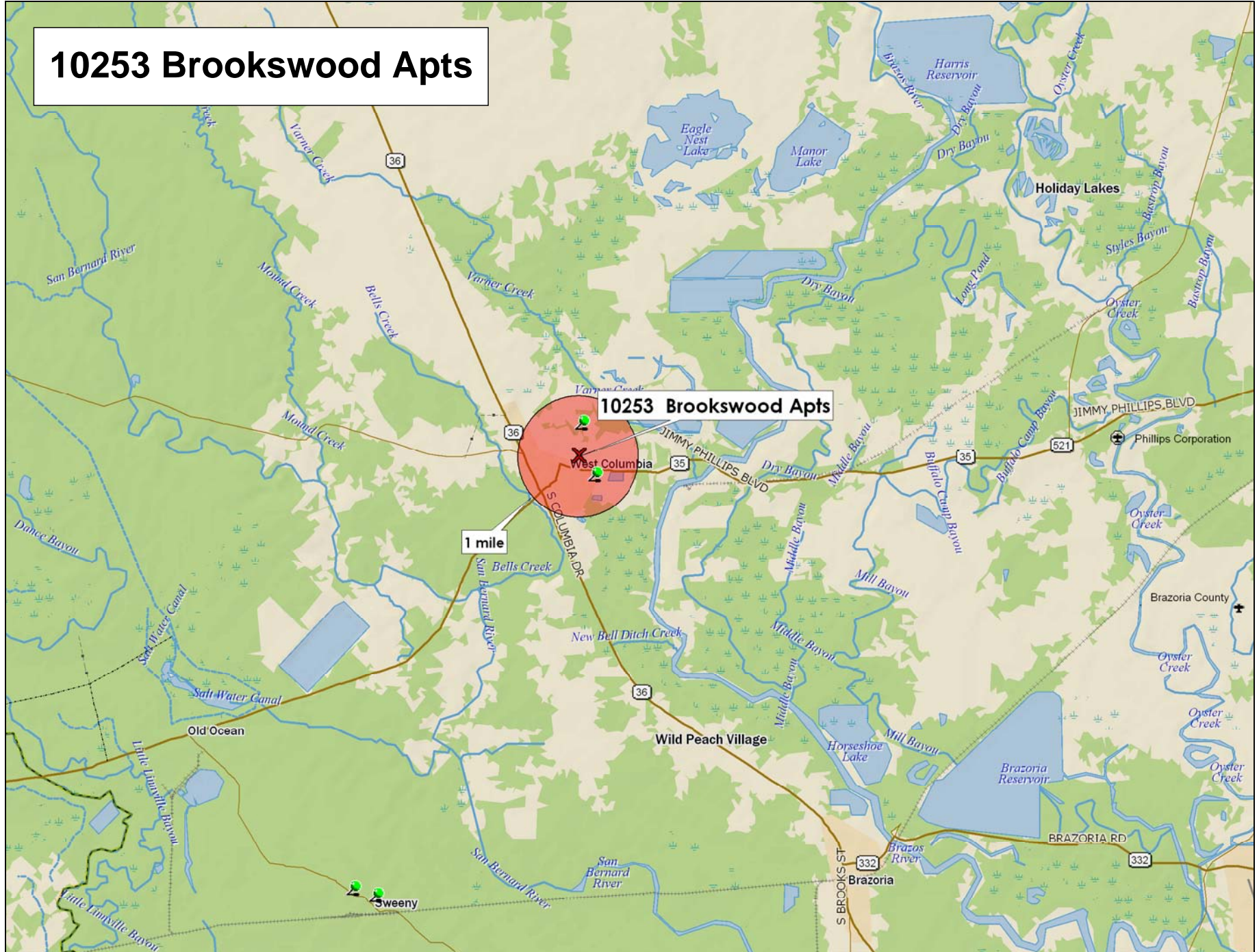
HTC ALLOCATION ANALYSIS -Brookwood Apartments, West Columbia, HTC 9% #10253

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$70,029	\$317,000				
Purchase of buildings	\$1,161,251	\$914,280	\$1,161,251	\$914,280		
Off-Site Improvements						
Sitework	\$475,920	\$475,920			\$475,920	\$475,920
Construction Hard Costs	\$1,263,913	\$1,263,913			\$1,263,913	\$1,263,913
Contractor Fees	\$243,577	\$243,577			\$243,577	\$243,577
Contingencies	\$86,992	\$86,992			\$86,992	\$86,992
Eligible Indirect Fees	\$237,424	\$237,424			\$237,424	\$237,424
Eligible Financing Fees	\$303,066	\$303,066			\$303,066	\$303,066
All Ineligible Costs	\$87,553	\$130,777				
Developer Fees			\$174,188	\$137,142	\$391,634	\$391,634
Developer Fees	\$572,000	\$528,776				
Development Reserves	\$150,000	\$150,000				
TOTAL DEVELOPMENT COSTS	\$4,651,725	\$4,651,725	\$1,335,439	\$1,051,422	\$3,002,526	\$3,002,526

Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$1,335,439	\$1,051,422	\$3,002,526	\$3,002,526
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$1,335,439	\$1,051,422	\$3,903,284	\$3,903,284
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$1,335,439	\$1,051,422	\$3,903,284	\$3,903,284
Applicable Percentage			3.50%	3.50%	9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS			\$46,740	\$36,800	\$351,296	\$351,296

Syndication Proceeds	0.6299	\$294,435	\$231,815	\$2,212,939	\$2,212,939
Total Tax Credits (Eligible Basis Method)				\$398,036	\$388,095
Syndication Proceeds				\$2,507,374	\$2,444,754
Requested Tax Credits				\$321,049	
Syndication Proceeds				\$2,022,405	
Gap of Syndication Proceeds Needed				\$2,024,293	\$2,024,293
Total Tax Credits (Gap Method)				\$321,349	\$321,349

10253 Brookwood Apts

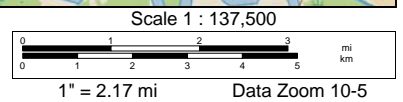


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MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Colony at Lake Granbury, TDHCA Number 10257

BASIC DEVELOPMENT INFORMATION

Site Address: SWC Hwy 4 & Thorp Springs Rd. Development #: 10257
 City: Granbury Region: 3 Population Served: Elderly
 County: Hood Zip Code: 76048 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: The Colony at Lake Granbury, Ltd.
 Owner Contact and Phone: Rick J. Deyoe, (512) 306-9206
 Developer: The Colony at Lake Granbury Development, L.L.C.
 Housing General Contractor: Realtex Construction, L.L.C.
 Architect: Northfield Design Associates
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: PNC Multifamily Capital
 Supportive Services: Texas Inter-Faith Housing Corporation
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	32	48	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	10
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	6
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	10

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$964,787	\$0			
HOME Activity Fund Amount:	\$990,000	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Colony at Lake Granbury, TDHCA Number 10257

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22, S

Points: 7

US Representative: Edwards, District 17, NC

TX Representative: Keffer, District 60, S

Points: 7

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

The Colony at Lake Granbury, TDHCA Number 10257

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **207** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Las Brisas Manor, TDHCA Number 10262

BASIC DEVELOPMENT INFORMATION

Site Address: 1970 US Hwy 277 S. Development #: 10262
 City: Del Rio Region: 11 Population Served: Elderly
 County: Val Verde Zip Code: 78840 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Las Brisas Manor, L.P.
 Owner Contact and Phone: Mark du Mas, (770) 431-9696
 Developer: The Paces Foundation, Inc.
 Housing General Contractor: Galaxy Builders, Ltd.
 Architect: Martin Riley Associates - Architects, P.C.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Wachovia
 Supportive Services: Wedge Management
 Consultant and Contact: S2A Consulting, Sarah Anderson

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	48	
	3	0	22	23	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	15	33	0	0	0	
Type of Building:						Total Development Units:	48
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	12
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	3

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$698,724	\$0			
HOME Activity Fund Amount:	\$1,907,548	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Las Brisas Manor, TDHCA Number 10262

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Uresti, District 19, NC

Points: 0

US Representative: Rodriguez, District 23, NC

TX Representative: Gallegos, District 74, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

S, Ramiro Ramon, County Commissioner of Val Verde

S, Jesus E. Ortiz, County Commissioner of Val Verde

Individuals and Businesses: In Support: **0** In Opposition: **0**

Quantifiable Community Participation Input:

Life on the Hill, Deyanira A. Aljabali

Letter Score: 24 S or O: S

Providing high quality, much needed affordable housing to seniors with the Del Rio, Val Verde County community.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Las Brisas Manor, TDHCA Number 10262

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **215** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Travis Street Plaza Apts, TDHCA Number 10266

BASIC DEVELOPMENT INFORMATION

Site Address: 4500 Travis Development #: 10266
 City: Houston Region: 6 Population Served: General
 County: Harris Zip Code: 77002 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Travis Street Plaza LP
 Owner Contact and Phone: Tim Cantwell, (310) 568-9100
 Developer: Cloudbreak Houston, L.L.C.
 Housing General Contractor: TBD
 Architect: Suarez Architects, Inc.
 Market Analyst: Apartment Market Data, LLC
 Syndicator: Raymond Jones
 Supportive Services: TBD
 Consultant and Contact: S2A Development Consulting, LLC.,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	192
	10 0 87 95	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	188 4 0 0 0 0	Total Development Units:	192
Type of Building:		Total Development Cost*:	\$0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	1
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,374,101	\$1,374,101			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Travis Street Plaza Apts, TDHCA Number 10266

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC

Points: 0

US Representative: Culberson, District 7, NC

TX Representative: Coleman, District 147, S

Points: 14

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 4

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a firm commitment from the City of Houston Housing and Community Development Department for funding in the amount of \$5,728,598, or a commitment from a qualifying substitute source in an amount not less than \$5,728,598, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. The Local Political Subdivision must attest to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Travis Street Plaza Apts, TDHCA Number 10266

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **0**

Total # Monitored: **0**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **210** Meeting a Required Set-Aside Credit Amount*: \$1,374,101

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Gateway to Eden, TDHCA Number 10270

BASIC DEVELOPMENT INFORMATION

Site Address: Grant/Rudder and Kelly St. Development #: 10270
 City: Eden Region: 12 Population Served: General
 County: Concho Zip Code: 76837 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Gateway to Eden, LP
 Owner Contact and Phone: Ethan Horne, (512) 484-1727
 Developer: R.L. Horne, Ethan Horne
 Housing General Contractor: TBD
 Architect: Hatch + Ulland Owen Architects
 Market Analyst: Ed Ipser, Ipser and Associates
 Syndicator: National Equity Fund, Inc.
 Supportive Services: Eden State Bank
 Consultant and Contact: Emily Horne,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	17	
	1	0	0	16	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	0	0	17	0	0	
Type of Building:						Total Development Units:	17
<input type="checkbox"/> Duplex	<input type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input checked="" type="checkbox"/> Detached Residence					Number of Residential Buildings:	17
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	7
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	2

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$268,527	\$268,527			
HOME Activity Fund Amount:	\$639,436	\$639,436	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Gateway to Eden, TDHCA Number 10270

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Duncan, District 28, NC

Points: 0

US Representative: Conaway, District 11, NC

TX Representative: Hilderbran, District 53, NC

Points: 0

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Eugene Spann, Mayor City of Eden

Resolution of Support from Local Government

Individuals and Businesses: In Support: 21

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0

Corrections Corporation Of America Eden Detention Center, S, Keith E. Hall, Warden

Economic Development, S, Kathy Keane, Coordinator

Eden Community Child Care Center, Inc., S, Laura Bowden, Director

United States Postal Service, S, Betty Berry, Postmaster for Eden Texas

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$639,436 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$639,436, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Gateway to Eden, TDHCA Number 10270

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **136** Meeting a Required Set-Aside Credit Amount*: \$268,527

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$639,436

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

**Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary**

Hudson Manor, TDHCA Number 10271

BASIC DEVELOPMENT INFORMATION

Site Address: 4280 Old Union Rd. Development #: 10271
 City: Hudson Region: 5 Population Served: Elderly
 County: Angelina Zip Code: 75904 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Hudson Manor, Ltd.
 Owner Contact and Phone: H. Elizabeth Young, (713) 626-1400
 Developer: Artisan American Group
 Housing General Contractor: Inland General Construction Company
 Architect: Russell Stogsdill
 Market Analyst: O'Conner & Associates
 Syndicator: Evanston Financial Corp.
 Supportive Services: American Supportive Services, Inc.
 Consultant and Contact: Tim Smith, Tim Smith

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	40	40	0	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	8
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	40
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	36

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$955,313	\$955,313			
HOME Activity Fund Amount:	\$517,970	\$517,970	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Hudson Manor, TDHCA Number 10271

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **9**

Total # Monitored: **7**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **208** Meeting a Required Set-Aside Credit Amount*: \$955,313

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$517,970

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Grand Manor Apts, TDHCA Number 10274

BASIC DEVELOPMENT INFORMATION

Site Address: 2700 N. Grand Ave. Development #: 10274
 City: Tyler Region: 4 Population Served: General
 County: Smith Zip Code: 75702 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: RH
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Tyler Leased Housing Associates I, LP
 Owner Contact and Phone: Owen Metz, 7633545618
 Developer: Tyler Leased Housing Development 1, L.L.C.
 Housing General Contractor: Weis Builders, Inc.
 Architect: BKV Group
 Market Analyst: CA Partners, Inc.
 Syndicator: Alliant Capital, Ltd.
 Supportive Services: Housing Services Incorporated
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	120
	6	0	54	60	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	48	40	32	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	120
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	19
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,197,939	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Grand Manor Apts, TDHCA Number 10274

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Deuell, District 2, S

Points: 14 US Representative: Gohmert, District 1, NC

TX Representative: Berman, District 6, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Barbara R. Bass, Mayor of Tyler

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Grand Manor Apts, TDHCA Number 10274

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **196** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Hudson Green, TDHCA Number 10279

BASIC DEVELOPMENT INFORMATION

Site Address: 840 Mt. Carmel Rd. Development #: 10279
 City: Hudson Region: 5 Population Served: General
 County: Angelina Zip Code: 75904 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Hudson Green, Ltd.
 Owner Contact and Phone: H. Elizabeth Young, (713) 626-1400
 Developer: Artisan American Corp.
 Housing General Contractor: Inland General Construction Company
 Architect: Stogsdill Architects
 Market Analyst: O'Conner & Associates
 Syndicator: Evanston Financial Corp.
 Supportive Services: American Supportive Services, Inc.
 Consultant and Contact: Tim Smith, Tim Smith

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80
	4	0	36	40	Market Rate Units:	0
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>
	0	40	40	0	0	0

Type of Building:

<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Total Development Units:	80
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	Total Development Cost*:	\$0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	Number of Residential Buildings:	8
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional	HOME High Total Units:	0
		HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$919,550	\$919,550			
HOME Activity Fund Amount:	\$415,000	\$415,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program Development Information, Public Input and Board Summary

Hudson Green, TDHCA Number 10279

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, S

Points: 14 US Representative: Gohmert, District 1, NC

TX Representative: McReynolds, District 12, NC

Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$415,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$415,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program Development Information, Public Input and Board Summary

Hudson Green, TDHCA Number 10279

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **9**

Total # Monitored: **7**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **208** Meeting a Required Set-Aside Credit Amount*: \$919,550

Recommendation: Has a competitive score within the Hurricane Ike counties

HOME Activity Funds:

Loan Amount: \$415,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Lufkin Pioneer Crossing, TDHCA Number 10283

BASIC DEVELOPMENT INFORMATION

Site Address: 1805 N John Reddit Development #: 10283
 City: Lufkin Region: 5 Population Served: General
 County: Angelina Zip Code: 75904 Allocation: Rural
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Lufkin PC, LLC
 Owner Contact and Phone: Noor Jooma, 2142532444
 Developer: Accent Developers, L.L.C.
 Housing General Contractor: Urban Progress, CDC
 Architect: Cross Architects
 Market Analyst: mark C. Temple & Associates, L.L.C.
 Syndicator: N/A
 Supportive Services: N/A
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	80	
	4	0	36	40	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	0	32	40	8	0	0	
Type of Building:						Total Development Units:	80
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	5
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	16
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	4

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$945,626	\$945,626			
HOME Activity Fund Amount:	\$2,000,000	\$2,000,000	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Lufkin Pioneer Crossing, TDHCA Number 10283

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Nichols, District 3, S Points: 14 US Representative: Gohmert, District 1, NC
TX Representative: McReynolds, District 12, NC Points: 0 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government
S, Mark Homer, State Representative District 3

Individuals and Businesses: In Support: 0 In Opposition: 1

Quantifiable Community Participation Input:

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 6
Texas Metal Casting Co., O, Mark A. Pope, Vice President

General Summary of Comment:

CONDITIONS OF COMMITMENT

1. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$1,800,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$1,800,000, as required by §50.9(i)(5) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.
2. Receipt of a commitment of funding from the Texas Department of Housing and Community Affairs for \$200,000 in HOME funds, or a commitment from a qualifying substitute source in an amount not less than \$200,000, as required by §50.9(i)(28) of the 2010 QAP. The commitment must clearly identify the terms of the funding provided. If the terms or amount of funding are different than those of the source for which points were awarded, the Application may be reevaluated for financial feasibility.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary
Lufkin Pioneer Crossing, TDHCA Number 10283

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **10**

Total # Monitored: **5**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **211** Meeting a Required Set-Aside Credit Amount*: \$945,626

Recommendation: Recommended because without this award included, this sub-region's allocation shortfall would have been a significant portion of their total targeted sub-regional allocation when Rural tax credits are collapsed.

HOME Activity Funds:

Loan Amount: \$2,000,000

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Atmos Lofts, TDHCA Number 10284

BASIC DEVELOPMENT INFORMATION

Site Address: 1900 Jackson St. Development #: 10284
 City: Dallas Region: 3 Population Served: General
 County: Dallas Zip Code: 75201 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: ADR
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: Atmos LIHTC LLC
 Owner Contact and Phone: Ted Hamilton, (214) 741-5100
 Developer: Hamilton Atmos Developer, L.L.C.
 Housing General Contractor: Andres Construction
 Architect: Merriman Associates/Architects, Inc.
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Wells Fargo
 Supportive Services: TBD
 Consultant and Contact: State Street Housing Advisors, L.P., Jeff Spicer

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	Total Restricted Units:	107	
	6	0	48	53	Market Rate Units:	0	
	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	
	30	63	14	0	0	0	
Type of Building:						Total Development Units:	107
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building					Total Development Cost*:	\$0
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence					Number of Residential Buildings:	1
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy					HOME High Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional					HOME Low Total Units:	0

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,336,488	\$1,336,488			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Atmos Lofts, TDHCA Number 10284

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: West, District 23, NC

Points: 0 US Representative: Johnson, District 30, NC

TX Representative: Branch, District 108, S

Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC

Resolution of Support from Local Government

Individuals and Businesses: In Support: 0

In Opposition: 0

Quantifiable Community Participation Input:

Downtown Residents Council, Steve Shepherd

Letter Score: 24 S or O: S

We need a more diverse residential population representing all economic strata. This makes a true urban environment and neighborhood.

Community Input Other than Quantifiable Community Participation Input:

Total Score for All Input: 0

Central Dallas Ministries, S, Larry M. James, President and CEO

General Summary of Comment:

CONDITIONS OF COMMITMENT



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Atmos Lofts, TDHCA Number 10284

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio:

Total # Monitored:

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **225** Meeting a Required Set-Aside Credit Amount*: \$1,336,488

Recommendation: Has a competitive score within its allocation type and region

HOME Activity Funds:

Loan Amount: \$0

HOME CHDO Operating Expense Grant:

Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Magnolia Place Apts, TDHCA Number 10290

BASIC DEVELOPMENT INFORMATION

Site Address: Wenda St. at the 9500 Block of Cullen Blvd. Development #: 10290
 City: Houston Region: 6 Population Served: Elderly
 County: Harris Zip Code: 77051 Allocation: Urban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue HTC Housing Activity*: NC
 HOME Set Asides: CHDO Preservation General

*HTC Housing Activity: Rehabilitation=RH, Adaptive Reuse=ADR, New Construction=NC, Single Room Occupancy=SRO

OWNER AND DEVELOPMENT TEAM

Owner: One Mag Partners, L.P.
 Owner Contact and Phone: Bert Magill, 7137856006
 Developer: San Jacinto Realty Services, L.L.C.
 Housing General Contractor: William Taylor & Co., Inc.
 Architect: Thompson Nelson Group
 Market Analyst: Apartment Market Data, L.L.C.
 Syndicator: Hudson Housing Capital
 Supportive Services: TBD
 Consultant and Contact: N/A,

UNIT/BUILDING INFORMATION

Unit Breakdown:	<u>30%</u> <u>40%</u> <u>50%</u> <u>60%</u>	Total Restricted Units:	144
	0 0 130 14	Market Rate Units:	0
	<u>Eff</u> <u>1 BR</u> <u>2 BR</u> <u>3 BR</u> <u>4 BR</u> <u>5 BR</u>	Owner/Employee Units:	0
	0 72 72 0 0 0	Total Development Units:	144
Type of Building:		Total Development Cost*:	\$18,359,500
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building	Number of Residential Buildings:	5
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence	HOME High Total Units:	0
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy	HOME Low Total Units:	0
<input type="checkbox"/> Townhome	<input type="checkbox"/> Transitional		

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	\$1,995,026	\$0			
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Magnolia Place Apts, TDHCA Number 10290

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13, NC Points: 0 US Representative: Green, District 9, NC
TX Representative: Edwards, District 146, S Points: 14 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government [checked]
S, Wanda Adams, City of Houston Council Member
District D

Individuals and Businesses: In Support: 0 In Opposition: 0

Quantifiable Community Participation Input:

Southeast Coalition of Civic Clubs, L.E. Chamberlain Letter Score: 24 S or O: S

The neighborhood in which the development has considered for development is an aging community. Our primary purpose for this new development is to improve the general welfare of our community with new growth and development. Our community residents are basically comprised of senior citizens. We need to revitalize our community with newer affordable housing for senior citizens.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

- 1. If any buildings, drives, parking areas, or amenities are located within the Flood Hazard Area, then receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain."
2. Receipt, review, and acceptance, by commitment, of a commitment from the General Partner One Mag Development, LLC to provide a loan to the partnership One Mag Partners, L.P. in the amount of \$920,000, with the terms of financing provided, including the rate, term and amortization period.
3. Receipt, review, and acceptance, by commitment, of a commitment from the City of Houston to provide a HOME loan to the General Partner One Mag Development, LLC in the amount of \$920,000, with the terms of financing provided, including the rate, term and amortization period.
4. Receipt, review, and acceptance, by Cost Certification, of an attorney opinion clearly establishing that the proposed HACDC loan can be considered to be a valid debt with the reasonable expectation that it will be repaid in full.
5. Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.



MULTIFAMILY FINANCE DIVISION

July 29, 2010

Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Magnolia Place Apts, TDHCA Number 10290

COMPLIANCE EVALUATION SUMMARY:

No unresolved issues of material non-compliance or audit findings:

Total # Developments in Portfolio: **7**

Total # Monitored: **6**

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: Score: **199** Meeting a Required Set-Aside Credit Amount*: \$0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).



REPORT DATE: 07/13/10 PROGRAM: 9% HTC FILE NUMBER: 10290

DEVELOPMENT

Magnolia Place Apartments

Location: Wenda Street at the 9500 Block of Cullen Blvd. Region: 6
 City: Houston County: Harris Zip: 77051 OCT DDA
 Key Attributes: Elderly, Urban, New Construction, and Multifamily

ALLOCATION

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$1,995,026			\$1,995,026		

CONDITIONS

- 1 If any buildings, drives, parking areas, or amenities are located within the Flood Hazard Area, then receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain."
- 2 Receipt, review, and acceptance, by commitment, of a commitment from the City of Houston to provide a HOME loan to the General Partner One Mag Development, LLC in the amount of \$920,000, with the terms of financing provided, including the rate, term and amortization period.
- 3 Receipt, review, and acceptance, by commitment, of a commitment from the General Partner One Mag Development, LLC to provide a loan to the partnership One Mag Partners, L.P. in the amount of \$920,000, with the terms of financing provided, including the rate, term and amortization period.
- 4 Receipt, review, and acceptance, by Cost Certification, of an attorney opinion clearly establishing that the proposed HACDC loan can be considered to be a valid debt with the reasonable expectation that it will be repaid in full.
- 5 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	130
60% of AMI	60% of AMI	14

STRENGTHS/MITIGATING FACTORS

- Overall occupancy is 97% for more than 2,000 HTC units in the PMA.
- The Developer has experience developing tax credit properties in Texas with a total of seven developments providing 1,056 units.
- Proposed rents are on average 43% below market rents.

WEAKNESSES/RISKS

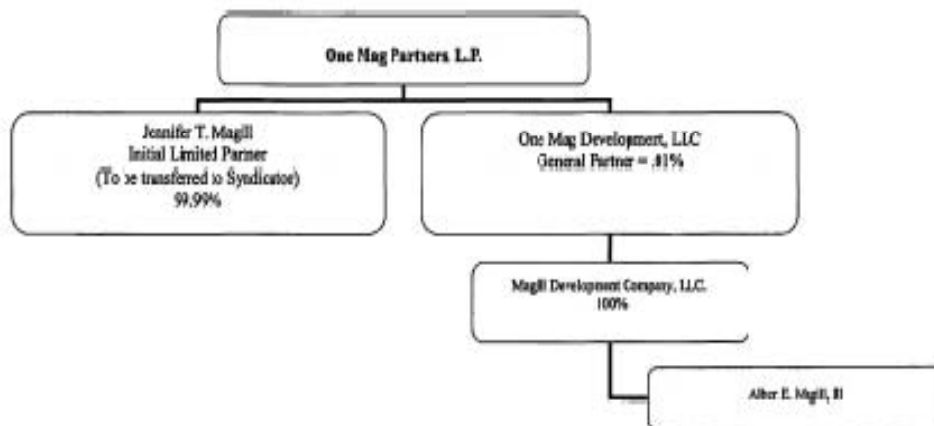
- The Underwriter's and Applicant's expense to income ratios both approach 65%. An expense to income ratio above 65% reflects an increased risk that the development will not be able to sustain even a moderate period of flat income and rent growth with rising expenses.
- The development does not have frontage on Cullen Blvd., which may affect visibility of the site to potential tenants.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

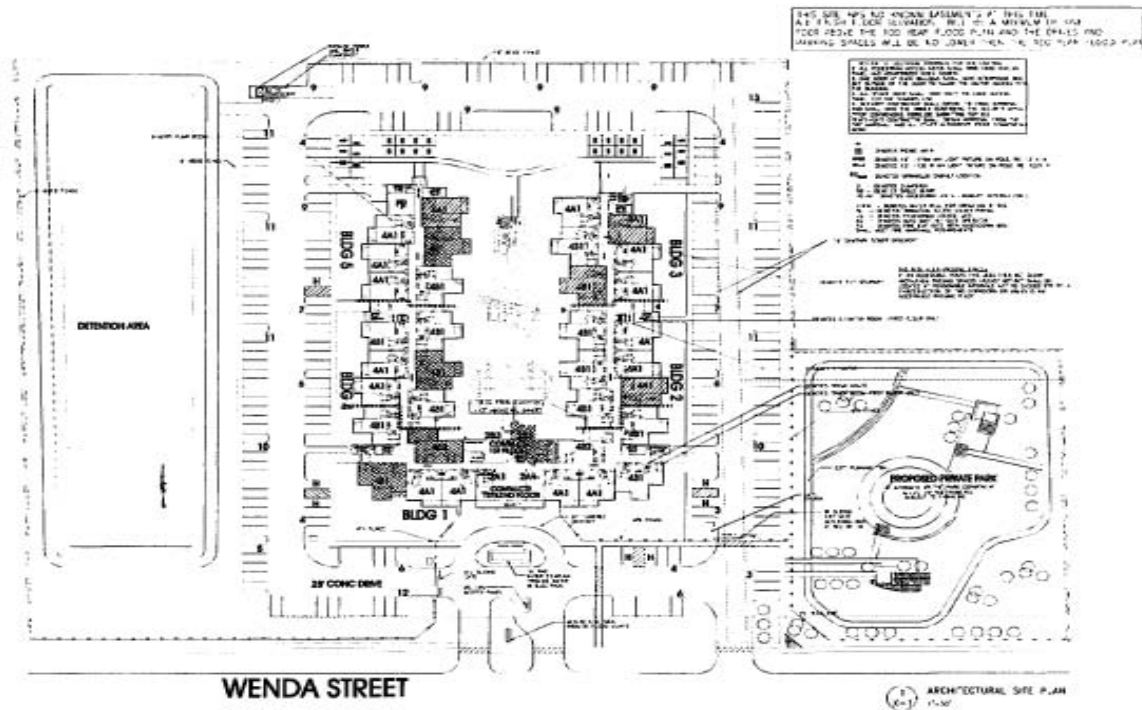
Contact: Bert Magill Phone: (713) 785-6006 Fax: (713) 785-6004
 Email: awm3@att.net

IDENTITIES of INTEREST

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



Comments:

The 9.292 acre site also contains to the far west a detention area and the area to the far east side is a private park area for the subject development.

BUILDING CONFIGURATION

Building Type	I	II	III	IV	V															Total Buildings	
Floors/Stories	4	4	4	4	4																
Number	1	1	1	1	1																5

BR/BA	SF	Units										Total Units	Total SF		
1	1	850	20	12	16	8	16							72	61,200
2	2	1,050	16	12	8	16	8							60	63,000
2	2	1,050	8											8	8,400
2	2	1,050	4											4	4,200
Units per Building			48	24	24	24	24							144	136,800

SITE ISSUES

Total Size: 9.292 acres Scattered site? Yes No
 Flood Zone: X Within 100-yr floodplain? Yes No
 Zoning: No zoning Needs to be re-zoned? Yes No N/A

Comments:

The ESA reports that the site is in Flood Zone X; however, based on the FIRM provided, it appears that a small portion of the site fronting Cullen Blvd may be in Flood Hazard Area AE.

Any funding recommendation will be subject to the following condition:

If any buildings, drives, parking areas, or amenities are located within the Flood Hazard Area, then receipt, review, and acceptance, by cost certification, of an architectural engineer's certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain, or a Letter of Map Amendment ("LOMA") or Letter of Map Revision ("LOMR-F") indicating that the development is no longer within the 100 year floodplain."

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 5/7/2010

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Business and Residential beyond East: Undeveloped land and Residential beyond
 South: Multifamily housing and Residential beyond West: Undeveloped land

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 3/5/2010

Recognized Environmental Conditions (RECs) and Other Concerns:

- The assessment revealed no Recognized Environmental Conditions in connection with the site.

MARKET ANALYSIS

Provider: Apartment MarketData Date: 3/12/2010

Contact: Darrell Jack Phone: (210) 530-0040

Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 26 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by 21 census tracts in south central Harris County on the east side of HWY 288 at Loop 610.

ELIGIBLE HOUSEHOLDS BY INCOME

Harris County Income Limits

HH size	30% of AMI		40% of AMI		50% of AMI		60% of AMI	
	min	max	min	max	min	max	min	max
1	---	---	---	---	\$14,352	\$22,350	\$17,208	\$26,820
2	---	---	---	---	\$14,352	\$25,500	\$17,208	\$30,600
3	---	---	---	---	\$17,208	\$28,700	\$20,664	\$34,440
4	---	---	---	---	---	---	---	---
5	---	---	---	---	---	---	---	---
6	---	---	---	---	---	---	---	---

AFFORDABLE HOUSING INVENTORY in PRIMARY MARKET AREA					
File #	Development	Type	Target Population	Comp Units	Total Units
Proposed, Under Construction, and Unstabilized Comparable Developments					
060217	Mariposa at Reed Road	new	senior	172	180
Other Affordable Developments in PMA since 2006					
10225	North MacGregor Arms	rehab	family	n/a	64
10084	Perry Street Apts	new	SRO	n/a	160
09817	Bayou Bend	rehab	family	n/a	107
09170	South Acres Ranch II	new	family	n/a	49
08126	South Acres Ranch	new	family	n/a	81
07291	Cypress Creek at Reed Road	new	family	n/a	132
Stabilized Affordable Developments in PMA (pre-2006)					
Total Properties (pre-2006)		13	Total Units	2,414	

Proposed, Under Construction, and Unstabilized Comparable Supply:

There is a significant amount of recent and proposed HTC development in the PMA, but only one senior project comparable to the subject. Mariposa at Reed Road (#060217, fka Reed Road Residential), with a total of 180 units, is located less than two miles to the west.

OVERALL DEMAND ANALYSIS		
	Market Analyst	Underwriter
Total Households in the Primary Market Area	29,756	31,917
Target Households in the Primary Market Area	12,252	15,399
Potential Demand from the Primary Market Area	3,732	4,553
Potential Demand from Other Sources	0	0
GROSS DEMAND	3,732	4,553
Subject Affordable Units	144	144
Unstabilized Comparable Units	172	172
RELEVANT SUPPLY	316	316
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	8.5%	6.9%

Demand Analysis:

The Market Analyst identifies Gross Demand for 3,732 units based on income-eligible senior households of three persons or less; and a Gross Capture Rate of 8.5% for a total Relevant Supply of 316 units. The Underwriter identifies Gross Demand for 4,553 units based on all income-eligible senior households in the PMA; and a Gross Capture Rate of 6.9%.

The maximum Gross Capture Rate for developments targeting senior households is 10%; the analysis indicates sufficient demand to support the proposed development.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE								
Unit Type	Market Analyst				Underwriter			
	Demand	Subject Units	Comp Units	Unit Capture Rate	Demand	Subject Units	Comp Units	Unit Capture Rate
1 BR/50%	285	70	0	25%	1,151	70	0	6%
1 BR/60%	293	2	84	29%	395	2	84	22%
2 BR/50%	221	60	0	27%	1,113	60	0	5%
2 BR/60%	218	12	70	38%	483	12	70	17%

Primary Market Occupancy Rates:

The market study reports on 13 HTC properties in the PMA with a total of 2,239 units, with current occupancies ranging from 92% to 100%, and averaging 97%. (p. 53)

Absorption Projections:

"Mariposa at Reed Road (LIHTC) Seniors was built in 2008 and leased up 90% of its 180 units in 14 months." (p. 52) This comparable property is still categorized as Unstabilized because it has not been above 90% for 12 consecutive months, but it has effectively been absorbed by the market.

Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. New affordable senior units have been easily absorbed. Today, stabilized affordable projects are just 97% occupied". (p. 57)

Comments:

The market study provides sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's projected rents collected per unit were calculated by subtracting the tenant-paid utility allowances as of January 1, 2010, maintained by the Houston Housing Authority from the 2009 Housing Tax Credit rent limits which apply to HTC applications. 2010 rent limits were released after underwriting for 2010 applications began; therefore, the development was evaluated using 2009 limits. If the Underwriter and Applicant used 2010 rent limits, income would increase by 2% and DCR would be 1.30 and 1.30, respectively, and the recommendation would not have been affected. Tenants will be required to pay all electric utility costs.

The Applicant's estimate of secondary income and vacancy and collection loss are within the Department's guidelines. Overall the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: None Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at \$4,216 per unit is within 5% of the Underwriter's estimate of \$4,200, derived from the TDHCA database, IREM, and third-party data sources. The Applicant's budget shows several line item estimates that deviate significantly when compared to the Underwriter's estimates, specifically: general & administrative (41% lower), payroll & payroll tax (12% higher), repairs & maintenance (31% lower), utilities (40% lower), and property tax (29% higher).

Regarding the difference in G&A estimates, the Applicant stated the lower expense estimate is due partly to the fact that being a new property much of the FF&E were paid in advance by development cost. The Applicant explained the difference in payroll expense by stating that due to the size of the development two office and two maintenance staff personnel will be employed. Of note, the Applicant's estimate is in line with the IREM average for the area and is considered reasonable. The Applicant's explanation for the lower repair and maintenance estimate is that the development being for the elderly translates to a need for less maintenance. The Applicant stated that the lower utility allowance is due to the green components incorporated into the development plans. Of note, the Applicant's overall utility expenses (inclusive of water, sewer, and trash) is within 6% of the Underwriter's estimate and as a result is considered reasonable. Finally, the Applicant explained the difference in property taxes by stating that the Applicant's past experience is that HCAD assesses high values on affordable properties, and that protests are expected to be necessary to lower valuations.

Conclusion:

The Applicant's estimate of total expenses and net operating income are within 5% of the Underwriter's estimates; therefore, the Applicant's year one pro forma is used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the proposed permanent financing structure the calculated DCR of 1.22 falls within the Department's guidelines.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. The Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cash flow. Therefore, the development can be characterized as feasible.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 11.3 acres	\$577,388	Tax Year:	2009
Existing Buildings:	\$51,051	Valuation by:	Harris CAD
Prorated 9.292 acres:	\$474,366	Tax Rate:	2.5237

EVIDENCE of PROPERTY CONTROL

Type:	Commercial Contract - Unimproved Property	Acreage:	9.292
Contract Expiration:	4/15/2011	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$900,000	Other:	
Seller:	Israel Sella	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: One Date of Last Applicant Revision: 7/8/2010

Acquisition Value:

The site cost of \$900,000 which is \$97,858 per acre or \$6,250 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost:

The Applicant's claimed sitework costs over the Departments maximum guideline of \$9,000 per unit. Contributing factors to the sitework costs are a large detention pond on the western portion of the site as well as relatively large parking areas. The Applicant provided sufficient third party certification through a detailed certified cost estimate by a registered architect to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac & Company, to preliminarily opine that \$2,565,000 of the total \$2,565,000 will be considered eligible.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$457K or 5.6% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

30% Increase to Eligible Basis

The development qualifies for a 30% increase in eligible basis because it is located in the Hurricane Rita GO Zone.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,051,500 and the 9% applicable percentage rate supports annual tax credits of \$1,995,026. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

PROPOSED FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 7/8/2010

Source: Capital One Bank Type: Interim Financing

Principal: \$10,000,000 Interest Rate: 5.25% Fixed Term: 24 months

Comments:

Interest shall accrue at a variable rate, which will be determined using the Bank's lending rate which is currently 3.50% + the one month LIBOR rate which is presently 0.25% with a floor rate of 5.25%.

Source: Capital One Bank Type: Permanent Financing

Principal: \$3,250,000 Interest Rate: 8.0% Fixed Amort: 360 months
Term: 15 years

Comments:

The interest rate shall accrue at a fixed rate determined by a 24-month rate lock at or before closing of the loan. Currently, the indicative 24-month forward locked rate would be 8.0%.

Source: City of Houston Housing and Community Development Department Type: Interim & Permanent Financing

Principal: \$920,000 Interest Rate: 0.0% Fixed Amort: N/A months
Term: 15 years

Comments:

The Applicant is proposing a \$920,000 loan from the City of Houston Housing and Community Development Department, at 0% interest, and a 10 year term with no payments required until maturity. Since HOME funds are sourced from the federal government, if HHCDD loaned the funds to the Applicant at these terms, the funds would have to be excluded from eligible basis, due to the option for forgiveness.

Therefore, the City of Houston's Housing and Community Development's loan will be made to the General Partner One Mag Development, LLC and in turn will then lend the Partnership One Mag Partners, L.P. the \$920,000 to be repaid with 0% interest over a term of 15 years from available cash flow; therefore; the funds would not be excluded from eligible basis because the loan terms outlined by the General Partner One Mag Development, LLC will not indicate an option for forgiveness. This report is conditioned on receipt, review, and acceptance, by commitment, of a commitment from the Houston Housing and Community Development to provide a loan to the General Partner One Mag Development, LLC, and a commitment from the General Partner One Mag Development, LLC to provide a loan to the partnership One Mag Partners, L.P., in the amount of \$920,000, with the terms of financing provided, including the rate, term and amortization period.

UNIT MIX/RENT SCHEDULE

Magnolia Place Apartments, Houston, 9% HTC #10290

LOCATION DATA		UNIT DISTRIBUTION			Other Unit Designation							OTHER ASSUMPTIONS		
CITY:	Houston	# Beds	# Units	% Total	PROGRAMS:							DEVELOPMENT ACTIVITY:	New	
COUNTY:	Harris	Eff			Rent Limit	Eff	1	2	3	4	Total Units	REVENUE GROWTH:	2.00%	
SUB-MARKET:		1	72	50.0%								EXPENSE GROWTH:	3.00%	
PROGRAM REGION:	6	2	72	50.0%								HIGH COST ADJUSTMENT:	130%	
RURAL RENT USED:	No	3										APPLICABLE FRACTION:	100.00%	
IREM REGION:	Houston	4										APP % - ACQUISITION:		
		TOTAL	144	100.0%	MISC							APP % - CONSTRUCTION:	9.00%	

UNIT MIX / MONTHLY RENT SCHEDULE

UNIT DESCRIPTION				PROGRAM RENT LIMITS			APPLICANT RENTS				TDHCA RENTS				MARKET RENTS		
Type	# Units	# Beds	# Baths	NRA	Gross Rent	Tenant Paid Utilities (Verified)	Max Net Program Rent	Delta to Max Program	Rent per NRA	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent per NRA	Delta to Max Program	Market Rent	TDHCA Savings to Market
TC 50%	70	1	1	850	\$598	\$81	\$517	\$0	\$0.61	\$517	\$36,190	\$36,190	\$517	\$0.61	\$0	\$905	\$388
TC 60%	2	1	1	850	\$717	\$81	\$636	\$0	\$0.75	\$636	\$1,272	\$1,272	\$636	\$0.75	\$0	\$905	\$269
TC 50%	60	2	2	1,050	\$717	\$105	\$612	\$0	\$0.58	\$612	\$36,720	\$36,720	\$612	\$0.58	\$0	\$1,120	\$508
TC 60%	12	2	2	1,050	\$861	\$105	\$756	\$0	\$0.72	\$756	\$9,072	\$9,072	\$756	\$0.72	\$0	\$1,120	\$364
TOTAL:	144			136,800							\$83,254	\$83,254					
AVG:				950				\$0	\$0.61	\$578			\$578	\$0.61	\$0	\$1,013	(\$434)
ANNUAL:											\$999,048	\$999,048					

PROFORMA ANALYSIS & DEVELOPMENT COSTS

Magnolia Place Apartments, Houston, 9% HTC #10290

INCOME

Total Net Rentable Sq Ft:

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$999,048	\$999,048			
Secondary Income	Per Unit Per Month:	\$20.00		34,560	34,560	\$20.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$1,033,608	\$1,033,608			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(77,521)	(77,520)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				\$956,087	\$956,088			

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.50%	\$365	0.38	\$52,573	\$31,000	\$0.23	\$215	3.24%
Management	5.00%	\$332	0.35	47,804	46,331	0.34	322	4.85%
Payroll & Payroll Tax	15.41%	\$1,023	1.08	147,345	165,000	1.21	1,146	17.26%
Repairs & Maintenance	8.38%	\$556	0.59	80,124	55,000	0.40	382	5.75%
Utilities	4.20%	\$279	0.29	40,176	24,000	0.18	167	2.51%
Water, Sewer, & Trash	5.34%	\$355	0.37	51,048	62,000	0.45	431	6.48%
Property Insurance	5.01%	\$333	0.35	47,880	60,000	0.44	417	6.28%
Property Tax 2.5237	9.31%	\$618	0.65	89,036	115,000	0.84	799	12.03%
Reserve for Replacements	3.77%	\$250	0.26	36,000	36,000	0.26	250	3.77%
TDHCA Compliance Fees	0.60%	\$40	0.04	5,760	5,760	0.04	40	0.60%
Other: Supp. Serv. & Cable TV	0.73%	\$49	0.05	7,000	7,000	0.05	49	0.73%
TOTAL EXPENSES	63.25%	\$4,200	\$4.42	\$604,748	\$607,091	\$4.44	\$4,216	63.50%
NET OPERATING INC	36.75%	\$2,440	\$2.57	\$351,340	\$348,997	\$2.55	\$2,424	36.50%

DEBT SERVICE

Capital One	\$286,168	\$286,168
City of Houston - HOME Funds	\$0	
TOTAL DEBT SERVICE	286,168	286,168
NET CASH FLOW	\$65,171	\$62,829
AGGREGATE DEBT COVERAGE RATIO	1.23	1.22
RECOMMENDED DEBT COVERAGE RATIO		1.22

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		5.02%	\$6,250	\$6.58	\$900,000	\$900,000	\$6.58	\$6,250	4.90%
Off-Sites		0.00%	\$0	\$0.00	0	0	0.00	0	0.00%
Sitework		14.30%	\$17,813	\$18.75	2,565,000	2,565,000	18.75	17,813	13.97%
Direct Construction		45.77%	\$57,000	\$60.00	8,208,000	8,665,000	63.34	60,174	47.20%
Contingency	4.64%	2.79%	\$3,472	\$3.65	500,000	500,000	3.65	3,472	2.72%
Contractor's Fees	13.44%	8.45%	\$10,521	\$11.07	1,515,000	1,515,000	11.07	10,521	8.25%
Indirect Construction		6.04%	\$7,524	\$7.92	1,083,500	1,083,500	7.92	7,524	5.90%
Ineligible Costs		1.72%	\$2,139	\$2.25	308,000	308,000	2.25	2,139	1.68%
Developer's Fees	14.49%	11.71%	\$14,583	\$15.35	2,100,000	2,100,000	15.35	14,583	11.44%
Interim Financing		3.47%	\$4,326	\$4.55	623,000	623,000	4.55	4,326	3.39%
Reserves		0.74%	\$919	\$0.97	132,392	100,000	0.73	694	0.54%
TOTAL COST		100.00%	\$124,547.86	\$131.10	\$17,934,892	\$18,359,500	\$134.21	\$127,497	100.00%
Construction Cost Recap		71.30%	\$88,806	\$93.48	\$12,788,000	\$13,245,000	\$96.82	\$91,979	72.14%

SOURCES OF FUNDS

					RECOMMENDED		
Capital One	18.12%	\$22,569	\$23.76	\$3,250,000	\$3,250,000	\$3,250,000	Developer Fee Available
City of Houston - HOME Funds	5.13%	\$6,389	\$6.73	920,000	920,000	920,000	\$2,100,000
Hudson Housing Capital	77.87%	\$96,980	\$102.08	13,965,182	13,965,182	13,965,182	% of Dev. Fee Deferred
Deferred Developer Fees	1.25%	\$1,558	\$1.64	224,318	224,318	224,318	11%
Additional (Excess) Funds Req'd	-2.37%	(\$2,949)	(\$3.10)	(424,608)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$17,934,892	\$18,359,500	\$18,359,500	\$1,010,748

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Magnolia Place Apartments, Houston, 9% HTC #10290

DIRECT CONSTRUCTION COST ESTIMATE

*Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis*

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$53.68	\$7,342,971
Adjustments				
Exterior Wall Finish	3.20%		\$1.72	\$234,975
Elderly	3.00%		1.61	220,289
9-Ft. Ceilings	3.40%		1.83	249,661
Roofing			0.00	0
Subfloor			2.62	358,416
Floor Cover			2.41	329,688
Breezeways	\$23.05	0	0.00	0
Balconies	\$23.33	13,992	2.39	326,433
Plumbing Fixtures	\$845	216	1.33	182,520
Rough-ins	\$420	288	0.88	120,960
Built-In Appliances	\$1,850	144	1.95	266,400
Interior Stairs	\$1,900	18	0.25	34,200
Enclosed Corridors	\$46.90	15,040	5.16	705,326
Elevators	\$70,300	3	1.54	210,900
Carpets	\$9.70	0	0.00	0
Heating/Cooling			1.85	253,080
Garages	\$30.00	0	0.00	0
Comm &/or Aux Bldgs	\$67.38	7,000	3.45	471,625
Other: fire sprinkler	\$2.25	136,800	2.25	307,800
SUBTOTAL			84.91	11,615,244
Current Cost Multiplier	0.99		(0.85)	(116,152)
Local Multiplier	0.88		(10.19)	(1,393,829)
TOTAL DIRECT CONSTRUCTION COSTS			\$73.87	\$10,105,263
Plans, specs, survy, bld prnt	3.90%		(\$2.88)	(\$394,105)
Interim Construction Interest	3.38%		(2.49)	(341,053)
Contractor's OH & Profit	11.50%		(8.49)	(1,162,105)
NET DIRECT CONSTRUCTION COSTS			\$60.00	\$8,208,000

PROPOSED PAYMENT COMPUTATION

Capital One	\$3,250,000	Amort	360
Int Rate	8.00%	DCR	1.23

City of Houston - HOME Funds	\$920,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.23

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.23

Additional Financing	\$0	Amort	
Int Rate		Subtotal DCR	1.23

Additional Financing	\$0	Amort	
Int Rate		Aggregate DCR	1.23

RECOMMENDED FINANCING STRUCTURE

APPLICANT'S NOI:

Capital One	\$286,168
City of Houston - HOME Funds	0
Additional Financing	0
Additional Financing	0
Additional Financing	0
TOTAL DEBT SERVICE	\$286,168

Capital One	\$3,250,000	Amort	360
Int Rate	8.00%	DCR	1.22

City of Houston - HOME Funds	\$920,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.22

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.22

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.22

Additional Financing	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.22

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

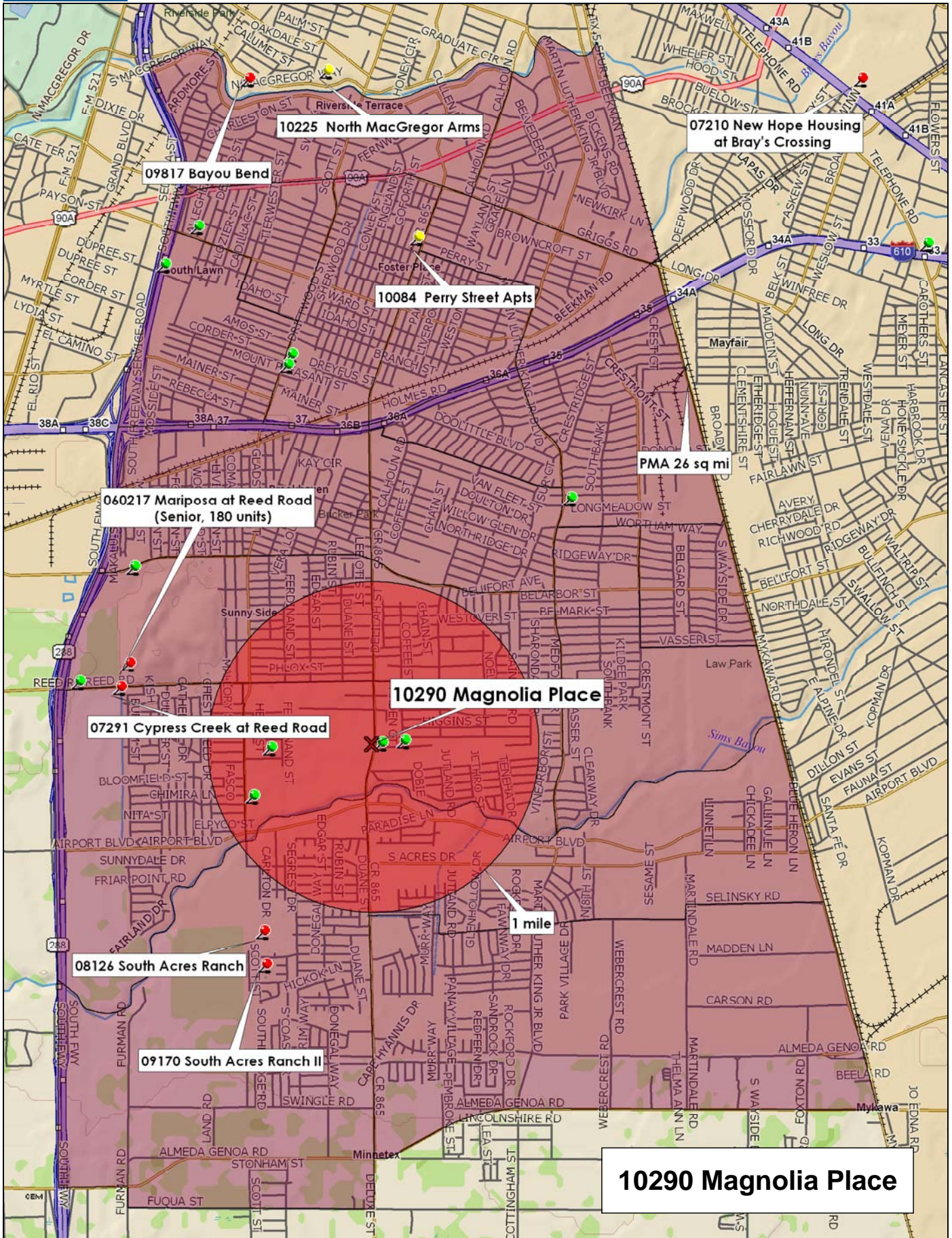
INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$999,048	\$1,019,029	\$1,039,410	\$1,060,198	\$1,081,402	\$1,193,955	\$1,318,223	\$1,455,424	\$1,774,154
Secondary Income	34,560	35,251	35,956	36,675	37,409	41,302	45,601	50,347	61,373
Other Support Income:	0	0	0	0	0	0	0	0	0
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,033,608	1,054,280	1,075,366	1,096,873	1,118,811	1,235,257	1,363,824	1,505,772	1,835,527
Vacancy & Collection Loss	(77,520)	(79,071)	(80,652)	(82,265)	(83,911)	(92,644)	(102,287)	(112,933)	(137,665)
Employee or Other Non-Rental L	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$956,088	\$975,209	\$994,713	\$1,014,608	\$1,034,900	\$1,142,613	\$1,261,537	\$1,392,839	\$1,697,863
EXPENSES at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$31,000	\$31,930	\$32,888	\$33,875	\$34,891	\$40,448	\$46,890	\$54,359	\$73,054
Management	46,331	47,257,5903	48,203	49,167	50,150	55,370	61,133	67,495	82,277
Payroll & Payroll Tax	165,000	169,950	175,049	180,300	185,709	215,288	249,577	289,328	388,833
Repairs & Maintenance	55,000	56,650	58,350	60,100	61,903	71,763	83,192	96,443	129,611
Utilities	24,000	24,720	25,462	26,225	27,012	31,315	36,302	42,084	56,558
Water, Sewer & Trash	62,000	63,860	65,776	67,749	69,782	80,896	93,781	108,717	146,107
Insurance	60,000	61,800	63,654	65,564	67,531	78,286	90,755	105,210	141,394
Property Tax	115,000	118,450	122,004	125,664	129,434	150,049	173,948	201,653	271,005
Reserve for Replacements	36,000	37,080	38,192	39,338	40,518	46,972	54,453	63,126	84,836
TDHCA Compliance Fee	5,760	5,933	6,111	6,294	6,483	7,515	8,713	10,100	13,574
Other	7,000	7,210	7,426	7,649	7,879	9,133	10,588	12,275	16,496
TOTAL EXPENSES	\$607,091	\$624,840	\$643,113	\$661,924	\$681,290	\$787,034	\$909,333	\$1,050,792	\$1,403,744
NET OPERATING INCOME	\$348,997	\$350,369	\$351,600	\$352,683	\$353,609	\$355,579	\$352,204	\$342,047	\$294,118
DEBT SERVICE									
First Lien Financing	\$286,168	\$286,168	\$286,168	\$286,168	\$286,168	\$286,168	\$286,168	\$286,168	\$286,168
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$62,829	\$64,201	\$65,432	\$66,515	\$67,441	\$69,410	\$66,036	\$55,879	\$7,950
DEBT COVERAGE RATIO	1.22	1.22	1.23	1.23	1.24	1.24	1.23	1.20	1.03

HTC ALLOCATION ANALYSIS -Magnolia Place Apartments, Houston, 9% HTC #10290

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$900,000	\$900,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$2,565,000	\$2,565,000	\$2,565,000	\$2,565,000
Construction Hard Costs	\$8,665,000	\$8,208,000	\$8,665,000	\$8,208,000
Contractor Fees	\$1,515,000	\$1,515,000	\$1,515,000	\$1,515,000
Contingencies	\$500,000	\$500,000	\$500,000	\$500,000
Eligible Indirect Fees	\$1,083,500	\$1,083,500	\$1,083,500	\$1,083,500
Eligible Financing Fees	\$623,000	\$623,000	\$623,000	\$623,000
All Ineligible Costs	\$308,000	\$308,000		
Developer Fees				
Developer Fees	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000
Development Reserves	\$100,000	\$132,392		
TOTAL DEVELOPMENT COSTS	\$18,359,500	\$17,934,892	\$17,051,500	\$16,594,500

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$17,051,500	\$16,594,500
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$22,166,950	\$21,572,849
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$22,166,950	\$21,572,849
Applicable Percentage		9.00%	9.00%
TOTAL AMOUNT OF TAX CREDITS		\$1,995,026	\$1,941,556

Syndication Proceeds	0.7000	\$13,965,179	\$13,590,895
Total Tax Credits (Eligible Basis Method)		\$1,995,026	\$1,941,556
Syndication Proceeds		\$13,965,179	\$13,590,895
Requested Tax Credits		\$1,995,026	
Syndication Proceeds		\$13,965,182	
Gap of Syndication Proceeds Needed		\$14,189,500	
Total Tax Credits (Gap Method)		\$2,027,071	
Recommended Tax Credits		1,995,026	
Syndication Proceeds		\$13,965,179	



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